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OFFICIAL REPORT
(HANSARD)

Wednesday, October 28, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, October 28, 1998

The House met at 2 p.m.

Prayers

• (1400)

The Speaker: As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Saanich—Gulf Islands.

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

STATEMENTS BY MEMBERS

[English]

LIZ WARDEN

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I am pleased to stand in this House today to congratulate Liz Warden who swam a personal best and won a silver medal in the 400 metre individual medley at the 16th Commonwealth Games in Kuala Lumpur, Malaysia, in September.

As originally a member of the Scarborough swim club and presently with the University of Toronto, Liz represented Canada with pride and accomplished a great feat.

She is now training to go to the World Cup in Edmonton on November 28 as a member of the Canadian swim team. Liz was telling my daughter and I that she practices six hours a day.

I congratulate Liz. She is a role model for what dedication, hard work and perseverance can achieve. Canada is proud of her. I wish her luck in her next event.

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CANADIAN FARMERS

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, many farmers across this country, especially in western Canada, are facing an income crisis. This is through no fault of their own. The Asian economic situation is part of the cause, but government

inaction, unreasonable user fees and tax increases over the past five years are the unforgivable causes.

Unreasonable fees have been charged through so-called cost recovery programs. Tax increases on fuel and other inputs have squeezed farmers too hard.

Farmers do not want handouts. All they want is fair treatment. That is why back in the 1993 election campaign and during discussion on the elimination of the Crow subsidy Reform MPs called for the government to put at least part of the value of the Crow into its trade distribution adjustment program. This fund would, as I speak, be paying money to farmers to help compensate for low prices caused by unfair trade practices in other countries.

But did this government listen? No. This government abandoned Canadian farmers. Now what is this government going to do?

* * *

[Translation]

NATIONAL SLEEP AWARENESS WEEK

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, I am pleased to draw the attention of the House to the fact that the week of October 19 to 25 has been designated National Sleep Awareness Week.

[English]

This week, which coincides with the changing of the clocks, reminds us how important sleep is to our everyday lives. Over two million Canadians suffer from sleep disorders such as insomnia and sleep apnea during which breathing actually stops. Sleep disorders affect the quality of life by decreasing alertness and performance.

Sleep/Wake Disorders Canada, a national voluntary health organization with chapters across the country, recruits and trains volunteer leaders who help people suffering from sleep disorders to improve the quality of their lives.

Please join me in supporting the work of Sleep/Wake Disorders Canada and in wishing them a successful national sleep awareness week.

I would also like to take this opportunity to inform the House that today my granddaughters and my grandson, Findlay, Tillie and Max—

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

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[*Translation*]

RADIO NORD

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, Radio Nord has asked the federal labour minister to give mediator Jacques Lessard the power to decide the 85 employees' future terms and conditions of employment. What Radio Nord is asking for represents an abuse of power. The minister is not authorized under the Canada Labour Code to impose terms and conditions of employment on the employees of Radio Nord.

In fact, according to the union, it is contrary to the spirit of the code, because section 107 provides at most that the minister may do such things as to him seem likely to maintain or secure industrial peace and to promote conditions favourable to the settlement of industrial differences.

Radio Nord is basically asking that the right to free collective bargaining and, where legitimate, to go on strike to advance their demands be taken away from the employees. In addition, the employer abolished a dozen or so positions during the conciliation process.

The union believes that a negotiated solution is the preferred option for the employees and for the people of Abitibi-Témiscamingue, who complain about the fact that Radio Nord has been cutting back services for several years.

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[*English*]

COMMONWEALTH JEWISH COUNCIL AND TRUST AWARD

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I would like to pay tribute to this year's recipient of the Commonwealth Jewish Council and Trust Award.

He is one of the finest public servants this country has ever known. For over 30 years before and after his election to parliament he has consistently been a champion of justice, an advocate of fairness, a visionary and a compassionate friend of the people.

The Commonwealth Jewish Council and Trust Award is given to those who have gone beyond the call of duty to help their fellow human beings and whose contribution has been truly outstanding.

Other Canadians who have received the awards are Judge Maxwell Cohen and Mrs. Dorothy Reitman.

I join all my colleagues and all Canadians in congratulating our Deputy Prime Minister, the hon. member for Windsor West, on this latest addition to his many achievements.

ABORIGINAL AFFAIRS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, last week Judge Tom Goodson, an aboriginal member of the provincial court of Alberta, was appointed to conduct a fatality inquiry into the shooting of Connie and Ty Jacobs.

I hope that Judge Goodson will follow in the footsteps of Judge Reilly and investigate this case as broadly as possible. He would be doing all aboriginals a great service if he were to investigate the social conditions, accountability of band leaders and financial mismanagement on this reserve.

I would hope he would consider looking into why Connie was living in a condemned house and why there is a chronic housing shortage on a reserve that received over \$20 million last year, or why these people in August took over deserted army barracks on the reserve in the hope of better housing.

Why do these people continue to live in poverty and ill health, plagued by violence and unemployment despite the billions of dollars of public money reserves receive each year?

This inquiry cannot assign blame, but Judge Goodson can make many recommendations on how to prevent such an incident from happening again and subsequently change the quality of life for all aboriginals across Canada.

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[*Translation*]

NEW INFORMATION TECHNOLOGIES

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, last Friday, the Canadian government announced \$10.5 million in comprehensive financial assistance to implement approximately 20 projects related to new information technologies and new media in the greater Montreal area.

A first financial contribution was made to Behaviour Communications Inc. This \$9 million contribution will generate investments totaling \$30 million and the creation of 200 new jobs.

Eighteen businesses sponsored by the multimedia consortium CESAM were granted \$1.5 million out of the multimedia experimentation fund. This government support is provided as seed money for new businesses.

It goes without saying that governments and their private sector partners must work together to create conditions conducive to attracting highly skilled labour to Montreal and curbing the drain of talents and skilled resources.

The Canadian government encourages Quebec initiatives and ensures that our businesses can assume their rightful place.

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[English]

WILNO, ONTARIO

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, if hon. members don't know, they and all of Canada will know about Wilno when they watch *On The Road Again* tonight on CBC television.

• (1405)

Host Wayne Rostad visited Wilno, the oldest Polish settlement in Canada, which is yet another incredible attraction in the great riding of Renfrew—Nipissing—Pembroke.

Mr. Rostad said "I have been aware of a very special quality that this region holds for people. There is a real spirit of neighbourliness. There is a sense of community. There is magic in the hills of Wilno."

Mr. Rostad visited the famous Wilno Tavern on Tuesday blues night where he met many of the local musicians, artists and colourful characters who make Wilno and area such an incredibly diverse community. One of those artists is marionette maker Alex Sztasko whose lifelike puppets reflect the character of this region.

Mr. Rostad added: "Alex is a person who is perfect for our show because we bring Canadians to Canadians."

Now, Mr. Speaker, you know about Wilno.

* * *

CHILD ABUSE PREVENTION MONTH

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, October is child abuse prevention month.

In 1997, children's aid societies in Ontario conducted 96,039 investigations into suspected cases of child abuse and neglect. This includes 634 cases investigated by the Children's Aid Society of the Region of Peel. It is one of a number of child welfare agencies holding purple ribbon campaigns in October to educate, advocate and generally raise awareness about child abuse. Up to 12,000 ribbons will be distributed in the Peel region.

While child abuse prevention month and the purple ribbon campaign end this Saturday, I wish to remind Canadians that every person who has reason to suspect that a child is being abused or may have suffered from abuse must report that suspicion to a Children's Aid Society.

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THE NISGA'A LAND CLAIM AGREEMENT

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, on August 4 the Liberal government initialled the Nisga'a Land Claim Agreement with much fanfare and hype.

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The provincial NDP government, also a signatory to the agreement, is now spending millions of taxpayers' dollars in a paid campaign reminiscent of the Charlottetown accord.

Once again all of the talking heads who told us why Charlottetown was the only hope for Canada are trotted out to tell us why we must have the Nisga'a agreement.

The parallels are striking. An agreement is crafted behind closed doors by an elite group of politicians and intellectuals. The public is told in no uncertain terms that the agreement cannot be changed and must be accepted to save the country. The intelligentsia lauds the agreement in glowing terms without hesitation or reservation and those who express concern or opposition are labelled the "enemies of Canada" in the case of the Charlottetown accord or the "forces of darkness" in the case of the Nisga'a agreement.

These are all clear indications of governments which are morally adrift, intellectually bankrupt and distrusting of their public.

When governments make major changes to the social contract they must never do so—

The Speaker: The hon. member for Winnipeg—Transcona.

* * *

MEDICARE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, tonight the Canadian Medical Association will induct Tommy Douglas into its hall of fame. Tommy would be pleased to see how much things have changed since the doctors' strike in Saskatchewan, how the medical community itself appreciates the virtues of publicly funded health insurance and how they are, along with others, trying to save it from death by underfunding.

But Tommy would also want us to note that medicare still has its enemies, both seen and unseen: seen in the form of the Reform Party which openly advocates an American two-tier system, and unseen, or at least hiding, in the form of the federal Liberal government which has knowingly created the conditions that may allow the enemies of medicare to succeed.

Tommy's warning in his final years about medicare was "Don't let them take it away." The NDP urges all Canadians to heed his warning and keep an eye on the Reformers and the Liberals.

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[Translation]

JOURNÉES QUÉBÉCOISES DE LA SOLIDARITÉ INTERNATIONALE

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, we are celebrating this week the Journées québécoises de la solidarité internationale.

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This is an opportunity to reiterate our commitment to the Universal Declaration of Human Rights. Everyone in Montreal, Sherbrooke, Trois-Rivières, Quebec City and in the Outaouais, Abitibi, Lanaudière, Bois-Francs and Saguenay—Lac-Saint-Jean regions is invited to take part in the numerous activities organized in co-operation with the Quebec Ministry of International Relations, to discover the Quebec way of showing solidarity with the rest of the world.

For example, the Quebec government provided financial assistance to the victims of a hurricane in the Dominican Republic and, on November 20, a collective mural on human rights will be unveiled in the national assembly.

• (1410)

The reason Quebecers are increasingly involved on the international scene is not only to assert their identity, but also to show their solidarity towards the other nations of the world.

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[English]

DIABETES RESEARCH

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, when Ayden Byle arrived today on Parliament Hill he was greeted by supporters for his gruelling efforts to run across Canada to raise funds by way of sponsorship and public donations for research into a cure for diabetes.

Ayden started his journey on June 1 in Stanley Park and will be ending his trek this December 1 in Halifax. Although Ayden has been an active athlete throughout his life, at 24 he is insulin dependent and requires five injections a day.

He hopes his run will generate a greater public awareness of diabetes and truly wishes to become a recognized role model for young children struggling with the physical and psychological aspects of this disease.

I encourage all my hon. colleagues to join me in wishing Ayden our best wishes for his success on his journey across Canada.

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[Translation]

QUEBEC SHEEP INDUSTRY

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, the sheep producers are on Parliament Hill.

They are demonstrating against the arrogant attitude of the Liberal government, which has only mediocre solutions to offer.

While the Minister of Agriculture claims to be concerned about the financial and emotional burden of producers, his government limits its support to a compensatory measure penalizing all the

sheep producers who complied from the start with the orders from the Canadian Food Inspection Agency.

Today, the producers are demonstrating outside the House of Commons to send a cry for help, to ask the government to save the Quebec sheep industry. The Minister of Agriculture is very clearly showing that he is completely out of touch with the dramatic situation experienced by our sheep producers.

The problem for Quebec sheep producers is not scrapie, but the slaughter ordered by the federal government, with no real basis to justify that decision.

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[English]

CANADA POST

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, two years ago Canada Post proposed that every resident living in rural New Brunswick change their address. They argued that general delivery had to go and what everyone needed was a unique number and street address.

They sold this idea by promising that the province would implement a 911 emergency system in rural areas, so everyone agreed.

Now two years later we are learning the truth. This new addressing is being paid for by Canada Post customers. Canada Post is telling its customers that if they want to receive mail they must first pay a \$34 change of address fee. Businesses and non-profit organizations such as the Volunteer Family Services Food Bank must pay an exorbitant \$150 fee because Canada Post unilaterally changed their address.

This is outrageous. It is also wrong to ask seniors on a fixed income to pay this fee.

I call on the minister to extend the waiver period on these fees until rural customers have time to notify everyone of their new address.

* * *

CANADIAN STEEL, CHINESE GRIT

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, I am very pleased to announce the parliamentary premier of the film *Canadian Steel, Chinese Grit* on November 4. The documentary is a China-Canada joint production recognizing the role of Chinese workers in building the CPR.

The film reveals the lives of those courageous Chinese pioneers. It shows that their contribution to Canadian political and economic development has left a legacy that deserves a special place in Canadian history.

AGRICULTURE

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, an agricultural economic crisis is sweeping the prairies, but this lawyer-infested government is oblivious to it.

The United States and the European Union value and protect their farmers, but the Canadian agriculture minister has yet to acknowledge the existence of a crisis here. So far his only strategy to save producers from bankruptcy is to point to NISA, even though the average NISA account would not even pay for a farmer's fertilizer and chemical bills, let alone fuel, taxes, freight and so on.

• (1415)

I urge the minister to take his head out of the sand and listen carefully on November 4 when he meets with farm leaders and his provincial counterparts. I am sure he will get an earful. Perhaps then he will be persuaded to take the farm crisis seriously.

ORAL QUESTION PERIOD

[English]

EMPLOYMENT INSURANCE

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, section 66 of the Employment Insurance Act safeguards moneys paid by workers and employers into the fund. It is to be used to make insurance payments to unemployed persons and for no other purpose. Despite this law the Prime Minister wants to grab the surplus from this fund and spend it on other things.

Does the Prime Minister intend to break the law, or does he intend to change the law to permit him to raid the employment insurance fund?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if I understand correctly, yesterday the Minister of Finance quoted the program of the Reform Party which was advocating that we should use the surplus of the EI fund to reduce the debt. It is not what we have done.

Every year since we have been in government we have reduced the premium, which was supposed to be \$3.30 on January 1, 1994. We have reduced it to \$2.70 in the last budget.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the finance minister quoted from a 1995 document when the deficit was \$38 billion. I remind the Prime Minister this is 1998.

Oral Questions

The average worker is paying \$350 too much per year into the insurance fund. The average small business is paying \$500 per worker too much into the fund, but any surplus still belongs to the people who paid it.

Will the Prime Minister come clean and make his position clear? Does he acknowledge that these funds belong to the workers and the employers? Yes or no.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in 1995 when the Reform Party was asking us to use the surplus to reduce the debt we were using the surplus to reduce premiums.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Prime Minister claimed the other day he wanted an open debate on this issue, but he has failed to bring an amendment before the House for debate to change the EI fund.

Instead he is sending his finance minister to meet with the employment insurance commission to try to change the rules behind closed doors.

Will the Prime Minister commit to a debate and a vote in the House on an amendment to the Employment Insurance Act, or will he try to change it behind closed doors through regulations and orders in council?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, everybody should know that to change the law we have to come to the House of Commons. If we decide to change the law, we cannot change the law by the back door; we have to come to the House of Commons. I learned that in April 1963 when I became a member of parliament.

* * *

APEC INQUIRY

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, in 1963 he did not have the APEC problem either. This on his fingers right now.

I would like to ask the Prime Minister—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Edmonton North.

Miss Deborah Grey: Mr. Speaker, it is evident now that the solicitor general, the chairman of the commission and the RCMP are all saying that they think the RCMP may have gone too far in APEC. Who will decide if the Prime Minister went too far?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it was a very good situation in 1963. We did not have the Reform Party in Canada.

Some hon. members: Oh, oh.

The Speaker: The Right Hon. Prime Minister.

Oral Questions

• (1420)

Right Hon. Jean Chrétien: We have learned too that when there is an inquiry under a law of parliament we let the inquiry do its job. The inquiry will look at all aspects.

I am not worried at all, but I am worried about the opposition being so inept in opposing the government.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I guess it takes inept to know inept.

This commission is not even operating right now and the Prime Minister knows that. Even if it is called back into procedure, the government and the Prime Minister know that they only have the option of checking into behaviour and actions of the RCMP and not of the Prime Minister.

The Prime Minister knows that it will not subpoena him or the documents that his people are deliberately hiding. When will we get a full judicial inquiry into this matter?

The Speaker: We are impugning motive. I would like hon. member to withdraw the word deliberately.

Miss Deborah Grey: Excuse me, Mr. Speaker. I will withdraw that word.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, everybody knows that at that time my task was to chair a meeting of 17 leaders of the world, the President of the United States, the President of China, the Prime Minister of Japan and so on, and that it was in the midst of a financial crisis in the Pacific area.

At that time I did not have time to discuss anything with the police. Anybody with common sense would know that.

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[Translation]

SOCIAL UNION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Prime Minister told us he was prepared to consider changes to the Constitution if the Quebec government behaved and if all provinces reached a consensus.

There are examples of strong consensus that we can give this consensus-seeking gentleman: in Saskatoon, last summer, all the premiers agreed that there should be a provision to opt out of any new federal program with full compensation.

Since there is consensus on the social union, what is the Prime Minister waiting for to take action?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the discussions now being held on this topic are the result of an initiative I myself took at the first ministers' meeting last December, together with the premier of Saskatchewan.

We said that everyone had to work together to develop a social union program in Canada that would respect everyone's jurisdictions. We received the provincial governments' proposals a few months ago and the Minister of Justice, who is leading the negotiations, met with her colleagues a few weeks ago.

We are not responding to a request on which all provinces agree. It was an initiative—

The Speaker: The Leader of the Bloc Québécois has the floor.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is unfortunate that you cut the Prime Minister off because what he actually told the premiers was that, if they wanted to run Canada, all they had to do was get themselves elected Prime Minister. Such arrogance!

After statements such as this, how can we believe that the Prime Minister wants to sort anything out? Why does he bother to string people along before referendums are held, if all he intends to do later is sit back and do the exact opposite? That is what he has always done.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, today the Premier of Quebec decided to call an election and I can see that it is making the Bloc Québécois very nervous.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the Prime Minister says he needs a consensus to act.

In Saskatoon, the premiers agreed that the federal government should refund the \$6.3 billion in cuts to the social transfers.

My question is for the Prime Minister. If he is serious, why does he not act?

• (1425)

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, in order to eliminate the \$42 billion deficit, Canadians had to make sacrifices, and the government watched to make sure these sacrifices were fair.

For example, we did not touch the equalization payments. George Matthews, an economist who has worked very closely with the Bloc, has calculated that an additional \$4.5 billion still goes into the Quebec government's coffers year in and year out. This is what Canadian solidarity is all about.

* * *

HEALTH

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the Prime Minister says he needs a consensus before he will take action.

All of Canada is asking him to take a portion of the budget surpluses and return it to the provinces for use in the health sector, because that is the priority everywhere.

*Oral Questions***APEC INQUIRY**

If he is serious, why is he doing nothing?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the day before yesterday in Toronto I gave a speech in which I again repeated that the government's priority in the next budget would be the health sector.

Obviously, however, the Bloc Québécois is not interested in the real world. But, if any major consensus has come out of Quebec in the last two referendums, it is that Quebeckers want to remain in Canada.

* * *

[English]

POVERTY

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, at a conference this morning the human resources minister told a story about a panhandler reluctant to accept money from a young father in case his child needed the money tomorrow. Pitting the needs of a desperate, poor man against the needs of children is moral bankruptcy. That is precisely what the minister's story illustrates.

Can the minister not understand that this approach will never solve the problem of growing poverty in the country?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am sorry the leader of the NDP was wrongly briefed about an anecdote I used this morning at a very important conference on children.

I was expressing that in Canada and in the government Canadians want their children to come first. Indeed an assistant of mine rolled a stroller by a hotel and a panhandler seeing the child said "I don't want that money because it would be better used on the child".

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, 500,000 more children have been driven into poverty by the government and this minister is proud of that record.

The Liberals' child tax benefit program excludes many of the poorest children in the country. He knows that because he designed it that way.

What would it take to persuade the minister to fix the program so that all poor children benefit?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the national child tax benefit, in which the government will invest \$1.7 billion every year as of next year, was designed by this government and the governments of the provinces including the two NDP governments of the provinces of British Columbia and Saskatchewan.

This national child tax benefit will help parents to get off welfare and go out into the labour market without penalizing their children, which is the problem now in Canada. That is how we can help children.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, apparently the RCMP recommended that charges be laid against 11 officers with respect to their actions against protesters at last year's APEC summit.

If the RCMP felt that charges should be laid against their officers, who instructed the crown not to proceed? If the crown can instruct charges to be laid when accusations are groundless like Airbus, why were charges not laid here?

The plot thickens. Will the solicitor general tell us what he is going to do?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the decision as to whether to lay charges was a decision of the attorney general's department of British Columbia.

• (1430)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, there is evidence of political interference at the highest levels of this government. First Airbus, then Somalia, and now APEC. To what ends will this government go to prevent the truth from coming out?

Canadians want a government that is honest and accountable, not a Prime Minister obsessed with getting his own way to protect his partisan interests.

I ask the Prime Minister to display courage and integrity and stop this charade. Will he put the APEC affair into the hands of an independent judicial inquiry or is he afraid of what might be uncovered?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, parliament has already decided how Canadians should deal with complaints against the RCMP. It is the public complaints commission. It was established in 1988. It has a good record. It is internationally respected and it is on the job now. It is master of its own proceedings. This government respects this parliament's decision to establish that commission.

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[Translation]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the Prime Minister says he needs a consensus to act.

There was a national consensus on employment insurance. All the provinces, all the opposition parties, everyone is asking him not to touch the employment insurance surplus.

If he is serious, why does he not act?

Oral Questions

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, our government's attitude toward this country's public finances has always been extremely responsible.

We have also behaved responsibly with the employment insurance fund, managing it a little more interestingly than was done before we took office.

We have a surplus, where the employment insurance fund used to have a deficit. The opposition should rise and congratulate us for this surplus, which stabilizes our finances.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the Prime Minister says that a consensus must be achieved before he can act.

Everyone in Canada is asking him to lower EI premiums and to use the EI surpluses to improve protection for the unemployed.

If he is serious about this, why is he not acting?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, when we took office, the EI rate was going up to \$3.30. We have lowered it every year since. Just last year, we lowered it another 20 cents, to \$2.70. This goes to show that we are committed to a steady reduction, which is an excellent thing.

In addition, we have developed, for those who were not covered by the employment insurance system, a youth employment strategy designed to help young people enter the labour market.

We have put \$300 million into the transitional jobs fund while reducing—

The Speaker: The hon. member for Skeena.

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[English]

ABORIGINAL AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, many grassroots aboriginals on reserve are demanding forensic audits as tens of millions of dollars in band funds have gone unaccounted for.

According to information obtained under access to information by the Reform Party, the Department of Indian Affairs and Northern Development refuses to conduct investigations unless it is requested to by the band's leadership. This is a ridiculous conflict of interest.

Will the Minister of Indian Affairs and Northern Development acknowledge that it is preposterous to believe that any chief or council would ever ask to have themselves investigated?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, in my view what the hon. member is clarifying is the relationship that the Reform Party would build with First Nations in this country if it had a chance. What the Reform Party would do is make sure it took \$1 billion out of services and programs that go directly to First Nations. The Reform Party would ensure that the Department of Indian Affairs and Northern Development used nothing but policing mechanisms like forensic audits.

We have learned that we have to go beyond that controlling relationship and build a partnership with First Nations.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I want to quote from these access to information documents: "Forensic audits are extremely expensive and time consuming, and a request from a few upset band members would not be enough to warrant one".

• (1435)

Surely an urban Liberal like the minister of Indian affairs can understand that people who are freezing and starving in tarpaper shacks are not—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Skeena.

Mr. Mike Scott: Mr. Speaker, surely the minister can understand that people who are freezing and starving in tarpaper shacks are not being frivolous when they ask for these forensic audits.

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, let me clarify that I am a farm girl. Like all farmers and indeed all Canadians, we understand that in order to be effective all governments must be accountable and transparent. The First Nations understand that as well.

That is why in partnership with this government we are working on a program to review the management practices of every First Nation in Canada. We are doing that at the local level. At the regional level, chiefs like the chiefs of Alberta are coming together to set minimum standards for accountability practices in their work with their communities. At the national level—

The Speaker: The hon. member for Wild Rose.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I find the minister's answers to be ridiculous. I have been visiting the reserves in my riding and in Alberta for five years. People are living in old broken down buses. They are sitting on apple crates. Nothing is happening because this minister refuses to talk to the people. When will she talk to the grassroots, find out what the problems are and come up with some solutions?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am glad the hon. member is visiting First Nations communities. With that experience maybe he

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can talk to his leader and his party and explain to them why cutting \$1 billion out of the programs and services, which include houses and schools, to First Nations would be absolutely ridiculous.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, you bet I would cut \$1 billion and it would come from the minister's bureaucracy—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Wild Rose.

Mr. Myron Thompson: Mr. Speaker, after we saved the \$1 billion by getting rid of the bureaucracy, we would give it to the people who need it the most.

Jerry Fontaine is the chief of the Sagkeeng reserve. His reserve is \$11 million in debt. It has ordered a \$12 million school although it does not have any money. It spends over half a million dollars a year on wages for chiefs and council. Why does this minister not order a forensic audit for that reserve? It deserves it.

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, first let us be clear that 90% of funding that comes through my department goes to First Nations for programs and services. Beyond that let us understand what the Reform Party is saying. It wants to cut money, it wants forensic audits, it wants to pit members in one community against each other. I will have none of it, none of it.

* * *

[Translation]

HARMONIZATION OF THE GOODS AND SERVICES TAX

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Prime Minister says he needs a consensus before he will budge. In St. Andrew's, all the premiers asked him to review his GST harmonization program, which unjustly deprives Quebec of \$2 billion in compensation. Even Jean Charest thinks that Quebec was had.

If the Prime Minister is serious, why does he refuse to budge?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in circumstances such as those described, the government provides compensation when there has been a loss. In Quebec's case, there was no loss. We compensated the provinces that suffered losses, but if there was no loss, there was no compensation.

* * *

• (1440)

MILLENNIUM SCHOLARSHIP FOUNDATION

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, the Prime Minister said a consensus had to be achieved before he could act. In

Quebec, there is a strong consensus against the millennium scholarships. Quebec wants to be able to opt out with full compensation.

If the Prime Minister is serious, what is he waiting for to act?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the broadest consensus in Quebec is about not having another referendum.

On May 14, 1998, the national assembly unanimously passed a motion proposing an approach, and the Prime Minister has responded to premier Bouchard, saying that the foundation has every flexibility and power necessary to enter into specific agreements with the Government of Quebec, and this, in the spirit of the May 14 motion, which the premier's government itself approved. That is what the consensus is about.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Derrek Konrad (Prince Albert, Ref.): Mr. Speaker, we have had reports of children living in poverty, reports of band accounting irregularities and reports of band leaders living jet-set lifestyles. We have been calling for forensic audits on reserves from the start.

I want to quote what one person from the Waterhen reserve in Saskatchewan said: "We will not ignore this continued problem in mismanagement at the expense of our children and for our future generations". It is over a year since those words were said.

When will the minister quit ignoring the problem, take the matter seriously and announce a forensic audit?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I take the challenges facing aboriginal people in Canada very, very seriously.

I can say that the solutions being recommended by the opposition will not work. They are the solutions we have been trying to apply for the last 100 years and we still have real challenges.

Rather, this government understands that if we are going to build sustainable solutions that will make the lives of aboriginal people in Canada better, we have to do it together. We have to do it with a planned approach. We have to change the relationship we have had in the past by building human capacity and develop our communities as entities in and of themselves.

Mr. Derrek Konrad (Prince Albert, Ref.): Mr. Speaker, we have seen nothing but problems on this minister's watch. We are calling for a forensic audit of all of this. On the Waterhen reserve in Saskatchewan they have uncovered accounting irregularities that date over a year and there has not even been a response.

Oral Questions

When will the minister look at her partnership with the leadership and develop a partnership with the people, the rank and file natives who are asking for a forensic audit?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, let me give an example of how this partnership is working.

They have called for a forensic audit which we know will not help in the sustainable development—

Some hon. members: Oh, oh.

The Speaker: The hon. minister of Indian affairs.

Hon. Jane Stewart: Mr. Speaker, if we look at the Sahtu First Nation for example, there are real challenges there. What has happened is the chief and council are working with their community members. They have established a commission of inquiry that has made reports to the chief and council—not by the chief and council—with a number of recommendations that are now being worked on by the grassroots aboriginal people and their leaders to make sustainable development changes for that community.

* * *

[Translation]

SCRAPIE

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, the minister of agriculture has just established a program recognizing that sheep producers struggling with scrapie could lose \$600 a head.

Now that the minister recognizes the amount of the loss, why is he not being fair with all producers by permitting compensation to be retroactive, which is possible under an ad hoc program, as he did for the western grain producers in crisis.

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I pointed out to the hon. member before that retroactivity is illegal according to Canadian law. We do not wish to participate in that for that very reason.

• (1445)

What we have done is pay \$2 million over the last two or three years to sheep producers who have been unfortunately affected. We doubled the cap for animals yesterday for compensation.

I remind the hon. member again that the retroactivity is illegal under the existing law. We are also putting \$1 million into animal identification in Canada. We are putting close to \$400,000 into research to work on the disease that is affecting sheep in Canada.

The Farm Credit Corporation has put a 24 month loan deferral program in place. In the last three or four years we have given over \$200 million to the province of Quebec on an equitable basis to assist its farmers in unfortunate farm income situations like this.

* * *

NATIONAL ARTS CENTRE

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, my question is to the Minister of Canadian Heritage.

The National Arts Centre is a very important Canadian cultural institution. In light of the recent changes at the National Arts Centre, could the minister tell the House how she intends to ensure the continued success of the NAC?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I thank the hon. member and members opposite who have raised questions about the recent changes at the NAC.

I underscore how much the National Arts Centre is important not only for the Hull-Ottawa region but also as a cultural centre for the whole of Canada. I am confident that if we respect the arm's length autonomy of the board and we respect the principle that the government should not be manipulating behind the scenes we will see the resurgence of the National Arts Centre as a centre where all Canadians can see our culture on Canada and the world stage.

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THE ENVIRONMENT

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, we need to stop interrupting question period for these Liberal commercials.

Some hon. members: Oh, oh.

The Speaker: My colleagues, all questions in this House have equal value. The hon. member for Lethbridge.

Mr. Rick Casson: Mr. Speaker, I will get right to my question. It has been almost a year since this government came back from Kyoto with its climate change position. We have a week to go to Buenos Aires and the minister claims to be ready. However, the commissioner for the environment says different. He says that Canadians have not seen a written agreement with other levels of government. They have not seen an implementation plan and they have seen very little leadership from this government on this issue. So why go to Buenos Aires? Where is the plan or is just another holiday in the sun?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, this government is acting with all partners across this country, the provinces and the territories.

The Minister of Natural Resources and I met with our energy and environment counterparts in Halifax a couple of weeks ago. We are

Oral Questions

working together with 450 experts across the country to put in place an implementation strategy. At the same time we announced in Halifax new measures to engage the public at the grassroots level because we know Canadians are concerned about this issue and they want to set their own targets for reductions of greenhouse gases so that we as a nation can meet our target.

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, what my colleague asked was what is the plan going to Buenos Aires. Next week 160 countries are meeting to go over the Kyoto protocol at the negotiating table. However, according to foreign affairs and environment Canada officials testifying before committee, Canada does not have a plan. We still do not have a plan.

• (1450)

We are going to negotiations next week. Will the minister state now what is Canada's plan going to those negotiations in Buenos Aires next week?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, last year in Kyoto Canada set a very important target for itself along with other members of the developed world.

When we go to Buenos Aires next week we will be discussing how we can put in place a plan of action internationally. We want to make sure we have an internationally acceptable definition for emissions trading, clean development mechanism, joint implementation and sinks. We are going to work very actively in showing leadership in getting consensus on these timetables.

* * *

SOCIAL POLICIES

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

Last week it was reported the number of middle class Canadians has dropped by 16% in the last two decades. The wealthiest 10% of families now make 314 times more than the poorest 10%. This is not a surprise.

Since taking office this government has cut social programs, broken its promise on child care and gutted unemployment insurance.

When will this government stop pursuing policies that continue to widen the gap between the rich and the poor?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the figures on the widening gap between the rich and the poor are obviously a concern in every industrial country.

Canada suffered a very deep and profound recession in the period 1989 to 1992 which certainly traumatized a series of Canadian families. That is what we are in the process of seeing.

That is why when this government took office not only did it proceed to eliminate the deficit but it brought in the national child tax benefit and put another \$1.8 billion into it.

That is why we put a series of measures into helping mothers go back to school. That is why we put in a series of measures helping the working poor. It is why we dealt with education. It is in fact—

The Speaker: The hon. member for Dartmouth.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I do not think the minister understands the gravity of the situation.

Children are sleeping in overcrowded shelters, on hot air grates and in abandoned cars and it is starting to get cold. Today the city of Toronto passed a motion by a vote of 53 to 1 calling on the federal government to declare homelessness a national disaster.

Will the federal government take emergency action and use its resources now and open armouries and surplus office space to give shelter to the 200,000 homeless across Canada before winter sets in?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in 1997 for the first time in over 15 years the standard of living of Canadians began to increase. For the previous 15 years it had been decreasing.

That is a very important. It is only by an increasing standard of living, by putting more Canadians back to work, over a million since we took office, it is only by giving Canadians skills, only by understanding that the purpose of government is not simply to help the rich, which the Reform Party would focus on, but the least fortunate, that we will be able to deal with our very real and serious problems.

* * *

AGRICULTURE

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, agriculture is in crisis.

Producers are selling at a loss. Income is down 55%. This is a \$20 billion industry and the minister is fiddling while farmers are going down in flames.

The U.S. just announced an additional \$6 billion for its support programs. The Liberal government has actually cut farm income support by 60% since it took office and rates second to last by the OECD.

The time for meetings is over. The time for action is now. What is the minister's plan and how much?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I appreciate the hon. member's concern but I have a question to ask him.

Oral Questions

Why in the Conservative platform in the 1997 election did he say his government would continue to expand the practice of cost recovery in areas of food inspection and regulatory oversight, speed up the elimination of subsidies and take more than \$600 million out of the agriculture and agri-food industry?

• (1455)

I am meeting with the industries to work with the producers and the provincial governments to address this serious situation. I am not taking the approach the member would.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, the minister by that answer is obviously not aware that there is a serious farm crisis right now. This minister keeps hiding behind NISA but NISA is not enough. Perhaps this minister should take some lessons from the minister of fisheries. He seems to find money for his industry.

When it comes to agriculture their pockets are empty. Is this because there is no political will from the minister of agriculture?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I think we are showing political will, which is not cutting. We have one of the strongest safety net systems in the world. We are reviewing that at the present time in co-operation with all the players in the industry. We will continue to do that in order to continue strengthening our agri-food industry which I will agree is in a serious situation.

I look forward to the member's constructive offers of help in addressing this on behalf of Canadian farmers.

* * *

FOREIGN AFFAIRS

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, my question is to the Minister of Foreign Affairs. Aleksander Nikitin, a nuclear engineer and former captain in the Russian navy, is now facing execution. His crime is using information to focus full attention on deplorable environmental hazards posed by the aging fleet of Russian nuclear submarines.

What steps has the Government of Canada taken to work toward the exoneration of this Russian environmentalist?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, we certainly share the member's concern. In the past the Prime Minister has raised the matter directly with his counterpart. I have asked our embassy officials to be in attendance at the trial because there is a clear question of due process and an application of laws. In about two weeks I intend to be meeting with the foreign minister of Russia and I will attempt to take it up directly with him at that time.

KOSOVO

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, Canadians are concerned about the humanitarian crisis occurring in Kosovo. Canadians are also concerned about the possibility of hostages being taken, particularly when they are being sent unarmed. We all remember what happened in Bosnia. We had a total of 55 Canadians taken hostage. Will any of us forget Patrick Riechner chained to a post as a human shield? Canadians do not want that repeated.

Why is the minister sending unarmed Canadians into this war zone?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, as the hon. member well knows, last week at the OSCE we had discussions with Ambassador Walker who is heading up the verification team. There are several things in place.

First, the UN security council has passed a resolution that authorizes emergency protection for the verification team. Second, NATO has maintained its activation orders so it is on standby to respond. Third, there has been an agreement worked out with the Milosevic government. Fourth, we are in a position where we are seeing the adherence to the guidelines that set by NATO.

Under these circumstances we think it is important for Canada to contribute to—

The Speaker: The hon. member for Trois-Rivières.

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[Translation]

ICE BREAKING IN PORTS

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The problem of ice breaking in eastern ports is not one of costs and percentages, but of sharing the cost among regions. That is the real problem.

Does the minister think it reasonable for 80% of ice breaking costs to be imposed on users of Quebec ports that use only 50% of these services in all of eastern Canada?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the rate scale, the scale was established by a committee of 10 people. Seven were from the Laurentians region, that is, Ontario and Quebec.

If the member really thinks this is not fair to ships using the ports in the maritime region, it is surprising that the committee members from this region set up such a scale.

*Routine Proceedings***ROUTINE PROCEEDINGS**

• (1500)

*[English]***ABORIGINAL AFFAIRS**

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, in January the minister of aboriginal affairs released the Gathering Strength document but it does not deal with food security in the north.

In September a Manitoba report made recommendations to deal with the outrageous costs of food in first nation communities.

Third world status, poverty and hunger should not be a way of life for aboriginal families and aboriginal children. I am sure the minister wants to move heaven and earth to feed these families. How is she going to make sure they eat well this winter?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, as the hon. member points out, it is a challenge to ensure that peoples in the north have access to good quality food.

The cost of transportation of perishable goods to the north is extraordinary. That is why it is important for us as a government and for territorial governments to work together to ensure that fresh vegetables and perishable goods are made available to communities in the north.

* * *

HEALTH

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, between 25 to 30 Canadians die each year because of CJD, otherwise known as mad cow disease.

Three years ago the Canadian Red Cross ordered the single largest recall of blood products in the history of the country because of CJD contamination.

Will the minister now do what the British have done and what Bayer Inc. has done and ban the use of British plasma? The clock is ticking. The minister has a chance to do something. Will he act now?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, as I told the member last week, or perhaps the week before, we have received the Bayer report. We are looking at it.

We have in place not only the scientists at Health Canada but also the Blood Safety Council which is there to advise us as an independent body. We will take advice and we will do the right thing.

• (1505)

*[Translation]***GOVERNMENT RESPONSE TO PETITIONS**

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 12 petitions.

* * *

*[English]***COMMITTEES OF THE HOUSE**

JUSTICE AND HUMAN RIGHTS

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 14th report of the Standing Committee on Justice and Human Rights entitled "Victims Rights—A Voice, not a Veto".

Pursuant to Standing Order 108(2) your committee proceeded to consider the role of victims in the criminal justice system. The committee and its predecessor committee held hearings and a two day national forum at which appeared witnesses and participants who were broadly representative of those affected by, interested in and involved with the criminal justice system.

On behalf of all my colleagues on the committee I want to thank the minister and her staff as well as the justice department. What is more important is that we want to thank committee staff, including three clerks over two parliaments, Richard Dupuis, Luc Fortin and Roger Préfontaine.

Most important, we want to thank the outstanding work of our senior policy analyst, Philip Rosen and research associate, Marilyn Pilon. We are indebted to them for their diligence, for their professionalism and for their commitment to excellence.

There is unprecedented public and private agreement among members of this committee and among all parties in this report. Memories of this kind of co-operation will serve us well as we weather future storms, and there always are storms on our committee. I am very proud to table this report.

NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, I am honoured to table, in both official languages, the report of the Standing Committee on National Defence and Veterans Affairs dealing with the quality of life of our personnel in the Canadian forces.

Routine Proceedings

This report is entitled "Moving Forward: A Strategic Plan for Quality of Life Improvements in the Canadian Forces".

I want to take this opportunity to express my thanks to all the members of our committee for their hard work and co-operation throughout this long and intensive study.

To the committee clerk, researchers and various staff who contributed directly or indirectly to this report, may I as chair on behalf of the whole committee and all my colleagues express our sincere thanks.

Our committee looks forward eagerly to the earliest possible implementation of our recommendations so that we can indeed improve the quality of life of our Canadian forces personnel and their families.

[Translation]

Mr. René Laurin: Mr. Speaker, further to this report, I wish to point out to the House, and I hope that the committee's chair will have no objection, that a portion of the text approved yesterday was missing from recommendation 75. Since we did not have time to go back to committee to approve the final report, I would like to be sure that the missing portion will appear in the official document.

[English]

The Acting Speaker (Mr. McClelland): Unfortunately the report must come from the official opposition.

Mr. Bob Speller: Mr. Speaker, I rise on a point of order. I was wondering if I could get unanimous consent of the House to revert to reports from interparliamentary delegations.

The Acting Speaker (Mr. McClelland): Is there consent to revert to reports from interparliamentary delegations?

Some hon. members: Agreed.

* * *

● (1510)

INTERPARLIAMENTARY DELEGATIONS

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, pursuant to Standing Order 34 I have the honour to present to the House a report from the Canadian branch of the Commonwealth Parliamentary Association concerning the CPA-U.K. branch parliamentary visit which took place May 6 to 22, 1998; the 23rd conference of the Caribbean and the Americas, the Atlantic region, held in Kingston, Jamaica, July 20 to 25, 1998; and the 37th conference of the Canadian region held in Toronto July 18 to 24, 1998.

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.) moved for leave to introduce Bill C-450, an act to amend the Criminal Code (bail in cases of assault with weapon or criminal harassment).

He said: Mr. Speaker, I am sure you are well aware that a number of individuals who have been arrested for serious violent crimes have been released on bail and have recommitted their crimes.

I am pleased to introduce this private member's bill which would prevent a person accused of sexual assault with a weapon, aggravated sexual assault or criminal harassment who has been identified by the victim or by a witness to the offence, from being released on bail.

The result would be that the accused would not be released until the charge was withdrawn or the accused had been acquitted at a trial.

Subsection 515.(2) which presently allows a judge of a court of superior criminal jurisdiction the discretion to allow bail for these very serious offences would be repealed.

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

* * *

PARLIAMENT OF CANADA ACT

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.) moved for leave to introduce Bill C-451, an act to amend the Parliament of Canada Act and the Canada Elections Act.

He said: Mr. Speaker, I am pleased to introduce my private member's bill, an act to amend the Parliament of Canada Act and the Canada Elections Act. The bill will provide for fixed election dates to be held on the third Monday of October every four years.

Reform MPs are champions of democratic accountability and the bill seeks to advance the cause of improved democratic procedures by putting an end to the games of politics and patronage which are traditionally played with election dates.

I urge all members of the House to support my bill in the interest of improving the democratic election process in Canada through fixed election dates.

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

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PRIVATE MEMBERS' BUSINESS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you would find unanimous consent for the following motion:

That, notwithstanding any Standing Order or usual practice, Bill C-303 shall be listed in the name of Mr. Bellemare, rather than Mr. Bélanger; Bill C-408 shall be listed in the name of Ms. Jennings, rather than Mr. Dromisky; Bill C-409 shall be listed on the Order Paper in the name of Ms. Redman, rather than Ms. Torsney; Bill C-417 shall be listed on the Order Paper in the name of Mr. Coderre, rather than Mr. Alcock; and Bills C-254, C-282, C-368, C-376 and Motions M-324 and M-325 shall be deemed to have been withdrawn.

The Acting Speaker (Mr. McClelland): The House has heard the terms of the motion. Is there unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

• (1515)

PETITIONS

ABORTION

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I have two petitions that I would like to present to the House. The first petition asks the government to bring in legislation in accordance with the provisions of the Referendum Act, 1992, which would require a binding national referendum to be held at the time of the next election to ask voters whether or not they are in favour of government funding for medically unnecessary abortions.

THE FAMILY

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, the second petition asks that the Government of Canada amend section 7 of the Canadian Charter of Rights and Freedoms to (a) recognize the fundamental rights of individuals to pursue family life free from undue interference of the state and (b) to recognize the fundamental right, responsibility and liberty of parents to direct the upbringing of their children, and that we urge the legislative assemblies of the provinces to do likewise.

WATERCRAFT

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, pursuant to Standing Order 36(1), I have the honour to present a petition on behalf of my constituents from the beautiful towns of Owen Sound, Sauble Beach, Mar and Warton.

The petitioners ask that the government regulate the use of watercraft. Georgian Bay is a beautiful tourist region and excessive speed and noise are creating problems and the petitioners would like watercraft to be regulated.

Routine Proceedings

JUSTICE

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, I have a petition to present on the defence of provocation. The signatories express concern about the defence mitigating a murder charge down to manslaughter on the basis of an insult or a perceived insult, not on the basis of the actions of the person who was killed.

This is probably just in time because the Minister of Justice has released a discussion paper on this very topic and I hope the minister will take the petition into account.

HUMAN RIGHTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition on behalf of a number of Canadians, including Canadians from my own riding of Mississauga South. It has to do with human rights.

The petitioners would like to draw to the attention of the House that this is the year marking the 50th anniversary of the universal declaration of human rights, that Canada is an internationally recognized leader in promoting human rights around the world and that human rights abuses tragically continue in many countries around the world, including countries such as Indonesia.

The petitioners therefore call upon parliament and Canada to appeal for action to be taken by leaders of countries where human rights are not being protected and to seek to bring to justice those responsible for the violation of internationally recognized human rights.

NATIONAL UNITY

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, I rise in this House today as the humble servant of Edmonton East and Canada to proudly present a petition.

Newfoundland enjoined Confederation in 1949 after a proud partnership with Canada and England in the two world wars. Today Newfoundlanders and Quebecers ask as one in this petition for the Prime Minister and the Parliament of Canada to declare that Canada is indivisible and that this is a state alterable only by all citizens of Canada and this federal government.

I am pleased that the Supreme Court of Canada recently concurred.

[Translation]

BILL C-68

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present two petitions, one from Normand Bélanger of Matagami, and one from Pierre Lessard of Val-d'Or, concerning Bill C-68 on firearms.

Routine Proceedings

[English]

CRTC

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.): Mr. Speaker, I have one petition to present today which calls upon parliament to review the mandate of the CRTC and direct the CRTC to administer a new policy which will encourage the licensing of single faith broadcasters.

KOSOVO

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, I rise today under Standing Order 36 to present a certified petition that was handed to me at the 53rd Serbian Day held in my riding of Niagara Falls.

The petitioners, a large number from Niagara Falls, are calling upon this House to consider very carefully the situation that is developing presently in Kosovo.

CANADA PENSION PLAN

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, it is an honour to present a petition pursuant to Standing Order 36 on behalf of a large number of constituents from the Kamloops, Thompson and Highland Valleys constituency who are concerned about the increased premiums we are going to see in the Canada Pension Plan and the impact that is going to have, in particular on those who are operating small businesses and those who are self-employed.

These are crucial times economically and the petitioners feel that these extra costs could be extremely problematic.

- (1520)

CRUELTY TO ANIMALS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, petitioners from central British Columbia are concerned about the penalties handed out to those people who are cruel toward animals. They feel that judges are not handing out appropriate sentences and that there ought to be some kind of education program for judges so that people who are cruel to animals are treated in a more appropriate fashion.

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, petitioners from central British Columbia are concerned that the government has not given up on the MAI and its implications and that it will pursue it at the WTO. They are asking that parliament impose a moratorium on any ratification of the MAI or of the clauses contained therein at whatever forum, whether it be at the WTO or another forum.

ABORTION

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I have three petitions to present today. The first petition requests

that parliament support a motion introduced by the member for Yorkton—Melville. The motion would require a binding national referendum to be held at the time of the next election to ask voters whether or not they are in favour of government funding for medically unnecessary abortions.

THE FAMILY

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, the second petition asks parliament to support a motion introduced by the member for Yorkton—Melville which asks that we recognize the fundamental right of individuals to pursue family life free from undue interference by the state and the fundamental right, responsibility and liberty of parents to direct the upbringing of their children, and that we urge the legislative assemblies of the provinces to do likewise.

PAY EQUITY

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, the final petition refers to the appeal of the July 29, 1998 Canadian Human Rights Tribunal decision granting equal pay for work of equal value. The petitioners ask that parliament intervene to have the government withdraw its appeal to the Canadian Human Rights Tribunal decision and to intervene to have the government implement the Canadian Human Rights Tribunal decision without further delay.

HUMAN RIGHTS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the many Canadian citizens who have signed this petition are lobbying the government to recognize that the Islamic republic of Iran is witnessing a worsening in human rights practices, and yet the Government of Canada considers it a safe country and still deports people to Iran. The people who have signed this petition feel strongly that Iran should lose its status as a safe country and that the Government of Canada should not be deporting people to that country.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 129 will be answered today.

[Text]

Question No. 129—**Mr. Lee Morrison:**

How much money was collected in each province and territory as a result of federal fuel taxes for each fiscal year from 1993-94 to the present?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Federal taxes are levied at the manufacturing level. The

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distribution of petroleum products to various provinces and territories occurs after the excise taxes have been levied. Consequently, no figures are available showing excise taxes collected in each province and territory. Moreover, excise tax licensees may report the excise taxes as a consolidated amount for all their Canadian production instead of by province of manufacture or production

site. Therefore, Revenue Canada neither requests nor captures excise fuel taxes data by province.

We have, however, included the total excise fuel taxes collected for the fiscal years 1993-94 to 1997-98, broken down by revenue type: petroleum and gas revenue tax; excise tax on motive fuel and gasoline; and excise tax on aviation gas and diesel fuel.

Public Accounts Data on Energy Taxes
Fiscal Years 1997-98 through 1993-94

	1997-98	1996-97	1995-96	1994-95	1993-94
Petroleum and gas revenue tax					
Petroleum and gas	(306,640) ¹	(791,556)	0 ²	(25,425)	(33,520,135)
Resource royalty	12,933,140	28,932,112	6,511,209	4,282,304	4,829,026
Subtotal	12,626,500	28,140,556	6,511,209	4,256,879	28,691,109
Excise tax—motive fuel—gasoline					
Refunds	(1,029,289)	(940,927)	(906,597)	(930,020)	(1,185,853)
Subtotal	4,144,600,978	3,997,668,765	3,963,602,830	3,405,150,110	3,345,200,147
Excise tax—aviation gasoline and diesel fuel					
Aviation gas and jet fuel	56,082,395	69,574,524	69,034,700	66,519,059	54,866,699
Diesel fuel	424,629,065	368,295,186	362,841,493	345,815,452	324,864,588
Subtotal	480,711,460	437,869,710	431,876,193	412,334,511	379,731,287
Rebates	1,210,210	4,469,561	2,859,362	2,957,279	(56,064,056)
Subtotal	481,921,670	442,339,271	434,735,555	415,291,790	323,667,231
Total energy taxes	4,638,119,859	4,467,207,665	4,403,942,997	3,823,768,759	3,638,990,416

* 1997-98 figures are preliminary.

¹ Amounts in brackets indicate negative amounts (refunds).

² No petroleum and gas revenues in 1995-96.

[English]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, on March 11, 1998 I placed Question No. Q-84 on the Order Paper, asking how many violent crimes had been investigated by the RCMP and how many had involved the use of registered and unregistered firearms. In accordance with Standing Order 39, I asked for a written answer within 45 days. My constituents have been waiting 231 days.

It is interesting that the commissioner of the RCMP wrote me a letter on July 6 referring to his answer to Question No. Q-84. The RCMP gave its response to the government 114 days ago. When is the government going to give my constituents the RCMP's answer to this important question? Why has this government been sitting on this answer for 114 days?

Mr. Peter Adams: Mr. Speaker, I note the member's concern about Question No. Q-84. Our record in responding to questions is

very good. We have already responded to a very high percentage. I assure the member that I will look into the whereabouts of the response to Question No. Q-84.

I ask that all remaining questions be allowed to stand.

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

Some hon. members: Agreed.

* * *

• (1525)

MOTIONS FOR PAPERS

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

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

Some hon. members: Agreed.

*Government Orders***GOVERNMENT ORDERS***[English]***NUNAVUT ACT**

Hon. Lucienne Robillard (for the Minister of Justice) moved that Bill C-57, an act to amend the Nunavut Act with respect to the Nunavut Court of Justice and to amend other acts in consequence, be read the second time and referred to a committee.

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I am very pleased to be able to introduce the debate on the motion for second reading of Bill C-57, an act to amend the Nunavut Act with respect to the Nunavut court of justice and to amend other acts in consequence.

Today we stand at the crossroads of a very important time in Canadian history. On April 1, 1999, which is less than six months from now, the new territory of Nunavut will come into existence. The creation of the new territory in the eastern Arctic is a realization of a long held dream of Inuit people. The realization of this dream is one to which we look forward to with great anticipation.

As people of Nunavut we will have our own government and, as a result of Bill C-57, we will have our own unique court system.

I want to emphasize that a new court structure will only become a reality for Nunavut if Bill C-57 is passed by the House by April 1, 1999. I therefore hope that members will give this bill their utmost and urgent attention.

The original Nunavut bill, passed in 1993, contemplated a two-level trial court structure. Members will recall that earlier this spring Bill C-39, an act to amend the Nunavut Act and the Constitution Act, 1867, included a number of amendments to clarify the operation of the two-level trial court system in Nunavut. This two-level trial court structure is the default option if Bill C-57 is not passed before April 1, 1999.

When Bill C-39 was introduced the Minister of Indian Affairs and Northern Development indicated that a subsequent bill would be introduced later in the year to deal with court structure issues. Bill C-57 is the bill in question. It is the last major piece of legislative structuring which the federal government has undertaken with regard to Nunavut.

Bill C-57 proposes changes to the Nunavut Act and other federal statutes, including the Criminal Code, the Judges Act and the Young Offenders Act. Amendments to the Nunavut Act are proposed to ensure that a single level trial court structure established at the superior court level is in place and that transitional cases are adequately dealt with.

The Department of Justice worked closely with government officials in the Northwest Territories, as well as with Nunavut representatives to ensure that the appropriate territorial legislation will be passed before April 1, 1999 to provide for the operation of a single level trial court system in Nunavut.

The Criminal Code amendments make the changes needed to accommodate a single level trial court structure within a criminal justice framework which is premised on two levels of trial court.

Members may ask themselves what precisely is a single level trial court. Let me answer that question as follows. The single level trial court will combine into one court all of the duties, powers and functions performed elsewhere in Canada by two levels of court. For constitutional reasons, the Nunavut court of justice will be established at the superior court level. Its judges will be appointed by the federal government.

• (1530)

For the people of Nunavut it will mean that all criminal, civil and family law matters will be dealt with by one court. That court will be called the Nunavut court of justice.

In addition to creating a new and innovative court system for Nunavut, Bill C-57 is also significant from another perspective. It represents another successful example of co-operative federalism. The development of the legislation in Bill C-57 represents a high degree of co-operation between the federal government, the territorial government of the Northwest Territories and political leaders representing Nunavut. The interim commissioner of Nunavut and the parties to the Nunavut political accord formally asked the Minister of Justice to develop a single level trial court system for Nunavut. Bill C-57 is the result of those efforts.

I am very pleased to say that throughout the process of developing the legislation, officials from the justice department worked very closely with northern leaders and the members of the northern legal community to ensure that the legislation was responsive to the needs of the Nunavut people.

I think it would be helpful for me to indicate some of the particular difficulties with the delivery of justice services identified by the residents of eastern Arctic as a prelude to explaining how the single level court structure is expected to bring improvements.

Those members familiar with the delivery of justice in the eastern Arctic will know that with the exception of Iqaluit, court parties must fly into various communities of the eastern Arctic in order to deal with trial matters.

Currently there are two separate circuits, one for the territorial court and one for the supreme court. Neither of these two courts will hear all matters arising in a particular community.

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On average each of the courts visits a particular community only three or four times a year. As a result there can be significant delays between the laying of a charge and the final determination of guilt or innocence, or in family law matters, resolution of custody issues for example. This can have a devastating effect on the parties and can lead to division within the community until the matter is resolved. I can give some examples of what we have to go through with these court procedures.

Currently a court party will fly into a community. The lawyer arrives on the same plane with the court party. In some cases the accused spends 15 minutes with the lawyer before the case is heard, because the lawyer has just arrived in that community. The accused has 15 minutes to talk with the lawyer. The future of the accused is to be determined in that little time.

There are also suicides directly related to people waiting for the dates of their court cases. I personally know of a young family where the husband took his life, leaving a wife and two children, because of the stress involved with waiting for a court case to come around.

The long waits between cases is just not healthy for anyone. All the communities are small and the accused and the victim have to live in the same community. Consequently they have to see each other in the store and the community hall. They are forced to live near each other which is very stressful for both.

There is also a strong desire in the north for more matters to be diverted from the formal justice system, or in criminal matters if charges are laid, to have the court cases heard by local justices of the peace. Having matters dealt with in the community rather than by the circuit court enhances access to justice by removing time and distance barriers between the parties involved and the decision maker. This would help address those situations which I just gave examples of.

• (1535)

The single level trial court structure has been designed with the expectation that with proper training a local justice of the peace will be able to conduct uncomplicated preliminary inquiries and summary conviction trials.

I would like to give another example. The people of Nunavut are already preparing for this. I recently attended a justice retreat in Rankin Inlet that identified priorities to be pursued. Training of justices of the peace was a very crucial priority. They are capable and will be more capable after the training they receive.

I would now like to describe in more detail some of the main features of the single level trial court. They are expected to enhance both the accessibility and efficiency of the justice system in the eastern Arctic.

Bill C-57 makes changes to the Nunavut Act which will establish one trial court for Nunavut at the superior court level. Whereas

superior court judges currently fly in to the eastern Arctic from the western Arctic, changes to the Judges Act will provide for up to three full time superior court judge residents in Nunavut.

The Nunavut Act and the Criminal Code will clearly provide that judges of the Nunavut court of justice will be superior court judges in all respects and will have all the inherent and statutory powers of the superior court judges.

The Criminal Code will expressly give the judges of the Nunavut court of justice all the powers to deal with all criminal matters, even those normally performed elsewhere in Canada by officials or judges who are not superior court judges. Amendments to the Criminal Code will make clear, however, that when judges perform these duties or functions, they do not lose their status as superior court judges.

The practical benefit of this measure to the people of Nunavut will be that a single judge of the Nunavut court of justice will be able to deal with all matters on the court docket when he or she holds court in a particular community. It is anticipated that delay in the resolution of matters will be reduced and improvements in the efficiency of the court system will be achieved.

Justices of the peace will continue to do most of the pretrial matters. With the appropriate training they are expected to gradually assume more responsibility for conducting some preliminary inquiries and minor criminal trials.

At the present time the Alberta Court of Appeal serves as the core of the court of appeal for the Northwest Territories. This arrangement has worked very well. I am grateful that the judges of the Alberta Court of Appeal have agreed to continue their excellent work and their dedicated efforts in Nunavut.

Because of the need to assess the workload of the court of appeal in Nunavut sometime after the territory is established, we have decided that the Alberta Court of Appeal will act as the core of the court of appeal for Nunavut. I expect that it will be assisted in its workload by resident northern superior court judges sitting as judges of the court of appeal. When the Nunavut government is in a position to do so, it may wish to consider other models for its court of appeal.

The amendments in Bill C-57 relating to the summary conviction appeals reflect the fact that the trial function performed by two levels of court elsewhere in Canada will be combined into one court in Nunavut. In order to retain substantially equivalent rights of appeal, it was necessary to create an intermediate level of appeal.

Where the Nunavut court of justice conducts a trial in respect of a summary conviction matter, an appeal will lie to a single judge of the court of appeal of Nunavut on the same grounds that apply in all summary conviction matters elsewhere in Canada. Appeals in respect of indictable matters will remain unchanged.

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• (1540)

The policy behind the appeal structure regarding summary conviction appeals is to provide parties in Nunavut with substantive and procedural rights equivalent to those available to other parties elsewhere in Canada. It might be argued that this approach undermines the status of judges of the Nunavut court of justice as superior court judges. I think it is more important to characterize this feature as a necessary choice resulting from a desire to protect the rights of parties before the court within a Criminal Code structure that is designed for a two level rather than a single level trial court.

Just as in the case of all other jurisdictions in Canada, a secondary level of appeal on much more restricted grounds will be available to a three person panel of the court of appeal.

Bill C-57 will provide that decisions in summary conviction trials conducted in the community before a justice of the peace can be appealed to a judge of the Nunavut court of justice and then on further appeal to a three person panel of the court of appeal.

In addition to appeal rights, a statutory review measure has been designed to serve as a faster, interim, error correcting mechanism with respect to key decisions which may be made by judges of the Nunavut court of justice. I must again emphasize that in formulating this statutory form of review, our goal has been to provide substantially the same kind of relief that is available to parties to criminal proceedings elsewhere in Canada through prerogative writ review.

Bill C-57 will provide a new form of statutory review that is limited in scope to key decision points in the criminal justice process where an expeditious form of review is essential. The review will lie to a single judge of the court of appeal of Nunavut.

Prerogative writ review as embodied in the Criminal Code and in the common law will continue to apply to the decisions of justices of the peace and other inferior officials in Nunavut.

Changes to the Young Offenders Act made in Bill C-57 are not of a policy nature but are restricted to those which are necessary to accommodate the operation of a single level trial court in Nunavut.

For example, Bill C-57 makes changes to the Young Offenders Act to provide an appeal scheme which parallels that available for adults in Nunavut. This is in respect of the summary conviction matters heard by the Nunavut court of justice sitting as a youth court. As in the adult system, these appeals will be heard by a single judge of the court of appeal for Nunavut with a secondary right of appeal on more restricted grounds to a three person panel of the court of appeal for Nunavut.

Bill C-57 also adapts the elections provisions in the Young Offenders Act to reflect the fact that for murder trials held in youth court in Nunavut, the choice for youth will be the Nunavut court of justice sitting as a youth court either alone or with a jury.

Amendments to the Judges Act will provide for three superior court judges on the Nunavut court of justice all of whom will be resident in Nunavut. Bill C-57 will also amend the Judges Act to provide for full membership in the Canadian Judicial Council for the senior judge of each of the three territories.

At this point I should add that Bill C-57 also makes various consequential amendments to three other federal statutes to ensure that they accommodate a single level trial court structure in Nunavut. In many instances these changes amount to simply changing the name of the relevant court or judge in definition sections of the act.

I am very pleased to be able to say that the amendments in Bill C-57 to establish a single level trial court structure for Nunavut are entirely consistent with the recommendations of the Royal Commission on Aboriginal Peoples. Establishing the Nunavut court of justice reflects the longstanding desire of the people and leaders of Nunavut to create a new institution which is more suited to our unique traditions, culture and needs.

• (1545)

This court reform reflects the desire of the Nunavut people to have an accessible and integrated justice system.

The Nunavut court of justice will have the authority to hear all criminal, civil and family matters. It is expected to work in harmony with justices of the peace who will have an important and perhaps growing role in providing speedy and culturally sensitive responses to crime.

The government's response to the recommendations of the royal commission on aboriginal people called for a new partnership with aboriginal people. The consultative manner in which the single level trial court structure was designed is an example of such a partnership.

I am confident that the future direction in justice reform in Nunavut will evolve in the continued spirit of this equal partnership and will become increasingly responsive to the unique needs of this new territory.

I call on all members in the House to support Bill C-57 to establish this very innovative court structure for the new territory of Nunavut. It would also help if the justice committee could have the hearings in my riding so it can hear directly from the people and see the beautiful riding of Nunavut.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, I appreciate the comments by the member for Nunavut. I know the comments about the beauty of the riding are very accurate, as I have been there.

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The member started off by saying the bill must be passed by April 1, 1999. I can assure the member that we are not going to do much on this side of the House to speed up any dates but the member's government brings in closure so often it will make sure it gets whatever it wants by that date.

This takes me back to when this legislation first came to this House in 1993 at the end of the time of the previous Tory government. The member for Edmonton North will recall it very well because she was in the House at that time, a lone Reformer, and tried to stop the bill at that time because she wanted to have a look at it.

The bill was nearly 300 pages and parliamentarians had one week to look at the bill. The member for Edmonton North who was back in the corner kept yelling no to unanimous consent but was ignored by the Chair and was told later on she was not a party so it did not matter anyway. That bill was railroaded through the House. I think it was a sad day for democracy in the way it was handled by that government in 1993.

I was reminded of this when the member talked about having this bill by April 1 of next year. The member does not have to worry because her government will do what it has to do to get this legislation through.

I congratulate also the local officials in Nunavut. They have done a great job in getting this government to put up a lot of money. I look at this bill and three superior court judges for the Nunavut court of justice. As the member says, it creates a single level trial court system.

Why is this different from the rest of Canada? The rest of Canada has a different system. Why are we giving a part of our country a different system of justice?

People might say it is the Northwest Territories. It is a big area. It is widespread. I remind people that other provinces, Quebec and British Columbia to name just two, have asked for changes to our constitution. These provinces do not get these changes.

What this government is doing with this legislation is creating another province. It is still called a territory but this government has given it all the powers of a province. This government knows it could not have passed it if it tried to get it through as a province because it needs the agreement of seven provinces.

What really disturbs me is when we have special treatment for one area of Canada, an area with 26,000 people, a long way from Ottawa. We have a lot of people in British Columbia a long way from Ottawa and a long way from parts of civilization.

• (1550)

The bill talks about 26,000 people and 350,000 square kilometres. That is a large area. I wonder how many people in the House know that the four northern ridings in British Columbia are double that size, 700,000 square kilometres. The Skeena riding is

244,569 square kilometres itself. It is two-thirds the size. The Prince George—Peace River riding is 217,188 square kilometres. Caribou—Chilcotin is 120,000 square kilometres. Prince George—Bulkley Valley is 100,000 square kilometres. Those people would like the same things that are happening there.

Go to the north of British Columbia. People have to go all the way to Vancouver to go to court. There are the same concerns that member had. "I saw my lawyer only for a few minutes. I need more time". Why are we allowing this area of the country to get special treatment? We should use the same law system we have for the rest of Canada. There should be not difference just because it is in the far north of Canada.

The federally appointed judges are going to make \$180,000 a year. The releases from the government showed a much lower figure but did not include the raises these judges are going to get. It also includes expenses which I will go into in a minute. They are all appointed at the federal level. That is a scary thought in itself. There is no input at the local level.

Do we need this kind of expensive court? There will be three judges at \$180,000 a year plus their expenses. They will get up to \$300,000 or \$400,000 each to operate. It will be well over a \$1 million. There will be three expensive supreme court judges who will sit on cases like dog-napping. That is not what we need in this country. It is not good legislation.

There are many questions we want to ask about those areas when we get into committee. I am looking forward to getting this bill into committee so we can some answers as to why the government made some of these decisions.

The legislation calls for one senior judge and two other judges. As I said earlier, the salaries are very misleading. They do not take into case the new salary increases and also further increases. They will also receive an unaccountable yearly allowance of \$6,000. They also get their regular expenses. The senior judge from the court of the Yukon territory, the senior judge from the court of the Northwest Territories and the senior judge from the Nunavut court of justice will each receive an additional \$5,000 per year. That is \$11,000 per year in unaccountable expenses. That brings the cost of the senior judge to close to \$200,000. It seems that is an awful lot of money to have a judge for a territory that has 26,000 people and will have a workload that is nowhere near the workload we have in large cities like Montreal, Toronto and Vancouver. I know the workload those judges have.

I know in the north they have to travel. But we also have that in the rest of Canada. We cannot get to Atlin, B.C. from British Columbia. We have to fly in from Yukon or Alaska. They are not alone in the Northwest Territories or Nunavut in having these problems. We have them in British Columbia. We have them other parts of Canada like northern Quebec. Yet we have not made special cases and set up a separate law system to satisfy those needs

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let alone given these provinces what they have asked for in changes to the Constitution. That seems rather strange to me.

Quebec and British Columbia have had a lot of complaints about how the federal government runs things. We represent a major portion of Canada yet we have not been able to convince this government to do any where near what it is doing for a territory with 26,000 people.

I am sure my constituents have some sympathy for the fact that areas in the north have big territories. But they would wonder why we have one member of parliament from Nunavut representing 26,000 people. Four members of parliament from British Columbia represent an area of 700,000 square kilometres. There are four million people in British Columbia. It is not fair. This is not one person equal representation. We have gone out of our way to set things aside.

I understand that some of the things are fair. They need to happen because of where it is.

• (1555)

This is going a little overboard setting up a separate and very expensive justice system and an unneeded justice system. There are probably better ways of doing this. In New Zealand, for instance, appointed people work at the local level with not only the victims but with the criminals for the good of the community concerning small and non-violent crimes.

We certainly do not need three \$200,000 a year judges to be looking into this type of thing in Canada.

The budget for this is going to come out of the yearly allocated budget for Nunavut's implementation which is \$32 million. This is not a small amount of money. This account is to run until the year 2008, at a total estimated operating cost of \$520 million. That is roughly \$20,000 for every man, woman and child there.

I wonder who has made those decisions. Were those decisions thought out back in 1993 when this bill was railroaded through this House?

There is another account for advising on the creation of Nunavut to the Nunavut implementation commission. This account is set at \$2.3 million for 1997-98 up from \$1.9 million last year. I wonder how high that is going to go up every year. When do all these costs stop? When does somebody stand on his or her own two feet and continue operating on without taking from the rest of Canada?

Land claims are one thing but creating a new province or territory is another. When this legislation was presented they should have gone all the way and said that if they were going to do it they should make it a province, as we should make the Northwest Territories and Yukon a province. Let it go before the people of

Canada, according to our Constitution, where all the provinces get a vote on it, and let us solve the issue once and for all instead of going through these expensive processes which also create problems in other parts of Canada.

I am sure the member from that area likes what has happened. I am sure I also would if I were their member of parliament also. However, it gets more difficult to explain to other Canadians who are paying the tax bills when they see the cost per person of doing what we are doing and the continuing costs and where they are going to end.

I also suspect, and it is so obvious because we see it happen so often in this House, that when one bill comes in one has to wonder how many bills are down the road because the first bill was not done properly.

If this bill had been thought out properly in 1993 we would not have it now being rushed through the House, being given one week to look at a major change to our country and then to have closure brought in. They now call it time allocation but I was around when they did not use that term. Just the word closure meant something. Only if debates were taking a really long time, maybe a month or two, would the government bring in closure. Today this government brings it in regularly to run the House of Commons.

I can go back and quote many times when the government House leader on the other side yelled and screamed in this House when he was in opposition and the Tory government was bringing in closure. They are the ones who changed this rule. It was a sad day for Canada when they did it. Debates used to take place in the House of Commons, every member had an opportunity to speak on every bill and the speeches were longer. Some people might have thought it was a waste of time but democracy is not a waste of time. It may be inconvenient to the government of the day but it is not a waste of time.

That is why this bill is not one that we can say it is just a very simple thing adding on to a major bill that passed in this House. We accept the fact that it passed. The one member from the Reform Party who was here at that time voted against it. We can tell it was wrong when it was done because now we have this legislation coming along. The government even says there might be even more bills coming out of the enabling variety which will be very expensive to the people of Canada. That is what concerns my party and that is why we cannot support this bill in its present stage.

When this bill gets to committee we will have a lot of questions that we know the people of Canada would like answered. We hope the government will be prepared to answer those questions at committee. We hope government members will be able to tell us why they can do that in this part of Canada when they cannot do

things in other parts of Canada. I am sure a lot of my colleagues over the next few days in this debate will be asking those questions.

• (1600)

When we get into the part of the debate where members can ask questions, we will have some questions for the government members. We hope that they will have some good answers to those questions. We will work with them in committee to make the changes that are necessary so the people of Canada can better understand why one part of Canada has an act in the justice system that is not an act in any other part of Canada.

[Translation]

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, as a member of the Standing Committee on Aboriginal Affairs and Northern Development for the Bloc Québécois, I am pleased to rise today and speak to Bill C-57, an act to amend the Nunavut Act with respect to the Nunavut Court of Justice and to amend other Acts in consequence.

The purpose of this bill is to amend the Criminal Code so that it reflects the realities of the new territory of Nunavut and to make it possible to establish an operational government before April 1, 1999, the territory's official launch date.

Bill C-57 is part of the process that began in 1992 with the territorial land agreement setting out the legal and political framework of the new territory of Nunavut. Approved in June 1993, the creation of Nunavut is a result of passage of Bill C-39, which we debated in the House last year and which provides for the holding of a legislative election, while facilitating the transition and legitimizing the process.

The bill before us this afternoon is part of this ongoing process. It is the last building block, as it were, in the political and legal structure that will allow the inhabitants of this territory to at last be ready for April 1999 and the challenges then to follow.

I can only express my satisfaction that legislation is being introduced in order to give the inhabitants of Nunavut all the political, and more particularly in the case before us today, all the legislative instruments they will need.

This will enable them to have a court that meets their needs and that is closer to them. We know that the establishment of institutions of law is vital to government autonomy. Bill C-57 will permit this to happen.

Everything indicates that the creation of Nunavut set for April 1, 1999 is well on its way. I recall that Bill C-39 on Nunavut and the Constitution Act of 1867 passed at third reading in June, changes the map of Canada's north with the creation of this immense territory.

Since Newfoundland joined Confederation in 1949, Canada's borders have not been changed. This indicates clearly just what a

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historic moment the creation of Nunavut represents and also explains the importance of its creation to the people living there.

The Northwest Territories will therefore, with the creation of this territory, be divided into two separate entities. Nunavut includes the lands in the centre and east of the Northwest Territories, above the 60th parallel. It therefore covers some 2 million square kilometres, one fifth of Canada's land mass.

• (1605)

This immense territory is divided into three regions and includes 28 communities. The most southeasterly point of Nunavut meets northern Labrador. Nunavut is also bordered by water. Its most northerly part touches the shores of the Arctic Ocean. On the east, Baffin Bay divides Nunavut. In the south, Nunavut joins the waters of Hudson's Bay and Ungava Bay.

Eighty per cent of the population of Nunavut is Inuit, that is, some 17,500 persons of the 22,000 total population. So the Inuit are in the majority. In fact, the word Nunavut means our land in Inuktitut, the language of the Inuit.

Before I go any further, I want to say that the Bloc Québécois is in favour of the principle of Bill C-57, which takes thousands of aboriginal people one step closer to strong, viable self-government. To put this bill into perspective, let me outline a number of elements of Bill C-39 passed last year.

Bill C-39 enables the Inuit in the Nunavut to administer 1.9 million kilometres of their land through a legislative assembly elected by universal suffrage. It amends the Nunavut Act passed by Parliament in 1993. It provides for a transition period and for the powers of the federal and territorial governments to be devolved to the Nunavut territorial government.

This legislation provides, by amending the Constitutional Act, 1867, that the people of this territory will be represented in the House of Commons and the Senate. The primary purpose of Bill C-39 was to allow elections to be held so that the Nunavut Legislative Assembly would be established before April 1, 1999, so that representatives of the Inuit of Nunavut could to serve their constituents in an operational legislature when their territory was officially created.

In addition, Bill C-39 amends the Constitutional Act, 1867, to ensure Nunavut is represented in the House of Commons and the Senate, as are the Yukon and the Northwest Territories. It also authorises the transfer of governmental services from the Northwest Territories and Ottawa to Nunavut during the transition period.

The transfer of services and programs in culture, health and public housing should be completed by the year 2009. As members can imagine, much work has to be done by April 1, 1999. That is why I am pleased to notice that Bill C-57 is the final element in the

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legal and administrative component of the establishment of the Inuit territory of Nunavut.

A brief reminder before getting into Bill C-57: the Bloc Québécois did not oppose Bill C-39. In fact, we voted for this bill, which was the outcome of years of negotiations in which the organization representing the Inuit of Canada, Inuit Tapirisat of Canada, took part. This organization has been involved in the negotiation process since the 1970s.

• (1610)

I would point out that it took two referendums—in 1982 and in 1992—to establish the boundaries of the territory and for all to agree on them. The Bloc Québécois did not oppose legislation that gives substance to over 25 years of negotiation and that permits the Inuit, one of Canada's great peoples, to assume its rightful place on this continent and to take its destiny in hand. In becoming masters of their own house, the Inuit will have all the political, economic and legal tools they need to grow and govern themselves.

In June, my colleague, the Bloc Québécois critic on native affairs said in this House “Thanks to Bill C-39, the Inuit will be in control and they will have all the necessary economic, political, social and cultural levers to look after their development and government on their own. This way, they will be able to act in their own best interest, for the good of their community, ensuring the harmonious development of their territory”. I support and share these remarks.

We did however raise a cautionary note in June, that of Nunavut representation in the Senate. The Bloc Québécois has nothing against that fact that the Inuit want representation. However, in the preceding parliament, we in the Bloc took steps to abolish this outdated and ineffective institution known as the Senate. It is needlessly costly to Quebeckers and Canadians. It is archaic. The Senate functions thanks to political paybacks. Political appointments take away all the credibility and objectivity need in the processes of legislating and sanctioning legislation. This objectivity is vital. However, despite these reservations, we proposed no amendment, unlike the Reformers, who tried to get a Senate reform through an amendment to this bill.

I might mention another point we raised last year, which continues to concern me. It involves the coastal islands in James Bay, at the southern end of Hudson's Bay and north of Nunavik, Quebec. Since 1977, the James Bay Cree and the Nunavik Inuit have been wanting to negotiate with Indian and Northern Affairs Canada the recognition of their rights over the waters, the surrounding ice and resources.

Negotiations were broken off in 1977. It appears this was because of a dispute concerning compensation and the status of the regions. With the creation of Nunavut in the works, the Crees and

Inuit of northern Quebec would like to resume their dialogue with the Department of Indian and Northern Affairs.

The September 24 announcement by the Department of Indian and Northern Affairs that a chief federal negotiator had been appointed to deal with the offshore claims of the Grand Council of the Crees of Quebec is a good sign. Let us hope that negotiations will indeed resume and that, this time, they will lead to constructive decisions.

Representatives of the Grand Council of the Crees of Quebec appeared before the Standing Committee on Aboriginal Affairs and Northern Development last spring, during consideration of the Nunavut bill. They expressed their concerns regarding this bill, as it affected their own claims.

Although they say they support the creation of Nunavut, they would like the Indian Affairs minister to demonstrate a serious commitment to the resumption of negotiations designed to recognize their rights within the boundaries of the new territory.

• (1615)

I therefore hope that this appointment represents a clear undertaking by the Minister of Indian Affairs and Northern Development and her officials to negotiate with the Crees of Quebec.

Let us now return more specifically to Bill C-57. In order to be ready by April 1999, Nunavut must have at its disposal all the necessary legislative instruments now. This is what Bill C-57 is all about.

The transfer of certain jurisdictions of territorial and federal governments to Nunavut is not a simple matter. This transfer is nonetheless vital and responds to the needs of the far north.

Indeed, Bill C-57 responds to a request made to the Minister of Justice by those who worked to ensure self-government, with the support of Inuit organizations in Nunavut. The bill establishes a single-level trial court system for the territory of Nunavut.

This tribunal, to be known as the Nunavut Court of Justice, is created to provide an efficient and accessible court structure capable of responding to the unique needs of Nunavut while, at the same time, maintaining rights equivalent to those enjoyed elsewhere in Canada.

So, we will have the Nunavut Court of Justice in the new Nunavut territory. This tribunal will replace the existing Supreme Court of the Northwest Territories as the superior court, and the territorial court as the lower court. Bill C-57 amends once again the Nunavut Act, which was passed in 1993, under the Progressive Conservative government.

The bill also amends the Judges Act to provide for three superior court judges on the Nunavut Court of Justice and also to provide for

full membership in the Canadian Judicial Council for the senior judge of each of the territories.

Indeed, given the expanded jurisdiction of that tribunal, it is important to make sure that the judges will be competent to hear cases from the lower and superior courts, with the exception of those cases that come under the jurisdiction of specialized and administrative tribunals.

The bill also amends the Criminal Code to provide for new structures and procedures for the Nunavut Court of Justice in the following areas: jurisdiction of the judges; summary conviction appeals; a new statutory form of review; judicial interim release; and elections as to mode of trial.

Bill C-57 also amends the Young Offenders Act to ensure adequate structures and procedures for a single-level trial court, consistent with those in the Criminal Code and with various other federal statutes.

The creation of this court of justice will ensure a flexible and efficient legal process for the whole territory of Nunavut. By making the court competent to hear any case, whether it involves a minor wrongdoing or a serious criminal offence, we give the people of the territory access to a service that is more consistent with its reality.

From now on, when a judge travels to some small community in Nunavut, he will have broader powers. It must be understood that the multiplicity of jurisdictions, in other words a multi-faceted court system, useful in high density urban centres, is not necessarily useful in the proper administration of justice in a territory such as Nunavut.

• (1620)

This is why legislation must be passed on this issue and to permit the necessary changes to be made to the various laws that, up to now, have granted various jurisdictions authority to hear various cases. Bill C-57 provides the changes needed for the establishment and operation of this court of justice.

The structure of the court reflects the peculiarities of the eastern Arctic. The judges of the Nunavut Court of Justice will therefore be able to hear all criminal, family and civil cases. In other words, this new court structure is simpler and better suits the needs of the people of the new territory.

In closing, I would like to add that we will, in the coming weeks, study in greater depth this bill, which appeared suddenly on the legislative menu. A meeting with the officials of the Department of Justice would be most appreciated once we have started the process of examining the bill. It would enable us to better target the issues in this legislation and the many implications for existing legislation.

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We would be further enlightened by meetings with the principle stakeholders. The law establishing Nunavut and subsequent legislation permitting good political, administrative and legal management of the territory, are the product of 25 years of effort and struggle by the Inuit to regain control over their land.

We can only praise these efforts, and like my colleague who is the Bloc Quebecois critic in this area, I wish them success in meeting the challenges that they will face.

In conclusion, I repeat that we support this bill and that we will continue to support the principle of action that, like Bill C-57, enables peoples to acquire what they need to enable their identity to grow to its fullest.

[*English*]

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, the first thing I saw about Bill C-57 was the newspaper headline "Nunavut gets unique court system, single level of justice seen as ideal for the vast territories".

This is important because it is true and it sets an incredibly high standard for the north. The Yukon Territory and the Northwest Territories are going to want to match this standard of justice. Where Nunavut goes, the others are sure to follow.

In speaking of the high standard, Nunavut is really to be envied. It is a territory that is able to start from scratch. It is creating a justice system that is going to suit the people, that is going to be accountable to them, that is going to respond to them. Because Nunavut has an official language, a First Nations language, the court will now have to respond to people in their own language.

Justice is an expression of our sovereignty. Even though there are only 26,000 people in Nunavut, only so many people in the Northwest Territories and only so many people in Yukon, does that mean they are not entitled to justice? Does it mean that because it costs too much we cannot have justice? Does it mean we can only have a court once a year because we are just too far away, or do we just scoop everyone up and send them somewhere else to have justice administered to them?

This bill is important because it is very clear in the parameters of what our country is and should be. Even if a person lives in some nook, cranny or frozen place, justice belongs to them as it does to everyone else in this country.

• (1625)

In the north, justice is often like a big woolly mammoth that has come trundling into town trampling all over everything. It leaves behind this big mess and a community in disarray. People from that community are sent off to a federal penitentiary thousands of miles away. If they have to serve anything more than two years less a day, they are out of their territory. There is no community support. It is

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absolutely devastating to try to reintegrate back into the community after that time. The Judges Act will deal in part with some of those issues because it would bring justice closer to the people of the north.

I recently held a town hall in the north on justice issues and the discussion paper the justice minister put out on the defences of provocation, self-defence and defence of property. People did not necessarily want to talk about just those issues. They wanted to discuss the broader topic of justice and how people felt so alienated from it, that justice did not belong to them. The legal system really has nothing to do with anybody. This justice system and the single level of court will allow people to feel a part of a justice system.

People in the north have always been pushing for change to make a more accountable system, something that does not just put people away without any recourse. In fact they have been pioneers in community justice in developing circle sentencing. I sat in on one of the first circle sentencings and others in subsequent years.

Circle sentencing is not an easy or a light process. It demands an incredible amount of dedication from the communities involved. We can compare it to putting someone in custody where usually two or three shifts of people, including cooks and cleaners, look after those in custody. In circle sentencing, if one person agrees to look after someone who has been sentenced, it means they have only the resources of themselves and the community to keep an eye on and to help encourage and push that person toward a better way of life. It is a huge undertaking. Any community or individual that is willing to go through circle sentencing deserves a lot of recognition for the work they do.

When it comes to justice for First Nations people, and there are a lot of First Nations people in the north, everyone knows they are poor. They live in third world conditions. They fill most of the prisons across this country and are overrepresented. Their cultures are not taken into account. Their social condition is reprehensible. It is not right to send everybody off to federal penitentiaries.

Jumping to the meat and bones of the bill, it creates a single level court system for the territory. It will maintain the substantive and procedural rights equivalent to those enjoyed elsewhere in Canada.

A single level court system may not have too much meaning for those who have not been involved in justice in the territories. Generally there is the federal level. A crown prosecutor is appointed and an accused may go in front of this judge or may wait until a particular level of court is available to hear the accused. The federal appointment comes from Ottawa. Therefore, it is not necessary that they respond to the community they serve because it is not their boss by any stretch of the imagination. This certainly makes them less responsive to community demands.

The single level trial system will have regular and more frequent resolution of cases. This is critical in small northern communities as the isolation can be quite unbearable.

The bill amends the Criminal Code to provide for new structures and procedures for the Nunavut court of justice in the following areas: the jurisdiction of judges; the summary conviction appeals; a new statutory form of review; judicial interim release; and elections as to mode of trial. Again one of the official languages is First Nations and so the court will have to respond to that as well. The legislation has some unique parts. I will read amended subsection 35(1) of the Nunavut Act:

A judge of the Nunavut Court of Justice has and may exercise and perform, anywhere in Canada, all the powers, duties and functions of the Court with respect to any criminal offence committed or charged to have been committed in Nunavut.

This is consistent with some of the First Nations that have implemented self-government in the Yukon and are developing their own laws. Some First Nations communities believe that the law of a First Nations community should follow its members. They cannot escape the set of standards or moral framework within which they live just by leaving their band. That certainly extends accountability. It is interesting that it is in the bill to establish the court system.

• (1630)

I have one main reservation with this bill which concerns the appointment of judges. There is no screening process in parliament for federal judge appointments. Candidates do not come before the parliamentary committees for justice or aboriginal affairs. We cannot expect the same level of responsiveness and accountability that would be there if the territory itself were nominating and screening the judges they want for their courts. That is a big concern because it echoes what is going on here already. That is one thing we should not carry forward in creating the new system.

The NDP will be supporting this bill, with some reservations. I look forward to considering it in committee.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I found that statement extremely interesting. It had a lot of compassion. I certainly support it. The need for justice to be delivered in Canada or anywhere else is very important. I appreciate very much the hon. member's plea to have justice given to these people. I could not agree more. There should be just sentencing that should take into account all of the things that matter. It should be as close to the people as possible. It should be swift. Those are all extremely useful kinds of situations.

I also share the member's reservations about the appointment of judges.

However, why would we support a different kind of justice structure? I support the principles the hon. member supports, but why would we have a different system? Why would she support a different system for one part of Canada, a system that does not exist in other parts of Canada? Is there a particular reason that justice in

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the Nunavut territory should be administered differently than it is administered in other parts of Canada? I fail to see it. It seems that by definition justice has some kind of standard component. Justice, after all, is justice. We want to be treated fairly and equally before the law. Why should we have a different system in one part of Canada than we have in another?

Ms. Louise Hardy: Mr. Speaker, according to my way of thinking, justice is responsive to those who it serves. That does not mean the laws change, it just means that the way we handle the situation changes. Because the justice system is not working in the rest of Canada does not mean that Nunavut should not take the step to make its justice system work for it by having the courts there more regularly.

Those who live in a large centre have a court. They know they will be able to access that court, but that is not the case for people living in the north. They have to wait until the circuit comes to them. This sort of nomadic court system is a strain on those people who always have to be travelling, but they are willing to undertake that to make sure justice is swift and accessible—

Mr. Werner Schmidt: But that is not what we are talking about. We are talking about a single level of courts here.

Ms. Louise Hardy: That is important. That is a good change. That is what they need, that is what they want and that is what they have defined.

Mr. Werner Schmidt: Why should they do that? That is the question.

Ms. Louise Hardy: One reason is that there will be less cost because there will only be one level of judges to pay. Nunavut will not be paying at the federal and territorial levels, but only at one level. There will only be one circuit, not two or three. It will go to the same community, but will deal with different issues.

I believe justice should be able to move forward and change. Laws should be alive. They should not be dead issues. If they were we would have a very hard time when a decision came out the other end because it would be so upsetting and we would not know how it happened. If we as citizens were involved with our justice system, then we would not be shocked at discrepancies in sentencing.

Who is this judge coming to my community? They have no idea who they are.

• (1635)

This bring justice closer to the people. It is a good and important change.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, I appreciate the comment of my hon. colleague, saying that she feels justice should be responsive. I certainly agree with that.

What we are trying to get at is the question of equality, not only equality before the law, but equality of access to services right across the country.

Would my colleague be in favour of us taking a look at this kind of system working in the vast territories of northern B.C. where there are huge areas that are even larger than Nunavut? The same kinds of problems and the same kinds of concerns are faced by people in northern B.C. as in Nunavut about getting access to the legal system and having to travel long distances.

Sometimes concerns are generated by the people of northern B.C. native communities who have to go all the way to Vancouver for trials and that sort of thing. Would the member be open to seeing something like this work in northern B.C.?

Ms. Louise Hardy: Absolutely, Mr. Speaker. It should be extended. For example Atlin, B.C. is barely 100 miles from Whitehorse, Yukon. It would make sense for those people to be able to access a justice system very close to them because that is where they travel to buy their groceries.

We could look at a whole system for remote areas of the country.

Bill C-57 could set the precedent. If people in Nunavut have it, do not other people in Canada deserve as much?

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I agree with the hon. member for Yukon and my colleague in that people living in remote areas should be as close to the justice system as possible. I believe that we owe that to the people in the remote areas of Canada.

But I have a concern. Was the hon. member thinking that maybe decisions by the judges would be different in remote areas than they would be if the committing of a crime was 200 miles south? Is there a difference in the interpretation and in the punitive measures? Is that what the member meant? If not, then just count me wrong on that, but I kind of got that impression from what she was saying.

Ms. Louise Hardy: Mr. Speaker, no, that is not what I meant. The laws of Canada are the laws of the territories. It is just the method of making the courts and justice accessible.

A lot of work is being done in the areas of circle sentencing and community justice initiatives. That outcome might be different and I would hope we would move to more changes that way.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Mr. Speaker, there is something that gives me great concern. Perhaps the hon. member, being from the territory, might have the

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answer because there are more horrors coming out of this bill every time I take a quick look at it.

Right now in any province if a person commits a relatively minor offence they are convicted and if they appeal the decision it will go to the provincial appeals court. In the Northwest Territories right now it is appealed to the provincial appeals court of Alberta. However, under this proposed legislation persons will be convicted by a federal court judge.

I would like to know what the appeal process is for that. Because a person has been convicted by a federal court judge, will that person be required to appeal it to the Supreme Court of Canada? If that is so, the cost would be horrendous and I would suggest that the Supreme Court of Canada would refuse to hear appeals on dog-napping and relatively minor offences, as well it should. But that means that the people of Nunavut will lose their right of appeal. They are not going to have the same access to justice as someone from the Northwest Territories, from Yukon or from the provinces of Canada.

• (1640)

Ms. Louise Hardy: Mr. Speaker, I share the member's concern. It will have to be addressed at committee. The whole area of the judges being federal judges is of great concern because they are not going to be accountable to the people of Nunavut.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, it is my pleasure to rise today to speak to Bill C-57, an act to amend the Nunavut Act with respect to the Nunavut court of justice and to amend other acts in consequence.

I would like to state that I will be sharing my time today with the member for Tobique—Mactaquac.

This bill amends the judicial system and the appointment of judges in the new territory of Nunavut which will be created on April 1, 1999.

This new territory is being created as part of the Nunavut land claim agreement, originally signed by the Progressive Conservative government in 1993.

I will repeat this for the benefit of everyone in the House because I have heard several people state the size of the new territory and no one has been right yet. For the record, the new territory will be 2,242,000 square kilometres, which is approximately one-fifth the size of Canada and 69% of the existing Northwest Territories.

It is important to ensure that a smooth transition occurs in April when Nunavut comes into effect. Obviously it is imperative to have a judicial system in place and to have the necessary people appointed and in place to begin work on April 1, 1999.

The amendments put forward by this legislation are going to establish a unique court system in Canada. Currently all Canadian

jurisdictions operate with a two-court system where a provincial or a territorial court works in conjunction with a higher court, either a Queen's bench or a supreme court, depending on the terminology used. This legislation will implement a one-court system unique to the eastern Arctic.

This legislation to amend the Nunavut Act is necessary because under the original act a two-level court system would be implemented in the new territory. By amending the act the Inuit of Nunavut hope the judicial system will more accurately reflect their traditions. Whether this will be the result remains questionable.

One of the concerns of the Inuit is the location of prisons. Currently there is no federal facility in the north, so anyone serving a sentence of more than two years must go to a facility in the south. The only other option is an exchange agreement whereby a regional facility would agree to house the inmate. This issue, however, while important to the Inuit, is separate from the judicial system and not addressed by this legislation.

With these amendments there will be three judges appointed to travel to the various outlying communities in the new territory of Nunavut. These three judges will preside over civil, criminal and family cases. Currently the judge who presides over all of the cases in the eastern Arctic also follows this system for most civil and criminal cases. She is based in Iqaluit and travels to the remote communities as required. Cases dealing with issues such as divorce and adoption, however, are referred to the supreme court based in Yellowknife.

Under this legislation the three judges appointed to hear cases in Nunavut will have the same power and authority to hear all cases without the need to refer to a higher court level. At the same time, a court of appeal, about which I have heard a number of questions asked, will still exist should appeals be made, namely the Nunavut court of appeal.

This legislation will allow a one-level court system to be introduced to the eastern Arctic. The western region of the Northwest Territories, as well as the rest of Canada will closely watch this experimental system. Should it be successful, I understand that the western region is considering adopting a similar approach for its own judicial system.

I have had the opportunity on a few occasions to travel to the western and eastern Arctic and I am looking forward to the creation of Nunavut on April 1. Last year I had the opportunity to speak to other amendments to the Nunavut Act that will help to ensure that programs and procedures are in place and operational on April 1, 1999.

This legislation will also provide additional seats in this House, which will allow representation for both territories which are currently the Northwest Territories.

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• (1645)

The PC Party was instrumental in establishing the basis for this new territory. I am pleased to have had the opportunity to work on this piece of legislation, one that will ensure everything is in place and ready to go next April. This will be an historic time for Canada and it provides an excellent opportunity to introduce a one court system.

Whether the court system meets the high expectations of the Inuit remains to be seen, but it will be an opportunity to see how the justice system can be adapted to unique circumstances.

While a one court system has been discussed on different occasions as an alternative to the two court system, it has never been implemented. Given the conditions existing in the eastern Arctic, it is an excellent opportunity to introduce such a system.

It is assumed that the one court system will have the advantage of being both cheaper to operate and more efficient with only one level of court to travel to the various communities instead of two. This should reduce the operating costs, particularly since it is necessary to fly to the outlying communities.

This is especially relevant when one considers that the new territory of Nunavut consists of 26 communities with a total population of approximately 26,000 people. This system may also improve efficiency since each judge will be able to preside over the various types of cases and it should reduce the scheduling program problems that the two court levels would entail.

On the other hand, this means only one system is available for different types of offences combining territorial and federal issues and jurisdictions. This may raise concerns about the fairness of a system that hears cases from all levels.

At the same time, while there may be some adjustments to the new system and some minor hurdles to overcome, the system will be unique to the new territory and closely monitored by the Government of Canada, particularly the western portion of the current Northwest Territories.

The legislation is necessary to establish the judicial system as a one court system, another step in ensuring a smooth transition to the new territory on April 1, 1999.

The Progressive Conservative Party has always supported the creation of Nunavut and the land claims settlement that set out the establishment of the new territory. I am looking forward to the creation of Nunavut next year and will continue to support legislation that assists in this endeavour.

I welcome the opportunity to study the legislation at committee.

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, I listened with interest to the hon. member for South Shore speak

about the issue of incarceration. I guess it will not have much effect in terms of incarceration.

I would be interested in probing the member further on that subject given that it is obviously part of the justice system. There will have to be agreements in place to house the inmates who are convicted for more than two years, hopefully as close as possible to their homes so that it will enhance the prospects for rehabilitation.

The Conservative Party certainly has a long history of building prisons. The one that comes to mind right away is the one that the former Conservative prime minister from Quebec built in his riding. I think it was the Port Cartier prison.

Does the hon. member have any other thoughts with respect to how incarceration issues will be dealt with? He seems to have displayed some expertise on the subject given his comments this afternoon.

I do not know if the hon. member has the information available, but I would like to know the number of inmates we might be talking about that are generated from the actions of the court system. If he could provide some information on that it would be helpful.

The member also mentioned that if these amendments were successful in terms of the application of the one court system to the eastern Arctic the people in the western Arctic would be looking with interest at the experiment, if that is what we want to call it.

Does the hon. member have any information with respect to what sort of political pressure is currently being exerted by the people in the western Arctic with respect to how quickly they would want such a system implemented?

• (1650)

I would appreciate if the hon. member for South Shore could enlighten the House with respect to those issues.

Mr. Gerald Keddy: Mr. Speaker, the first issue is that prisons and museums tend to be the same in relation to the act before us and some of the justice applications the hon. member is discussing.

I am not a legal professional. Nor do I profess to be. My party has looked at this issue and will be studying it in great detail in committee. As the hon. member is aware, we have a golden opportunity to look at a trial case of implementing a one court system in northern Canada where there are huge amounts of territory, a duplication of task and an overlapping of jurisdiction. If we can solve the problem with the one court system then we are in favour of it.

On the question of whether or not incarceration will take place in the north there is an agreement in place. The details of that agreement after a two year sentence are unclear. We will be looking at that in committee. A number of questions with respect to the

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legislation have not yet been answered. It is important to remember that it is a trial case. We have a perfect opportunity to introduce a one court system, to look at it and to study it further.

On the third question of the western Arctic and the Yukon territory, they have been looking very closely at this system. It is something they would be very interested in. They also have the opportunity to wait and see. For them there is a benefit to be derived from that.

In the eastern Arctic there are 2.242 million square kilometres of territory and 26 villages. It is a very difficult to wait and see if they need the single court system now.

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, I am pleased to speak today to Bill C-57, an act to amend the Nunavut Act with respect to the Nunavut Court of Justice and to amend other acts in consequence.

I reiterate the remarks of my colleague from South Shore who has been a strong and vigorous spokesperson not only on behalf of his riding but on behalf of the Progressive Conservative Party of Canada in the Indian and northern affairs portfolio.

I also commend the efforts of the hon. member for Nunavut. Although we do not share the same political affiliation, I know the member is deeply committed to achieving progress for her constituents as they enter the 21st century as residents of Canada's newest territory.

It was unfortunate to witness the Leader of the Official Opposition cynically using the debate of the Nunavut Act in parliament earlier to promote his own partisan agenda with respect to Senate reform. The Leader of the Official Opposition's lengthy diatribe against of the upper chamber, which at one time included his father, proved once again that while he can play opposition politics with the best of politicians he does not have the qualities to lead the country. The people of Nunavut deserve better.

Fortunately Canada had a leader with the foresight and vision to pursue an aggressive activist agenda. Canadians had the Right Hon. Brian Mulroney who set the wheels in motion to establish the Nunavut territory by signing the Nunavut land claim agreement in 1992.

The creation of Nunavut is one more reason why Mr. Mulroney was named a Companion of the Order of Canada. Furthermore, under the previous Conservative government and the former constitutional affairs minister Joe Clark, who is re-emerging on the national scene, aboriginal people were full participants at formal constitutional negotiations for the first time in Canadian history.

Brian Mulroney remains a convenient scapegoat who the Liberals are happy to blame and denigrate in compensation for their shortcomings.

• (1655)

Nonetheless it cannot be stressed enough that the previous Progressive Conservative government gave aboriginal peoples a voice at the constitutional table, a voice through the royal commission, a voice in the Corrections and Conditional Release Act, and a voice for Inuit people by signing the Nunavut land claim agreement.

Today we are debating yet another piece of legislation introduced by the government that is a proud legacy of the former Progressive Conservative government. I am not concerned, however, with what will happen when the Liberals run out of the policies stolen from the previous government. Canadians will simply turn to the Progressive Conservatives to achieve meaningful progressive change to improve the country. Although our party's ambitious policies were unpopular at the time, history once again has shown that by and large Progressive Conservative policies are for the betterment of all Canadians.

Bill C-57 deals with providing the best possible court system for Nunavut. There may be those who object to granting the people of Nunavut a single court system. They may object on the basis of jurisdictional concerns that the bill would create an intrusive precedent. They may object on the basis that the bill somehow violates the equality provisions of the Charter of Rights and Freedoms.

I do not share these objections. Bill C-57 appears to recognize the unique circumstances in which the people of Nunavut live. First and foremost in this unique environment is that the Inuit people will also form a strong majority of Nunavut's population: 17,000 of the 22,000 residents or 77%. Nunavut's territory also represents approximately one-fifth of Canada's size. Yet its total population is only 22,000 or less than one-quarter of 1% of the population of the country.

Let us compare Nunavut's size and population with other jurisdictions. Nunavut's 1.9 million square kilometres fall just under the figure for Greenland. Nunavut is five times the size of Germany, four times the size of Sweden, and one-fifth the size of China.

Then we factor in population distribution. Nunavut has only one-hundredth of one person for every square kilometre of physical territory. Canada as a whole has nearly three people per square kilometre. Ontario has 11 people per square kilometre. China has 120 people per square kilometre while Germany has 220 people for every square kilometre.

Nunavut's main human and territorial characteristics are not only unique to Canada. They are unique to the world. For example, Nunavut has only 20 kilometres of highway. Moreover, there is a disparity between communities. The largest community is its future capital, Iqaluit. More than 3,000 people call Iqaluit home. The community is located approximately 2,000 kilometres from Ottawa. Its average temperatures range from -30°C in January to

15°C in July. Iqaluit residents experience 24 hours of daylight per day in June but find no more than six hours of daily sunlight in December.

On the other hand, Grise Ford is Nunavut's most northern community, a full 2,700 kilometres from Ottawa. Its population numbers around 130 people who experience an average temperature of -35° in January and 10° in July. These hearty souls also live in 24 hours of daylight in June and around the clock darkness in December.

The member for Pictou—Antigonish—Guysborough has experienced numerous challenges practising law in the rural area he comes from. He told me it was difficult for home to conceive how court proceedings, be they related to criminal civil or family law, would occur effectively and efficiently in such a broad jurisdiction with such a small population, with such a diversity of communities.

As has been already mentioned, Bill C-57 amends several existing federal statutes. It amends the Nunavut Act to establish a single level trial court at the superior court level to be known as the Nunavut Court of Justice.

It amends the Judges Act to provide for three superior court judges on the Nunavut Court of Justice and to provide for full membership in the Canadian Judicial Council for the senior judge of each of the territories. It amends the Criminal Code to provide the new structures and procedures for the Nunavut court of justice in the following areas: jurisdiction of the judges, summary conviction appeals, a new statutory form of release, judicial interim release, and elections as to a mode of trial.

• (1700)

Finally, Bill C-57 amends the Young Offenders Act to ensure that structures and procedures for single level trial court are consistent with the new structures and procedures in the Criminal Code.

I therefore welcome Bill C-57 as a positive measure that recognizes the unique conditions of the people of Nunavut. I look forward to working with my caucus colleagues from South Shore, Nunavut and other members and, most important, the people of Nunavut to critically examine this legislation at the justice committee.

We need to ensure that Bill C-57 accurately reflects both the needs of Nunavut and the obligation of the Government of Canada to protect the new course of justice. Let us continue to build on the legacy for Inuit self-government left by the former Progressive Conservative government.

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, I listened to the hon. member's comments with great interest. It is interesting to know that he is a lawyer and perhaps brings a

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different perspective to this legislation than some of us who are not from the legal profession.

My question in terms of this new system to be applied to Nunavut is whether there will be flexibility within the system in terms of responding to the needs of aboriginal communities. One of the things we have learned in this country is that there are some very different traditions as far as justice and the application of justice.

Coming in this morning I heard on CBC radio the whole issue of adapting sentencing circles to southern communities like regional municipality of Ottawa-Carleton. I am interested in knowing whether there is flexibility within the system, if the hon. member knows or has this information at his disposal. I would like to know whether there is enough flexibility in the system to allow for those sorts of options in the north with this new legislation.

Clearly some of the mechanisms we have in terms of the British tradition of justice differ greatly from the aboriginal system. I ask the hon. member if he has any information on that and whether we will be seeing more creative types of justice applied to northern communities that adapt more to the needs and the traditions of the people who live in those communities.

Mr. Gilles Bernier: Mr. Speaker, I thank the hon. member for his question.

In Canada we have many provinces and territories. We have provincial and federal laws. I am sure this new act will help the people of the north. I assure the hon. member that what he just asked will be studied in committee in the near future.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I listened with great interest to the hon. member. He made a reference to the Senate and how the Reform Party has been too negative about the other place and all the wonderful senators and so on.

I notice in the most recent polling that a growing number of people just want to abolish the Senate. An Angus Reid poll a few months ago said 41% want to abolish it, 43% want to reform it. There was a Pollara poll in December of last year that said 34% want to abolish it and 33% want to reform it.

I wonder if he would join a drive that has been spearheaded by the hon. member for Sarnia and me to abolish the Senate as a project for the new millennium in terms of increasing democracy in this country. It appears to be the wishes of the Canadian people. I know the Conservative Party has a very democratic leadership selection process in terms of being a grassroots party.

• (1705)

Mr. Bob Kilger: Mr. Speaker, I rise on a point of order. I remind members we are discussing Bill C-57, an act to amend the Nunavut

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Act with respect to the Nunavut court of justice and to amend other acts in consequence. Did we change? Did I miss something?

The Acting Speaker (Mr. McClelland): No, although there has been in debate the notion of changed representation and the question of the other place.

Mr. Gilles Bernier: Mr. Speaker, I thank the hon. member from the NDP for his question.

What I made reference to was that when we had such a debate in the House of Commons the Leader of the Opposition did not talk about that at the time. He was more interesting in talking about the Senate. That is what I was relating to.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I begin by acknowledging clearly the contribution those people who live north of 60 make to Canada and the contribution they have made in the past. Let me acknowledge for example that their presence has been extremely important for the maintenance of Canadian sovereignty in the high Arctic in the past.

These people live in an area of Canada that experiences a harsh climate. It is a difficult lifestyle. It is a difficult place to earn a living.

As a member of parliament who represents a northern riding in British Columbia with many small and remote communities, I have some understanding of what it would be like to live north of 60, although obviously I do not understand it completely.

Let us examine what this bill is about and ask ourselves some very serious questions with regard to where we are headed. To listen to some of the members in this place today we would think the people who currently live north of 60 do not have a justice system and have no access to justice.

We know that is not right. We know these people have had access to justice since the inception of Canadian sovereignty in 1867.

What we have come to understand, certainly from the Reform Party's point of view, is that this is another piece of legislation that is a furtherance to the whole concept of Nunavut. Nunavut from the perspective of many people in the Reform Party is a very badly flawed and fiscally irresponsible idea which is bereft of intellectual discipline.

Acknowledging that people who live north of 60 live in a harsh climate and difficult circumstances does not mean that it is somehow a good idea to adopt the notion of Nunavut and then spend \$300 million of taxpayer money just to implement it.

For the 25,000 or so people who live in this area to be covered under Nunavut, equivalent to a medium size town in rural Canada, these people are to receive an expenditure per capita of about \$12,000. Let us not forget that about half these people are children

below the age of majority. It is not a very large population at all but it is a huge expenditure.

In order to implement Nunavut the government now has to set up a judicial system, to set up a legislature, to set up a senate and all these trappings that go along with the concept of the territory of Nunavut.

Nunavut in the opinion of many, including some constitutional experts, people who were around the table in 1980-1981 when former Prime Minister Trudeau was in the process attempting to patriate the Constitution to Canada, is actually the creation of a province through the back door.

• (1710)

In strict terms, if the Government of Canada and the provinces were in agreement that a new province should be created there is a process that must be followed in order to effect the constitutional change required to see that come about.

However, the Government of Canada arbitrarily and in isolation has decided to create this new territory called Nunavut and it is a province in everything but name.

I suggest there will come a time when somebody, some province or some group will challenge the constitutionality of the legislation which brings Nunavut to life. I suggest there is a good likelihood the challenge will succeed.

For the expenditure proposed, and the \$300 million implementation cost is only a small part of the overall cost, we can only wonder what could have been achieved for the people who live north of 60 and what they are getting. What they are getting is a huge bureaucracy. Along with that the idea that large bureaucracies somehow increase people's standard of living and create wealth is being reinforced. We know they do not.

We know that for many decades now both Liberal and Conservative administrations in Ottawa have attempted to practise this faulty fiscal policy and it has nearly bankrupted the country. We now have, even among Liberals which is something I never thought I would see in my lifetime, the acknowledgement that we have to look at ways of increasing people's living standards and improving their lifestyles other than through government intervention.

What is being proposed for Nunavut is a massive infusion of federal dollars to implement and on an ongoing basis maintain, which is somehow supposed to improve the standard of living of people in that area. I suggest this is not about wealth creation but about an ongoing transfer of wealth from the rest of Canada to a very large geographical area, very sparsely populated. I believe the thinking behind Nunavut is faulty.

There are a number of questions that come to my mind when I look at the bill before us. What is missing? How much will this

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piece of legislation cost? How much is it going to cost to implement and maintain? Who is going to pay that?

I do not think 25,000 people in the high Arctic will be able to underwrite the cost of this on an ongoing basis through their tax base. I just do not see that.

What we are saying in effect is that the Canadian government, i.e. Canadian taxpayers from coast to coast, is going to underwrite the costs of this new justice system in perpetuity. I say there is something fundamentally wrong with that. A justice system can be made available to people who live north of 60 and all the other departments of government available to most Canadians can be made available on a much more cost effective basis which would be much more fair to the taxpayers in the rest of Canada.

Again I say this is the result of an intellectual process which is at best faulty and which is at worst bankrupt.

• (1715)

The people who came up with this brainchild and passed it through the House of Commons in form of legislation continue to support it and to enact further legislation to effect the implementation of Nunavut. They have not been honest with themselves or with the people north of 60 whom the legislation is supposed to benefit. Nor have they been honest with the rest of Canada.

There are many parallels. I know this is not a land treaty or a land claim agreement, but in the great deal of the thinking behind Nunavut and what has gone into supporting it is the notion that people north of 60, who are predominantly of aboriginal extraction, Inuit, should have a greater degree of say and control over their own lives.

I do not think anyone in the House would disagree. I do not think anyone wants to say that these people should be dictated to from Ottawa. Lord knows that as a British Columbian growing up during the sixties and seventies I certainly got a bellyful of Ottawa dictating to British Columbia and to me as a citizen of British Columbia how I should live.

An hon. member: They still do.

Mr. Mike Scott: Yes, they still want to dictate to us. That is why Reform is here. That is why it is important that we do not abolish the Senate. That is why it is important that we have an effective Senate, an elected Senate. It is one way of assuring the regions of Canada, including the north of Canada, that there will be an opportunity for balancing the very strong representation by population that we have in the House of Commons. This is the fallacy in the thinking of my friend who raised the issue a few minutes ago.

On the surface it is immediately attractive but in the long run it will not serve the regions of Canada. As a matter of fact it closes the door forever for them to have an opportunity of equal and

effective representation based on a regional model rather than representation by population.

If we abandon the idea of a triple E Senate we forever resign ourselves to having central Canada dictate to the rest of Canada and the regions how we will live our lives. That lets down our constituents, particularly those of us who come from rural parts of Canada.

I see many parallels in the thinking that has gone into Nunavut, the institutions that are being created including the justice system, and the thinking that has gone into and is currently going into the treaty process in British Columbia.

For example, in the Nisga'a agreement in British Columbia, the first land claim agreement to be resolved or supposedly to be resolved—it is not resolved yet—the government intends to create a separate justice system, exactly as it is attempting to do with the legislation on Nunavut. This somehow leaves the impression that these people do not have access to justice at the present time, are being left out or being hard done by. I simply argue that this is not the case.

I do not understand the justification for telling a group of people, whether it is on an ethnic basis as in the case of Nisga'a or on a geographical basis as in the case of Nunavut, that they are entitled to a separate justice system which will cost an extraordinary amount of money for the number of people it is designed to serve.

Members on this side of the House have a great deal of difficulty with the lack of responsiveness in the justice system at the present time and the feeling that it is not achieving what it ought to achieve. However it is still there for all Canadians. I do not see how members opposite can make a legitimate argument that somehow people are slipping through the cracks and need their own justice system to be better off. I just do not understand that thinking at all.

• (1720)

The intellectual justification for the \$300 million cost of Nunavut does not stand up to the light of day. The legislation is in furtherance to that whole bad idea. This is meant as no disrespect whatsoever to the people who live in the high Arctic but is simply a recognition of fact.

Therefore I cannot support what is being proposed. As much as I would like to recognize the contribution of people who live in the high Arctic, I will have to vote against the legislation when it comes before the House.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I thank my hon. colleague for the erudite and learned manner in which he exposed what happened in Nunavut, in the establishment of Nunavut, and with the legislation that came from the south. He exposed some of the errors and shortsighted thinking that went into the initial legislation and recognized the contribution of these people.

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I pay tribute to my colleague from Yukon who compassionately indicated how necessary it was to provide justice for the people of that part of Canada. My hon. colleague said that we all want justice, and I think we all want it.

Would my colleague subscribe to the notion that if there is to be justice it should be equal justice for all people in Canada? One element of an equal justice system is a system that is more or less parallel. We have a situation where apparently justice is the issue. Equality of citizens before and under the law is another issue and the object of a thorough and fair justice system.

How will there be equality of justice in establishing a totally different kind of conceptually directed justice system in one part of Canada, in this case in Nunavut, as compared to the other provinces? Why should there be a separate system in this part of Canada?

Mr. Mike Scott: Mr. Speaker, I thank my colleague for his excellent question. He has put his finger on a big part of the problem.

According to the notions that were inculcated in me as I grew up, Canada was founded and based on the notion of civic nationalism. That means our participation in this democracy does not depend on our gender, our colour, our language or our religion. It does not depend on any identifying or distinguishing characteristic. It depends on the fact that we are of the age of majority and we have one person, one vote. We all have the rights and freedoms afforded to us under the Charter of Rights and Freedoms. Before that rights were extended to us under the British North America Act.

The legislation is another indicator that we have to be on guard against a danger. Canada is in danger of breaking away from the notion of civic nationalism into what I would consider to be a regressive and less attractive notion of ethnic nationalism. We see this expressed in many areas. We even see it expressed in the House. I say that with the greatest of respect, because I do not want to unfairly or without warrant attack any other members of the House.

Let us consider the section of the Constitution that guarantees and spells out our rights and freedoms. The next paragraph states that notwithstanding that we have these rights and freedoms, the government has the right to abrogate them when it feels it is in the best interest of the nation. I do not see how any right thinking person could ever accept that somebody's rights would be taken away for any reason whatsoever. Those rights should be immutable. They should be there as a pillar or a cornerstone never to be affected by any action that government may take.

• (1725)

What is being proposed under the whole concept of Nunavut gets dangerously close to breaking away from the notion of the equality

of all Canadians before the law and the right of all Canadians to equal access to the institutions of government, including the institution of justice. It falls perilously close to the notion of ethnic nationalism, which is something I could never support and I believe a majority of Canadians would never support.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I would like to ask a question regarding the judges system in the new territory.

In 14 months we will be into a new millennium. With the type of justice system the bill will bring in, what hope do these people have to have enshrined later on in the history of the new territory the same type of justice system the rest of Canadians enjoy?

Mr. Mike Scott: Mr. Speaker, I am not sure I fully understood the member's question, but I am reluctant to believe that the people who will be looking to justice under the bill we are debating will have the same access and the same disengaged treatment other Canadians expect from the system.

It is vitally important in a civilized nation such as Canada that all citizens fundamentally believe that the justice system is unbiased, disengaged and will render justice in an even-handed manner which takes into account no factors other than the facts of law any justice system should recognize.

When I look at and contemplate the thinking behind the bill it causes me some concern. It does not cause me as much concern as the whole concept of Nunavut in the first place, but I am certainly not embracing the notion that some Canadians by dint of their geographical location or other distinguishing reasons ought to have access to a different justice system with different rules and regulations and different protocols than the rest of Canada has access to.

I do not know if I have answered the member's question succinctly enough. I hope I have. It is the best I can do for the member.

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, this amendment to the Nunavut Act gives rise to the question of whether or not it was properly thought out in the first place by the government. It is talking about a different system of justice, something separate from what the rest of Canadians enjoy. Certainly, then, there would have been room to go ahead with a different system for selecting people in the Senate. They will have to make a new seat for this territory.

Mr. Mike Scott: Mr. Speaker, I will make it short because I know you will not let me have it any other way.

Obviously the government is cherry picking, to answer the member's question. The government says "Heads I win, tails you

lose". It will not allow any notion of Senate reform when it comes to Nunavut but it will embrace changes to the justice system if it deems that is what it would like to see happen.

• (1730)

The Acting Speaker (Mr. McClelland): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

TAX ON FINANCIAL TRANSACTIONS

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved:

That, in the opinion of this House, the government should show leadership and enact a tax on financial transactions in concert with all OECD countries.

He said: Mr. Speaker, I have consulted with all parties and I understand there is unanimous consent for the following motion:

I move:

That the motion be amended by removing the words "all OECD countries" and replacing them with the following: "the international community".

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

(Amendment agreed to)

The Acting Speaker (Mr. McClelland): Debate is on the motion as amended.

Hon. Lorne Nystrom: Mr. Speaker, I thank the House for the unanimous consent to make that change which reflects a broader consensus in the country and in the House.

The purpose for this private member's motion today, which is one of the few votable motions in the House, is to start a debate on a new idea which in many ways is an old idea. It was first suggested by James Tobin, an economist who won the Nobel prize in 1992. He suggested in 1981 that in order to bring some regulation or order to the international financial marketplace in currency transactions there be enacted a very small foreign currency transaction tax. This has to be done in concert with the world community. One country by itself cannot do it. This would bring some semblance of order to what we are seeing in the world today.

Private Members' Business

The secondary purpose of the motion would be to use the funds to establish in part an international development fund which would be useful for many projects around the world. I will get into that a little later on.

The time has come when we have to start looking at new ideas as to how we work toward the common good not just in this country but around the world. Dr. Tobin made the suggestion a number of years ago. The idea is to impose a very small tax on foreign currency transactions. The idea being talked about now by most people around the world is a tax of .1%. In other words, one dollar on every thousand dollars of foreign currency transactions. If we buy a condo for \$100,000 that would be a \$100 transaction tax.

I want to give the House some idea of the magnitude of what we are talking about. In the 1970s the daily trading in the world in foreign currency was about \$17 billion. Today it is about \$1.3 trillion. It is a figure so large it is impossible to even imagine. To give a comparison the trade in goods and services around the world annually, 365 days of the year, of all countries is \$4.3 trillion and the currency exchange is \$1.3 trillion a day. That is a lot of money.

• (1735)

The consequences of this is that there is a feeling among a lot of people that nation states have given up a lot of sovereignty to what we sometimes call the boys in red suspenders as they speculate on currency around the world.

Talking about this at this time is really appropriate because much of the world is in recession and many people are predicting a worldwide depression. We have seen the tremendous effect on currency around the world and the effect on Canadian currency. We have seen the problems in southeast Asia, in places like Thailand and which have spread to other countries in that part of the world, to Japan and Russia, which is now basically without a government and in total chaos. The problem is spreading into Brazil and parts of Latin America.

A large part of it is because of the rapid movement of short term capital seeking a place to maximize its return. This is being done at the flick of a computer key when billions are moved, as I said \$1.3 trillion every day.

Are we as a country powerless or do we want to assert our sovereignty and try with our fellow people around the world to come up with a method of bringing some order to the turmoil that exists today in terms of international currency markets? I think the answer is yes.

The Governor of the Bank of Canada was before the finance committee last night. We have had the Minister of Finance before the finance committee last night. They both talked about trying to bring some order to the currency markets around the world. This is one idea I think we should be looking at in terms of trying to bring some of that order.

Private Members' Business

One of the consequences of technological change and of globalization as we see it today has been the demise in the power of the nation state. I do not think there is any denying that. But that opens up new opportunities in terms of how we govern ourselves as the human race. I believe that many of the things we used to do nationally as nation states and country by country we will have to in the future start doing internationally as the borders become more and more erased right around the world.

When we look at the attack on social programs around the world, the environmental problems around the world, the lack of real sovereignty in terms of monetary policy country by country, I think we realize we have to do something about these in common cause with other people around the world. That opens up an exciting vision of the world of tomorrow, a new vision where people regardless of the colour of their skin, regardless of where they live, work together toward a common cause and a common good.

One way of doing it is for the first time to have a small tax on financial transactions applicable around the world. That is one thing we should look at. Private members' hour is the time to do this where we can all vote freely of our party whips and party discipline to say yes or no to the idea. This motion does not bind the government. It says that in the opinion of this House, the government should show leadership and enact a tax on financial transactions in concert with the international community.

The Minister of Finance has made public statements where he is interested in principle in the concept of a Tobin tax. He looked at this very seriously in 1995 at the G-7 conference in Halifax. He had papers commissioned on the Tobin tax at that time.

One of the reasons the Minister of Finance became rather pessimistic on this in the last year or so was that he did not think it would fly because of the government position in Britain and the government in Germany, two big countries in Europe.

In the last year there has been a change in government in both those places. In Britain it is now Tony Blair and the Labour Party and as of three weeks ago in Germany there was the election of Mr. Schroeder and the Social Democrats. In both cases they are governments open to examining the possibility of the Tobin tax to see whether we can work out some method of making this a feasible part of a new world order and new world vision.

• (1740)

It could be an exciting time for our country and our parliament. We should ask the Minister of Finance to take the lead on this very important issue for the world of tomorrow.

As I said, this has been debated before. It began with Mr. Tobin, the economist who won the Nobel prize. It was talked about in October 1987 during the stock market crash around the world. It was also debated in 1984 when the peso in Mexico collapsed,

causing a tremendous exodus of capital from that country. The result of that exodus of capital was a tremendous amount of hardship and poverty for the ordinary Mexican person.

The excess capital around the world seeking a safe haven and seeking to make money, although much of that money is going to the United States, has once again precipitated a debate. This is another reason we should be looking at it.

I want to give three examples of the so-called Tobin tax. First, I say to some of my friends who are concerned about tax issues that it is a very small tax; .1% is what is being talked about, maybe even less than that. This would have virtually no impact whatsoever on long term investment in the world, long term investment that is needed in developing and developed countries alike. It would be so small that it would not affect long term investment.

On the other hand, it would deter short term speculation, money that moves into a market for a few minutes, a few hours or a few days and moves out of that market after it makes a short term amount of money on a small margin. This money is sort of slushing back and forth around the world and is operating on very small margins. The effect of this is that it creates great distortions in national economies like Mexico, Brazil or what is happening in Russia today. It even affects us where our dollar is weaker than it should be because a lot of dollars are going to the United States to seek refuge.

It would not have an impact on long term investment but it would bring some semblance of order to the world community and to the boys in red suspenders who are trading currency back and forth like a gigantic casino around the world that affects working people in every country.

It would bring more stability for exporters, importers, investors and the government in terms of planning budgets, public policies and monetary policies of nation states right around the world. It would bring more stability because that great volatility of the casino economy would be tempered to a certain degree.

Finally, as I said, it would reduce the power of the speculators and increase the power of national governments to do more things in their countries and to be able to share increased power through international bodies and organizations. That is the main reason for the so-called Tobin tax, the tax on international transactions.

The second reason for the motion is to raise revenue for worthy projects around the world. This is the secondary objective but it is still a very important objective. Many times we have world disasters and there is a great deal of difficulty trying to raise money for those world disasters. The United States is now in a great debate in terms of what the Americans should pay in terms of a stipend to the United Nations to keep it going, a debate between the Republicans and the Democrats, between the office of the president and Congress.

Private Members' Business

I remember the disaster in Chernobyl, the great disaster with the reactor in Ukraine and the time it took to get funding and money to help the victims and do the clean-up. There are many purposes the money could be used for in terms of development around the world.

I think of the whole issue of jobs, the economy and the millions of people being thrown out of work now because of what is happening in many parts of the world. Some money could be used for employment and jobs. Some money could be used for peace-keeping, for the mines issue, for medical research and for environmental research and funding. There are many uses for this money.

• (1745)

I will give a few examples. If there were a 0.1% Tobin tax on foreign currency transactions, that would raise, in 1995 dollars, \$176 billion U.S. That is a lot of money. A Tobin tax of 0.003% would be enough money to fund United Nations peacekeeping around the world. It could fund the project initiated in large part by our Minister of Foreign Affairs on land mines. There are many worthy causes around the world.

One of the consequences would be the establishment of a global village which would have a common good amongst all nations of the world. There would be a strengthening of international organizations. The United Nations would become a meaningful world government and would share things with national governments around the world. There could be permanent international peace-keeping forces. There are many things that could be done.

How would this be implemented? There are a number of ways of doing it. The International Monetary Fund could be reformed to do it or the World Bank could be reformed to do it. My preference would be a new international financial agency to administer the Tobin tax.

Who would collect the tax? National governments would collect the tax around the world.

The time has come for this country to consider taking leadership in a new idea, in a new vision that seeks to bring some order to the chaos we see around us every day. This cuts across political lines. I differ from time to time with colleagues in other parties, the Reform Party or the government. However, I know from talking to people in the Reform Party, the Liberal Party the Bloc Quebecois and the Progressive Conservative Party that there is a great deal of concern in all of our constituencies.

People feel helpless and hopeless by what they see happening in the stock market today and by what they see happening to our dollar. People were scared last August when the dollar started to plummet and the bank rate went up twice. People are concerned about what is happening in Brazil. Thailand was one of the most successful countries in the world a year or so ago. The Asian tigers

were held up as an example of how to run an economy. They were virtually running it on very small debts. All of a sudden it started to tumble down like a deck of cards.

An hon. member: It brought down some of my stocks.

Hon. Lorne Nystrom: It probably brought down some of the member's stocks. I am sure the member for Souris—Moose Mountain will be a very enthusiastic supporter of this motion.

This motion would empower people. It would give back some sovereignty to people through their national governments and through world agencies. Rather than just the law of the jungle with a few people on computers trading on the futures market, the currency markets and the stock markets around the world, it would have a great impact on the lives of so many people.

I want to ask the House to take this motion seriously. It does not say that we should do this by ourselves. Of course we cannot do this by ourselves. It does not say that we should do it along with Zimbabwe and Peru and five or six small countries. It says that we should do it in concert with the international community. To make it work the United States has to be there, the Republic of Germany has to be there, France has to be there, Britain and many of the bigger countries in the world that form the OECD or the G-7 have to be there.

Change only comes if we pursue an idea. Canada is a highly respected country in the world. Canada could start talking about this idea with the new governments in Europe and France. In France there has been a new government in the last year, led by Lionel Jospin of le Parti socialiste français. There are new governments in France, Germany and Britain. With new governments around the world, perhaps we can make some headway. If we do not do this we are going to continue becoming more and more impotent in terms of exercising the power and the sovereignty that people around the world should have.

• (1750)

I look forward to listening to the debate. We should put aside party differences and get behind an idea whose time I think has come.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, let me begin by saying that we share the hon. member's concern over the volatility that often occurs in financial markets and it is actually for this reason that we can support the motion put forward by the hon. member.

Certainly financial instability is a threat to global prosperity and I think it is incumbent on governments to examine all of the options to address the problem. A Tobin tax is one such option.

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But let us be clear. Canada is already exercising international leadership as part of a broad strategy to attack the underlying causes of financial market volatility and we are enjoying considerable success in working with our partners on practical ways of improving the functioning of international markets and preventing and managing crises.

We would all prefer a world where markets always get things right, a world where exchange rates always behave in a way that we could clearly understand in the context of our economic circumstances and policies, a world where exchange rate movements were always helpful in promoting solid growth and job creation for our citizens. But financial markets are not perfect institutions. Clearly they do not always get it right. They travel in herds. They run on rumour. They sometimes ignore fundamentals and all too often they overshoot.

Exchange rates can sometimes move erratically and these erratic movements can cause economic problems, affecting competitiveness or requiring authorities to take some actions to defend the currency that they might otherwise prefer not to do.

The challenge that we face is to find the best way of dealing with these problems which economists call market imperfections.

Proponents of the Tobin tax argue that such a tax would put sand in the wheels of international finance by imposing a very small percentage tax on all foreign exchange trades. So the argument goes that this would discourage speculation and stabilize financial markets without interfering unduly with longer term trade or investment.

Others are attracted by the tax revenue that they believe the tax could raise and which they believe could finance many worthwhile programs.

The arguments surrounding the merits of the Tobin tax are certainly interesting and have been debated for quite some time by economists and others. I am sure that they will be debated for some time to come.

But the more important question from our perspective is not the theoretical benefits that might result from introducing such a tax, but the very practical question of whether this would be feasible. Here it seems very unlikely that a Tobin tax could be imposed on a scale that would actually give rise to the benefits its supporters claim without penalizing some countries severely.

The reason for this is that for the tax to be at all effective in stabilizing markets or raising revenue it would need to be applied globally, and given today's advanced communications and computing technology, transactions can be conducted anywhere in the world and can shift from one location to another in the blink of an eye. If a Tobin tax were not universal in its coverage, transactions

and the incomes and the employment they generate would simply shift to any jurisdiction that did not impose the tax.

Canada in fact explored the idea during the Halifax summit, at which time it became apparent that a number of G-7 countries were adamantly opposed to this idea. Their positions have not changed, despite, as the hon. member has mentioned, some change in governments.

But even agreements among the G-7 or all of the industrial countries would not be sufficient for the proposal to work. All countries would have to agree. There would always be an incentive for some group of countries to opt out, thereby establishing themselves as an off-shore financial centre. I do not believe any member of the House would support a policy that merely encourages the growth of off-shore banking centres.

There are other practical problems. Enforcement of a Tobin tax would involve a constant cat and mouse game of closing loopholes discovered by market players.

So it is for these reasons that the Tobin tax has not attracted widespread support from other countries.

I am not here today to tell the House that nothing can be done to address the question of volatility in international financial markets. In fact, a great deal is being done on this front and Canada is exercising considerable leadership in these efforts.

• (1755)

Our aim, working with our international partners, is to address the underlying causes of international crises such as the Asian crisis and to develop mechanisms to help manage them when they occur.

Although the crisis in Asia had complex roots, it is clear the governments in the region contributed to the problem by allowing, and sometimes even encouraging, imprudent lending on the part of local financial institutions.

Moreover, the promise of fixed exchange rates, a promise that ultimately proved hollow, encouraged local banks and companies to borrow huge amounts of foreign currency. Financial turmoil was the inevitable result of these inappropriate policies and practices.

Canada has provided leadership to the international community on reforms that would address the underlying cause of financial crises and not just symptoms.

At the spring meeting of the IMF and the World Bank our finance minister proposed measures to strengthen supervision and regulation of financial sectors including peer review. Simply put, peer review would allow experts from Canada and other countries to share their expertise with their counterparts in emerging markets and ensure that best practices are being followed.

I am pleased to inform the House that our Canadian proposal was endorsed by the G-7 and the IMF at the annual meetings in

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Washington. The IMF will begin to use peer review as a way of strengthening financial sector supervision and regulation starting next year.

Canada has also proposed a mechanism to ensure that private sector investors such as banks will be involved in the resolution of international financial crises in a much more integrated way than has previously been the case.

Standard operating procedure today is for the IMF, the World Bank and national governments to put up money first. The private sector gets involved only at the end, if at all. Quite clearly that is not an equitable way to share the burden. More to the point, it is no longer on.

Our finance minister proposed a mechanism that would allow for payment standstills during financial crises. This would give hard-pressed countries the time needed to put economic reforms in place much as solvent but illiquid companies can be shielded from their creditors.

A great deal has been accomplished on these concrete measures to address the volatility in international financial markets. Obviously there is still work that needs to be done on this subject.

Canada is determined to carry on its efforts toward leading the international community in its efforts to develop a more stable and prosperous world economy. It is in this context that Canada could accept the imposition of a Tobin tax if the problems that we have outlined were resolved and if all—and I need to be very clear on this—other jurisdictions agreed. Unfortunately those are very big ifs.

Our finance minister, the government and in fact the country, rather than sit back and wait for a Tobin tax or for some other option, acted in a way showing leadership. We put forward a six point plan to attack the underlying causes of financial market volatility. By putting forward that six point plan we have the support of the IMF and the support of the G-7 countries.

We have countries around the world looking to Canada for leadership on this issue. The finance minister has demonstrated that leadership. We will continue to do so as we continue to explore this issue with other major countries. We will continue to show leadership on a much broader strategy to attack the underlying causes of financial market volatility.

I commend the hon. member for bringing the motion forward and for allowing the House an opportunity to debate an issue which has been debated for some time now and will continue to be debated. It is an honourable thing to do, but there are flaws in this tax from the perspective that the one underlying principle which must be adhered to is that all countries must participate in a Tobin

tax. They must all do it at the same time so we do not create any offshore financial centres. We can support this motion in principle.

● (1800)

However, I caution the House and the hon. member that there are many obstacles in the way to seeing this tax come to fruition. In the meantime, we will continue to show leadership as a country. Our finance minister will continue to show leadership at the IMF by adopting a strategy for addressing the broader underlying causes of the crises that are faced by the world.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, to put it directly, I oppose the Tobin tax because I care about the poor and I care about the average Canadian who might wind up paying the bill in the long run.

Today we are really having a discussion about socialist myths. It is fine to have an academic debate for intellectual discourse but heaven help us if we ever allowed the world to slide into such a state where today's proposal would actually be realized. It would really hurt millions of people if the tax were ever large enough that it actually worked to its policy objectives.

The member for Regina—Qu'Appelle is urging the government to introduce a financial transaction tax, or the Tobin tax as it is known in the academic and university circles. In plain terms a financial transaction tax can be any tax. It can be any tax, fee or duty imposed by a government upon the sale, purchase, transfer or registration of a financial instrument. It can be broadly based or it can exempt a variety of instruments. It can be levied against transactions by Canadians or it can be levied against transactions in Canada, or both, cutting various ways across borders.

I think that I speak on behalf of Canadians when I say that taxes discourage positive activity, especially excessive taxes and disincentive penalty taxes. A financial transaction tax would ultimately discourage financial transactions. This would not be good for our economy. This idea responds to the symptoms rather than the causes of financial disorder.

Several weeks ago representatives from all opposition parties got together and in unison voiced a concern to decrease the premiums placed on employment insurance. All opposition parties wanted a reduction in a specific tax. What each party wanted to do with the surplus was rather different, but every party was at least against the increased levy because it hurt the employment rates we desire in Canada.

It is obvious the financial transaction tax is not viewed in quite the same way as the employment insurance tax. However my illustration was simply to show that people hate taxes, period, and in general they are hurtful if they are usurious.

Why was it that Canadians were so opposed to the GST even though some prices on consumer goods were reduced as a result? It

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is simply that new taxes are hard to sell to the public and they almost always create distortions in the market.

The NDP and socialists around the world want this tax to be implemented. They see it as a way to raise money for social issues but often without practical political accountability. One of the areas Professor James Tobin uses in selling his proposed tax to various countries around the world is that revenues could be used to finance the United Nations, or as others have suggested, to aid in various worldwide campaigns like that on land mines. A nice result to help the medicine go down.

To the uninformed or the resentful the idea may sound good on paper but we need to examine it closely to see how the revenue is handled. The main purpose of taxing something is for the revenue it brings. The NDP can say what it wants about how this tax would straighten out the world markets, which it certainly would not, but the bottom line is its secondary agenda.

In 1995 a group of environmental NGOs got together to form the Halifax initiative. Spearheaded by the Sierra Club of Canada the group urged for Canada to be a leader and initiate a financial transaction tax during the Halifax meeting of the G-7 leaders.

One of the briefs put forward by the Halifax initiative stated: "There are two key political issues involved with putting such a tax in place. First, it would be necessary to forge agreement amongst the major countries to implement a uniform tax, and second, there would have to be agreement on the collection and distribution of the revenue". Perhaps it should have added a third issue, for all countries to simply agree there also is a Santa Claus.

I could say that collection might theoretically be done but even that is the easier part. The hard part is where does the money go? If the proceeds are returned to various governments, what rules would determine which country gets what amount? Whose money is it anyway?

• (1805)

Would redistribution favour countries that have important financial centres? Would redistribution favour countries based on their voting shares, say in the International Monetary Fund? What about assigning revenues to global causes? How could any international organization possibly get all the countries to agree? The power struggle that would occur would be disastrous.

Proponents of the tax are suggesting that all countries in the G-7 get together to create this tax. Perhaps these same proponents should look at what is happening with other countries that have had some experience with such types of disincentive taxes and how they hurt people.

Japan has a financial transaction tax in a form and has had some considerable difficulty with it as the tax has had negative effects on the Japanese market. The story is similar in the United Kingdom. It

has raised some money but there is concern that much more could be achieved without the tax. The U.K. is considering getting rid of the tax. Sweden has also had bad experiences with the tax. Germany has decided that the costs and the problems of the tax far outweigh any benefits when we get into that kind of revenue generation.

To get all countries onside appears to be an insurmountable task. According to Tobin, "a transaction tax on purchases and sales of foreign exchange would have to be universal and uniform, would have to apply to all jurisdictions, and the rate would have to be equalized across all markets". That is his criteria. Obviously that would be absolutely impossible to achieve.

There are other reasons to oppose the financial transaction tax, one being to shift to other jurisdictions. It is impossible that all jurisdictions will subscribe to the methods of the Tobin tax. Therefore, members of the financial community will simply use offshore tax havens in order to evade the tax. Complicated schemes will be developed to get around the tax. There is no end to it.

In 1995 the IMF wrote a paper on financial transaction taxes. It spoke clearly about substitutions. It is stated in the paper, "If transaction taxes applied to transactions only in domestic markets, investors could substitute foreign trading as a means to avoid the tax. Shifting the location of trade in financial assets is relatively easy, with trade shifting to other countries or to locations with established financial markets. For instance, a considerable amount of trading in the equities of the United States takes place in London".

The stated goal of the tax is to slow the velocity of foreign exchange markets. But once the tax was established, pressure would be there to continue to raise the tax until it actually began to work. It would then become a very difficult disincentive for the overall world economy.

The bottom line is that there are insurmountable loopholes through this idealistic scheme. Financial markets contain numerous products that are close substitutes to other products. A government bond is a close substitute to a high quality corporate bond. Bank deposits are substitutes for money market funds. If we tax one product, any investor is going to search out for a replacement.

I think my NDP friends would agree that even in a perfect world not every country would sign up to such a tax treaty as they are proposing. Therefore, if a country refused to institute a financial transaction tax, it would essentially become a magnet for foreign exchange trading operations of major banks worldwide. This would be disastrous for countries that went ahead and implemented the tax. It would be a disincentive for them. It would be a competitive advantage for those countries that stayed out of the scheme.

The volatility of foreign exchange markets is a fact of life in the global economy. My recommendation is for governments to pursue credible fiscal policy and encourage strong transparent

financial sectors instead of punishing currency traders. Money moves when there is a failure to perform. Accomplishments in a working market are rewarded. Those who do not perform wither. Often the volatility of money in the world has to do with seeking higher performance. That is the best kind of discipline wherein we all may be better off.

On paper the theory may be convincing to some, however in reality it simply would not work. Therefore, I directly oppose the idea of a Tobin tax.

Within our purview, the government has much more pressing matters to deal with with respect to its financial house and getting our finances in order. It is my hope the government will begin to diligently work at reducing the employment insurance premiums for example in order to rebuild the deteriorating confidence Canadians have shown in respect of our domestic financial markets. We need lower taxes. For markets to work better, rather than have a bureaucrat deal with money, it is better to leave the money in the hands of a taxpayer, a consumer or an investor.

• (1810)

Money markets worldwide are volatile. Eventually it is revealed that the underlying fundamentals of these—

The Acting Speaker (Mr. McClelland): I am sorry but the time for the hon. member has expired.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, I want to congratulate the hon. member for Regina—Qu'Appelle on his great idea of presenting Motion M-239, as amended to read as follows:

That, in the opinion of this House, the government should show leadership and enact a tax on financial transactions in concert with the international community.

My colleagues in the Bloc Québécois and I generally support in principle motions as presented. And my colleague from Lac-Saint-Jean clearly demonstrated this. Wholesale unregulated globalization is a little scary.

So, as far as we are concerned, some regulating of international financial transactions, of shameless speculation, is good. Members will see why later in my remarks.

The meaning of “financial transactions” in general ought to be specified. This may be a simplistic example, but let us say I have \$100 Canadian changed for American money because I will be travelling to the U.S. tomorrow morning. Is this kind of financial transaction likely to affect the Canadian or American dollar? I think not. Should there be a tax on this simple transaction? Again, I think not.

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To sum up, yes, speculation should be taxed or regulated. Perhaps the meaning of the word “transaction” should be further defined, as we will see later.

Listening to the Reform member who spoke before me, it is clear that the Tobin tax can be interpreted any number of ways. People see what they want in it and it is blamed for many things.

When James Tobin—I want to make it clear that the premier of Newfoundland and former minister on the other side is not the one who came up with the idea of imposing such a tax, but rather an American economist named James Tobin—won the Nobel Prize in 1972, I am sure no member of the Reform Party sat on the jury, otherwise he would probably never have received this well deserved award.

Just because an idea is difficult to implement does not mean it should automatically be rejected. When my Reform Party colleague says it cannot be implemented and is unfeasible, and that a third issue could even be to consider reinventing Santa Claus, I think he is going a bit far.

When he says it is impossible to get all countries to agree to go along with a decision that would place legal limits on international financial speculation, he is perhaps forgetting that today, in 1998, we have the WTO, to which the very great majority of, if not all, countries belong. Only a few are missing.

Nonetheless, after several years of talks and negotiations—starting with the GATT, and moving on—we now have harmonized customs tariffs. Ten years before the first GATT rounds and before the WTO, various parliaments perhaps had debates in which they said that it would be impossible and unthinkable utopian to consider harmonizing customs tariffs internationally.

But this is what we have today. Why? Because countries realized that, if countries who engage in this sort of international trade wished to evolve in a constructive and secure manner, it would be a benefit to rich countries and poor countries alike to have a legal framework, a consensual framework for trade and tariffs, in order to increase international trade and revenues in countries that can benefit from such trade.

• (1815)

But there is a framework. How does it work? Who decides where meetings are held? The first ministerial meeting was held in Singapore, the second in Geneva, not too long ago, and amendments and improvements are being made. International institutions are capable of working in harmony. Why do people say that, if it is complicated, they will give up, abdicate their responsibilities and go home. I disagree completely.

The motion calls on us to move forward and give the matter more thought, in light of the new reality. Some will say that the

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idea was first put forward 20 years ago and that it has been discussed for just as long, but that it is not feasible.

Twenty years ago, Mexico had yet to go through a money crisis. Twenty years ago, Asia had yet to go through the crisis it is now facing. Twenty years ago, nobody had heard of George Soros who, with \$10 billion, was able in only one day to make the pound sterling drop and make a billion dollars in profit.

The economic situation has evolved, why can our vision and our policies not do the same? Why stick to the idea—and I hope it is not shared by the majority—put forward by the Reform Party, that says “If it is too complicated, we give up and we will vote against it”.

We also have to use our head and say we sincerely do not believe that, with this tax, we want to tax everything. If I were to invest \$1,000 on the stock market or put \$1,000 in a mutual fund, I do not believe I would be a dangerous speculator with a lot of influence on the peso or the U.S. dollar.

However, people are playing Russian roulette with foreign currencies. People in Thailand and Mexico know full well that sometimes, and more often than not, it has a direct impact on their currency and hence on their national economy.

Let me give you an example. In the last edition of *L'Actualité*, we can read that Bill Gates, whose assets total \$51 billion, could in one day restore the Russian economy. In today's economy, there are some people, some consortiums, some investment groups who can at any time use their money to influence and destroy whole national economies, and this will then trickle down to the regions.

This can have an impact at the international level. A few months or a few years down the road, unfortunately, Canada will be affected. In today's new economy, do we have to ask ourselves that question?

I was listening to the parliamentary secretary and I was somewhat surprised. He also talked about the difficulties related to the implementation of such a tax. He made reference to the May 1995 report of the Standing Committee on Foreign Affairs entitled “From Bretton Woods to Halifax”. If I may, I will quote from page 57 of that report. It says:

At this point, the Committee's view is that the feasibility of the concept has yet to be proved but that an attitude of openness is warranted. The objectives of a tax on currency speculation at least have sufficient merit and promise to deserve serious longer term examination within a G-7 context. We are aware of some research that has already been done, including within the Canada's Department of Finance.

However, ideas of this sort are still only in the very preliminary stages of investigation, much less deliberation. As even supporters of the concept willingly acknowledge:

—an in-depth feasibility study is needed to analyse the highly complex mechanics of foreign exchange transactions.

That was written in 1995, three years ago, nearly four years ago. “An in-depth feasibility study is needed”. What did the government do with those recommendations? What did the government do since May 1995 with this idea of a study committee? We never saw such a committee.

In closing, I want to propose an amendment to Motion M-239. I move:

That the motion be amended by removing the words “enact a tax on financial transactions” and replacing them with the following:

“promote the implementation of a tax aimed at discouraging speculation on fluctuations in the exchange rate”

This amendment to Motion M-239 would stress the notion of transaction, as I pointed out at the beginning of my speech, and would make the motion consistent with the Tobin tax.

• (1820)

I hope all members of the House will support the amendment and then Motion M-239 as amended.

[English]

The Acting Speaker (Mr. McClelland): The Chair was advised earlier of the amendment and it is in order.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, I commend my colleague in the New Democratic Party for having brought forward this issue to the House of Commons.

When James Tobin introduced the concept of a Tobin tax 20 years ago it did not make much of a ripple, which were his words. In fact, it sank like a rock. Periodically we hear about a Tobin tax and the idea flares up again typically during times of economic turmoil.

In the current context, with \$1.3 trillion traded daily in global capital markets, it has raised its head again similar to the Loch Ness monster. Periodically this monster pops up. Some people see it, typically during periods of turmoil.

I think the hon. member has done us a service by bringing the issue forward so that we can debate and discuss the Tobin tax in the House. I have significant concerns about the Tobin tax. Not that I do not recognize the importance of developing market controls or developing some way to effect the prevention of the types of financial disasters we have seen in Southeast Asia, prior to that in Mexico and with the Barings Bank and some of the spinoffs of that debacle, or BCNI. These types of disasters have been very damaging to economies not only within the sovereign borders of those states where they emanated from but in a global sense.

I do disagree with the concept of a Tobin tax. I feel there is a certain amount of economic naivety that ignores some of the unintended consequences of this type of tax. One of the important

things we must seek to protect in a global knowledge based society is the efficiencies of our capital markets. Those efficiencies can benefit in many ways as opposed to hurt.

In recent weeks and months we have seen the Asian crisis and the resulting difficulties. We should not be asking whether Tobin taxes could have prevented the Asian crisis because arguably they could have or other arguments say they could not have, but we should be asking why currency speculators found an opportunity to begin with in those Asian countries. The fact is governments in southeast Asia were operating fiscal policies inconsistent with their monetary policies.

By global speculators seeing this inconsistency, finding an opportunity to make money and investing as such they corrected an inherent wrong in those economies much more quickly than would have occurred if we had a Tobin tax. It is kind of like would we prefer as a country with structural deficiencies in our economy either fiscal or monetary to sit on the curb bleeding to death or get hit by a bus and be taken to the hospital. The fact is that currency speculators, and arguably they are like a bus, draw very quickly global attention on some of these hemorrhaging economies and cause us to fix them a lot faster with the types of tenable, long term, sustainable, market driven solutions which ultimately will prove to be the best.

• (1825)

Mr. Tobin referred to the tax initially as throwing sand in the wheels of international finance. I suggest those people who believe we can through something like the Tobin tax throw sand in the wheels of international finance may have their heads in the sand. It is a huge global enterprise that Canadians can participate in and one that Canadians can succeed in if we create the appropriate incentives and structural elements in the Canadian economy and efficiencies to do so. The Tobin tax would work against us.

The idea of imposing a tax on foreign exchange transactions sounds fairly innocent, making speculation more costly and in proposals supporters claim that would inhibit speculation. The question we have to ask ourselves is if speculation can cause corrections which ultimately eliminate government ability to make the wrong decisions and to create or to pursue fiscally profligate policies that are in the long term unsustainable, whether we really want to stop that. The idea of financial tax to rebuff financial markets pops up periodically and most economists reckon that a Tobin tax would not work nor would it be desirable. The main problem is enforceability.

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Even if we had each OECD country sign on, which would be a big step, trading would simply move off shore to Singapore or other countries such as the Cayman Islands or somewhere else which would see a tremendous opportunity. The tax would have to cover a whole range of financial transactions, not just foreign exchange trading.

One of the most difficult financial transactions to actually track and one that would be almost impossible for a Tobin tax to effect would be derivatives. Derivatives and other increasingly complex financial instruments are becoming increasingly prevalent in the global markets and the Tobin tax would not be able to effect change.

I could spend 20 minutes describing the Tobin tax and my difficulties with it. The UN describes the Tobin tax as a sort of Luddite proposal in terms of its intention to reverse the general decline in the cost of international financial transactions. We should be looking at some of the things that we could do and I am glad this debate has come to the House. Some of the things we should do is work with the IMF to improve reporting such that we see more quickly situations developing in countries. We can improve the reporting of governments. We can improve openness and transparency of government policies, directly inconsistent with what this government has done.

If we look at the dollar debacle of this summer when this government was blaming currency speculators, the Prime Minister was behaving similar to President Suharto. He was blaming currency speculators for the weakness in Canadian currency when the structural impediments to Canadian productivity in this economy are the real culprits. It is not the currency speculators. It is governments that pursue economic policies that are unrealistic and governments that do not maintain the type of transparency and openness with the international markets to make them aware of the types of things they are doing that reduce their credibility and ultimately lead to issues like the systemic decline in the Canadian dollar or in issues in southeast Asia where monetary policy was inconsistent with the fiscal policy.

• (1830)

The Acting Speaker (Mr. McClelland): The time provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

It being 6.30 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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