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Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, March 19, 2001

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)

[English]

SUPREME COURT ACT

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.) moved that Bill C-234, an act to amend the Supreme Court Act be read the second time and referred to a committee.

He said: Mr. Speaker, it is a pleasure to rise to speak to the bill today. I am only going to address one-half of the bill because the motion is not votable and there is only one hour of debate. So in the interests of time I am going to only look at the second clause of the bill that would limit the application of charter decisions by the supreme court. If a decision is not unanimous on the part of the supreme court judges, then the case at hand would apply only to the case at hand and would not be broadly applied as is the usual case now.

The bill arises from the fact that so often when an appeal is brought before the supreme court that has charter implications, when the supreme court rules, whether it is a unanimous decision or a majority decision, the government, Mr. Speaker, usually applies its decision universally. It takes it as a direction in law and a charter direction, and it usually has enormous impact on Canadian society.

My concern for this issue arises out of the Marshall case about two years ago. In that case, Donald Marshall and several other aboriginals were caught by fisheries officials with 464 pounds of eels that they had taken out of season and were selling. They had even used an illegal net. In other words, these individuals were poaching.

They were brought before the courts and would have been subject to a considerable fine but their defence before the lower courts was that they had a right to take the eels under a treaty of 1760 between the British crown and the Mi'kmaq. That went through two levels of courts, the provincial court and then it was appealed. Finally, it came before the supreme court.

Members must bear in mind that the convictions were upheld by the two lower courts. However, when it came before the supreme court, seven justices sat, five ruled in favour of the accused. In other words, they overturned the decisions of the lower courts. Two ruled in favour of the lower courts and upheld the conviction.

Members have to see how it works. The appeal process that goes to the supreme court chiefly consists of bringing before the court, and the court accepts the particular case at hand. The supreme court reviews all the evidence of the lower court and allows one hour for each side to present its case. There is a certain provision in time for interveners who the supreme court can decide to allow to intervene or not. All in all the entire decision making process takes less than three hours in open court and for the most part the deliberations are done in camera with the justices using their law clerks to prepare a digest of the evidence. They make their decisions based on that.

Where in this place it may take many days and many levels of debate in order to pass legislation; first reading, second reading, report stage, third reading and the Senate. In the case of the supreme court, it is a matter of only a few hours of open court and the rest by law clerks and individual justices themselves.

• (1110)

In the case of Marshall, this decision to uphold the rights of Mr. Marshall and others to gather the eels out of season, it is not really the problem of how the justices came to that decision which concerns us here today. If we put 100 people in a room and asked them whether they would agree with the decision in the Marshall case, I think we would probably find only 3 or 4 would.

The implications of the Marshall case were that it allowed aboriginals to not only fish out of season but to fish for commercial reasons, for sale. The five supreme court justices who upheld the appeal cited reasons that we find difficulty following. They said it was the honour of the crown. They had to read into the treaty of 1760 that which was not there because they had to put it in an historical context. They admitted that they were doing something

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historians were expected to do. They were at odds with historians but they took it upon themselves to be the historians and set the expert testimony aside.

The justices also admitted that while they did not hear all the particular testimony, they still felt that they could come to this conclusion regardless.

They even made a political decision. They said in their conclusion that the aboriginals were entitled to make a moderate livelihood and they said that regulations could certainly be made to make this work. Where we in the House would spend days to devise a policy with respect to the fisheries, just to devise a policy, and have extensive debate to establish the rules pertaining to the fisheries, the five judges in the Marshall case determined that it could be done just like that.

I do not want to get into questioning the decisions of the justices. The point is, Mr. Speaker, is they came down with their decision with the two judges dissenting and the two judges who were dissenting simply said that the treaty of 1760 applied to 1760 and we could not apply it to the present. We would agree with that. So they rejected it and five accepted it.

That is not the issue. What happened right after that, which concerns us here and is the reason for this legislation, is immediately the Department of Fisheries and Oceans issued an internal memo. One of the clauses of the memo about the implications of the Marshall decision, which I remind members was a split decision, said:

While the immediate focus is on access to the fishery, the judgement will have application to other resources. Development of a comprehensive response will involve many departments of the federal government, and provincial governments as Treaty beneficiaries pursue harvest of wildlife and timber.

In other words, Mr. Speaker, the federal government immediately saw in Marshall a broad application to aboriginal rights to all resources to not only gather it for sustenance, but to gather it for a moderate livelihood, in other words, for sale. It is no wonder that a few days later the Minister of Indian and Northern Affairs came out publicly and said that this was a decision that was going to entitle aboriginals across the country to have special rights to natural resources, to not only exploit natural resources but to sell them.

We know what happened. There was a terrible conflict around Burnt Church in Nova Scotia. That conflict continues. There has been a tremendous unease across the country with the thought that there could be a situation where aboriginals have rights to natural resources and rights to the exploitation of natural resources based on race alone.

It did not need to be that way. In fact, there is nothing in Canadian law anywhere that says that a decision of the supreme court, any decision for that matter, has broad application when it is a charter decision. It just does not exist. What has happened is that a myth has been created since the charter was passed in 1982 that

somehow the supreme court in Canada has the same context in the interpretation of laws and the application of laws as in the United States.

• (1115)

In fact this is not so at all. For the supreme court, or high courts as we have, interpreting constitutional law, is basically something that has evolved since the second world war. For the most part, most countries prior to the second world war functioned on a parliamentary democracy system. What has happened since the second world war, and probably as a result of the second world war, is many countries, including Canada, felt there should be some restriction on the opportunities of the executive. Thus high courts were implemented, including our own.

Nothing in the constitution that was brought back in 1982 actually defines the role of the supreme court. There are a few passing references only, but nothing dictates that the federal government should interpret split decisions of the supreme court as being broadly applicable across the country. We do not need to go down that route. One of the sad things about this entire situation is that there has never been a serious parliamentary debate examining the role of the supreme court's decisions and its application to charter law and how charter law should be applied to Canadians. I think it is high time that this situation was brought forward.

The other classic case involving the supreme court, just to give another example of what has happened, is the charter was passed in 1982 and in 1986 a challenge was brought before the charter that led to the Singh decision. It involved seven convention refugees who were all in Canada illegally. One in fact had come in on a visa with a forged passport. The refugees were caught and the court ruled, after various levels had suggested that they should be expelled without a full hearing and according to the legislation at the time, that they were entitled to a full hearing and upset the lower courts' rulings.

What a lot of people do not realize is the Singh decision was not a unanimous decision. Three judges only found evidence in the charter that suggested that the existing immigration law was not charter compliant and was unfair to the accused. The other three justices came to their decision based on the Canadian Bill of Rights.

It is very important to understand that the Singh decision was a split decision. Indeed, the three justices who chose the Canadian Bill of Rights to argue that the seven should have a full hearing specifically said that they were not considering the charter in their decision. There we have a classic example where a split decision of the court has had manifest impact on Canadian society.

Not only has it made it very difficult for Canada to control aliens coming into the country who perhaps have criminal connections or whatever, but every one of us in the House has a problem with people seeking visas to come to visit their loved ones and relatives in the country. Every office has this problem. What we need to do

is turn those people back because according to the Singh decision there is every possibility that if they decide not to return according to their visa then they have recourse to due process. Tens of thousands of people are denied entry into Canada because of the Singh decision.

It is very important to realize that the Singh decision was confusing. The three justices decided on the basis of the charter that the seven accused were entitled to an oral hearing. However it was the other three, in terms of the Canadian Bill of Rights, who cited section 2(e), which said that no law should “deprive a person of the right to a fair hearing in accordance with the principles of fundamental justice for the determination of the rights and obligations”. It was that section which led to the problem where we are turning back all these visa applications. It is not a charter problem at all. It is the problem of the interpretation of the Canadian Bill of Rights in the Singh decision.

The irony is that at the beginning of that section it says that there is a notwithstanding provision in the Canadian Bill of Rights, that the government has the choice under the Canadian Bill of Rights to suspend 2(e) in special circumstances, and yet the government has never done it.

● (1120)

The problem is simply that it is not the supreme court with which we have difficulty. It is not the charter with which we have difficulty. The problem is we have difficulty with successive governments that have interpreted the decisions of the courts more broadly than anything in law requires them to do, and indeed more broadly than anything in parliamentary tradition that Canada, the United States or Europe requires them to do.

We need to review the situation with respect to how government interprets the decisions of the supreme court. It is high time that parliament, both the House of Commons and the Senate, took a look at what the government is doing and set rules whereby, in my view, it should be only unanimous decisions of the supreme court that should be broadly applied, not split decisions.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I commend the member for Ancaster—Dundas—Flamborough—Aldershot for bringing this matter before the House today. I will be asking for unanimous consent that this matter be deemed votable and referred to the Standing Committee on Justice and Human Rights.

The member has articulated his comments very succinctly. As he indicated, this is an issue that has not received much discussion in the House or in committees. The member, in bringing this forward, does a great public service not only for the House but for the courts and for the people of Canada.

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There are a number of issues that I would like to raise. I do not necessarily agree with everything in the bill but I think that is why we need to have discussions.

This bill would amend the Supreme Court Act by adding a number of paragraphs, the first being that when the question heard by the court is of a constitutional nature that the court consider parliamentary and other extrinsic materials, such as the *Debates* of the House of Commons, the Senate, legislatures, and law commission reports.

The second is when the question heard by the court is of a constitutional nature and the decision of the court is not unanimous, the decision should not be considered a precedent in other circumstances in which the same constitutional issue arises.

I do have some concerns with respect to the first matter. The courts in many circumstances routinely consider this type of information when it is presented to the court by one or more of the parties. The courts hold that this type of information is admissible and then consider the weight of this evidence.

I am familiar with this evidentiary issue. In my former life I was a constitutional lawyer. I was the director of constitutional law for the province of Manitoba. The legislative evidence to which my colleague referred provides an important context in assisting with interpreting the legislation. As a director, I often referred to this type of evidence, which is important in order to give the court a clearer understanding of this legislative background. This type of evidence was called a Brandeis brief. That is an American term but is utilized quite extensively in Canada.

The bill would not only allow the introduction of Brandeis briefs by counsel but, in addition, puts a positive onus on the court to consider the intent of the legislators and not simply go off on a frolic of its own, as has often been the case with some judicial activists on the court. It is a very important and positive onus on the courts which I think should be there.

With respect to the second paragraph in my colleague's bill, there is some concern that it may cause some confusion to the principles of precedent that have been established in Great Britain, in Canada and, to a lesser extent, other Commonwealth countries, and indeed the United States.

● (1125)

However, I am sympathetic to this provision because the intent is clearly to get the judiciary to focus on the issues before them and to attempt to arrive at greater uniformity and clarity in the judgment. This is so important given the fact that the rights and freedoms of Canadians hang on the interpretation of these words. Multiple judgments only serve to cause confusion among those who are required to carry out, enforce and obey the laws. Again, the

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examples my colleague brought forward to the House are very germane to the discussion.

It is ironic that when the courts criticize legislation for being vague and over broad, the courts often do so in language that is itself vague and over broad. My colleague has brought a few examples to the attention of the House. There are many more.

We read judgments of the court where they criticize legislators' language and yet the language that they use and their conclusions are so hopelessly over broad and vague that they have done nothing to assist in the administration of justice or the enforcement of laws.

The only beneficiary of these multiple types of judgments are the legal profession. I, too, am a lawyer so I include myself in this as well. However, the only beneficiaries of these multiple judgments are the legal profession who are then free to embark on a new, fresh round of litigation involving the same issues.

This type of discussion, whether the bill is accepted as such or otherwise, is very important for us to try to have the courts focus on what is important, on the issues that are in fact before them.

Generally speaking, I would express my overall support for the bill. Despite my concerns, I think the intent of the bill is to grant elected members of parliament a greater voice in the constitutional decisions that influence the laws of Canada. I would also say that the bill is in part a reaction to the phenomena of the judiciary substituting its legal and social preferences for those made by the elected representatives of the people in parliament and the legislatures.

Decisions made by the supreme court have a tremendous impact on the principles and institutions of our democracy. We want to preserve our democracy. We want to live in harmony with the courts. We recognize the very valuable function of the courts but our respective roles as parliamentarians, as those who pass laws that implement social and legal policy are interpreted by the courts in their proper legal context. We do not want that straying of the courts into the area of social and legal policy.

There are the dangers of legal and constitutional anarchy that are reflected in some of the former judgments of the Supreme Court of Canada, and I cannot think of a better example than the Singh decision. This decision certainly created difficulties for our bureaucrats and others who want to see fair laws.

The member opposite made the point about this depriving legitimate visitors to Canada who would like to see their families but are denied access because there is now an overabundance of caution that parliamentarians have to exercise because of some very misguided and confusing decisions. Perhaps confusing is a better word than misguided. I am sure the courts, in going through these judgments, are also trying to do their best. We need to focus more clearly on the real issues.

I indicated earlier that I would ask for the unanimous consent of the House that Bill C-234 be deemed votable and referred to the Standing Committee on Justice and Human Rights. Failing that, I would move that the subject matter of the bill be referred to the Standing Committee on Justice and Human Rights.

I commend my colleague opposite for bringing the matter forward. It deserves the support of all opposition members and certainly all members from the party that the member opposite represents.

● (1130)

The Acting Speaker (Mr. Bélair): Does the hon. member have the unanimous consent of the House to make the bill votable?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, actions such as these show us that the system has become a bit outmoded. Sometimes we get to make fine speeches here without even any chance to vote. We are not even able to really have a finger on the pulse of the government.

An additional aberration: the bill is presented by a government MP and it is the members of the government who are refusing to have it made votable. That is a pretty special situation. Independent of whether people are for or against such a bill, I believe the House should be allowed to vote on it.

A vote would allow us to make it very clear that we in the Bloc Québécois cannot support such a bill. This would at least show the consequences of such actions and would also make the government's position known. We have a bill being presented by a member of the government side and the government is saying no to making votable. This is rather unusual.

That said, I will address the bill directly since I have only 10 minutes or so to discuss it and to tell the House what an extremely dangerous bill it is.

I cannot support such a bill since it mixes up some key principles which provide Quebec and Canada with a justice system that works overall. We agree that there is always room for improvement. Generally speaking, however, Quebec and Canada have a justice system that has developed over the years into something that in large part meets the expectations of the public.

One of the reasons it does work is that Canada has a separation of powers which is important for a balanced justice system. In other words, we have the legislative, the judiciary and the executive

components of the one state called Canada. That is why we can end up with decisions that may not suit us, decisions from the higher courts that we might have liked to see otherwise, but when the rules and the law are being applied, the system generally works.

For those who lack familiarity with the rules I have just mentioned, the legislative system is us. People pass legislation that applies to everyone. Especially, since the arrival of the charter of rights and freedoms, the laws have applied to everyone, unless parliament decides, through the use of the notwithstanding clause, that a law does not apply to a particular category or, more specifically, to others. Let us be clear that up until now, no legislature has used the notwithstanding clause. The laws apply to everyone, as the legislative system provides.

The judicial system comprises people who apply the laws passed by the legislative system. How do they do it? By interpreting each of the sections of the law. There is a principle of law, of justice, which provides that the legislator is not deemed to speak in vain. Therefore all the clauses of a bill have significance, and they are interpreted one after another by the judicial system. It is however possible to not agree with a given decision.

● (1135)

It would be a free for all if parliament intervened whenever the Canadian constitution was involved or whenever the rights set out in the charter were involved. In nearly all decisions the supreme court examines, one of its criteria for agreeing to examine them is that the matter involves the Canadian Charter of Rights and Freedoms or, very specifically, the interpretation of a statute of significance to Canada and a province, such as Quebec, for example, if the decision comes from Quebec.

One of the most important points the supreme court addressed in recent years was the interpretation of the Canadian Charter of Rights and Freedoms. If Bill C-234 came into effect, the House would always have to deal with issues and interpretations relating to the constitutional validity of an act. The issue is whether or not the act respects the Canadian constitution or the Canadian Charter of Rights and Freedoms. We would always be ruling on issues, thus depriving the supreme court of one of its responsibilities so as to keep us parliamentarians busy doing something. This is not how the system works.

The executive branch is the third level of power. It is the government that sets in place the judiciary and the executive branches. The separation between these three branches is extremely important and must continue to exist.

The hon. member drafted his bill in a way that would obviously jeopardize the balance that currently exists. The Bloc Quebecois cannot support that. Regardless of the fact that we are sovereignists and that we support Quebec's sovereignty—this is the best thing

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that could happen to Quebec in terms of the legality of the justice system—over the years, Quebecers have made major contributions to improve Canada's justice system. I want to preserve that system and I will fight to protect it.

A bill such as the one just introduced by the member for Ancaster—Dundas—Flamborough—Aldershot does not make sense. I might have understood if it had been proposed by the Canadian Alliance, but I am very surprised to see this from the Liberals. The sponsor of the bill could easily cross the floor and join the Canadian Alliance. I hope he represents only a very small minority among government members. This is dangerous legislation.

More important, did members listen to his speech? His intentions were barely veiled. He said that supreme court justices make rulings without even examining the substance of the issue and that they render repetitive judgments. We know that supreme court justices are extremely competent and they are serious when they issue rulings. They have clerks working for them. They have access to a whole staff of researchers and to libraries. The supreme court makes Canada proud, and even Quebec, as there are Quebecers who sit on the court.

The hon. member said that members should draft our laws because we review them very thoroughly. I want to give him an example. I am a member of the Standing Committee on Justice and Human Rights. There are Quebecers and members from other regions of Canada who sit on that committee.

Just to give one example of how ridiculous the member's arguments are, in the case of the young offenders bill, the committee heard from 60 or so witnesses from Quebec. No one in Quebec supports the minister's bill. During clause by clause study, all members from Quebec present voted in favour of the bill. What is the point of spending hours and hours going over something if the ultimate decision lies with the Prime Minister anyway?

In all sincerity, I would far rather have competent judges handing down rulings on a case by case basis in light of existing statutes and regulations, independently of the legislative arm. Cases such as *Shaw* may involve treaties and customs but we also take these into account when we pass legislation here.

● (1140)

As I said, decisions are, in the main, consistent with the thinking of parliament and of Quebecers and Canadians.

I could go on and on. I will discuss at length the two clauses in the bill to amend the Supreme Court Act in order to rebut, as it were, all the arguments brought in support of this bill, which does not really deserve our serious attention. We should move on to something else as quickly as possible.

Private Members' Business

[English]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I welcome the opportunity to speak to this private member's bill, and I commend the hon. member for bringing it forward. I think we all agree that the subject matter bears consideration in the Chamber. It is an issue of critical importance to the way we do business as a nation, to the way we engage in debate, and to the role the Supreme Court of Canada would play.

Looking at the substance of the bill for a moment, it refers to the ability of legislators to demand or to mandate that the supreme court should take into consideration debates of the Chamber and debates that may transpire in committees. That is not a bad idea in and of itself. The difficulty I have is perhaps in the way it is worded, in that it would require or demand that the courts do just that.

A previous speaker, who is a former attorney general of Manitoba and a constitutional lawyer, succinctly summed up best what is currently at work: the courts, the supreme court included, have the ability to look at legislative debates. They have the ability to ponder the background of how decisions were arrived at when legislation was drafted. They have the ability to go quite far afield. It is critical to say that in that context it is up to the lawyers who may be arguing the case, or the parties to the matter before the courts, to bring the matter forward.

It is not unheard of for the supreme court or superior courts throughout the land to have researchers delve into this field. I have difficulty with the mandate to tie the hands of the courts. I understand the background reasoning, but it is basically saying that we are important and have to be considered by them in their deliberations. There are many members, myself included, who have some difficulty with imposing that upon the courts.

On issues of constitutional considerations or charter cases the bill would require, in essence, a unanimous decision. That would be required in all cases where the charter came into play. We know that charter issues seem to be predominant in the number of cases before the courts. We would very much be curtailing the way the courts function, the way the courts have independently acted since the mists of antiquity, since the times the courts were assembled to preside over and to protect citizens from an unruly or dictatorial legislator. I will refrain from making any references to the current administration.

To say that in every case there has to be a unanimous decision troubles me. There have been many instances of important dictum or comment by the court in the context of a judge who did not agree with the majority. Looking at the circumstances and the way in which decisions are arrived at by the courts, I would say that this

would perhaps unduly constrain the way judges react and interact with one another.

I am reluctant to delve into the tying of the hands of judges in what some would argue is sacred ground. The impartiality of the courts would be impugned to a degree, to say they had to be unanimous in each and every case where constitutional issues were before them.

• (1145)

I also recognize, and as part of the debate I think it is important to recognize it, that there has been a number of decisions. The hon. member opposite referred specifically to the Marshall case. I say to him with the greatest respect that a great deal of responsibility for the way this case was decided rests in the hands of the Department of Fisheries and Oceans and in the hands of the department of aboriginal affairs.

The Marshall decision, which incidentally came from Antigonish county in Nova Scotia, dealt with native fishing rights as they pertain quite narrowly to eels. What we saw resulting from the Marshall decision has opened a huge debate in the country. An enormous chasm has occurred when it comes to natural resources, because we know this case will have application or that at least there will be an attempt to apply it to all natural resources and to land rights. We have already seen references to the case throughout the land where native rights are currently before the courts. That is not to say that because of what transpired in the Marshall case we should react quickly in somehow rejigging and reconfiguring the way the courts operate. I agree that it is an important issue that must be debated. Perhaps what we need to do as a matter of course is look at the entire Supreme Court Act.

Very much behind the sentiment of the hon. member is the idea that we should be looking at the way the courts have currently construed their powers. To a large extent we have seen instances where legislators were sidelined or completely put to one side and instances where, the Chair will recall, the supreme court has told legislators that they must come back and fix something, even within a specific time period. We have known instances where legislators did not comply, much to the chagrin I am sure of the Supreme Court of Canada.

The implications for any changes to the Supreme Court Act are long term. For that reason alone I do not think we can trundle into this exercise with any degree of levity. We must look very carefully at what we are mandating the courts to do, because again there are very distinct roles. The hon. member from the Bloc Québécois set out quite succinctly the different roles that are to be played by legislators, the executive branch and our courts, our judiciary.

The Marshall decision is probably not the best starting point when we enter into this exercise because, for any number of reasons, emotions are certainly running high at this point. I have

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one correction for the record: Burnt Church is in New Brunswick, not Nova Scotia. I say that with the greatest respect.

The bands are currently facing a situation, not to get off into a separate debate, where the interim agreements will expire this month. That certainly brings a real sense of urgency to resolution of the issue of natural resources and access to them.

I also agree with the commentary in the debate about the language that is often used and the need for clarification. We saw that occur in Marshall. We know that rulings which contain specific references to things such as moderate living are open to a great deal of interpretation and misinterpretation.

Another case comes to mind where the supreme court talked about exigent circumstances in police pursuits. It resulted in a great deal of consternation in the law enforcement community. We have seen ample evidence of supreme court decisions where legislators are either implicitly or very directly called upon to come in and fix what their decisions will result in because of the confusion that can result from what the supreme courts have handed down.

We cannot, I would suggest, take out certain sections of the Supreme Court Act and attempt to try, in what is often an old legal maxim, to do through the back door what one is prevented from doing through the front. We cannot try to somehow, in a round-about way, get the courts to behave differently.

In a broader context, either at committee level or perhaps in some sort of broader study, we must try to examine the role of the courts vis-à-vis elected officials who, I would suggest and certainly many in this place would agree, have a much broader mandate. They have the same constituency, but a much more specific mandate as to what their role is to be.

• (1150)

I commend the hon. member for bringing the matter to the floor of the House. This is the proper forum for the discussion. I am reluctant to support the legislation in its current form, although I realize that it is brought forward for debate and to flesh out a problem that currently exists in the courts of Canada. We must preserve the independence and the separate roles and look at the issue again perhaps in a broader circumstance in the near future.

Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General, Lib.): Mr. Speaker, I rise today on behalf of the Minister of Justice to address Bill C-234, an act to amend the Supreme Court Act, introduced by the hon. member for Ancaster—Dundas—Flamborough—Aldershot.

It is healthy in a democratic country such as ours to have debate about the respective roles of the judiciary and parliament and the dialogue between those institutions. I thank the member for giving

us the opportunity to debate the issue before the House of Commons.

After consideration of Bill C-234 and the effect of the proposed amendments on judicial independence, it would be impossible for the minister to support the bill. Allow me to explain.

Bill C-234 proposes two amendments to the Supreme Court Act. Both amendments would apply only in constitutional cases. The first amendment, section 52.1, would require the supreme court to consider parliamentary and other extrinsic materials that deal with the purpose or intended effect of a provision or act when the constitutional validity of a statutory provision is at issue. The amendment lists commission of inquiry or law commission reports, debates of the House of Commons or Senate, and debates of the provincial legislatures as examples of the types of materials the court would consider.

The proposed amendment at best simply codifies an approach that has been adopted by the Supreme Court of Canada since at least the Anti-Inflation Act reference of 1976. In that case, Mr. Justice Ritchie wrote that it was not only permissible but essential to consider the material the legislature had before it when the statute was enacted. It is expected that parties before the court will bring evidence of the purpose and intent of the impugned legislation to the court's attention. Such materials indeed form an integral part of the government's arguments under section 1 of the Canadian Charter of Rights and Freedoms.

However, there is a danger that the provision could be more broadly interpreted as requiring the court to independently research any such evidentiary materials that have not been brought forward by the parties. Such an application of the provision would significantly increase the court's already heavy workload and could result in possible delays in the administration of justice.

Furthermore, the reading of the proposed section would run contrary to a basic tenet of our common law and adversarial system: that it is for the parties alone to decide the issues and the evidence that will be brought before the court. As a result, the Minister of Justice is unable to support the proposed introduction of section 52.1.

I now turn to the second proposed amendment in Bill C-234 which, in only a couple of sentences, would create uncertainty in the law and raise serious questions about equal access to the law.

The proposed amendment would make only unanimous supreme court decisions on constitutional matters binding on all Canadians. Where the decision was not unanimous the judgment of the court would be deemed to be only applicable to the case being heard. In other words, the decision would not be considered a precedent in relation to other circumstances in which the same constitutional issue arose.

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The Minister of Justice is equally unable to support the proposed amendment. The amendment is clearly contrary to the doctrine of precedent that underlies Canadian constitutional law and that supports the need for certainty in the law. Pursuant to this doctrine, the decisions of a court are binding on courts lower in the judicial hierarchy regardless of whether the decisions are unanimous or by majority.

Not only Canada but all common law countries have accepted the doctrine of precedent which enables parties to rely on a court judgment with the knowledge that people in like circumstances will be treated alike. Adoption of the proposed amendment would result in confusion, uncertainty and increased litigation within the Canadian legal system as parties, including governments, would be required to repeatedly contest or defend the constitutional validity of legislation whenever a unanimous decision was not reached.

The enactment of section 52.2 could have the further consequence of creating an unequal application of laws. Under the proposed provision, the circumstances of individuals or organizations other than the parties before the court would not be covered by a majority decision and further litigation would be required for redress. However not all those affected by the challenge legislation have the necessary means to assert their rights in court and consequently would not enjoy the same benefits of the law. The minister cannot support such unequal application of the law.

• (1155)

The Minister of Justice is further compelled to oppose both of the proposed amendments to the supreme court act as they will quite likely be construed as violating the constitutional principle of judicial independence.

The amendments impinge directly on the decision making process. Judicial independence is a fundamental principle under the Canadian constitution. Its dominant requirement is that judges be completely separate in authority and function from all other participants in the judicial system, including the legislature.

One of the three essential elements of judicial independence is the constitutional independence of the court with respect to issues bearing directly on its judicial functions.

The process by which the court reaches its decisions is clearly an integral aspect of its judicial functions. That process includes the evidence the court is required to take into consideration, as raised by the proposed section 52.1. Section 52.2 of the hon. member's bill could be seen to even more directly infringe upon judicial independence if it has the purpose or effect of forcing courts to make unanimous decisions.

The provision would contravene the individual as well as the institutional independence of judges to make their decisions impartially and free of extraneous influence. Such interference with

judicial independence could only serve to erode public confidence in Canada's judiciary.

Together the two provisions raise serious concerns regarding both their constitutionality and their legal efficacy. In light of these considerations the Minister of Justice is unable to support the bill.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, let me sound a warning. There is a myth that exists here in this place, and perhaps in the bureaucracy as well, that our supreme court is mandated in the same way as the U.S. supreme court under the constitution.

I just heard the parliamentary secretary's remarks and I must have missed something, but in fact I do not see anything in our constitution that describes the role of the supreme court and judicial independence. It only gets a passing reference. The role of the supreme court is in fact defined under the Supreme Court Act rather than our constitution.

The warning I would like to sound is this: in fact, our supreme court has no protection from parliament. In fact, we can change the role of the supreme court. We can do whatever we want with the supreme court by changing the Supreme Court Act.

Moreover, we can basically nullify the impact of the supreme court by the use of the notwithstanding provision. We do not want to do that, but I am afraid that if the supreme court's decisions continue to be interpreted in a way that is out of sync with Canadian society the supreme court will lose its credibility. It only exists in the parliamentary system because we believe in it. I believe in it here in this legislature, but it has no protection.

If we do not do something as parliamentarians to ensure that public confidence, instead of being eroded as is the case now, is enhanced in the supreme court, then maybe another justice minister 10 years from now will act in the public interest, or as a result of public sentiment, and fall down upon the supreme court and reign it in, in ways in which we on all sides of the House would not want to see. Once public confidence in the supreme court is lost it can never be recovered.

The problem is that the supreme court, when it comes to legislation, can only make a decision based on the information presented before it. If the government lawyer or the government side, for example, does not present a full case, the justices will come to a decision that is in error because they have not heard the full case.

In *Marshall*, the justices said that there was no representation made by the government on whether the 1760 treaty rights had been extinguished. Had the government made that representation the court would have considered it. It did not make that representation because the government was convinced that it would win just basically because the treaty itself was not applicable.

In Singh it was a similar situation. The justices there said that had the government made an argument under the reasonable clause or the reasonable provision in section 1 of the charter of rights, that might have changed its decision with respect to the seven convention refugees, but because it was not presented it was not considered.

• (1200)

This is why we have to come up with some sort of plan whereby if it is a unanimous decision, it is acceptable, and that is fine. If it is unanimous, then obviously there has been sufficient evidence before the court that we as the Canadian public—not just members of parliament but the Canadian public at large, if there is unanimity—can believe or have reasonable reason to believe that the court has sufficiently considered the issue and that should be the last word.

When it is a split decision, when some of the justices in their wisdom have gone on the other side of the case, as in Marshall—if we read the two decisions they are like black and white—I would say the majority of Canadians would agree with the minority decision. So we have this terrible situation arising in which there is a split decision that has been applied to all Canadians forever and the government has interpreted it to apply to all aboriginals across the country, all natural resources.

This is an intolerable situation. The answer is not just to debate. I realize the government can never accept a change such as I was proposing. Never in a month of Sundays would it have ever accepted some radical change like that, but as the members opposite have suggested, there has to be debate. I suggest that if a debate cannot be had in the House of Commons, then this is a subject matter that should be sent to the Senate and the senators should consider this for as long as it takes.

[Translation]

The Acting Speaker (Mr. Bélair): The time provided for the consideration of Private Members' Business has now expired. As the motion has not been designated as a votable item, the order is dropped from the order paper.

GOVERNMENT ORDERS

[English]

SUPPLY

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, I rise on a point of order. I think you would find

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unanimous consent to substitute the motion on the order paper today for the following:

That the government stipulate that in all Contribution Agreements between the Federal Government and individual Indian Bands, the use of any public funds be publicly reported and audited.

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

Some hon. members: Agreed.

ALLOTTED DAY—ABORIGINAL AFFAIRS

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance) moved:

That the government stipulate that in all contribution agreements between the federal government and individual Indian bands, the use of any public funds be publicly reported and audited.

He said: Mr. Speaker, I will be splitting my time with my hon. colleague from Wanuskewin. In addition, all other Canadian Alliance members who will be speaking to the motion today will be splitting their time.

It is my pleasure to begin today's supply motion debate. In doing so, I say by way of preamble that as far as we on this side of the House are concerned and as part of the official opposition, we believe that over a period of time the Liberal government has a lot to explain regarding the handling of public taxpayer dollars and its very lax accounting methods toward the allocation and handling of both private and public aboriginal funds.

• (1205)

Once again I put the motion on the record:

That the government stipulate that in all Contribution Agreements between the Federal Government and individual Indian Bands, the use of any public funds be publicly reported and audited.

Throughout today my colleagues in the official opposition will identify many reasons why the present policy of the federal government concerning in this regard is simply not working.

As the debate develops, it will be clear that the motion is intended to speak out on behalf of all taxpaying Canadians as well as the many aboriginal Canadians who are not receiving the answers to their questions from their own chiefs and councils when it comes to matters of accountability.

At the present time aboriginal people do not have the tools to hold their chiefs and councils accountable, the tools necessary to track either public or private funds. Our motion today asks the government to bring in legislation. In so doing we hope the government will realize that there needs to be a separation of the revenue streams of public and private moneys going into the bands and the expenditures derived therefrom. This is so important so that when audits are performed they clearly track this money, how it is being spent and where it is going. In this way band chiefs and councils can be held accountable for their own spending habits.

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This is all part of the kind of accountability for which people are calling, people such as the Assembly of First Nations National Chief Matthew Coon Come, the Canadian Alliance, of which I am a part, and many other Canadians.

There are accountability issues such as the monitoring of band elections by Elections Canada, self-government issues in terms of greater democracy and transparency at the band level, and even public consultation on the owning of private property on reserves. These issues continue on and on.

Let me be very clear from the outset. We on this side of the House understand fully the 1989 federal court Montana ruling. However, we believe that the federal government has fallen far short of its obligations to the Canadian taxpayers who demand full public disclosure and accounting for all of their tax dollars, not just some of them, regardless of what department they are being used in.

In addition, band revenues earned by band interests should be reported in a timely, accurate and transparent manner to all band members. I have even heard from aboriginal people who believe that these funds should also be publicly reported.

Quite frankly, the Liberal government has been derelict in its duties to the Canadian public on this matter. It has been 12 years since the Montana ruling came down and yet the federal government has not taken the necessary steps to clarify, define and separate the reporting of public and private funds. Today's motion provides a solution to the government's pathetic response to the problems of band financial accountability.

Just for the benefit of members of the House and those who may be viewing this on television, let me be clear on the scope of the budget we are talking about. The 2000-01 estimates for Indian and Northern Affairs Canada show that the department will spend \$4.9 billion directly and that Health Canada, CMHC, Human Resources Development Canada and other departments will supply an additional \$2.13 billion, for a total operational budget of \$7.03 billion. We are not talking about change here; we are talking about huge amounts of money.

All Canadians have every right to know how one of the largest government departments not only spends its tax dollars but what kind of return it is getting on its expenditures. It is not a fiscal return necessarily. We are talking about the social return: the betterment of health for first nations and the improvement of housing conditions, levels of education and all kinds of things. These are some of the things that are really important to all Canadians.

• (1210)

Canadians are not blind to the plight of aboriginal people. Yet they consciously wonder why, when over \$7 billion is allocated to

the department and to the government, many of our aboriginal brothers and sisters live without proper housing, without running water or proper toilet facilities, without full educational opportunities, and why they live with soaring unemployment, poor health, high suicide rates and epidemic substance abuse.

These are real live flesh and blood issues which are singularly killing aboriginal people, killing the body and wounding the soul. For far too long they have been ignored by government and even by their own leadership, and this simply has to change.

The time has come for truth to be spoken in the nation in this regard. The truth very often is not politically correct. There are people who do not want to hear the truth because of their own vested interests. The truth, however, is not ambiguous. The truth is not something to be feared. The truth is clear and concise. The truth is to be embraced because it is unchanging. However the truth will do no good at all if it falls on deaf ears and is never acted upon.

Over the past several decades the Indian and Northern Affairs Canada has moved to divest itself of the direct operation of programs. To a certain extent I agree with this. All people need to be seen to be as responsible as possible for themselves, but we all know that not everyone is able to take full responsibility until one given the tools that will equip one for the job.

To ask a council at the band level to suddenly take on the housing or health care issues facing its band is irresponsible, unless that chief and council have all the tools in place to ensure that they are able to meet the needs of their people. Surely this is only common sense, but very often in the department common sense is not to be found. Time after time in report after report we hear that INAC is not ensuring that the goals are attainable by all of the bands across the nation. The department has been long on talking the talk but very short on walking it.

Small bands with limited personnel, expertise and other resources cannot be expected to meet all the immediate needs and demands placed upon them if change is to occur. Without extra assistance, it is not feasible to expect the necessary social programs will exist and be delivered to all band members efficiently and effectively to bring about the desired results for change. Yet because of the current disclosure policy concerning accountability, all we can base our opinions on are our observations and the reports that come to us from many people across the country. Unfortunately many of those reports are not very encouraging.

Consider the plight of the Dene Tha first nation of northern Alberta. Here is a band that in addition to its INAC funding has oil and gas reserves. The people should be happy. They are not. They have many concerns over the governance of their band. They are concerned about where their money has gone. They are concerned that they cannot find answers. They are concerned that their chief and council have let them down. They are concerned that the

minister of Indian affairs and the Prime Minister have let them down.

How about the words of Verna Soto of the Sturgeon Lake Cree nation, also of Alberta? She wants to have better health and education opportunities. The health of her children and others on the reserve is of serious concern to her, so serious that she is willing to step forward and publicly call for change. These people have put their lives on the line for change.

We have with us today in the gallery Leona Freed, who has formed the First Nations Accountability Coalition working on behalf of grassroots aboriginal people, and I salute her. Leona is one of the many people across the nation who are calling for accountability.

The motion we present today is a small step forward to the public, transparent accountability of taxpayer money. We urge all members of the House to support it.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, I know it is sometimes more customary to move an amendment at the end of debate, but our party would like to move that the motion be amended to read that the government immediately stipulate that in all contribution agreements between the federal government and individual Indian bands, the use of any public funds be publicly reported and audited.

That would move immediately into the mode of the motion that we anticipate or hope to have passed at the time of the vote.

• (1215)

There are a couple of things to which I would like to draw attention to before I move through my main thesis. What we mean by publicly reported and what we understand that to involve is being available to anyone through access to information, such as members of bands much more readily, sometimes they are stone-walled and put off from getting this information, and also to members of the general public because it involves tax dollars.

In terms of the unanimous consent to a change by our House leader at the top of the hour, and why we allow it to be stipulated in all contribution agreements that they be publicly reported and audited, is because if we just used financial transfer agreements there are seven older methods which would escape untouched. Because the government has dragged its feet for so long on moving to financial transfer agreements for all its dealings and all the mechanisms, we are quite glad to acknowledge this and consent to all contribution agreements being publicly reported and audited.

I would like to focus for the most part on the way in which the government has hindered the development of financial account-

Supply

ability over the years, how it has stopped that from happening, intentionally in some cases and in other cases maybe more by neglect, and how it has allowed some very poor handling of allegations.

It is the government's responsibility to ensure that there is financial accountability among Indian bands. One way this is done is by handling allegations of financial mismanagement and wrongdoing in a proper way. Yet in this area, the government and past governments have done very poorly. It has failed to address adequately allegations brought by band members in particular but others as well. I would like to address this important aspect of the government's failure to promote financial accountability, and the key word is accountability, among Indian bands.

The Department of Indian and Northern Affairs reported that it received over 300 allegations relating to 108 Indian bands during the two year period preceding the auditor general's report in 1999. Those allegations related to matters like social assistance issues, mismanagement of funds and other concerns. Because the department's data is incomplete, as found by the auditor general, there could be many more allegations. In fact I am of the strong view that there are many more.

I had people come to my office with affidavits and documented supporting evidence in what seemed to me like very clear cases of allegations, but the cases went nowhere. We will talk about that later. There are probably many more allegations which have come to various members of parliament on all sides of the House.

The question we need to address is this. What has the government been doing to address these allegations? If we ask the government, it would say that it is doing its job, maybe that it is doing a fine job.

In 1996 the Department of Indian and Northern Affairs published certain principles of accountability including principles of redress. In its guidance to Indian bands and how to complete accountability and the management self-assessments, the department elaborated on redress as a key principle of accountability in the following words:

Formalized review and appeal rules and procedures are in existence for operating programs and key governance functions that impact on the rights/entitlements of individuals and/or the community.

The auditor general noted that the government's position, as reflected in the statement, was that mechanisms already existed for objective review and resolution of allegations. However does this reflect reality? Is the government really living up to its words when it comes to appeal and review processes? The short answer is clearly it is not. On the contrary, the government deserves a failing grade.

Supply

I would like to mention three things that lie behind the government's failure in this regard which enable the government to avoid enforcing accountability measures in dealing with Indian bands.

The first way is that the government can pass off responsibility far too easily. Essentially, it can pass the buck in this way. The department said that often the proper action for it to take would be to refer the allegation to other parties and that the ultimate responsibility for addressing an allegation may lie within an Indian band.

• (1220)

This is bizarre. It is nonsense. To say people who have grave concerns and documentation in hand about misappropriation of moneys, wrong use of moneys and so on by band chief and council, and to be told that they have to go back to them to present that information and they will decide whether or not there is anything to pursue, is the height of ridiculousness. It is ridiculous to think that could resolve something and get redress.

The department skates around this stuff because it does not want to look silly or incompetent, and it is not doing its job. Therefore, it sloughs it off as well. In some cases the department has said that they should go to another funding agency. This other funding agency does not want to be shown up as being incompetent either. Maybe it has not vetted or screened it properly, so it passes it off and pushes to the side. Perhaps, it has said for them to take it to a law enforcement or investigative authority.

Many band members in their situations have gone with the evidence, as I see it not being a law enforcement person, which looks like pretty serious stuff. The paper trail is there. Yet these RCMP officers and so on will say that it is like nailing jello to a wall. As long as there is a resolution on the band books saying that \$50,000 can be spent on the trip to Las Vegas to maybe check out casinos, or economic development or attend a meeting, then there is nothing wrong and they can do that.

It may be clearly inappropriate when we think there will be a shortfall of funds to health, education and other areas, and sometimes a very significant shortfall because of this inappropriate use of dollars. However, it is not technically an illegality. RCMP officers would say that we could not go to them because it was really difficult to nail this down. It is like nailing jello to a wall.

For those reasons, the end result is the government washes its hands of responsibility and nothing gets done. The buck gets passed and allegations disappear off into thin air.

It is not an accident. I believe the government has purposely left itself with a lot of wiggle room. Maybe its lawyers have told it to leave it loose and very broad and to leave a big escape hatch there.

That is exactly what has happened. The government left this big nebulous open no man's land escape hatch for itself.

The second way in which the government avoids having to enforce accountability measures in its dealing with band members is by having no set guidelines on how to evaluate allegations. That is laid out in detail in the auditor general's 1999 report. I find this very shocking. In February 1998 the department issued a national guideline to senior officials on how to deal with allegations. The guideline defined and categorized the type of allegations, outlined the procedures to be followed, discussed the importance of departmental follow up and related matters.

The auditor general expected, he said in his report, to find in that guideline direction on the following topics, which I think are reasonable. He said he expected to find something about how to evaluate the merit of an allegation, how to decide what additional information was needed, who should collect any additional information and how to decide whether the allegation should be resolved by the department or referred to other authorities or Indian bands.

The auditor general found little or no guidance on these topics. What he found instead was instructions on how to control the flow of documents and communications. The department seemed more concerned with public relations than in taking allegations seriously and doing them justice.

The government's complete lack of substantive guidelines on how to address allegations shows that the government has intentionally, it would seem, left itself wiggle room to avoid addressing an allegation. The government does not have to ignore its own guidelines because it has no guidelines. There are none out there.

The third way in which the government avoids having to enforce accountability measures in dealing with Indian bands is by not collecting information on allegations and referring it back so it can learn from specific cases.

We find when we do not learn from history we are bound to repeat the mistakes of the past, so there is a problem there. One office said it did not know how many allegations. We have a major problem there. That is why we need to take these steps. To sum it up, we have to take steps that move us in the right direction toward greater accountability and, therefore, improvements to the lives of average Indian band members.

• (1225)

The Acting Speaker (Mr. Bélair): The hon. member for Saskatoon—Wanuskewin indicated when he started his speech that he would propose an amendment. Is it still his intention to do so?

Mr. Maurice Vellacott: Mr. Speaker, I did it at the beginning of my speech. The motion on the floor earlier was put by our House

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leader, and we want it to be immediately stipulated that we move to that end. Therefore I move the following amendment:

That the government immediately stipulate that in all Contribution Agreements between the Federal Government and individual Indian Bands, the use of any public funds be publicly reported and audited.

The Acting Speaker (Mr. Bélair): I declare the amendment in order.

[Translation]

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I will be sharing my time with the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development.

I would also like to thank the member of the opposition who has proposed replacement of his initial motion by the following:

That the government stipulate that, in all contribution agreements between the Federal Government and individual Indian Bands, the use of any public funds be publicly reported and audited.

With this new wording, I am pleased to inform the House that the government intends to support the motion.

I must indicate, however, that another member proposed addition of the word “immediately”, which of course means that the practice would be implemented right away. With the end of the fiscal year coming up in 12 days, needless to say we cannot support this amendment. I fear the President of Treasury Board would be alarmed at a motion that would give her 12 days to put certain of these measures into place.

As far as the initial motion is concerned, we fully intend to support it.

[English]

Let me now put the discussion about first nations governance and accountability into context with a few basic facts.

All members opposite will be familiar with the budget process. The Government of Canada tables the estimates in the House and then a budget. I am sure that my colleagues realize that moneys spent by the Government of Canada are publicly disclosed and publicly audited by the auditor general. Indeed, we saw how the management of the country's finances was key to the change in government in 1993 and in the re-election of the government in 1997 and again in 2000.

We on this side of the House are fully aware of the dividends that sound fiscal management and accountability pay to any organization, and indeed to a government. We have received 98% of the audits from first nations for the year 1999-2000. The vast majority of these audits were accepted without any qualification whatsoever.

This means that an independent auditor found them to be entirely acceptable according to generally accepted accounting principles.

• (1230)

Another fact I would like to put before the House is that only some 4% of reserves were placed under third party management last year. They require our attention and of course they are receiving it, particularly under the very able leadership of the Minister of Indian Affairs and Northern Development.

In speaking to the motion today, I would also like to pay considerable attention to those first nations people who Canadians rarely hear about. I want to talk about the vast majority whose success reflects the determination of first nations to manage their finances responsibly, to improve their accountability and increase their capacity to govern themselves responsibly.

Any changes or new initiatives will have to be developed with first nations. Notice that I said with and not for. I am proud of the degree of consultation we have had with first nations. The Indian Act never contemplated first nations managing large, sophisticated programs to the benefit of their members or that they would be owners and operators of large, successful businesses.

Many first nations have large and successful businesses which they operate to give their members a share of the Canadian economy as equals with other Canadians.

There are many examples of success, not the least of which is the Meadow Lake Tribal Council, which is a powerful economic force in northern Saskatchewan. There is the Fort McKay first nation, which is made up of important members of the Alberta tar sands development. The Dogrib first nation up in the Northwest Territories are major partners in the diamond industry, supplying services and labour to this industry.

There are three topics I would like to address in responding to the issue brought before the House by the hon. member who placed the motion before us.

First, I think it is important to look back and consider how first nations and Indian and Northern Affairs Canada have put in place funding agreements and other policies to support strong first nations governments and programs.

Second, I want to tell members of the House how Canada and first nations are working together to realize effective first nations government. I also want to explain the safeguards that we are building together to ensure the responsible use of public funds. I also want to outline how this process is leading us toward our goal of first nations self-government in Canada.

Indian and Northern Affairs Canada has looked for ways to permit more streamlined funding arrangements with greater local

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decision making and accountability. Further, they stressed the accountability of first nations governments to their people, while recognizing a continuing accountability due to government. These actions were taken with the full understanding that Canadians should know how these funds were spent.

Canadians, including members of the House, who want to know more about how first nations funding arrangements are conducted in Canada have opportunities to learn more. Allow me to address some of the fundamentals.

Accountability is a critical issue. First nations know that their long term interests are best served by taking firm control of their finances and continuing to improve their management and accountability practices. This was related in the document entitled "Gathering Strength—Canada's Aboriginal Action Plan".

Regarding deficits, improvements in the quality and timeliness of first nations audits in recent years and a requirement for consolidated audits have shaped Indian Affairs and Northern Development Canada's ability to identify solutions where the debtload should cause concern.

Deficits are not unique to first nations government. Anyone sitting in the House should remember the days, particularly under a previous government that I will not name, where deficits were rampant.

• (1235)

Like other governments, first nations are required to prepare their audits in accordance with the public sector accounting and auditing standards of the Canadian Institute of Chartered Accountants. The results of these audits are shared with members of the community and the Government of Canada.

Today's funding arrangements between first nations and the government range from a basic model known as a comprehensive funding arrangement to the first nations funding agreement. In the latter, there is more flexibility for program and service delivery. Capacity and willingness of first nations to accept additional responsibilities is included in the agreement.

In either case, all agreements are prepared using a generic template that ensures the equitable treatment of all first nations. The general trend in transferring funds has been toward negotiated global budgets that create an incentive for sound management. The objective is to find the right mix of flexibility and accountability.

As I mentioned, agreements contain strong provisions to address the terms and conditions of funding agreements. They include requirements to maintain accounts in accordance with accepted accounting principles as set out by the Canadian Institute of Chartered Accountants.

As I pointed out, the large majority of arrangements are working as they are intended. The goal is to ensure that the band can develop the in-house capacity to manage its own finances. The auditor general has identified a need to be more proactive in addressing allegations and complaints of wrongdoing. Indeed, that is true, the auditor general is quite right in saying that the mandate of the minister's department poses a highly complex and sensitive challenge. Despite the many challenges, our resolve remains to ensure that aboriginal people in Canada attain a quality of life similar to that of other Canadians. That should be paramount for all of us.

In the Speech from the Throne our government affirmed our commitment to strengthening our relationship with aboriginal people, supporting effective and accountable governance and taking action on the basic quality of life issues.

These objectives are clearly consistent with the auditor general's observations. In our effort to continue to promote good governance for Canada's aboriginal people, we will support the new motion that was placed before the House today.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, what does the member see the motion doing? Does he see it doing something that the government presently is not doing or is it one and the same as what the government has been doing all along?

[Translation]

Hon. Don Boudria: Mr. Speaker, as I have just indicated, the government supports the motion. Apart from the amendment the member himself proposed at the end of his speech, we are prepared to support the motion.

I indicated as well that we are aware of the comments made by the auditor general, and of the way they were presented.

That said, it is our intention to ensure an element of flexibility, naturally, in the government of native communities in Canada. I have said that there are two categories, in a way, depending on the ability of the group to manage. There are two sorts of agreements and it depends as well on the general agreement between the Government of Canada and the native community in question.

• (1240)

That said, we want to ensure that there is a public audit report, as well. The member opposite knows that the complication arises from the decision in Montana, which, need I remind all parliamentarians, requires that, if the government contributes to a project and a third party contributes to the same project, if I have properly understood the scope of this case, the government is bound and cannot release the audit, because it would involve making public figures belonging to a third party.

Supply

What we want is to do is release audits in all cases in which the government contributes under similar agreements. This is what the motion provides, and we support it.

[English]

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, I appreciate what the hon. member said in his response and we are glad to hear that the government will be supporting us on the motion.

The member mentioned that from his perspective and the government's perspective they have indeed been good stewards of taxpayer money. There is a huge amount of money that is spent on Indian affairs at the moment.

Is the member aware that the statistics tell a different story? Unemployment rates in many bands across the country have soared to 85%. The incidence of HIV and hepatitis C on reserves, as well as diseases, like tuberculosis, which is re-emerging among native people, has increased. Diabetes has increased by four or five times the national average. The suicide rate among native people on reserves is four or five times the national average. Substance abuse among the James Bay Cree and others is rampant.

Why is all this money going toward supporting our native people not working? Could the member please enlighten us? Why are our native people still suffering?

Hon. Don Boudria: Mr. Speaker, I am a minister but not the minister of aboriginal affairs. He would certainly respond to this far more eloquently than I, but for the hon. member across to pretend that the entire sociological phenomenon by which some of our aboriginal people are having difficulty has something to do with accounting practices is oversimplifying a problem that is far more complex than that.

The hon. member across knows as well as I do that the destruction of the many ways of life that aboriginal people had without the replacement them with other meaningful ways of earning a livelihood and so on, has nothing to do with the issue that is before us today.

The fact that many traditional livelihoods of aboriginal people have been so badly affected by a whole series of issues that have nothing to do with this is outside. That is not an excuse for saying that we should tolerate bad accounting practices. Of course not. However it is not the same as saying that the issue of accounting practices, of disease, of unemployment and of everything else in aboriginal communities are somehow synonymous.

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, it is my pleasure to rise today to respond to the motion put forward by my colleague from the riding of Nanaimo—Cowichan. For clarity, I am talking about the motion as it was first read and not as amended by the addition of the word "immediately".

First, I would like to set the record straight on the accountability of first nations' governments across Canada. I want to focus on the issue of first nations governments and their accountability, both to their communities and to the House. We need to ensure that first nations citizens and all Canadians have the facts.

Like the Liberal government, or any other government for that matter, first nations chiefs and councils must be accountable to those they serve. They have primary accountability to their members for leadership decisions, sound management of council affairs and the efficient and effective delivery of programs and services. They are also accountable to Indian and Northern Affairs Canada as well as other departments for the use of public funds provided to them.

• (1245)

I would like to provide the House with examples of how first nations are taking hold of and driving the accountability agenda.

This discussion is one that is being played out across the country and it is being fuelled by a desire among first nations to break free of poverty and economic dependency. As the grand chief of the Assembly of First Nations put it about a week ago, the chiefs had to lead and they had to lead by example and accountability. The capacity to indicate to their people what they were doing was something else that he strongly advocated. He will lead the first nations in that direction.

The Government of Canada recognizes that paternalistic approaches in the past have done little to improve the standard of living for first nations people.

More than a few years ago, fed up with the growing perception of the media, and in certain political circles that first nations were not financially accountable, the Alberta chiefs' summit launched a solemn undertaking. Chiefs from treaties 6, 7 and 8 in Alberta began work on the financial accountability initiative. The ultimate goal of this initiative was to address honestly the legitimate concerns of first nations people in Alberta about the issue of financial accountability.

The financial accountability initiative demonstrated to the vast majority of first nations in Alberta that they already had strong financial accountability systems in place and that the summit chiefs were committed to further improvement. This meant strengthening those systems to benefit both community members and to improve relations with government.

Since then, the financial accountability initiative has produced two significant developments. First, the proposed undertakings by the chief steering committee on financial accountability which describes undertakings designed to meet or exceed the Government of Canada's own standards for financial accountability.

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Second, the establishment of working groups for financial officers and trial administrators from first nations across the province of Alberta. The summit is equally committed to meeting or exceeding these standards while respecting the cultural diversity and unique needs, values and traditions of first nations.

The summit produced a newsletter called *Council Fire* to explain and communicate to the members of their communities important news on financial accountability. I would like to quote the editors of the inaugural edition of *Council Fire*.

As leaders, we—your Chiefs—must make greater efforts to communicate and demonstrate the financial accountability measures in place, and continue to work hard at improving and enhancing them. As leaders, we must also actively listen to your concerns and the wisdom of the Elders.

I will tell members about the Blood first nation. It is the largest first nation in Canada. Over a year ago it enacted the Blood financial administration act bylaw which outlines and formalizes the accountability traditions of many generations. The bylaw defines policies, procedures and structures for the prudent financial management of community funds. It codifies procedures to implement the accountability principles of disclosure, transparency and redress.

The Bigstone Cree nation of Alberta has also implemented a policy by which any community member can examine the financial books at any time and request the services of a financial officer to explain the principles and details. With more than 5,000 members living in a number of communities on the reserve, effective financial management is especially challenging.

Community meetings are held monthly at Bigstone to explain to community members the various decisions of council and to provide a forum for the discussion of any concern of the members.

• (1250)

Additionally, once a month council doors are wide open for any member to come in and meet on an ad hoc basis with any member of council. Far from avoiding responsibility to be accountable to membership, this first nation would like more people to come to the community meetings to learn about financial concepts and the budget allocation process.

This is all in the interest of expanding and developing the capacity for self-government and for the self-management of first nations funds and of those moneys that the public pursue provides for the basic necessities that for many years have been provided to these reserves and communities.

We know that it is not always done this well but we must build upon the good things that are going forward. We must enhance all bands' efforts and wishes to know what is going on and to involve their people in the expenditure of funds.

In recent years the Alexander first nation in Alberta, with approximately 1,300 members, made great strides in the area of financial management. In 1994 it entered into a global funding agreement with the Government of Canada, which included health funding.

The annual report has grown in that time from a letter to all members to a newspaper listing the salaries and expenses for chief, council and senior personnel, and it is hand delivered to each household. The newspaper format was so well received that it was used successfully by the chief to educate and encourage strong participation in a vote on whether to ratify a treaty land entitlement settlement.

I want to talk about the Whitefish Lake first nation. It passed a deficit bylaw calling for the removal of the chief and council for exceeding budgets approved at annual general meetings. The chief and council can also be removed from office for other reasons, including committing an indictable offence, failing to remain a resident of the reserve while in office, or inappropriately or illegally using funds. It has also appointed a senate of elders which is working well as an advisory committee.

I can point to examples of accountability in action in any number of first nations across the country. We should recognize that many first nations are making great strides to open accountability to their membership and to parliament. More and more of them are being invited to support band council resolutions and to adopt the undertakings I spoke about moments ago.

I want to point out that the government is committed to a path of partnership framed by the principles of "Gathering Strength—Canada's Aboriginal Action Plan". I would urge all members to support the flexibility and accountability that the department is hoping for by trying to involve and to deal with our Indian communities so that they have the in-house capacity to deal openly and carefully with their money.

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Mr. Speaker, I would like to speak on the matter of a specific type of financial accountability that I have experienced.

As the hon. member may know, I practised law in northeast Saskatchewan for 24 years. Over the years I ran into particular difficulties with trades people and suppliers who worked in good faith with band councils and so on. However, when the job was completed and the contract fulfilled, they had problems collecting their money.

• (1255)

It is certainly not good for business. It sends out a message that is not good either. It is difficult to get people to participate in band related matters because of this problem. In most commercial transactions where one party defaults one can attempt to garnish

bank accounts, to enforce a sheriff's writ, seizing and selling the assets, or to register a builder's lien, but too often these folks have no remedy whatsoever.

A small plumbing operation in my constituency has finished a job and is basically out \$20,000. He provided all the materials and labour on the project and I cannot see a remedy available to this gentleman. It seems to me that there is a defect in the system of accountability if this practice is still carrying on. I could see that sort of thing happening 20 years ago but this is 2001.

Does my learned colleague on the government side have any suggestions on how that sort of problem could be sorted out so that people dealing in good faith with bands will receive payment for the work performed?

Mr. John Finlay: Mr. Speaker, I appreciate the hon. member's question. Even today there are cases similar to the ones he is talking about.

The recourse in many cases has been the courts. I presume he may be suggesting that the department should stand behind the things first nations do, but that would completely destroy what we are trying to do. It would destroy the responsibility of first nations to deal with such things.

If the hon. member wishes to provide me with some details then I could get him a reasonable answer. I know there are cases where this sort of thing has been dealt with through the courts and people have been recompensed. In some cases, the case goes the other way and the courts find that the builder or contractor from outside the reserve has not fulfilled the requirements of the contract. As I think the member would agree it could go either way. We cannot always be sure the builder employed will do the job properly.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, does the hon. parliamentary secretary to the minister know, as he should know, whether the practice by Indian bands of issuing cheques, welfare cheques in particular, to natives who live off the reserve has stopped or whether it still continues?

I believe the auditor told the bands to stop issuing cheques to natives who live off Indian reserves. Could he tell me whether that practice has stopped?

Mr. John Finlay: Mr. Speaker, I would love to be able to say that I am aware of this situation and that I know for a fact it has stopped, but I am afraid I have to tell my hon. friend I am not. I will make myself aware of the surrounding facts.

[Translation]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, I am pleased to rise today on behalf of the Bloc Québécois to speak to the motion as unanimously amended by the House.

Every year parliament approves more than \$4 billion in funding for the Department of Indian Affairs and Northern Development for a broad range of programs and services in aboriginal communi-

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ties. This money is intended for such things as capital investment, primary and secondary education, social services, housing, health services and economic development projects. These services and programs are, in most cases, administered directly by first nations.

• (1300)

In his April 1999 report, the auditor general indicated that allegations of improper financial administration had been made to the Department of Indian Affairs and Northern Development. In fact many people are concerned about the effectiveness of the existing standards for first nations accountability vis-à-vis federal funding.

Following allegations of financial mismanagement on certain reserves, some politicians urged the federal government to put in place more transparent financial agreements with first nations and to improve accountability mechanisms with respect to aboriginal communities' use of federal funds.

Despite the controversy, the extent of the financial difficulties of first nations communities is not really known. In his 1999 report, the auditor general said that approximately one-third of the 630 first nations communities were experiencing some degree of financial difficulty. The Department of Indian Affairs and Northern Development indicated that the majority of aboriginal communities were managing their finances well and that only a few, 4%, were being managed by a third party because of serious financial problems.

Politically, however, the requirement that first nations communities be financially accountable to their members seems to be generating increasing controversy. Two general concerns are emerging: first, to whom are first nations accountable, and, second, are the existing accountability standards good enough?

The Bloc Québécois recognizes that accountability is an essential component of sound management. All administrative bodies must ultimately be responsible and accountable to those whom they represent. In other words, they must be accountable for their decisions.

Aboriginal peoples have a responsibility to their members to use all the funds allocated to them by the department of Indian affairs in the most effective and efficient manner. Similarly, the department must be able to show Canadians, through the minister and the Auditor General of Canada, that all the funds allocated to aboriginal communities are used properly while allowing them to achieve strategically targeted objectives.

In the past, specific programs defined by the federal government were funded for a relatively short period, often on an annual basis. Because of the uncertainty surrounding the annual levels of funding of these programs, it was difficult for aboriginals to establish long term community development programs and to gradually build their infrastructures. That uncertainty also had the effect of restricting the ability of aboriginal people to strategically pool their resources and concentrate them in important areas such

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as the creation of long term jobs because resources were strictly allocated to a series of patchwork and separate programs.

More recently, financial transfer agreements have provided greater flexibility to aboriginal people, allowing them to manage their own affairs, including when it comes to setting their own priorities.

This transfer of responsibilities to the aboriginal communities must not, however, mean that the government abdicates its responsibilities. It is still the responsibility of the Department of Indian Affairs and Northern Development to ensure that the programs it finances produce the planned results, with commitment of the appropriate funds.

It is true that there is considerable risk of failure when complex programs are transferred to communities that have had decades of total dependency on the federal government. That is why the federal government and the aboriginal people must share responsibility for the effective administration of transferred programs.

The auditor general has stated in his report that the Minister of Indian Affairs and Northern Development had not put enough effort into helping native communities prepare to administer transferred programs. He said repeatedly that the department must be answerable to parliament and to the public, like all other federal institutions.

Regardless of program transfer, the department still has a duty to account for the way federal funds are being used and to ensure that acceptable results are obtained. Through its fiduciary obligations, the government must retain the ability to audit aboriginal financial statements and provide tools for correcting situations of mismanagement. This control by the federal government is essential.

In several of the auditor general's reports during the 1990s comments were made on the aboriginal peoples' obligation to be accountable for the public funds received. The 1990 report indicated that the department's funding mechanisms did not include a satisfactory reporting method.

This had significant ramifications, in particular making it impossible to know with any certainty whether funds had been spent for the intended purpose, were likely to attain the expected results and had been spent as efficiently as possible. In his November 1996 report, the auditor general pointed out ongoing shortcomings relating to the implementation of funding agreements.

• (1305)

In this report, the auditor general pointed out that the Department of Indian and Northern Affairs had a number of options at its disposal to encourage first nations to meet the standards agreed on,

including the inclusion of specific terms in modes of funding, periodic and official supervision of financial performance and program implementation, the use of critical threshold indicators and the implementation of remedial action plans as a consequence. He added that these measures were useful but that it was not always apparent they had been successfully implemented.

In response to this report by the auditor general, the department of Indian affairs adopted three principles in 1996 with respect to accountability. They involved transparency, disclosure and corrective measures. In addition, it decided it would strengthen the band councils' requirement to be accountable to their community.

That year, the department even wrote to the chiefs and band councils to have those receiving federal funds examine their accounting and management systems and develop a plan of action to correct discrepancies. It also informed first nations that these systems would have to be evaluated in the future in the case of all funding agreements.

In his follow up report of 1999, the auditor general looked primarily at the way the Department of Indian and Northern Affairs had implemented his 1996 recommendations.

The report included the following points, among others. The department of Indian affairs was to establish a better relationship between the level of flexibility of the modes of funding and the desire and ability of the first nations to assume responsibility for the billions of dollars the department paid out to them every year. The Department of Indian and Northern Affairs failed to take the appropriate measures to ensure proper resolution of allegations of impropriety and complaints and disputes concerning the modes of funding. Corrective measures—resolution mechanisms—had to be improved as elements of reporting.

In response to the recommendations made by the auditor general in his 1999 report, departmental officials informed the Standing Committee on Aboriginal Affairs and Northern Development that a national data bank had been established to collect complaints of inappropriate conduct and examine any emerging tendency in that regard. In addition to this national register, each regional office of the department now has access to a co-ordinator responsible for allegations and complaints. Moreover, a national co-ordinator develops standards, policies and guidelines on appropriate corrective measures.

On May 15, 2000, in response to requests by politicians and members of the public demanding the disclosure of more financial information, the Department of Indian Affairs and Northern Development wrote to the first nations to require that audits include the salaries, fees and travelling expenses of elected officials and leaders. Any first nation not complying with these requirements

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would stop getting discretionary funds and funds earmarked for non-essential services.

At one time, the Department of Indian Affairs and Northern Development was directly managing the delivery of these numerous programs in aboriginal communities. Later on, in order to break the cycle of dependence of aboriginal communities on the federal government, the latter began to sign financial agreements with the communities. These agreements were very specific and detailed as to what had to be done, how and what expenses were eligible for refund.

In 1983 the Special Committee on Indian Self-Government released its report, known as the Penner Report. In that report, the committee severely criticized the financial agreements for leaving very little decision making power to the first nations to apply programs and funds according to their specific capabilities and needs. It was suggested that agreements be signed, which would have more to do with what had to be done than with how it should be done.

Over the years, funding arrangements have evolved to take into account the relationship that exists between the Government of Canada and aboriginal peoples. One of the major features of that relationship is the government's official policy announced in 1995 recognizing the inherent right to self-government, a right that had long been claimed by aboriginal peoples.

In response to the 1996 report of the Royal Commission on Aboriginal Peoples, the Department of Indian Affairs and Northern Development, in the document entitled "Gathering Strength—Canada's Aboriginal Action Plan", also undertook to implement a new financial relationship with aboriginal peoples and to develop stable funding mechanisms which would encourage the accountability and self-sufficiency of aboriginal communities.

Now, contribution agreements are the primary mechanism through which first nations receive funding. These agreements set out spending conditions, including standards of service to communities, and accountability and performance objectives.

At the present time, first nations are managing 85% of the program budget of Department of Indian and Northern Affairs directly. The department is responsible for the nature, type and enforcement of funding mechanisms. It is therefore responsible for demonstrating to parliamentarians and to the aboriginal peoples who receive the funding that the most appropriate funding mechanisms have been used.

• (1310)

The Bloc Quebecois understands that self-government consists in giving aboriginal peoples authority for managing their own affairs, and making them accountable accordingly. We have absolutely no interest in covering up aboriginal mismanagement, but

first nations must be given the opportunity and the means to attain a reasonable level of effectiveness.

The Bloc Quebecois is also aware of the existing shortcomings in accountability. However, the Bloc Quebecois feels that the solution to these problems lies not in requiring separate accountability for aboriginal communities, as the Canadian Alliance called for at the very beginning of the debate, but in establishing a better link between the degree of flexibility necessary in funding mechanisms and the desire and ability of aboriginal peoples to assume responsibility for government funding.

What we are proposing is that the federal government implement all the recommendations made by the Auditor General of Canada; that it improve the management and follow up of financial transfers, and that it develop guidelines for the management of these programs in consultation with aboriginal peoples. Finally, we suggest that the government and the various first nations in Canada to give serious thought to the creation of a position of auditor general for first nations.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am happy to stand today and join the debate on this opposition day motion dealing with the transfer of funds and the fiscal relationship between the federal government and aboriginal communities.

Frankly, I cringe when the Canadian Alliance Party raises aboriginal affairs issues. I am always kind of apprehensive and nervous as to what the real motivation is and why it would choose this particular issue for their opposition day motion.

My apprehension is well founded when we look at the history of some of the positions taken by that party on aboriginal affairs and aboriginal issues. The first that comes to mind, of course, is the ratification of the historic Nisga'a treaty. I should probably thank the Alliance for all the stubborn obstinacy that it showed during the ratification of the Nisga'a treaty because it gave me the satisfaction of one of the most gratifying moments that I have had in the House of Commons, and that was being able to stand up 473 times on behalf of aboriginal people, on behalf of self-government, and on behalf of the emancipation of aboriginal people. I found that personally very gratifying. I still have the T-shirt that says "Nisga'a 473: Reform Party 0". I also find it very satisfying when I wear that T-shirt to the gym.

My apprehension is well founded when we look at some of the comments of former aboriginal affairs critics in the Reform Party and Canadian Alliance Party.

Mr. Maurice Vellacott: Mr. Speaker, I rise on a point of order. I think our NDP colleague is way off the mark here and he should get on the topic to help native people instead of this rant that he is into.

Supply

He is becoming like a member of the opposition in terms of his tactics at this point. Could we get him back on topic?

The Acting Speaker (Mr. Bélair): The point is well taken and we also anticipate that at some point the hon. member for Winnipeg Centre will tie up everything to the subject at hand.

Mr. Pat Martin: Mr. Speaker, that is certainly my intention. I have a 20 minute speech and I would like to set the basis for the tone and content of my remarks by giving a bit of recent history as to why I am apprehensive about this particular motion and the motivation of the Canadian Alliance in introducing the motion.

It is a matter of record. It is a matter of *Hansard*, when we look back at the remarks of previous aboriginal affairs critics in the Reform Party, like Mr. Herb Grubel, former adviser to fascist dictator Augusto Pinochet and currently a member of the board of directors of the Fraser Institute. In his comments, Herb Grubel likened living on an aboriginal reserve to living on a south sea island and being supported by a rich uncle. That indicates a real sensitivity to the issues facing the aboriginal people. That is why, frankly, I would argue that the Alliance Party does not have any credibility when it speaks on aboriginal issues.

It goes further. The person who sat on the cross country advisory committee on aboriginal issues when the Reform Party took a touring task force around the country was Mel Smith, the author of *Our Home or Native Land*, the famous book that is a sort of diatribe against any kind of self-government or land claim settlements. In fact, it called for the reversal of land claim issues settled across the country.

• (1315)

Tom Flanagan, associated for a long time with the Reform Party as a senior advisor, wrote a well known piece called "Why Don't Indians Drive Taxis?" His argument was that all other new Canadians who come here and start at the bottom of the economic totem pole start by driving taxis so why do Indians not drive taxis? The basic premise of his argument was that they expect handouts. He said that they would rather have handouts than drive taxis.

It really shows a sensitivity to the economic development issues that aboriginal people face when senior people in the Reform Party talk about aboriginal issues in that way.

The most compelling example I can give is Greg Hollingsworth, former Reform Party staffer here in Ottawa on the Hill. I frankly do not think this was how it transpired, but they say that he quit his job to go and set up BC F.I.R.E. in British Columbia. BC F.I.R.E. is the anti-Indian movement in British Columbia. It is called Foundation for Individual Rights and Equality. It is a horrible, hateful group of

people who are dedicated solely to keeping aboriginal issues and people down.

When I say that I do not believe frankly that Greg Hollingsworth quit his job, I think he was sent there by the Reform Party. I will go further than that. I think the Canadian Alliance—

Mr. Maurice Vellacott: Mr. Speaker, I rise on a point of order. I think you have it within your power to ask the member to get to the point of his question. Is he concerned about native people and the motion before us or does he want to go on to something irrelevant from past history? Does he have a concern for native people? I think he would want to circumscribe his speech today to that issue, to help native—

The Acting Speaker (Mr. Bélair): Your point is well taken. The hon. member for Winnipeg Centre will certainly make a big effort to tie what he has just said to the motion we are debating today.

Mr. Pat Martin: Absolutely, Mr. Speaker. I would be happy to limit my remarks to the motion we have before us today.

I started out by saying that I believe, and I do not think it is an exaggeration to say, that the Canadian Alliance is the legislative wing, the political voice, of the anti-Indian movement in Canada. That is why I question its motivation and its true intentions every time it raises aboriginal issues.

Mr. Vic Toews: Mr. Speaker, I rise on a point of order. The hon. member may well castigate groups or political parties as a whole but when he attacks me personally, as he just did in terms of where we stand with respect to natives and helping first nations people, I would ask you, Mr. Speaker, to bring the member to order.

The Acting Speaker (Mr. Bélair): Your point has been heard. I would ask the hon. member for Winnipeg Centre to ease up on the tone of his intervention.

Mr. Pat Martin: Certainly, Mr. Speaker, I would be happy to do that. In the interest of keeping an elevated standard of debate in the House, I will take those remarks to hand.

One thing we have noted is that the Canadian Alliance approach to aboriginal issues, in recent months at least, has been to seize on isolated incidents of misuse of funds or mismanagement of funds. The Alliance comments over and over again on isolated incidents across the country and then tries to thread them together into an overall theme that there is gross mismanagement of funds in virtually all aboriginal communities.

That is the message, whether deliberate or not, that is getting out to the public. The Canadian Alliance says that aboriginal communities are corrupt, ergo they do not deserve self-government and we should not proceed any further with land claim settlements. That is

the theme that comes across to the Canadian people, whether real or perceived.

I guess the same thing could be said about my comments because I am threading together isolated incidents of Alliance Party members saying horrible, hateful things. I have come to a broad conclusion that it is in fact party policy, not just isolated incidents.

I point out that the member for Athabasca said that of course we defeated them, and that just because we did not kill them in Indian wars does not mean they are not a vanquished people. Otherwise, he asked, why would they accept being driven into those godforsaken little remote reserves? That was the attitude of the member for Athabasca who is still sitting in the House.

• (1320)

I have been here longer than the hon. member for Provencher and I have heard some horrifying attitudes expressed toward aboriginal people.

The Canadian Alliance launched an out and out campaign to aggressively stop what I believe is the most historic treaty of our time, the Nisga'a land claim treaty, which was ratified in the House of Commons. It was a very proud moment for all of us. The Alliance launched an out and out campaign to stop and to block that group of people from taking their first courageous steps toward independence and self-government. It is opposed to aboriginal self-government.

The NDP is in favour of the implementation of the recommendations of the Royal Commission on Aboriginal Peoples. The Canadian Alliance Party is not. That is why I think I am justified in questioning the motivation of that group when it raises aboriginal affairs issues in the House.

I am very happy to speak to the motion. It is a lot more difficult to speak to the motion now that it is so watered down and innocuous. If the Canadian Alliance is harbouring some sort of resentment about land claims and self-government, it should at least have the guts to put forward a motion that actually says that so we can have an honest debate in the House.

We now have a watered down motion that calls for the status quo. The reason the Alliance got the Liberal Party to agree to vote in favour of the motion is that it is easy for the Liberals. They are already doing that. The motion put forward originally by the Alliance insinuated that there was no auditing or accountability in aboriginal communities and that therefore we needed to impose a requirement for auditing.

In actual fact, the Indian Act and the Indian Bands Revenue Monies Regulation already calls for that. Articles 8.(1), 8.(2) and 8.(2)(a) state:

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8.(1) Every Band shall engage an auditor to audit its account and to render an annual report in respect thereof.

(2) A copy of the annual auditor's report shall, within 7 days of its completion,

(a) be posted in conspicuous places on the Band Reserve for the examination of all members of the Band;

If that is not a requirement to have an independent audit and to publish the findings of the audit, I do not know what is. Frankly, all the Alliance is calling for is what we already enjoy.

I object to one thing in the remarks of the Canadian Alliance member in introducing the motion. I will need to check the *Hansard* for the actual words, but he implied that the Alliance has the support of the grand chief of the Assembly of First Nations for the motion. I found that very hard to believe, given the offensive stance toward aboriginal issues that the Canadian Alliance has demonstrated since it has been in parliament. I doubt it very much that the grand chief of the Assembly of First Nations would endorse a motion put forward by that party because, frankly, that individual, more than anyone, would have serious reservations about the motivation of that party.

I called the national grand chief of the Assembly of First Nations, Matthew Coon Come. His executive assistant just got back to me five minutes ago. Not only did the Assembly of First Nations never endorse the motion, it was never contacted about the motion. It was never called.

The Alliance Party has started this whole debate with dishonesty. That also leads me to believe that there is more here than meets the eye. The real motivation of the Alliance Party is to do everything it can to foster animosity toward the self-government process because it personally is opposed.

There is no party in the country that has bastardized the word equal more than the Alliance Party. I am very proud that just last week an aboriginal judge in the province of Manitoba, Murray Sinclair, moved up to the Court of Queen's Bench. Murray Sinclair, in the aboriginal justice inquiry, deals with this very issue. He says:

—the application of uniform standards, common rules and treatment of people who are not the same constitutes a form of discrimination. It means that in treating unlike people alike, adverse consequences, hardships or injustice may result.

In other words, we cannot treat all people equally if in fact they are unequal at the beginning. After we have met the basic needs of people and established a common denominator, then rules can be applied equally.

• (1325)

That is a very wise statement and I am proud to be able to raise it in the House of Commons today. Equal rights for all is in fact unfair when dealing with people who are held back in a systemic way, as is the case with many aboriginal people.

Supply

I come from Manitoba, where we have perhaps more firsthand and recent knowledge in trying to renew the relationship with aboriginal people than do many of the members here from other provinces.

I am not proud to say it, but my province was the home of J.J. Harper. If that name has not been raised in the House of Commons before it certainly should have. If it had been me walking home late one night instead of J.J. Harper, I might have been pulled over by the police and asked questions. However I probably would not have died that night. J.J. Harper did. He was killed. That was one of the incidents that spurred the aboriginal justice inquiry, which was probably the most comprehensive review of the hugely disproportionate representation of aboriginal people in Canada's criminal justice system.

My province was also home to Helen Betty Osborne, a 16 year old girl in The Pas, Manitoba who was killed. I can assure hon. members that if it had been my 16 year old daughter walking home that night kid, she probably would not have been seen as a target by four redneck hillbillies who would sexually assault and murder her. After the murder of Helen Betty Osborne, the whole town took part in a 16 year conspiracy of silence to shield the actions of those people. We in Manitoba have firsthand knowledge and very real examples from which to draw.

One of the things that came up during the aboriginal justice inquiry was the hugely disproportionate representation of aboriginal people in our prisons, never mind the ones caught up in the criminal justice system. It came to light that, at periods of time during the 1960s, 1970s and 1980s in two women's prisons in Canada, the percentage of the population that was aboriginal was 100%. That was all of them. It was as if we were trying to lock up a generation of young aboriginal people as some supposed fix to the terrible situation they were in.

It is galling for me to watch a group of people who are not as far evolved in their thinking about the new relationship that is necessary with aboriginal people. It is frustrating to see a group of people from provinces not far from mine who are so politically naive when it comes to the new relationship that is necessary with aboriginal people.

There was a poem spray-painted on a wall near my office in downtown Winnipeg for many years. It has now been erased. A street poet wrote it and one of the lines in it said "Racism is ignorance masturbating". It was the sort of thing that would catch one's attention. However, when we think about it, racism is, by its very nature, born out of ignorance. As soon as people learn more about other cultures they are no longer threatened by them and they are less racist. We see that gradual maturing process happening in every neighbourhood and community across the country. The more we know about other people, the more we realize that they love their children as much as we love ours and that we have more in common than we do that is separate.

Masturbating is, by its very nature, a solitary act. It is not very gratifying and it certainly is not productive in any way, shape or form. Neither is racism. Racism feeds on itself and it does not benefit anyone. That comes from the very solitary nature of it.

Canadian Alliance members do not consult and they do not learn from other people. They do not phone the Assembly of First Nations when they say they do. We know that much as evidenced today. There is a terrible dishonesty in their approach.

I have already pointed out that the motion we are dealing with today is really the status quo, is it not?

I have tried to point out some of my reservations about following the Canadian Alliance's lead on anything to do with any aboriginal issue ever, because I know who its members are. I have been here long enough to hear their spokespeople and to understand what really drives and motivates them. I will say again, I believe the Canadian Alliance is the legislative arm of the anti-Indian movement in Canada. I have never seen anything to dissuade me or move me off that opinion.

● (1330)

Today's motion is so harmless and so innocuous that we do see fit to vote in favour of it. Everyone is for public accountability and public financing.

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I listened carefully to the hon. member's comments. I believe governance and accountability are apple pie issues. We need transparency and accountability.

However, when we go under the surface, that is the root of what is not being said here today. It is about self-government, about respecting cultures and about having existing aboriginal rights under section 35 of the Constitution Act. That is something that this side of the House believes in dearly.

I believe the NDP also has similar values and goals for the aboriginal nations in Canada. I would like to explore those values and goals with the member. Does he believe that the members of the official opposition have the same goals of strengthening and renewing the partnerships with Canada's aboriginal peoples? Do they want to help strengthen aboriginal governance? Do they want to develop newer fiscal relationships and build strong communities, peoples and economies?

Looking back to my time as chair of the aboriginal committee in the last parliament, I particularly remember the time when we dealt with the Nisga'a treaty. During the final vote in committee there were no dissenting votes. The bill was passed by all parties, including the opposition. When the bill came back to the House, the official opposition put forward 467 or so amendments. That is why I find this motion to be innocuous. It is different from what is

underlying that same position. I would like the member's comments on this area.

Mr. Pat Martin: Mr. Speaker, the NDP caucus, I believe, is very much in favour of renewing the fiscal relationship with aboriginal communities. The hon. member was alluding to legislation we anticipate coming down the pike fairly soon that will revisit the fiscal relationship between the federal government and aboriginal communities.

We believe that what really needs to be done, instead of just lobbing potshots at isolated incidents of mismanagement, is to develop the administrative capacity of first nations communities so that accountability can become as mainstream in their administration of offices as it is elsewhere.

I should point out that 95% of all audits done on aboriginal communities come up squeaky clean. I do not know if the current government can make a claim like that with all its programs. Certainly the business community is not held to that high a standard.

In a sense, we are watching the Canadian Alliance take these isolated incidents and trying to thread them together into an overall case that all aboriginal communities are poorly run or mismanaged in some way.

One thing that is heartening, which I learned about recently, is that the Certified General Accountants Association of Canada and the Assembly of First Nations have started a national round table and a mentoring program to give special national certification to aboriginal auditors so that within the communities there will be well trained aboriginal people to ensure that the books are kept to acceptable best practices of accounting.

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, I feel very sad in having to rise to ask the member a question and to make a comment on what he said. He has impugned my integrity in the House by attributing comments to me.

If he goes back and reads *Hansard* he will realize that his statement is completely inaccurate. I never said that I had phoned Matthew Coon Come or that I ever had his support for the motion. He is reading something into what I said. I think it is despicable of him to bring that kind of thing to the debate when there are such serious problems regarding aboriginal people across the country. He is still engaged in the old line debate on partisan politics: who is doing what and who is getting political points. I have no interest in that.

• (1335)

If the member's party is so intent on helping aboriginal people, why has his colleague, the member of parliament for Churchill where the Virginia Fontaine Centre is situated and which has developed into such a national scandal of aboriginal accountability

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vis-à-vis the government, not once stood in the House and brought public attention to the plight of the people in that riding who now have no hospital treatment centre and no school because of accountability issues? Why?

Mr. Pat Martin: Mr. Speaker, once again the member is fundamentally wrong. In actual fact the member for Churchill did stand and ask the government questions concerning the money that kept flowing to the Virginia Fontaine Centre even after it was clear that something was wrong. The member for Churchill asked that question but got an answer that was not very satisfactory.

However, the main thrust of her question was very different from the potshots thrown by members of the Canadian Alliance. She asked if it was true that the money could have been used to benefit so many more people. Rather than spending \$36 million on one treatment centre, which is a lot of money, a general hospital could have been built. The government could have helped a lot of people who are suffering the consequences of chronic long term poverty, one of which is substance abuse, which was what the Fontaine Centre was dedicated to addressing.

What the hon. member does not know, because I do not believe he is well briefed on aboriginal affairs issues, is that the Assembly of First Nations' fiscal relations secretariat is taking many of the steps that his party is advocating, and has been since 1996. I do not think members opposite even read their own briefing notes. All they are trying to do is whip up some kind of an anti-Indian hysteria in the country so that they can join the BC F.I.R.E. movement and the anti-Indian movement to stop land claims and stop treaty processes.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): I must say, Mr. Speaker, that I felt the speech by the member for Winnipeg Centre was one of the more ugly speeches that I have heard in my time here. I did not enjoy the slinging of tar that went on here.

I can assure you, Mr. Speaker, that I know many members of the Canadian Alliance, the former Reform Party, and while I may disagree very vehemently with them on some issues, including aboriginal issues, every one of them, as far as I know, have acted and argued with the best motivation.

The real reason I am standing is that the member for Winnipeg Centre attacked a member who is not in the House, Herb Grubel, who was a member of the Reform Party. He was one of the finest MPs in the House, even though he sat in the opposition.

What I have to say is that if we throw tar in a small room, it is bound to splash back on ourselves. I do not think the member for Winnipeg Centre will gain many points at home.

Mr. Pat Martin: Mr. Speaker, I do not feel the need to apologize for my remarks. I found that some of the remarks made in *Hansard* by Herb Grubel, a former member of parliament whose name we

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can use because he no longer sits here, were offensive. I could not believe people harboured those kinds of attitudes toward aboriginal people, especially a person representing a major Canadian political party.

I do not apologize for raising that in the House. I think it helped to set the base tone of the debate. All of us, even if we reluctantly hold our nose and vote in favour of the motion, being the innocuous thing that it is, are very suspect about the motivation of the Canadian Alliance every time it raises aboriginal issues.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I will be sharing my time with the member for Cumberland—Colchester.

I would like to have the debate on our part finished by question period so I may take a little less than my 10 minutes for my questions and comments and then turn it over to the member for Cumberland—Colchester.

I would like to say that this file originally was held by a very capable colleague of mine from the South Shore. It has been passed to me and I will speak to it with pleasure. I feel very strongly that this is an issue that must be a precedence of not only the government but certainly the opposition with respect to our first nations and the issues that face them today.

• (1340)

Getting up between the member for Winnipeg Centre and the Alliance Party, I will act as a bit of a mediator, which is common for the Progressive Conservative Party. In fact we are attempting to be the mediator of all opposition parties in concert against the government.

I know some harsh words have been said by the NDP to the Alliance. It is no secret that hypocrisy sometimes sits on the Alliance benches. Obviously the member for the NDP felt it was necessary to bring those issues forward. However, I sincerely believe that it is best to speak to the motion and the issue put forward today and hopefully we can resolve some of the very serious problems that face our first nations.

As the representative for Brandon—Souris, I have the pleasure of having two reserves in my constituency and have had the opportunity to work with those bands in the past. I will be making some comments with respect to both of them over the course of my speech.

However, I certainly take some exception to the comments made by the government House leader when he spoke to the motion. I got the impression that everything was just hunky-dory, that there were no problems and no issues. He said that 98% of the audits have been in place and put forward, and that only 4% of the reserves now in existence have third party management systems. Third party management is the last resort of any type of management within

first nations. Having 4% under third party management is quite excessive. This issue has to be addressed by the government.

I would suggest that not everything is fine on first nations reserves. There is a very large unemployment ratio compared to the rest of society. We recognize that there is a housing crisis, that there are social ills and social problems and that there are problems with the infrastructure programs that have been put in place.

The House leader would have us think that the issue today is not about accountability and audit, and that we should not be dealing with social issues. That is not true. Quite frankly, financial administration and financial management, if properly put in place on first nations reserves, would allow the reserves to have less unemployment, more housing, better social services provided to them through the band offices and infrastructure programs put in place that would allow for water treatment and sewers to be put into place, along with recreation facilities. It is all one ball of wax.

The hon. House leader cannot stand up and say that the motion is insignificant when dealing with those other social concerns because it is not. They are all put together.

The motion is quite simple. It calls for accountability. It wants the assurance that audits will be put forward so the bands will be responsible for the expenditures of capital, public funds, going into a reserve. I could not agree more.

The member for Winnipeg Centre said that there were a few examples of this and that we should use those examples because the majority do not happen. That is not true. Those examples happen more and more often, but I will let my hon. colleague from Nova Scotia speak to a couple of those.

I can tell the House that in my own constituency there are substantially well managed reserves. Sioux Valley is absolutely phenomenal. The administration, the management, the chief and the council are there for the right reasons. They are there for all members of the band. The Minister of Indian Affairs and Northern Development just signed an historic treaty with that reserve which put forward the parameters for self-government. That is one positive example of what all first nations should be trying to attain.

• (1345)

The other is a negative example. As one member suggested, certain reserves do not have the financial wherewithal and viability to pay their bills. That is the case with one of the reserves in my constituency where tradespeople have gone in to do work and have not been paid and will not do further work there. That affects the whole reserve, the whole population of that reserve.

Those examples are out there. What the motion is simply saying is be accountable. We must ensure the chief, the council and the administration of a reserve and band office are accountable to the

Supply

people and to Canada. If it is public money, I do not think anyone here would disagree that it should be transparent. They should be accountable to the public purse from which they receive their funding.

I say on behalf of the PC Party that we will be supporting the motion as it has been put forward. We support the measures to improve accountability and transparency for first nations. The measures should help improve the self-reliance and self-dependence of first nations if their financial management is controlled, regulated and available to band members.

I also suggest that accountability to band members falls to the chief and to the elected band council. Such accountability is extremely important in order to have good management in the band itself.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is a pleasure for me to participate in the debate. I did not have a lot to do with aboriginals or native issues until I was elected a member of parliament and then I became very much involved with them. It has been one of the more interesting and fruitful aspects of my political career since 1988, off and on.

There is no question about the motion. It talks about taxpayer dollars having to be accountable. People who receive taxpayer dollars, whether natives or non-natives, owe it to taxpayers to provide information on where the money is going.

Recently I was involved with a non-native organization that took over a wharf in a place called Digby, Nova Scotia. It got a cheque of over \$3 million from the federal Department of Transport. When we asked the organization where the taxpayer dollars went, the reply was that they were not taxpayer dollars once it got the cheque. I certainly disagree with the philosophy and approach taken by Maritime Harbours Society in Digby. That is what this is all about.

We need an open process. We need transparency when it comes to taxpayer dollars. After all, a lot of aboriginals and natives are taxpayers and they want accountability too. A lot of the questions raised in this great debate have come from aboriginals who see from within what the problems are in a particular band or group. They are perhaps in the best position to know when there is a problem and to blow the whistle. In some cases they have done that.

The hon. member for Brandon—Souris mentioned earlier that I might bring up an issue in Nova Scotia. Recently the Eskasoni first nation was questioned when it was revealed that the chief collected more than \$400,000 tax free and got in excess of \$293,000 in honorariums, a great big Christmas bonus, \$67,000 in travel expenses, \$12,000 for automobile reimbursement and so on.

Meanwhile people on the reserve go without housing and even food.

The natives in that case brought it to the attention of the government. The government stepped in appropriately, demanded accountability and changed the rules at Eskasoni. It is now trying to establish a new plan for the future, a new business plan for the operation of the whole reserve. It will involve accountability for government dollars, as it should have done in the beginning.

As I mentioned earlier, my first experience with native issues was with the Millbrook band in my riding. One of the first things I did as a member of parliament in 1988 was visit with the chief. He and I went from house to house all through the community. People needed a great deal of help and were obviously not getting it. The housing situation was the most obvious shortcoming.

• (1350)

Chief Lawrence Paul was the chief in 1988 and, I believe, is still the chief. I believe he has been elected 11 times in a row. He has taken great steps to improve the lifestyle and living standard of members of his band. Perhaps the most important thing he did was make a deal with the province of Nova Scotia on gaming arrangements. He was able to set up a small gaming facility on his reserve with access to the non-native community. It has been very successful. He has raised some money and has given the money back to his constituents.

Chief Paul has been very aggressive in establishing a shopping centre. The reserve is split by the Trans-Canada Highway, so he has great exposure to the Trans-Canada Highway between Truro and Halifax. He has established a power centre. Three or four first class businesses have been established to serve the native and non-native communities.

Another issue he has been very aggressive in is the native fishery. He has established the Millbrook fishery and is training his members to become fishermen. He is helping them to establish facilities at wharves and to have the proper boats and equipment, and especially the proper training, to operate safely.

As a result, it is a success story. It is not all success, but very seldom is any operation perfect. It probably is not perfect, but I have seen a great difference in the standard of living of the people of Millbrook Band, and I take my hat off to Lawrence Paul. He ruffles feathers quite often. He is very outspoken but has done a good job for his people. I do not know what more one could ask.

As a result of those efforts, the operations turn back cash to every member of the band every year. Every band member receives a cash rebate from the resources of the successful businesses that have started up. In addition, the band has established an education

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fund and a health care fund for every person in the band. That has gone a long way to alleviate the problems of the band and it bodes well for the future. It gets better and better, and Chief Paul is more successful and aggressive as he goes. I think it will be a wonderful change for the members of the Millbrook Band.

We support the motion. We obviously and certainly support accountability for every cent of government money. We think that when taxpayer dollars go into a project, they should be accountable and the benefits should go to all the people in a specific band, not just a small group.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, I commend my hon. colleague who just spoke in favour of the motion. There is a very real need on the part of government, Indian bands and all people in Canada to recognize that one of the most important things to develop in parliamentarians and in people governing at the municipal or band council levels is integrity, honesty, truth, openness and transparency.

The hon. member just illustrated exactly how that could work. He made reference to the Millbrook Band, and I commend him for doing so. I wonder whether he could expand on his concerns about the lack of transparency and integrity on the part of certain people in not allowing their books to be opened. There seems to be an assumption that if there are public funds as well as private funds then a band council is only responsible for the public funds. It seems to me that a band council that manages private funds should be accountable for those as well, although perhaps in a different way. I wonder if he would comment on that.

Mr. Bill Casey: Mr. Speaker, he raises a good point. Where there is a mixture of public funds and private funds, it is often hard to say which dollar comes from which source. In that regard, I believe that if there is any linkage at all to federal or provincial government dollars they should be accountable. There is no question about that. The whole purpose of this exercise is that government dollars be accounted for. If there is any linkage at all to them, or any possibility that we are talking about federal dollars as opposed to money generated from the private sector, then they should be accountable.

• (1355)

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I likewise thank the member for supporting the motion that is on the floor today.

Would the member mind sharing a little with regard to some of the reserves in his own riding? One point mentioned by the government was its concern about improving the quality of life of people on the reserves. I want to believe that is something that will come out of this motion.

Having travelled across the country, been into many reserves and seen the deplorable conditions that exist, I wonder how it ever got to be that way. When we have responsible government, how could it possibly happen? In 1999 Canada was named the number one country in which to live. Of course there was an addendum stating that if the reserves were included Canada would be number 38. That is not a mark of which to be proud.

In travelling in my riding and visiting different reserves in Alberta I see terrible, deplorable conditions and little effort. I also notice that in New Brunswick there is one nation, the Big Cove first nation, with 2,200 people who are \$8 million in debt.

Would the member mind talking about the conditions as he sees them when he tours his reserves? Does he see what I see?

Mr. Bill Casey: Mr. Speaker, I commend the member because he has always taken a very sincere interest in native issues. He talks about quality of life. In the case of the band I mentioned in Nova Scotia, I just added it up roughly, the chief in a very short period of time awarded himself \$828,000 while there are people in the band without houses and without food on the table.

I mentioned earlier the Millbrook band which is a different story. I started to visit the Millbrook band in 1988 and have seen a dramatic change in the lifestyle and self-esteem of natives in that band. It is because the chief and council have generated businesses for them in which to work. They now have self-satisfaction. There is quite a change there. All the problems are not resolved but they have gone a long way to resolving them.

A former prime minister once said to us, in about 1990, that members could go home and spend the whole weekend trying to think of worse ways to treat natives and we could not come up with anything worse than what we have already done to them. I have always agreed with him. I have never forgotten his words, and I agree with those words.

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POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Lynn Myers (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, on Friday, March 16, following question period, a point of order was raised concerning language used as recorded on page 1769 of *Hansard*.

I wish to withdraw the word that gave rise to the point of order and to apologize for any inconvenience it may have caused you or the House.

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STATEMENTS BY MEMBERS

[Translation]

JULIETTE HUOT

Mr. André Harvey (Chicoutimi—Le Fjord, Lib.): Mr. Speaker, the Quebec theatre world has lost another great. Juliette Huot died in Brossard at the age of 89, after a 60-year career in radio, television and film.

The energy she put into the Little Brothers of the Poor permanently changed the course of that organization.

Gilles Latulippe remembered her for her incredible sense of humour.

Madame Huot, we thank you for your presence, for your hard work, and for your dazzling talent.

We offer our deepest condolences to all those who were close to her.

* * *

● (1400)

[English]

JUSTICE

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, in my riding of Okanagan—Shuswap a repeat sexual offender with a long criminal record will serve no jail time despite being found guilty of sexually assaulting a female member of his own Indian band.

Citing changes made by this government, the judge sentenced the man to remain at large in this small community but not to contact the victim or use drugs or alcohol.

Criminal code section 718.2(e) now tells judges to use “all available sanctions other than imprisonment—with particular attention to—aboriginal offenders”. Such race based sentencing turns aboriginal women into second class victims but, as usual, the government worries about the offenders and not the victims.

When I asked the solicitor general about this on Friday, he said all Canadians are treated equally. Did he deliberately mislead the House, or is he that unfamiliar with his own portfolio?

Regardless of race, all violent offenders should go to jail. When will the government end this race based policy in sentencing?

* * *

FETAL ALCOHOL SYNDROME

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, over the past several years the Government of Canada has consistently demonstrated its commitment to children and families. For example, there is the allocation of \$11 million over three years for a sustained focus on fetal alcohol syndrome.

[Translation]

Health Canada has undertaken some excellent initiatives to address this national health problem: two national public awareness campaigns will be launched this spring; a number of national committees have been formed to provide advice and develop recommendations; in the fall, we will be organizing a national forum for the purpose of developing a national action plan to combat this problem; Canadian physicians will be surveyed to find out their information needs in connection with this problem; there will be increased co-operation with national and international experts in order to standardize the method for diagnosing this syndrome in Canada; and finally, local initiatives which support communities will receive assistance through a strategic project fund.

* * *

CHARITABLE ORGANIZATIONS

Mr. Serge Marcil (Beauharnois—Salaberry, Lib.): Mr. Speaker, I would like to draw the attention of this House to the significant step taken by the Solicitor General of Canada and the Minister of National Revenue in introducing a bill on March 15 on the registration of charities.

Under the current system, the Canada Customs and Revenue Agency cannot either refuse to register or revoke registration of a charity on the basis of confidential information, even if national security is threatened. As a result, terrorist groups are registering as charities.

In addition to making the funding of terrorist groups more difficult, this bill will make it possible to preserve the integrity of the Canadian charitable organization registration system.

This bill is in response to the commitments made by the federal government in the Speech from the Throne and on the international scene to combat terrorism. Terrorism is a world-wide problem and the federal government is proud to be able to make its contribution to the solution.

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MARIE-FRANCE PILON

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, the letter selected in the *La Presse* of March 18, 2001 as letter of the week was one written by Marie-France Pilon of Outremont, Quebec, which appeared under the heading “A salary for mothers: why not?”

Part of her letter to the Government of Quebec read as follows:

Women’s situation would be greatly improved by making it possible to have a choice between working outside the home and parenting one’s children at home, at least for the first three years.

We have “evolved” from housewives, who had no choice about their situation, to working women, who also have no choice, even when their children are at the age when they most need their mothers.

A salary for stay-at-home parents? Most emphatically yes, at least for the child’s first three years of life. Is the Department of the Family in favour of families, or is it not? Let it learn more about what is being done in Germany, and implement it here.

This would be beneficial to couples and to families, and real values would win out, at least to some extent, over materialism.

Thank you, Marie-France Pilon.

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[English]

IMMIGRATION

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, I rise today to bring the attention of the immigration minister the plight of one of my constituents. Mr. Howard Hall came to Canada from England in 1949 with his mother when he was three months old. She married a Canadian in 1950, who in turn formally adopted Howard as his son.

In essence, Mr. Hall has lived in Canada his entire life, 51 years. He attended and graduated from school in Kamloops and has a SIN number and a pension booklet. However, in 1989 an immigration inquiry ruled Mr. Hall was not a citizen and sent him back to England. He won an appeal but was still given a departure order and told to leave Canada for a year. From England he filed for Canadian citizenship and was denied.

• (1405)

In desperation he re-entered Canada, the only home he has ever known, on a visitor’s visa. He stayed. Mr. Hall is now facing his 10th immigration hearing in his epic struggle to stay in Canada.

This true story might make a great movie, but for Howard Hall it is his real life. Will the minister do the honourable thing, look into this matter and give Howard Hall a happy ending to this horrible saga?

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.): Mr. Speaker, as Canada’s national police force, the Royal Canadian Mounted Police has a long and proud history of serving Canadian communities from coast to coast to coast.

In its function as a national, provincial and municipal police force, the 15,000 uniformed members of the RCMP serve hundreds of communities in a manner that is respectful of their heritage, culture and language.

[Translation]

Given that long tradition, I wish to express a sincere wish that the RCMP will continue to take into consideration the linguistic diversity of our communities.

[English]

I am sure hon. members know that the RCMP has a policy of diversity and inclusion that it strives to meet wherever it serves. That should include a capacity of providing services in both official languages.

I am sure I am not alone in my hope that the RCMP will continue not only to meet but to exceed the requirements of the Official Languages Act, because while benefiting from a police service that is second to none in the world, Canadians deserve to continue receiving this service in the official language of their choice.

* * *

[Translation]

SEMAINE D’ACTION CONTRE LE RACISME

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the Quebec semaine d’action contre le racisme, a week of action to fight racism, represents a fine opportunity to think about ways to show greater tolerance toward cultural communities and to tighten the links among Quebecers of all backgrounds.

Over the years, the laws have changed, but the battle against racism has yet to be won. Unfortunately, racism is a hateful and contagious evil that continues to grow around the world. It wounds and denies the right to full enjoyment of life.

In our daily struggle to eliminate obstacles to equality among all human beings, the question of race discrimination is put to everyone. We must all work together to make our society fairer and more democratic. We must carry on this fight at the individual and the community levels, by sharing our values of mutual help and solidarity with cultural communities.

I wish everyone a fine week of intercultural discovery.

* * *

[English]

FISHERIES

Mr. Rodger Cuzner (Bras d’Or—Cape Breton, Lib.): Mr. Speaker, earlier this month the Minister of Fisheries and Oceans announced the recipients of the national recreational fisheries awards for the year 2000.

These awards recognize those individuals and organizations that work to protect and enhance recreational fisheries and their

habitats. The efforts of this year's award winners contribute not only to the development of this important tourism industry but also to the enhancement and preservation of Canada's aquatic environment.

On behalf of all members I salute the year 2000 recipients: Jeremy Maynard of British Columbia, Jack Cooper of Labrador, the Urban Angling Partnership in Winnipeg, the Conservation Faune Aquatique Quebec Inc., and the Southeastern Anglers Association of New Brunswick. I congratulate all this year's winners.

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COMMONWEALTH DAY

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, March 12 was Commonwealth Day. The theme for the year 2001 was "A New Generation", which was meant to capture the reality of our young Commonwealth.

More than half of the 1.7 billion people in the Commonwealth are under the age of 25. As Her Majesty the Queen said in her address recognizing Commonwealth Day, "Youth are the future of the Commonwealth and they will inherit the world we leave them".

With rotating March breaks taking place across the country I have noticed, as have other members of parliament, many more young people and their parents visiting the parliament buildings. Today in the building I have my grandson Thomas and my granddaughter Danai visiting us from Collingwood School with their classmates, as well as my son Christopher from West Vancouver—Sunshine Coast and St. George's School in Vancouver.

As I look around today and see young people in the galleries, I am heartened by their interest in our democracy. I believe our youth want to build on the virtues and values that are fundamental in a civilized and caring society like Canada's.

The challenge of all parents is to recognize, nurture and support the dreams and aspirations of our children. This institution, the Commonwealth and the world will be theirs.

* * *

● (1410)

AGRICULTURE

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, on Friday, March 16, the USDA outlined its position on the latest scientific input with respect to allowing the movement of P.E.I. potatoes. As we feared, the United States refused to honour its commitment to science or to fair trade.

The Canadian Food Inspection Agency has stated that outside a single field and a half mile buffer zone surrounding that field, the

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rest of P.E.I. is free from potato wart, as per the requirements of the international plant protection convention.

This morning, after months of frustration, potato growers in Prince Edward Island joined together to peacefully protest against the illegal United States border closure.

Producers in P.E.I. are calling upon the Government of Canada to respond aggressively to the United States position by immediately banning the importation of U.S. potatoes from states with quarantinable pests.

* * *

AGRICULTURE

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, today in Prince Edward Island over 300 people are protesting the federal government's recent response to the potato crisis.

The minister last year indicated his appreciation that P.E.I. potato producers were taking the bullet for not selling their product anywhere in Canada, as per the rules laid down by the United States. This resulted in a loss of sales of over \$50 million.

Instead of fighting to keep the access markets open to the United States, the federal government's response is only a measly \$14 million in compensation, causing many producers to question whether or not they will plant this spring.

Will the minister of agriculture now take the bullet for his government, resign his portfolio and put somebody in cabinet who will fight on behalf of P.E.I. potato producers?

* * *

[Translation]

JULIETTE HUOT

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, on Friday, Quebec lost a pioneer of the stage and a great lady, Juliette Huot.

Everyone knew her as warm, funny, honest, intelligent, generous and tender.

Juliette Huot moved generations of Quebecers with style on radio and television, in the theatre and on film.

Who will forget her grand and rich interpretation of the role of Madame Sylvain in the series *Symphorien* or of Madame Plouffe in the film *Les Plouffe*.

Juliette Huot was socially committed in the artistic and her own communities. In an effort to help artists in difficult straits, she helped establish the Caisse de fonds de secours pour les artistes and the Chez-nous des artistes. She was hugely concerned about the disadvantaged, as evidenced by her devotion to the Little Brothers of the Poor.

All of Quebec pays tribute and offers its thanks.

Oral Questions

[English]

● (1415)

[English]

BASKETBALL

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, they have done it again, and I am proud to rise to congratulate the St. Francis Xavier X-Men on being crowned yesterday as back to back CIAU national basketball champions.

For the second year in a row, the X-Men defeated the University of Brandon Bobcats, this time in a thrilling 83 to 76 overtime victory. The Bobcats put forward a spirited effort, but in the end could not contain game MVP Dennie Oliver, tournament MVP Randy Nohr and the extraordinary X-Men.

The victory capped off a magical season where the X-Men went undefeated in conference play and were 31 and 1 overall. Their efforts were rewarded with all Canadian selections for Nohr and Fred Perry, while exceptional coach Steve Konchalski was recognized as CIAU coach of the year and former X-star Augy Jones sipped champagne as assistant coach.

St. Francis Xavier continues to be a centre for excellence in academics, athletics and spiritual growth, and the X-Men continue to be excellent ambassadors for this world class university.

* * *

[Translation]

CENTRES OF EXCELLENCE

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, I am pleased to inform hon. members of a recent investment made by the federal government.

Indeed, the Minister of Industry announced that \$73 million will be used to establish four new centres of excellence: the automobile of the 21st century, the Canadian network for research on language and literacy, the Canadian network on water and the network on the therapeutic and genetic studies of stem cells.

This initiative clearly shows the federal government's economic and social priorities: children, research and innovation, health and the development of strategic economic sectors.

Centres of excellence have already proven their effectiveness. They promote the interaction between research, the industry and funding. The measures announced show that the federal government cares about improving the quality of life of Canadians.

FUEL TAX REBATE

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, the cold-hearted Liberal government has been keeping Canadians shivering all winter.

My Surrey Central office is flooded with angry calls about the government's mismanagement of the fuel tax rebate.

The government should have worked with the gas companies so the rebate cheques could have gone to those who pay the heating bills. Instead, the Liberals have sent cheques to prisoners, deceased Canadians and snowbirds.

The heat rebate was announced just before the election. It turned into a \$1.3 billion scheme to buy votes.

The Liberals are to blame for failing to foresee and prepare for the natural gas price hike this winter. Canadians should not have to choose between prescription drugs, what they eat or whether they heat.

Why do the Liberals allow Canadian seniors and those on fixed incomes to suffer, keeping their thermostats as low as possible? Are the Liberals prepared to show a compassionate heart? They should reduce the GST and excise tax.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister has proved, by his words and by his actions that he actually supports a weak Canadian dollar.

As a matter of fact, on May 14, 1991, as Leader of the Opposition, he called for abandoning a strong dollar policy. As Prime Minister, of course, he has abandoned the Canadian dollar, letting it sink to just above 63 cents last Friday.

Let me reverse the question that he asked about 10 years ago. Does the Prime Minister not think the time has come to abandon the current economic policy of a weak Canadian dollar?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Leader of the Opposition knows that is not the position of the Prime Minister nor the position of the Government of Canada.

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In a time of global turmoil like this, it is really irresponsible of the Leader of the Opposition to in fact raise that allegation.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, while he says that is not the position of the Prime Minister, let me read the Prime Minister's own words. He has consistently called for a weak dollar. In 1978, when he was finance minister and the dollar started downward, he said that the dollar had to float downward. In 1984 he said that he could live personally with a weaker dollar. In 1990 he said that Canadians should accept a weaker dollar. The Prime Minister did say those things. He has what he wanted. The dollar has fallen by 12 cents since he became Prime Minister.

Does the Prime Minister think that this weak 63 cent dollar is good for the economy? If he does, should we be moving to 60 cents or maybe 50 cents?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Leader of the Opposition goes back into ancient history and reads citations. I have just stated the Prime Minister's position, the position of the government, which is not in favour of a weak dollar.

The fact is that for the Leader of the Opposition to stand up in the House and to start citing numbers is grossly irresponsible.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I am not just citing numbers, I am citing the Prime Minister's own words for a weak dollar.

Let us talk about the words of an economist. Dr. Sherry Cooper of Nesbitt Burns has said that the Canadian dollar weakness, the 23 year decline in the Canadian dollar beginning when the Prime Minister was finance minister, is a reflection of our decline in prosperity and productivity as well as the cause of it.

I am sure the finance minister will stand and start with the hand waving and get the troops all rising and cheering, but will the Prime Minister admit that this 23 year pursuit of a low Canadian dollar has been a failure which has led to a documented declining standard of living and an erosion of the savings of millions of Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, under this Prime Minister, under this government, our economics on fundamentals have improved substantially. Our productivity is on the increase and our disposable incomes are on the increase.

The fact is that if we take a look at what is happening to other currencies at the present time, given the strength of the American dollar worldwide, we will find that the Canadian dollar has behaved better than any of the other currencies outside of the U.S. dollar.

[Translation]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, we know that the Prime Minister prefers a weak Canadian dollar. For years, his actions and his words have demonstrated that preference. As for his government, it has been very quiet on the weakness of the Canadian dollar.

My question is for the Minister of Finance. Does he agree with the monetary policy of his leader, or does he support an action plan to finally restore the value of the Canadian dollar?

● (1420)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I fully agree with the policy of the government and of the Prime Minister, which has given us increased available income and increased productivity and growth. In fact, we have had the best growth among all G-7 countries this year. That policy has also given us four years of employment growth, which is the best performance among all G-7 countries. It is these fundamentals that, in the end, determine the value of a country's currency.

[English]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, a month ago I heard the finance minister say in New York that the value of the dollar was a reflection of the productivity of our economy. He said that the fundamentals were right.

Let us see. We have the highest income taxes in the G-7, the highest corporate income taxes in the OECD, the second highest debt in the G-7 and the second highest level of foreign indebtedness in the industrialized world.

How can he stand here while our dollar continues to go through the floor and say that it is irresponsible for opposition members to ask that the government bring in a monetary fiscal policy which restores real value to our currency that reflects the wealth of the nation?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it is really incumbent upon the finance critic for the opposition to get his facts right. The fact is that our capital gains taxes are lower than the United States. Our corporate taxes are going to be lower than the United States. We have just brought in the largest income tax cuts in Canadian history, substantially greater than the United States.

The hon. member talks about debt. The fact is that over the course of the last four years we will have paid down \$28 billion worth of debt. That is substantially more than what the Alliance called for. We also have the largest decline in our debt to GDP ratio of any G-7 country. Those are the facts.

*Oral Questions**[Translation]***AUBERGE GRAND-MÈRE**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in May 1999, before the Standing Committee on Industry, the ethics counsellor was very clear about the Prime Minister's interests in the Grand-Mère golf club. He said, first, that the Prime Minister had yet to be paid for his shares, second, that the sale seemed imminent and, third, that the Prime Minister had decided to hold negotiations.

My question is for the Deputy Prime Minister. In the matter of the Grand-Mère golf club, does he acknowledge that negotiations involving the Prime Minister were still going on in 1999, as the ethics counsellor mentioned?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, on March 16, Mr. Wilson, the ethics counsellor told Newsworld "I have access to all the documents, I have seen all the documents, I have been able to examine them. This is a matter of personal information of the parties, including people other than Mr. Chrétien. I can, however, confirm, to my complete satisfaction, that his shares were sold in 1993 and that they were never again in his possession".

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, it was all very well for the Deputy Prime Minister to quote the ethics counsellor, but, in the same testimony, the same ethics counsellor said that the Prime Minister had not been paid for his shares.

Will the Deputy Prime Minister admit that the chances of the Prime Minister recovering his money were much better with the Auberge Grand-Mère in much better financial health, since it was financed by the Business Development Bank of Canada, than with the Auberge Grand-Mère in bankruptcy?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I am willing to give the hon. member the same information I have just given in French. I will give it to him in English.

[English]

Last week the ethics counsellor also told the Canadian press the following:

I am satisfied, and have been for an awfully long time, that the Prime Minister sold his shares in 1993. I am absolutely certain that (the Prime Minister) did not own those shares between 1993 and 1999—I've gone through this very, very carefully, seen the original sale documents from 1993, seen the documents from 1999.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, when they have nothing more to say on the other side, they translate.

The Prime Minister approached the president of the Business Development Bank of Canada in order to counter an unfavourable

opinion expressed by analysts, who had told the bank not to lend any money, that it was not a good file. He personally intervened.

I ask this to the Deputy Prime Minister. When he intervened, did the Prime Minister not do a good business man lobby, since the positive outcome of his efforts considerably increased his chances of being paid and being paid a good price?

• (1425)

Hon. Herb Gray (Deputy Prime Minister, Lib.): No, Mr. Speaker.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, by intervening with the Business Development Bank of Canada, when these shares had not yet been paid for, the Deputy Prime Minister should admit that the Prime Minister acted in his own interest. At that point, he infringed not only the code of ethics, but the Criminal Code as well.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I ask the hon. member to repeat his unfounded insinuations outside the House. If he is not prepared to do that, he must withdraw his remarks, because they are false, false, false.

* * *

*[English]***HEALTH**

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians are concerned about food safety and appropriately concerned about food additives and their effects on human health.

The government appears to be on the verge of approving a powerful antibiotic, Baytril, for use in poultry. The build up of antibiotics in the food chain is a bad idea. Even the U.S. has said no to Baytril, calling for a ban on its usage. The Americans have come off the fence on this issue. What is Canada waiting for?

[Translation]

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, the use of Baytril in poultry and cattle has not yet been approved in Canada.

In addition, I must state on behalf of the Minister of Health that drug bureau evaluators have not been pressured in any way to give approval. Data can be interpreted differently by different scientists and there are mechanisms to resolve this.

The public can rest assured that these mechanisms are indeed preserving the safety of the food Canadians eat.

[English]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, it is cause for increasing concern that the government keeps trying to shut up our scientists. Despite that, scientists are speaking out about the risks associated with pumping powerful antibiotics into

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the food chain. The government has no time for scientists' warnings based on solid research but lots of time for pharmaceutical lobbyists and their self-promotion.

Why does the government not stop beating up on scientists and start serving as an advocate for scientifically proven food safety?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the premise of my hon. friend's question is totally wrong. Scientists in the health department are carrying out their jobs in the interest of public safety and in the interest of Canadians.

The member's first question concerns the drug Baytril. It has not been approved in Canada for use in poultry and cattle. Evaluators in the Health Canada Bureau of Veterinary Drugs have not been pressured to approve this antibiotic, nor has there been any threat of disciplinary action.

The hon. member ought to withdraw her unfounded allegations on which she bases her question.

* * *

ETHICS COUNSELLOR

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Deputy Prime Minister.

Between 1996 and 1999 we know the Prime Minister's lawyer was involved actively on the Prime Minister's behalf trying to find a buyer for the golf club shares.

The Canadian Alliance has now revealed that between 1996 and 1998 a unanimous shareholder agreement was signed by the shareholders of the company that owns the golf course.

I have a simple question: Was the Prime Minister's lawyer, or anyone else acting on his behalf, a signatory to this unanimous shareholder's agreement?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, in response to the question by the leader of the Conservative Party, at the request of the ethics counsellor, the director general of the corporations directorate will examine the records of the Grand-Mère golf course. Once the examination is completed, the director general will either confirm the accuracy of the 1997-98 annual return or will ask the company for a corrected return. I suggest we await that information.

[Translation]

Right Hon. Joe Clark (Calgary-Centre, PC): Mr. Speaker, once again a non-reply. I would like to put a supplementary question to the Minister of Industry.

Tomorrow, the ethics counsellor will be testifying before the Standing Committee on Industry. Is the minister going to encour-

age the Liberal members of the committee to allow the broadest possible range of questions to be asked of Mr. Wilson in connection with his two key responsibilities, i.e. lobbying and conflicts of interest?

• (1430)

[English]

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, I do not know how it works in the Conservative Party, but in the Liberal Party Liberal members use their brains and their imaginations and ask whatever questions they want before a standing committee.

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, I know Liberal members certainly use their imagination a lot because the Minister of Industry said that the case was closed. He said that an objective analysis of this issue was already done. He said that a definitive statement had been made and that everyone "has closed the file" on it, but that file has been pried open again.

The ethics counsellor obviously did not look at the books. The minister just said that. Has the minister instructed him to do a "corrected return" on that?

Hon. Brian Tobin (Minister of Industry, Lib.): No, Mr. Speaker, I have not instructed anybody to do anything. The directorate will do its job and do it in the normal way, the way we do with respect to any corporation in the country. It is no different from any other circumstances.

Miss Deborah Grey (Edmonton North, Canadian Alliance): That is good news, Mr. Speaker. We await the results. The minister was wrong, though, when he said originally that the golf course was in a "blind trust" and he admitted that in the House.

Now he is wrong again. The case is not closed but perhaps it is just beginning. Very soon the minister's department in the investigation will learn the identity of that fourth secret shareholder between the years of 1996 and 1999, not now and not away earlier but between 1996 and 1999.

Because it is just a regular review, will the Minister of Industry say that he will stand and say who that shareholder was as soon as he learns it?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, once again we have the innuendo which has been evident in nearly every question being put forward by the member opposite. She ought to await the outcome of a normal routine review of this firm.

It is precisely that kind of talk which cost the taxpayers of Alberta \$800,000. I would suggest she proceed more carefully.

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[Translation]

BUSINESS DEVELOPMENT BANK OF CANADA

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, the Prime Minister again says that he has been exonerated by the RCMP after a cursory investigation relating to his intervention with the President of the Business Development Bank of Canada.

Will the Deputy Prime Minister agree that, if the RCMP had known that the person who approached the president of the BDC was also the owner of shares in the Grand-Mère golf course, its conclusions might have been far different?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the RCMP operates at arm's length from the Government. The hon. member needs to ask his questions of the RCMP.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, that is all we needed. Here he is, like the Minister of Canadian Heritage, offering us the RCMP's phone number.

Considering the point we have reached, and the fact that the criminal code is now being invoked, is the Deputy Prime Minister going to acknowledge that the Prime Minister is the one who holds the key to this affair and that the solution is for him to table the record of sale for his shares?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, repeating an incorrect accusation does not make it true. The accusation is incorrect. It needs to be withdrawn. If he believes it, I challenge him to repeat it outside the House.

* * *

[English]

IMMIGRATION

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, last week in the House the minister of immigration said that the Amodeo file had followed normal departmental procedure. Yet the Amodeos had to provide with their application documents certifying that they had no criminal record and were not under police investigation.

How did Mr. Amodeo and his wife get a meeting with immigration officials if he had not provided those two police certificates?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member opposite is quite wrong in the premise of his question. There was no meeting. There was no interview. In fact the file, as any file, does not proceed unless all information is attached to it.

What I say to him is that he should be careful about believing everything he reads in the newspapers, even if it is the *Corriere Canadese* or *The Hill Times*.

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, that was not the question that I asked. According to the minister's own application form, in order to get a meeting scheduled two police certificates have to be provided.

[Editor's Note: Member spoke in Italian]

• (1435)

[English]

Once again, let me ask this question very simply. Did Mr. Amodeo and his wife provide those two police certificates in order to get that meeting? Yes or no.

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, there was no meeting. There was no interview. Mr. Amodeo is not an immigrant. He is not a permanent resident. Unless someone attaches all relevant documents to an application that application does not go forward in the process.

* * *

[Translation]

SUMMIT OF THE AMERICAS

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, when we questioned the government on the respect of human rights and democracy in China, the Prime Minister said that the government felt that strengthening ties with that country would be the best way for us to promote these values with the Chinese government.

How can the government justify that, in the case of Cuba, it adopts a diametrically opposed position and rejects the presence of that country at the Summit of the Americas? Why this about-face?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, it is important for the Bloc Québécois member realize that we are also committed to Cuba.

We have trade relations with that country; CIDA has programs in Cuba. On a bilateral level, we are committed to China and we are also committed to Cuba.

The difference is that when we organize a Summit of the Americas to promote democracy and establish a free trade zone of the Americas to strengthen democracy, we are talking about a much narrower context and we are fully justified, as hosts of the summit, to act as we are doing.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, precisely, the summit is not just about the free trade zone of the Americas.

Yet, the government's attitude toward Cuba is opposed to that displayed by all Canadian governments since Pierre Elliott Trudeau.

Does that sudden about-face not simply show that this government does not really have a foreign policy but merely follows the United States, which does not want to see Cuba at the summit?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I am very pleased to now see the Bloc Québécois use Pierre Trudeau as an example. Last week, it was Bernard Landry who referred to Sir Wilfrid Laurier. Things are going well in Canada.

I can assure the hon. member of one thing: Our government has applied Canada's foreign policy vis-à-vis Cuba in the respect of the established tradition. We have remained committed to Cuba and we will continue to be.

The difference with the Summit of the Americas is that when we host an event, as we will be in Quebec City, it is normal to respect the consensus that exists through our hemisphere, and this is how that decision was made.

* * *

[English]

IMMIGRATION

Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance): Mr. Speaker, in June 1999 Gaetano Amodeo and his wife submitted an application for permanent residency.

Officials from the department stated that 23 months is the average one can expect to wait to receive permanent residency. Mrs. Amodeo's application was approved twice as fast as would normally be the case. Given all the problems with this file, why was Mrs. Amodeo's application put on a fast track for approval?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the premise of the member's question is absolutely wrong. All procedures in this case and others were appropriate and normal. There were no inappropriate interventions.

I would suggest to him that he get better researchers, that they get the facts, and that if they are to ask these questions, they know what they are talking about.

Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance): Mr. Speaker, there is nothing routine about this application. On May 25, 2000, the minister of public works wrote a letter to the department making pointed inquiries about Mrs. Amodeo's application.

Did other individuals lobby on behalf of the Amodeo family, or was it just the minister of public works?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, my department receives over 40,000 representations from MPs and senators, 6,000 alone in Ottawa. The

premise of his question is wrong. It is inaccurate. There were no inappropriate representations made on this file.

● (1440)

I would suggest that the representations made by members from his party and members of the House are very appropriate. My department takes them very seriously. That does not mean that following an intervention of a member there is any inappropriate response from my department.

* * *

VETERANS AFFAIRS

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, in recent news articles there has been speculation about more money forthcoming to our merchant mariners. These veterans provided price-less service during World War II, and the government has come forward with a compensation package for them.

Could the Minister of Veterans Affairs confirm the government Senate leader's assurances that another \$35 million will be provided to fully compensate merchant navy veterans?

Hon. Ronald Duhamel (Minister of Veterans Affairs and Secretary of State (Western Economic Diversification) (Franco-phonie), Lib.): Mr. Speaker, no one can give any assurance of any amount of money with respect to the merchant mariners at this point in time.

I have consistently said that once we have heard all the appeals, and we should have that information by March 31, I will go back to cabinet to see what can be done. Shortly thereafter, that is after March 31, probably within the next month, I should be able to do that.

* * *

TRADE

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, on Friday the Minister for International Trade claimed the government will protect education and social programs under GATS, but in the same breath he is champing at the bit to give Canadian corporations greater access to foreign markets.

The funny thing is that this is exactly what the Americans are saying. How will the government protect education with increasing pressure to allow transnational corporations access to our public education system?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, it is quite simple. The GATS negotiation is a bottom up approach. Some countries may decide to open their education system. They may decide to open their health system. This is not something Canada will do. Let me be absolutely clear about that.

If some other countries decide to open their health and education systems, we want to make sure there are fair and equitable rules applying in the trades and services for Canadian companies that

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have the expertise and that want to propose it to the countries that choose to open their systems, which is not the situation in Canada.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the minister is either naive or he is trying to delude Canadians with his wishy-washy position.

The real evidence of the government's intent is the fact that it stood by and watched Alberta give DeVry Institute degree granting powers. This opens up a huge door for a NAFTA challenge that would allow private for profit universities access to public funds.

Again, why is the minister putting our public education system at risk both under GATS and under NAFTA?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I do not understand how the NDP cannot accept moving into this century and accept honestly that we are trying to promote a rules based system in order to help with where the economy is going.

When we try to have a rules based system in services, we are only going where the international economy is going. We have done it for goods.

We know that the NDP just does not like trade. It does not want to move with the times. It could not even applaud Tony Blair in the House when he said that free trade was good for the poor. That is the problem.

* * *

FINANCE

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, in 1990 the current finance minister said that he would "manage the decline of the Canadian dollar so that it settles at its true value of between 78 cents and 81 cents U.S." Since 1993 the finance minister has managed the decline of the Canadian dollar to 63 cents.

Does the finance minister still believe that the dollar's true value should be in the 80 cent range? If so, what is he doing to get it there?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would simply remind the finance critic for the Reform Party of the difference in the Canadian economic—

Some hon. members: Oh, oh.

Hon. Paul Martin: Sorry, you never know; you never know. I cannot help it. He certainly sounds like them.

I remind the critic for the Tory party of the difference in the situation between 1990 when his party was in office and today. If he takes a look at employment, productivity, disposable income and debt reduction, he will see that the fundamentals are far—

The Speaker: The hon. member for Kings—Hants.

• (1445)

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, this unreformed finance critic believes that the minister is again passing the buck on the very important issue of the Canadian dollar.

Editorial writers this weekend were referring to the Canadian dollar as the Canadian peso. The chief economist at Nesbitt Burns suggested that many Canadians will be asking themselves why we would even have an independent dollar at all.

Is the finance minister's hidden agenda to manage the dollar out of existence, to devalue it to a point that it could be replaced by a common North American currency?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member knows that we are dealing with a very serious subject. Under normal circumstances when not insulted by being called a reformer, he is a serious member of parliament.

I would simply point out that we are dealing with a global phenomenon, the strength of the U.S. dollar. If we take a look at what is happening to other currencies, while all of them are down the fact is that the Canadian currency is performing far better than the vast majority.

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JUSTICE

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, I formerly served on a victims advisory committee to the attorney general of British Columbia. Years ago that committee proposed a national registry for sex offenders.

Like Ontario, B.C. is tired of the government's inaction and will announce its own registry shortly, in fact this afternoon. At least some children will now be a little safer. The Liberals shamelessly imply that such a registry exists when clearly it does not.

Could the solicitor general please explain why the provinces must create their own registries if one already exists?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I appreciate my hon. colleague's question. I know he is concerned. The fact of the matter with CPIC is that anyone who commits an offence is registered on CPIC.

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, the 30,000 member Canadian Police Association says that the existing database of CPIC is not up to the job.

With regard to sex offenders, not just parolees but sex offenders who are no longer under sentence, does CPIC notify police when such a person moves into a jurisdiction? Is there any consequence to an offender who fails to notify CPIC when he does relocate? Yes or no.

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Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, the government certainly takes the issue very seriously and we did discuss it in the House a few days ago.

The fact of the matter is that the United States has registries in which 50% or less than 50% of the people who actually should be registered are registered. That is of no value.

The government wants to make sure that we have a national registry in place and then all who commit criminal offences are registered on that database.

* * *

[Translation]

FOOD INSPECTION

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, on Friday, the minister admitted that StarLink feed corn had entered Quebec and had been ingested by Canadian cattle.

However, he refused to give us the list of locations to which the contaminated corn had been distributed. The public has a right to know.

Can the minister confirm that the corn was distributed not to one mill in Quebec, but to 12, as well as to an Ontario distributor who sold and shipped contaminated corn to two farmers in New Brunswick?

[English]

Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, any of the shipments that went as far as New Brunswick happened before the Canadian Food Inspection Agency issued an advisory. It has now issued an advisory that it is wrong.

Our testing is working because we found trace amounts of this substance. The shipments that went to Nova Scotia or to New Brunswick were used solely for animal feed. There was no health risk to these animals and we are testing corn products or corn flour. Health Canada will take very strict and very strong actions if any is found.

[Translation]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, it is obvious that the Canadian Food Inspection Agency's audit protocol leaves much to be desired.

Since StarLink corn made it so easily through the agency's inspection system, how can the agency guarantee us that other undesirable and contaminated products might not also have got through the net and still be in the food chain today?

• (1450)

[English]

Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the premise of my hon. colleague's question is absolutely wrong. I will not accept it at all.

CFIA testing is accurate and certainly we can trace these animal feeds. A bit of this feed went to animals but that does not in any way affect the health of human beings. In fact in the United States this product is licensed for animal feed, but we do not have that here and we will not have it here.

* * *

ABORIGINAL AFFAIRS

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, today we have been discussing in the House ways to give native people the tools to hold their band leaders financially accountable.

If the government really supports the motion for public reporting and auditing, what does the minister of Indian affairs intend to do to make sure that this actually happens?

Mr. John Finlay (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I thank my hon. colleague for his question.

The department will continue doing what we have been doing for some time, that is having audits delivered, checking those audits, hopefully finding that 97% of them are perfectly all right, and giving help to the 3% that need it.

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, that is very encouraging news for the hundreds of aboriginal people who have contacted us with serious accountability problems.

The minister of Indian affairs is becoming famous for his public policy musing. Recently he stated to reporters that he wanted to have Elections Canada supervise band elections. I suspect he has been reading our Alliance policy book again.

We have heard from many band members, including the Cape Mudge band on Vancouver Island, who are very upset about the irregularities that are occurring during band elections. I think all Canadians would really like to know if this is the minister's private policy, or will he really bring in legislation to allow Elections Canada to monitor band elections? What will it be?

Mr. John Finlay (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am not privy to exactly what the minister might be planning. However, many band elections are governed under the customs of the tribe of the first nation. It is their decision as to who shall vote and how the records are kept.

Oral Questions

The department is assisting in this regard and improving it all the time. The fact of the matter is that the native first nations will run their own elections.

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FOREIGN AFFAIRS

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, the presidential elections in Uganda have ended in recriminations and calls for new elections.

Opposition leader Kizza Besigye has stated that he will not recognize results that show President Museveni winning by 70%. In fact the opposition leader was detained from leaving the country to go to South Africa for talks.

Would the secretary of state for Africa indicate what Canada's position is regarding the results and what steps if any we are prepared to take to ensure the democratic process has been adhered to in Uganda?

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, a Canadian government official participated as an observer in those elections. Our government is concerned over reports of intimidation, violence and election rigging in four districts in Uganda. We have expressed concern over these reports by both the national resistance movement and the opposition parties.

The NGO election monitoring group, as the member will know, has declined to declare the presidential elections free and clear and the Canadian government is very concerned about that.

* * *

ABORIGINAL AFFAIRS

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the government is well aware of the tragedy of the enormous health problems on Canada's Indian reserves and of the poverty of health services under which these Canadians suffer. Yet the Liberals have allowed this terrible situation to worsen to the point where our country has become an international disgrace.

How could the government possibly excuse its callous neglect of aboriginal health and well-being?

[Translation]

Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, this question provides us with an opportunity to recall the very firm undertaking by our government to develop health services for first nations peoples, an undertaking which was very recently repeated in the Speech from the Throne.

• (1455)

A number of programs are now being introduced and are being used by these populations. The Government of Canada is investing or spending some \$1.2 billion annually for their health.

[English]

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the reality is quite at odds with all this pompous talk and self-promotion.

The aboriginal diabetes rate is three times that of the general Canadian population. At ages 15 to 24, suicide rates among first nations people are from five to eight times the national average.

Disease patterns in many first nations and Inuit communities continue to resemble those found in developing countries, including communicable disease rates. Aboriginal people now represent 10% of all AIDS cases in Canada, compared to 1.5% before the Liberal government took office. When will the Liberal government quit talking and do something?

[Translation]

Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, it is for all the reasons given by the opposition critic that more and better structured programs are now available to first nations peoples.

I am talking about early childhood, educational assistance, fetal alcohol syndrome, and water supply programs. These are not just words, they are achievements.

* * *

SUMMIT OF THE AMERICAS

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, the leader of the Bloc Québécois has asked for the documents used for the sectorial negotiations at the summit of the Americas to be made available to the members of the standing committee on foreign affairs. The Prime Minister's response to this has been to say that he would think about it.

I am therefore asking the Minister for International Trade whether, three weeks after the fact, he knows whether the Prime Minister has finished with his deep thinking and is now going to respond to the request by the Bloc Québécois and make these documents available to the MPs sitting on the standing committee on foreign affairs.

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, as members know, our government's policy is very clear. We want to be able to make public the texts of the negotiation with Buenos Aires.

Oral Questions

Our government has made a commitment, and I myself have undertaken to discuss with several of my counterparts from elsewhere in the hemisphere the possibility of making these texts public not only to parliamentarians but also to all Canadians so that all of our fellow citizens may see them. I trust that in Buenos Aires we will have the opportunity to build on that consensus and to be able to make the texts public.

Last week I made a commitment in the parliamentary committees that, if that consensus is not forthcoming, our government will, as the Prime Minister has said, examine the matter.

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[English]

HUMAN RESOURCES

Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, many employers in my riding are concerned with the shortage of skilled workers in today's labour force.

What does the Minister of HRDC propose to do to help increase the amount of skilled workers?

Ms. Raymonde Folco (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I thank the member for his question. In the Speech from the Throne the government recognized that building a skilled workforce required a national effort.

Today the Minister of Human Resources Development is attending the second of three national round tables on skills that bring together representatives of government, business, labour and the academic community.

The release this morning of the Statistics Canada study "Literacy and Labour Market Outcomes in Canada" reminds us of its importance to individual success in the labour market.

Therefore we will continue to work toward supporting lifelong learning through establishing registered individual learning accounts and career development loans for part time students.

* * *

ABORIGINAL AFFAIRS

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, it has been several months now since the government promised action on the gross financial irregularities of the Virginia Fontaine treatment centre and the Sagkeeng band.

Could the government tell us specifically what has been done to address the situation to protect the health care, housing and

education needs of the band members and to respond to the legitimate concerns of Canadian taxpayers?

[Translation]

Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, these investigations are under way. We are pleased to now have the co-operation of all parties in examining the facts.

When the reports are ready, they will be made public, and we will move to take the necessary action.

* * *

● (1500)

[English]

IMMIGRATION

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, Gaetano Amodeo and his wife applied for permanent resident status on June 10, 1999. His name may have later been removed, as the minister has told us, but it was known to her department. Although separated, Mr. Amodeo's name would still appear on the original documents.

Why was there no CPIC or Interpol cross-reference which would have revealed the name of Mr. Amodeo, who was wanted for three murders and Mafia involvement, and why was he allowed to enter and leave the country 17 times after that?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let me repeat again that this individual is not an immigrant. He was not granted permanent resident status. As soon as my department had sufficient evidence and knowledge of the identity and whereabouts of the individual, he was arrested. He is presently in detention and is awaiting a deportation hearing.

The innuendo and suggestion from the member opposite are completely inappropriate.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the Hon. Girts Vladis Kristovskis, Minister of Defence of the Republic of Latvia.

Some hon. members: Hear, hear.

The Speaker: I also draw the attention of hon. members to the presence in the gallery of the Hon. Oscar Lathlin, Minister of Conservation for the Province of Manitoba.

Some hon. members: Hear, hear.

*Points of Order***POINTS OF ORDER**

STANDING COMMITTEE ON TRANSPORT AND GOVERNMENT OPERATIONS

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, my point of order is in regard to a decision of the chairman of the transport committee which I believe contravenes the rules of the House. I am bringing this matter to the House instead of to the committee because, as Speaker Parent ruled on June 20, 1994, and again on November 7, 1996:

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

Committees receive their authority from the House. In cases where the standing orders do not specifically outline a rule for committees, committees are guided by the provision of Standing Order 116, which states:

In a standing, special or legislative committee, the Standing Orders shall apply so far as may be applicable—

The rule of the House that applies to the standing committees actually stems from section 49 of the Constitution Act, 1867. Section 49 provides that questions arising in the House of Commons shall be decided by the majority of votes. This is the rule that was breached by the chairman of the standing committee for transport. The majority instructed the chair to carry out its wishes and the chair ignored that decision.

On Tuesday, February 27, 2001, the Standing Committee on Transport and Government Operations was convened to establish the future work agenda of the committee. On a point of order I interjected that it was unclear who had scheduled a briefing on Bill S-2 for the following Thursday when the purpose of the meeting was to determine the future work of the committee.

The chair acknowledged that he alone had asked the clerk of the committee to put together an agenda based on the anticipated work of the committee for discussion by the members. During the ensuing debate, numerous committee members indicated that they were new to the committee and were not prepared to discuss the future schedule until they had received briefings from each of the ministries. There was unanimous agreement that the committee would adjourn and return to hear respective briefings only.

The chair declared the meeting adjourned, at which time an interjection was made by the parliamentary secretary to the transport minister as to the status of Bill S-2. The chair advised the parliamentary secretary that he understood that the government officials would provide whatever information he required and reiterated that the meeting was adjourned, whereupon the parliamentary secretary expressed his concern again that Bill S-2 might be forgotten in the request for briefings and the chair advised that the bill would be scheduled for March 20. This was done without

the agreement of the committee, and after two assertions that the committee was indeed adjourned.

The final briefing and return to the future work discussion was scheduled for March 15, 2001. On March 14, we received notice that the last ministry, treasury board, could not appear and was rescheduled to appear March 22, and that the meeting scheduled for March 15 was cancelled unilaterally by the chairman based on his concern that there would not be enough members in attendance for a quorum.

• (1505)

We were not consulted prior to this decision, nor were we consulted regarding his decision to proceed with Bill S-2 on March 20, tomorrow. This was prior to the establishment of the future work agenda and contrary to the wishes of the majority of the committee.

We are concerned about the disregard for committee protocol as it relates to the rescheduling, cancellation, agenda and adjournment of committee meetings as demonstrated by the committee chair. He did not have the authority to make the decision to cancel.

On page 843 of Marleau and Montpetit, it states:

Where the meeting has been convened by order of the committee, the Chair consults with representatives of the various parties before sending the cancellation notice.

In summary, the chairman of the Standing Committee on Transport and Government Operations did not consult with members prior to cancelling the March 15 meeting and, likewise, did not have majority support to reschedule the March 20 meeting to hear witnesses concerning Bill S-2.

The chairman does not have the authority or the power to run the committee as he sees fit, and neither does the parliamentary secretary to the transport minister, at least not without a vote where he can, at the minimum, get the Liberal members of the committee to raise their hands.

It is important that we must, at a minimum, continue to have the illusion of democracy at our committees.

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I was not aware that this question would be raised this afternoon, but I think the Chair should be aware that the numerous matters which the member has raised are on the agenda of the committee for tomorrow.

He began by speaking about the powers of committees and, in fact, their ability to manage their own affairs consistent with the standing orders, with the exception that in a standing committee the standing orders shall apply only so far as may be applicable, except the standing orders as to the election of a Speaker, seconding of motions, limiting the number of times of speaking and the length of speeches.

Routine Proceedings

Mr. Speaker, I am not sure why this issue was brought before you today, because the hon. member has five motions before the committee to be dealt with tomorrow when the committee meets at its regular time of 11 o'clock, which deal with precisely the issues he has raised in the House today.

In addition, there are two motions from the hon. member for Skeena having to do with the procedures and the way of conducting committee business, which again were put before the committee with proper notice and will be dealt with by the committee tomorrow.

I would suggest that the Chair should consider that the committee be allowed to deal with these matters, which have been placed on its agenda and which are before it tomorrow, and that if the member is still dissatisfied, he might consider raising this issue again.

The Speaker: I know that the hon. member for Prince George—Peace River has clearly been reading Marleau and Montpetit, which is very commendable. I know that he and the other members of the transport committee will want their copies handy tomorrow at the meeting to which the hon. chief government whip refers.

This is clearly a procedural matter of some import that has to be dealt with by the transport committee and, with great respect to the hon. member for Prince George—Peace River, I do not think it is one that the Chair should get involved in at this stage, and probably not ever. Committees are masters of their own proceedings. I know the hon. member has read that line in Marleau and Montpetit as well.

The Chair is very reluctant to involve itself in the affairs of committees unless something quite extraordinary happens. I must say that on all the evidence I have heard here today—I call it evidence—there does not seem to be anything that is terribly out of the ordinary and I know that the hon. member will want to raise these issues in the committee tomorrow. I encourage him to do so at the very next meeting and we will see what transpires there. However, at this point I think it would be premature for the Speaker to become involved in this matter and accordingly I decline to do so.

ROUTINE PROCEEDINGS

[English]

CHIEF ELECTORAL OFFICER

The Speaker: I have the honour to lay upon the table the 2000 report of the Chief Electoral Officer of Canada on the 37th general election.

[Translation]

This report is deemed permanently referred to the Standing Committee on Procedure and House Affairs.

• (1510)

GOVERNMENT RESPONSE TO PETITIONS

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to two petitions.

* * *

[English]

PETITIONS

INCOME TAX ACT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I have a petition containing hundreds of names of citizens of Guysborough county, a region that continues to live in hard times.

Canso, Port Felix, Whitehead, Little Dover, Fox Island, Durells Island and Tickle all call upon the government to enact legislation that would widen the definition of intermediate zones as defined in the Canada Income Tax Act to include communities, such as those I have mentioned, which are geographically remote and which, we would suggest, are deserving of special status.

The petition is brought forward with a common sense plea for assistance in very difficult times, and I am honoured to table it on behalf of these citizens.

DIVORCE ACT

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, my petition is from constituents who are concerned that the present laws regarding divorce and child custody lend themselves to making worse the animosity between spouses and to increased tension among children.

The petitioners call upon parliament to ask the government to implement a national strategy to create a non-adversarial marital separation code. They list five specific and very worthy points and I look forward to the government's response to this petition.

[Translation]

MINING INDUSTRY

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present to the House a petition signed by residents of the city of Val-d'Or and the Vallée-de-l'Or RCM regarding the Sigma-Lamaque and Beaufor mines.

The petitioners call upon parliament to set up a financial assistance program for thin capitalization mines in Canada's resource regions.

Routine Proceedings

Similarly, they call on the government to take action to increase its presence and its involvement in resource regions that are having trouble adjusting to the new economy.

[English]

CANADA POST

Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour of presenting the following petition to the House.

The petitioners draw the attention of the House to the fact that rural route couriers are not permitted to bargain collectively so that they may improve their wages and working conditions.

Therefore the petitioners call upon parliament to repeal section 13(5) of the Canada Post collective agreement.

* * *

STARRED QUESTIONS

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, would you be so kind as to call Starred Question No. 5. I ask that it be printed in *Hansard* as if read.

[Text]

*Question No. 5 —**Mr. Jim Pankiw:**

Of the \$1.5 billion assistance the minister of agriculture pledged to farmers under the agricultural income disaster assistance program, AIDA, what amount has been paid out to Saskatchewan farmers as of December 31, 2000?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as of December 31, 2000, \$223.4 million had been paid out to Saskatchewan farmers for the 1998 and 1999 AIDA claim years.

[English]

Mr. Paul Szabo: Mr. Speaker, I ask that all remaining questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Mr. Myron Thompson: Mr. Speaker, I rise on a point of order. I wonder if the House would be willing to give unanimous consent to return to introduction of private members' bills. I understood we would not be doing that until later and I just got here and would like to do that today.

The Speaker: Is there unanimous consent to revert to introduction of private members' bills?

Some hon. members: Agreed.

• (1515)

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Canadian Alliance) moved for leave to introduce Bill C-302, an act to amend the Criminal Code.

He said: Mr. Speaker, I am pleased to be able to introduce this private member's bill. The concept for it began when Craig Powell, Amber Keuben, Brandy Keuben and Stephanie Smith were all instantly killed by a drunk driver on June 23, 1996, near Morley, Alberta as they returned from a camping trip.

The drunk driver in this case was Christopher Goodstone who was charged with four counts of criminal negligence causing death and one count of criminal negligence causing injury.

At his sentencing hearing the judge referred to section 718.2(e) of the criminal code which stated that they must take into consideration for sentencing the fact that the offender was aboriginal.

Based on information we have heard lately, we are submitting the bill for the purpose of removing that section which in our opinion is very racial based.

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

* * *

CRIMINAL CODE

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance) moved for leave to introduce Bill C-303, an act to amend the Criminal Code (proceeds of crime).

He said: Mr. Speaker, this enactment amends the criminal code and designates several offences under the Immigration Act as proceeds of crime offences. The offences so designated concern persons who induce, encourage or aid in organizing the unlawful entry of persons into Canada.

Under the criminal code, where an offender has been convicted of an enterprise crime offence and the court imposing sentence on the offender upon application of the attorney general is satisfied that any property is proceeds of crime and that the enterprise crime offence was committed in relation to that property, the court shall order that the property be forfeited to Her Majesty. In other words, it takes the profit motive out of international people smuggling.

It is a general government objective that remains undone and the bill would fix it.

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

CRIMINAL CODE

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance) moved for leave to introduce Bill C-304, an act to amend the Criminal Code (prostitution).

He said: Mr. Speaker, under this enactment offences related to prostitution that are provided for in section 213 of the criminal code from now on would be either indictable offences or summary conviction offences, commonly known as a hybrid offence.

It is a small technical point that has huge resourcing implications to keep juveniles from entering into the street trade. It has been a subject of federal-provincial attorneys general in the past.

All parties should see the wisdom of this minor but pivotal improvement.

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

* * *

PRIVILEGE

BILL C-15—SPEAKER'S RULING

The Speaker: I am now ready to rule on the question of privilege raised by the hon. member for Provencher on March 14, 2001, regarding a briefing the Department of Justice held on a bill on notice that had not yet been introduced in the House.

The bill has now received first reading as Bill C-15, an act to amend the criminal code and to amend other acts.

[Translation]

I wish to thank the hon. government House leader, the hon. member for Berthier—Montcalm, the hon. member for Winnipeg—Transcona, the hon. member for Pictou—Antigonish—Guysborough, the hon. member for Yorkton—Melville, and the hon. opposition House leader for their interventions.

[English]

Let me first summarize the events that led up to this question of privilege being raised. From the interventions of members it appears that the Department of Justice sent out a media advisory notifying recipients that there would be a technical briefing given by justice officials at 11.45 a.m. on Wednesday, March 14, with regard to the omnibus bill, now Bill C-15, that was to be introduced in the House by the hon. Minister of Justice that afternoon.

According to the hon. member for Provencher, members of parliament and their staff were denied access to the briefing. The hon. member for Yorkton—Melville added that while his assistant was denied access to the briefing, the assistant of a government member was granted entry. In any event, there is no disputing that

Speaker's Ruling

the invitation to this so-called technical briefing went out as a media advisory and was designed for members of the media.

● (1520)

The hon. member for Provencher indicated that following the briefing media representatives began phoning his office and asking for his reaction to the bill, a situation he found embarrassing, not only for himself and other members of the opposition, but also for the House of Commons as a whole since they had not seen the bill and were not privy to its contents.

[Translation]

The hon. government House leader confirmed that opposition critics were given a courtesy copy of Bill C-15 about an hour and a quarter before the bill's introduction.

The minister explained that during the briefing, the media had not received actual copies of the bill or any other documentation. He went on to indicate that the briefing itself was under embargo until the bill was introduced, a fact confirmed by the copy of the original media advisory that the Chair has obtained.

[English]

The member for Provencher, as well as the other opposition members who participated in the discussion, argued that by not providing information to members of parliament and by refusing to allow members to participate in a briefing where the media were present, the government, and in particular the Department of Justice, showed contempt for the House of Commons and its members.

As I see it, there are two issues here: the matter of the embargoed briefing to the media and the issue of members' access to information required to fulfil their duties.

As members know, the use of media embargoes, as well as the use of lock-ups, have long played a role in the way parliamentary business is conducted. For example, it has been our practice to permit briefings in lock-ups prior to the tabling of reports by the auditor general. Similarly, and perhaps more on point, is the lock-up held on the day of a budget presentation. Two features of these lock-ups are that members are invited to be present and members of the media are detained until the event in question has occurred; that is the auditor general's report tabled or the budget speech begun. These are the features one might argue that have made these lock-ups so successful and so useful to the conduct of parliamentary business.

[Translation]

It must, however, be remembered that when the different arrangements have been made for early briefings, previous Speakers have consistently held that it is not a breach of privilege to exclude members from lock-ups. I refer the House, for example, to the ruling of Speaker Jerome, in *Debates*, November 27, 1978, p.

Privilege

1518-9, and the ruling of Speaker Sauvé, in *Debates*, February 25, 1981, p. 7670.

[English]

The House recognizes that when complex or technical documents are to be presented in this Chamber, media briefings are highly useful. They ensure that the public receives information that is both timely and accurate concerning business before the House.

In preparing legislation, the government may wish to hold extensive consultations and such consultations may be held entirely at the government's discretion. However, with respect to material to be placed before parliament, the House must take precedence. Once a bill has been placed on notice, whether it has been presented in a different form to a different session of parliament has no bearing and the bill is considered a new matter. The convention of the confidentiality of bills on notice is necessary, not only so that members themselves may be well informed, but also because of the pre-eminent rule which the House plays and must play in the legislative affairs of the nation.

Thus, the issue of denying to members information that they need to do their work has been the key consideration for the Chair in reviewing this particular question of privilege. To deny to members information concerning business that is about to come before the House, while at the same time providing such information to media that will likely be questioning members about that business, is a situation that the Chair cannot condone.

Even if no documents were given out at the briefing, as the hon. government House leader has assured the House, it is undisputed that confidential information about the bill was provided. While it may have been the intention to embargo that information as an essential safeguard of the rights of this House, the evidence would indicate that no effective embargo occurred.

• (1525)

In this case it is clear that information concerning legislation, although denied to members, was given to members of the media without any effective measures to secure the rights of the House.

I have concluded that this constitutes a *prima facie* contempt of the House and I invite the hon. member for Provencher to move a motion.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I commend you for listening to the representations that were made in the House. I also commend you on your fairness and your integrity. I believe that when members of the House voted for you

to take the chair, these are the kinds of fair and well thought out decisions that members were expecting from you.

This decision certainly does not disappoint me. You in fact are upholding the integrity, not only of the rights of individual members but of the House with respect of your ruling. I think in the past the government has got away with some of these issues.

I understand, Mr. Speaker, you want me to move the motion, but I want to say that the steps you took were important to stop this slide. Therefore I move:

That the matter of the question of privilege raised on March 14, 2001, by the Member for Provencher regarding the Department of Justice briefing the media on Bill C-15, An Act to amend the Criminal Code and to amend other Acts, prior to it being tabled in the House of Commons and at the exclusion of members of parliament, be referred to the Standing Committee on Procedure and House Affairs.

Again I commend you, Mr. Speaker, on your fairness and your integrity with respect to your ruling. I will make a few comments before concluding this matter in the House.

Over the past number of years there has been a gradual slide in terms of the respect to which parliament is entitled. This ruling by you today does much to ensure that the integrity of the House and the process here is continued.

I challenge the Liberal majority in the House and on the committee to put aside its partisan issues, come to the aid of parliament and preserve its dignity, its authority and that of its members.

What you are doing today, Mr. Speaker, gives us an opportunity to take meaningful steps to deal with this very contentious and difficult issue.

• (1530)

I would like to put a few other situations on the record which I think may form part of the discussions that we will have in committee concerning the *prima facie* contempt that you have found that has occurred in respect of parliament.

I refer to the Canada Pension Plan Investment Board matter dated October 23 of last year. A government news release announced that provincial and federal governments had constituted a nominating committee to nominate candidates for the new Canada Pension Plan Investment Board. The nominating committee was to have been set up under a clause that had not yet been adopted by the House.

Similarly, on January 21, 1998, the minister responsible for the Canadian Wheat Board met in Regina to discuss the rules for the election of the board of directors of the Canadian Wheat Board as proposed in Bill C-4, an act to amend the Canadian Wheat Board Act. Substantial amendments to Bill C-4, tabled at report stage by

Privilege

opposition members, had not been debated, and while the House was still in the process of debating how many directors should be elected, the minister was in fact holding meetings as though the bill were already law.

We recognize that the Liberal government has a majority in the House and in committees but, for the integrity of the process, it is essential that members of the opposition, who were also elected by the people of Canada to represent their views, be given that opportunity.

While we have witnessed a gradual slide in the respect that the government has shown to the institution of parliament, your ruling today, Mr. Speaker, will, if the Liberal members opposite co-operate, bring about rules that will perhaps govern this kind of situation in the future.

This is not simply a matter that I, as an opposition critic, have been embarrassed or that my colleagues, who received phone calls asking for their comments, have been embarrassed, it is for the integrity of the House and for the voters who sent us here.

With those few brief words, Mr. Speaker, I again thank you. We appreciate the fairness that you have demonstrated. We look forward to working on a co-operative basis with all opposition members and Liberal members of the House whom I believe your ruling will also benefit.

If we follow the matter to its appropriate and proper conclusion, it will once again put parliament in the hands of the individual elected members. It will remind the members of the executive that even though they are appointed by the Prime Minister they must serve each and every member of the House in the same manner that we as individual members serve the people of Canada.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I commend the wisdom and the fairness of the Chair in coming to this decision today.

I think it does bear repeating how it is that we arrived at this point. There has been a steady erosion of the respect, sadly, that Canadians feel for this institution. This type of decision, as the hon. member for Provencher has stated, does go a long way in restoring some of the lost respect that exists for members of parliament. It will perhaps buff away some of the tarnish that has come about under this government's administration.

Members of parliament have the right to be informed first and foremost. The Chamber should, in most, if not all cases, be the primary forum for disclosure on the part of the government when new legislation is being brought in. That has not been the case for a number of years.

• (1535)

The icon of the Liberal Party, the late Pierre Trudeau, used to speak of members of parliament as being nobodies 50 feet off the Hill. The Liberals are certainly reinforcing that sentiment with the behaviour that we have seen displayed over the past number of years.

Having members of the press gallery briefed and informed about important omnibus legislation, changes to the criminal code and new introductions of amendments to the criminal code, is an absolute insult to members of parliament.

As was said in a Hollywood movie, "if you build it, they will come", if we introduce legislation here, members of the media will come. We do not need to hand feed members of the media. If it becomes the practice of the government to introduce legislation here, to make important statements and pronouncements on public policy, if it had one, it can fully expect that members of the media will come. The government should also expect that members of the opposition will respond and should be given that opportunity.

Very seldom have we seen in routine business members of the government get up under statements by ministers and inform the House as to what they intend to do or what legislation they might be bringing forward. It is all done through press releases, through media spin doctoring and through attempts to put an opposition member very often in the uncomfortable position, as we saw in this case, of trying to respond to something on which he or she is not fully informed, and that is wrong.

Mr. Speaker, I again commend you for having taken some steps to safeguard the rights and privileges of members with your ruling today.

The table scraps that we sometimes receive as information are also insults. Sometimes a full briefing is provided to members of the media while we receive a fairly complex bill, by everyone's assessment, an hour before question period, where members are required to be here to try and concentrate—although we have seen examples of late where there was little concentration going on in the Chamber—and then be able to go out and face the onslaught of very precise, penetrating questions from the media. It is simply unthinkable and unrealistic to expect that members of parliament will be able to do that.

I commend not only yourself but the member for Provencher for bringing this matter forward. I fully hope and trust that the committee, in its good work, will have an opportunity to bring forward proposals that would prevent this type of thing from happening in the future.

I would hope, first and foremost, that the Minister of Justice and her cadre of lawyers will get the message and heed the words of the Chair and eventually the admonition and words of the committee when it has an opportunity to delve into this matter further. I would

Privilege

also hope that at the very least there will be a shot across the bow, a message sent and received, that the department cannot behave in this way. That, first and foremost, may set an example and raise the bar slightly for other departments.

It is a disgrace that the Department of Justice, above all ministries in the government, would partake in this type of underhanded tactic. With the resources available to it and with the importance and emphasis on fairness, the very symbol of the Department of Justice, two scales, obviously was tipped in a very partisan and partial way toward the government in this instance.

We hope, Mr. Speaker, that situations like this can be avoided in the future, although you will have to excuse my skepticism. We know that the government has undertaken at least some steps to look at parliamentary reform. This again may pave the way for some good intent and, we would hope, goodwill on the part of the government to follow through on those commitments, but time will tell.

I can assure you, Mr. Speaker, that members of the Progressive Conservative Party, as all opposition members, will be there at the gate to watch this process unfold. It is a very important process indeed as all members of the House and, equally important, the Canadian public, are watching to see if we can in some fashion bring about greater relevance and credibility to this Chamber that we call the House of Commons.

● (1540)

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, as a member of the government side I too want to express my thanks for your ruling. It makes a great deal of sense to the House and that is exactly what the House was expecting from the Chair. I am sure government members will support the motion that has been made by the member from the Alliance.

With regard to the comments of the House leader of the Conservative Party, I found it interesting that he painted a picture of terrible things having happened here and a tremendous erosion of respect for the House. I want to know from the member why it is acceptable to him, then, to simply receive a motion to refer this matter to the procedure and House affairs committee. It seems like a pretty wimpy motion to me if this was such a serious matter.

Does the member not think that maybe there should be some more specificity to the motion? Perhaps he would comment on whether the motion should be amended to provide some direction or some timeframe which might reflect the urgency the House should place on the matter if that is the member's view.

Mr. Peter MacKay: Mr. Speaker, that is an excellent question. It sounds to me that implicit in the question the member opposite is

maybe referring to the fact that the minister might be asked to resign. Or, perhaps we should have the minister come before the House and explain herself and her department in a more open and forthright fashion.

With respect to putting time limits on the matter, I certainly would not take any issue with that. It would be an excellent suggestion to amend the motion so that there was a certain timeframe which the committee could be given to look at the issue and bring it back to the House. Perhaps something could be included in the motion to have the minister come before the bar and explain what took place in this instance.

It seems to be a very deliberate act. As far as my reference to this being something that contributes to the lack of respect for the Chamber, I would only reiterate that is very much the case when there are these transgressions on the part of departments that should know better. Then we hear the government House leader adamantly defend the actions of his government when we know that if he were in opposition he would be doing backflips out of the gallery to condemn the government for the very thing he was trying to defend. This has become very much a practice of cynicism and hypocrisy that we should be trying to avoid if we are to try to raise the standard.

I welcome the suggestion from the hon. member opposite. If he has a specific amendment that he would like to put forward, I would certainly consider it and support it if it were within the spirit of his comments.

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, I would like to hear whether the member from the Liberal Party has some suggested amendments which we should consider if he wants to toughen up the motion.

In my understanding of the motion that it was crafted in that way because that is the typical motion brought forward on these issues. When the Speaker rules a *prima facie* case of contempt we deal with it in that form of a motion to get it into committee to examine all the facts.

There is an opportunity to amend the motion, perhaps in this debate. I do not suppose it will go on all afternoon, but it would be worthwhile in the next few minutes for someone to put forward a date when the matter should be reported back to the House.

I ask the member for Pictou—Antigonish—Guysborough what sort of things should be dealt with in committee. Perhaps we should give some direction to the committee on whom it should hear from and give some of the suggestions he thinks should be brought forward on whether we should develop a protocol for all ministers on how they handle the presentation of bills to the House? Perhaps it could be a protocol on the lockup procedure for the media. I also suggest that is perhaps something we should look at.

The member may have some suggestions on who should bring forward testimony, besides the minister who is an obvious one. If he has some ideas on what specifically we should deal with, I think the committee could use that direction at this time. Those are my suggestions, but it would be interesting to hear his suggestions as well.

Mr. Peter MacKay: Mr. Speaker, I agree that perhaps it is an opportunity to look at some of the broader issues and how we should deal with ministries and departments when this type of action occurs.

• (1545)

There does not appear to be any specific disciplinary action available to the committee or the House for that matter. I am sure the Speaker is certainly very learned in that particular area.

I would very much suggest that the importance in this instance is to have the minister appear before this particular committee, armed and surrounded by her cadre of departmental officials, to explain what exactly they were thinking. This appears to be a very deliberate act. This is not something that leaked out or that was put out under some pretence of it going anywhere else. It was directly an invitation for the media to come and be briefed prior to members of parliament.

I would be very much in favour of having the minister come forward and speak to the specific behaviour of her department on this issue. I would be very much in favour, granted the privilege to do so, to amend the motion that is currently before the House by adding after last line where it states “referred to the Standing Committee on Procedure and House Affairs” that there be a full reporting to the House within three months, and that a witness list be agreed upon by all parties, and would include the Minister of Justice.

The Speaker: I think the hon. member for Pictou—Antigonish—Guysborough knows he cannot move motions on questions and comments. I am afraid he is out of luck on this one, unless of course the House wishes to give its consent.

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, I would like to pay my respects to the Speaker for his ruling on this. I would like to put on the record how this affected me personally. It was indeed my legislative assistant who along with one of his colleagues went over to the room and was denied access. When I got back to my office after my own meetings, I ran into a hornets nest when my LA brought this up to me.

Could the member for Pictou—Antigonish—Guysborough tell us how he sees these kinds of shenanigans, shall we put it, affecting the staff? I know the impact it had on my staff when he was sent packing, particularly when he was trying to do the job I pay him to do.

Privilege

Mr. Peter MacKay: Mr. Speaker, it is fair to say that the minister in an instance like this probably was more or less putting her department on autopilot and probably did not have a direct hand in what occurred. However, we know through parliamentary responsibility she is the head of that department. She should have been fully informed about a decision that was obviously, as I have stated many times, quite deliberate and meant to keep members of parliament out of the loop on an important bill.

As the hon. member knows, this particular omnibus legislation contained much of the same content of a bill that we saw in the last parliament, but moved in a new direction on some very important factors, including the creation of new amendments to the criminal code pertaining to crimes on the Internet and other important amendments to the legislation.

Why this occurred and how this came about is something that only the minister can answer. That is why I would emphasize the importance that she be given the opportunity to fully answer before the committee when this matter is taken up by it.

Taking your direction, Mr. Speaker, on what just occurred with respect to moving an amendment to this motion, I would ask for unanimous consent that we add to the text of the motion in the last line “with a full reporting to the House by June 1, 2001 and that a witness list include the Minister of Justice”.

• (1550)

The Speaker:. Is there unanimous consent for the hon. member for Pictou—Antigonish—Guysborough to move this amendment?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I find it most unfortunate that the government did not approve this amendment, which would have given us an extremely important deadline, that is June 2001. I realize that the government is not interested in clarifying these rules, considering how it has been operating since 1993.

I will be brief. First, I want to congratulate the hon. member for Provencher for his vigilance, since this is a very important issue and it is not the first time that the Department of Justice has operated in that fashion. As we have seen in the past, this did not work for either the minister or the system, since there were all sorts of erroneous interpretations circulating before a bill would even be introduced in the House. This is most unfortunate.

Second, I wish to salute your openness, Mr. Speaker, and to thank you for having entertained this question of privilege, since this is a very important part of our work as members of parliament. We must have all the tools and be on the same footing, so to speak,

Privilege

as all other parliamentarians. The way the minister operates, we could never be on the same footing as her.

I do hope all parliamentarians will give this issue the attention it deserves. I also hope the minister will testify and answer questions. I believe the whole issue has to do with the fact that the minister does not control her department. It may not be a major problem or a problem common to every department, but it exists in the Department of Justice because the minister does not see what is going on in her department. She does not know what is going on and she does not control anything.

I do hope we will shed light on this issue and that we can then have more specific rules, so that all opposition members can have access to information at the same time as, and even before, the media, so as to be in a position to adequately answer questions and, more important, do their work properly as members of parliament.

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I would simply like to point out that the member who has just spoken is mistaken. The government is interested in this issue and in the committee's taking time to broaden the issues concerning the Speaker's ruling. Frankly, I think the committee must be given enough time to do a thorough job.

[English]

The committee, I believe, has done an excellent job in the past on issues of privilege referred to it. I can assure the member that we take this issue seriously and that we would like to vote for the motion right now, get it before the committee and let the committee decide how it wishes to deal with it. If the House is not satisfied with it, then the House can deal with that. However, please let us get it to the committee.

I would ask the member if he would allow the debate to end so that we could all vote for the motion and get it to the committee.

[Translation]

Mr. Michel Bellehumeur: Mr. Speaker, I think the member who has just spoken knows the rules of the House as well as I do. She knows that, just because the government has set a cut-off date to force parliamentarians to at least seriously study this whole question as quickly as possible, if on the day before or two days before the cut off date the report is not ready, the House can still allow more time to enable the House to prepare and submit the report effectively.

What I was pointing out to the House is that the opposition wanted to set a date but the government refused. I think the member said it clearly. In rising and trying to justify it, she is slightly wrong.

• (1555)

Let us set a date, for example the first of June, for the amendment. Let us set that as the date. Then, if the committee has not concluded its work, the government will give it more time. At least there is a cut off date to oblige parliamentarians to work on it and especially to oblige the government to raise this whole issue, take a responsible approach in questioning witnesses and table its report as soon as possible. However with no date set, this would not be the first matter that got shelved and covered with dust before seeing the light of day.

I think my earlier remarks were quite relevant. Once again, the government is refusing to set a cut-off date so that the work gets done quickly and parliamentarians have all the tools they need to do an effective job.

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la-Mitis, BQ): Mr. Speaker, listening to my colleagues who spoke on the decision you have just brought down, for which I too congratulate you, and listening to the chief government whip, the following thought came to me: what we are dealing with here is a government that has made the heaviest use of gag orders to shut up the opposition in all Canadian parliamentary history. For once, the opposition parties are the ones saying "Let us gag the government, for it has the majority in the committees and can do what it wants in them. Let us give it until June 1 to try to find a way of giving us a decision by June 1".

As my colleague from Berthier—Montcalm has made so clear, committees have come to us in the House on a number of occasions and have asked us for extensions and we have always agreed.

I would like to ask my colleague whether he shares my intuition. I find it cause for concern that the government is hesitant to set June 1 as the date. That suggests to me that it will put it off for a month of Sundays, a treatment it often gives to things it does not care for.

I feel it is extremely regrettable for the whip to have popped up so suddenly from behind the curtains, like a rabbit in hat, with her little no. She was the only one to say it. She had not even had the time to warn the others that they were supposed to be opposed. Here we are without the June 1 date we want. I find that really disgusting.

[English]

Ms. Marlene Catterall: Mr. Speaker, I rise on a point of order. The hon. member for Rimouski-Neigette-et-la Mitis knows very well that I have been in the House paying attention to this debate throughout, and that she has erred in transgressing the rules of the House by commenting on the presence or absence of a member in the House.

*Privilege**[Translation]*

The Speaker: It is certainly contrary to the rules to refer to the presence or absence and especially the absence of a member. Everyone knows that, particularly the hon. member for Rimouski—Neigette-et-la Mitis, who is very familiar with the standing orders of this House.

Mr. Michel Bellehumeur: Mr. Speaker, the member for Rimouski-Neigette-et-la Mitis, who just spoke, is very perceptive.

In fact, this is a government which is far more likely to gag the opposition than itself, so to speak.

Of course this is not a real gag but a deadline to force parliamentarians to submit a report. Once again, if more time is needed the House has always given its agreement in the interests of a comprehensive report.

Even though there is a rule of law which says that there is a presumption of good faith, it looks like bad faith on the part of the government not to want to set a date that would force parliamentarians to work quickly and effectively on this report.

• (1600)

This report must be tabled in the House so that all parliamentarians, regardless of party, government or opposition, have all the tools they need to do their work.

Mr. Speaker, I am sure you will recall that when the Liberals were in opposition, they had much less to say in this regard. At the time, the present government House leader had some strong criticism for the Progressive Conservatives when they imposed time allocation or did not wish to introduce a particular bill or table a particular report.

I suggest they take a look at what they were saying when they were in opposition and be consistent today. Although they form the government, they should ensure that members of the House have all the tools they need to do their work properly.

[English]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I will be very brief, but I want to put on the record my own support and that of my caucus for the decision announced earlier by the Chair. I am not a lawyer, but I guess when the judge agrees one tends to say it was a very good decision. However, I think it was in this case. I think it restores some faith in this institution and, as other deputies have said, allows us to be on an equal footing and to bring legislation forward in this place as opposed to our learning about it after the fact.

The other point being debated on the floor is the notion that the Minister of Justice should be coming before the House as part of a witness list. There too the New Democratic Party very much wants to be on record as associating itself in favour of that kind of action. The chief government whip is saying no, that she is not in support of it, and I think that is unfortunate.

We have had a very good ruling this afternoon. I recall that when this was first raised last week by the member for Provencher, the House leader for the New Democratic Party talked about an earlier time in parliament when it was automatic that legislation was brought here, debated here and announced here, and that the media got their news from here as opposed to it being the other way around. The House leader also talked about the erosion we have seen in the House of Commons for members of parliament over time.

I think the ruling of the Speaker in today's judgment is a sound one and will help to restore parliamentary democracy in this place. I congratulate you, Mr. Speaker, on that ruling and look forward to a continuing debate and more real and meaningful debate in the House of Commons.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, I should like to make a few comments. First, I commend you, Sir, for the promise you made when you contested the office of Speaker. You said at that time that you would introduce into this place a dimension of respect, a dimension of freshness and a new approach, and you have done that in your ruling here this afternoon. I thank you for that and I recognize the contribution you are making to the operation of the House.

I also appeal to all members in the House to recognize the good intention of the suggested amendment that we put a timeline on this matter. If we really care about what is happening here, we will deal with this in a time that is appropriate and in a time that will help the House.

I know all members on that committee and have a lot of respect for them, as I do for you, Mr. Speaker. I would simply like to suggest that we pass the motion, honour you for it, take it to committee, and then expect the committee to act within the intention and the spirit of the discussion here this afternoon so that it is dealt with expeditiously and comes forward in time for it to have a meaningful impact on the operation of the House.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

The Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

Supply

GOVERNMENT ORDERS

● (1605)

[English]

SUPPLY

ALLOTTED DAY—ABORIGINAL AFFAIRS

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

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, it is with great pleasure that I rise in the House today to give my maiden speech. What makes this such an important occasion for me is that my speech will centre around an issue that is of paramount importance to the people of my riding of Kamloops, Thompson and Highland Valleys.

My riding is home to several native bands and, like the rest of British Columbia, is subject to many overlapping land claims which cover every city, town, village, ranch and ski hill in the area. Since my appointment as deputy critic of Indian and northern affairs, I have been contacted by numerous native people and non-native people regarding accountability.

Canada's Indian affairs policy is not working. Forty per cent of natives on reserves receive social assistance. Fifty per cent of native children live in poverty. The infant mortality rate for native children is double that for other children. Alcoholism, suicide and crime rates are three times higher than for non-natives. On average, on reserve native men can expect to live 12.5 years less than the average Canadian male.

In total, the federal government has spent more than \$90 billion on native programs since 1969. This year, spending works out to about \$20,000 for every on reserve man, woman and child. This money does not get to those who really need it. The government simply transfers most of that money, approximately \$7 billion this year, to band governments. Misuse and waste of public funds are common and rampant in the government. HRDC remains a blatant example of that and it is not alone. There are constant indications that much of the money distributed by the Indian Affairs department is being misused.

In 1996, DIAND officials conservatively estimated that 20% was wasted and spent without proper documentation. Dollar-wise that works out to roughly \$100 million for non-compliance. A 1996 report by the auditor general confirms some of these findings. The report stated:

Reports do not generally include information on outcomes. There is inadequate evidence of ongoing department verification. Information on accountability is incomplete. There is evidence of substantial implementation failure.

Many band governments do carry out their financial affairs very well, but it is clear many do not. There are about 630 bands in Canada. One-quarter of them, 25%, are under remedial management. In layman's terms, 25% of the native bands in Canada cannot manage their financial affairs and the department has had to step in to make sure that the bills get paid.

None of this should come as news to the government. Grassroots natives themselves have repeatedly complained about this legacy of waste and mismanagement. We are never more than a few days away from newspaper stories documenting blatant examples of waste.

For example, there is the Millbrook Reserve in Nova Scotia. According to the *Chronicle Herald* of March 29, 1999, band councillors on the Millbrook Reserve gave themselves a \$4,000 increase in their honorariums in March 1999. Their salaries totalled \$39,000 per year. Chief Lawrence Paul of the Millbrook band was paid \$39,000 in honorariums on top of his salary. His salary is unknown. Chief Paul denied allegations that many residents on the reserve were living in meagre conditions in comparison to council members.

Regarding Indian Brook Reserve in Nova Scotia, the *Chronicle Herald* of August 17, 1999, stated that \$1.2 million was spent by the band over five years, yet no one knows what for, since audits reveal it is listed as "miscellaneous" or "other". The audits also reveal that \$122,796 was used from the social services budget to pay the rents of people not eligible for social assistance. Meanwhile, council salaries have risen 135% over five years to \$21,300.

● (1610)

The social services department of the band also paid council members \$54,307 on top of their salaries. The chief is paid \$47,300 plus expenses. Administration salaries have jumped 68% in five years. The debt on the reserve totals \$3 million.

The National Post of December 2, 2000, said that in the Sheshatshiu First Nation, Labrador, a community infamous for gas sniffing problems among its children, leaders gave residents nearly \$750,000 in gifts and loans in 1999. The community of 1,250 received more than \$10 million in federal funding in 1999. Band council members were reported in an audit to have given themselves \$100,000 more in honoraria than they were entitled to. Band employees owe the council \$140,000. As well, \$400,000 of \$500,000, or 80%, in loans was estimated in the audit to be unrecoverable.

The National Post of March 15, 1999, said that in the Saulteaux Band, in Saskatchewan, former chief Gabe Gopher's honorarium and travel expenses totalled some \$171,000. In 1997 about \$600,000 was spent on travel by the chief and band councillors.

The band had an accumulated deficit of \$1.2 million as of March 31, 1998. Most of the \$1.65 million fund for treaty land entitlement purchases was found to have been spent on travel and meetings.

In the Stoney Band in Alberta, 3 chiefs and 12 councillors received \$1.4 million in salaries and benefits. Those amounts ranged between \$65,000 and \$167,000 per year. In 1997 the band had a deficit of \$5.6 million. Despite \$50 million in oil and gas revenues in 2000, federal transfers total about \$23 million per year. A probe into abuse launched by Alberta judge John Reilly resulted in 43 criminal investigations. Only two minor charges were laid in those 43 investigations. The RCMP reported that the problem on the reserve was mismanagement rather than criminal activity. However, Chief John Snow demanded a public apology from Judge Reilly. The total band population was then 3,300 people. The unemployment rate is at 90%.

In the Tla-o-qui-aht Band in B.C., Chief Francis Frank's salary and benefits totalled \$109,003 in 1997. He resigned in December of that year. There were only 500 to 600 people on his reserve. An auditor called in to look at the band books was "unable to express an opinion on the financial statements due to inadequate record keeping with revenues and particularly with respect to expenditures and payroll". Most of the reserve population was unemployed.

The Samson Band in Alberta is one of the more glaring examples of waste and outright corruption. In 1998 the *Globe and Mail* reported that the chief and 12 councillors earned almost \$2 million in salaries and benefits in 1997. Unemployment on this reserve hovers in the 85% range. About 80% of the reserve residents are on welfare. Although this band is oil rich, it is running a deficit in the \$50 million range.

These are just a few of the all too many occurrences of waste and mismanagement on some of Canada's native reserves. It would be a mistake to say that it is just about wasting money. It is about people's lives. The money being doled out by the government, which should be used to help improve the lives of native men, women and children, is instead being misused and is making their lives a living hell.

There are television stories and pictures of children sniffing gas out of garbage bags in Davis Inlet and teenagers are committing suicide by jumping off a CBC broadcast tower in Labrador. The United Nations itself reports that many natives live in third world conditions, with a lack of clean water, deplorable housing and unimaginable unemployment. Many chiefs and band councillors live in palaces, have huge, tax-free salaries and fly all over the globe.

To call the government accountable in its handling of the affairs of our native people would be a perversion of logic in every sense. The government has systematically abdicated its responsibility to native people time and time again. Almost 32 years have passed since the following statement was made in the white paper on Indian Policy:

Supply

Indian relations with other Canadian peoples began with special treatment by government and society. And special treatment has been the rule since Europeans first settled in Canada. Special treatment has made of the Indians a community disadvantaged and apart. Obviously the course of history must be changed. . .

The Government of Canada believes that its policies must lead to the full, free and non-discriminatory participation of the Indian people in Canadian society. Such a goal requires a break with the past. It requires that the Indian people's role of dependence be replaced by a role of equal status, opportunity and responsibility, a role they can share with all other Canadians.

• (1615)

That statement was made by our current Prime Minister. That report is gathering dust.

If the government fails today to support this motion, or if it supports the motion and fails to make the changes that have been asked for in it, it will have failed the people of the country, both native and non-native.

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, what I heard was a litany of newspaper stories being added up. A lot of that is the exception to the rule. It is like talking about young offenders in society as if they are all young offenders if they are a certain age.

The Department of Indian Affairs and Northern Development is the most audited department in the government. Every first nation partner must submit an audit to the department every year. The government uses the audit to look at the financial health of a community. First nations, like other governments, are required to prepare their audits in accordance with the public sector accounting and auditing standards of the Canadian Institute of Chartered Accountants.

The results of the audits are shared not only with the federal government but with the community. The end result of the audit is a need to look at the community to see whether it needs a management plan to help with its own capacity and capacity building.

First nations conduct standardized community accountability and management assessments in order to help identify for themselves where they require capacity building. In January 2000, 93% of the community assessments were complete and work was proceeding in accordance with the management development themes that had been unearthed.

A speech like the one we just heard lumps together reserves that are getting help, moving along and have a good governance mechanism and training with the assistance of the federal government, with those that are deficient and in the wrong. It is not true and it is not fair.

A perfect example of good governance was the Nisga'a nation last year. They had great governance. We worked on the Nisga'a last year in the House. The Nisga'a is an upstanding community

Supply

with great capacity. Members still did not support the treaty and voted against it.

Would the hon. member not consider the capacity building and proper accounting methods and methodologies of such bands? Would she not consider all the different organizations that have come to the assistance of first nations so that they can move toward better governance of their own resources? Must we have this litany of the negative?

Mrs. Betty Hinton: Mr. Speaker, I believe I made it very clear at the beginning of my statement that many bands in Canada are doing a fine job. I pointed out some of the bands that are not doing a fine job. It is the people of the bands for whom I am concerned.

I am not taking my information from newspapers. At the beginning of my speech I made it very clear that when I was appointed deputy critic for Indian affairs I received a deluge of mail. I received e-mails, telephone calls and letters. Any way in which correspondence can be sent, I received it either in this office or in my Kamloops office. I have pictures, photographs and documentation. It does not make for good night time reading. What is happening with native people in some areas of the country is very frightening.

• (1620)

Native people deserve the money that governments send to their bands. It is not getting there right now, and that is the point we are trying to make. Numerous native people have asked for accountability. I support what I said, and I support the motion.

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, I take the opportunity to congratulate the hon. member for Nanaimo—Cowichan for his foresight and motivation in introducing this motion:

That the government stipulate that in all financial transfer arrangements between the Federal Government and individual Indian Bands, . . . that the use of any public funds be publicly reported and accurately audited.

The motion goes to the heart of a serious problem of government policy, not only toward native groups but to the funding criteria for all departments throughout the government. One could look at the funding of many programs and see glaring weaknesses in the accountability of money transferred from the Government of Canada.

Four times a year the auditor general releases his findings of the financial practices of government departments and reports his findings to parliament. That is accountability and it is what we expect. That is what it means to have public funds used in a transparent and reasonable fashion. That is exactly what the motion addresses. It goes to the heart of financial accountability.

Native bands receive millions of dollars from the government. It has been reported that it is something over \$7 billion. Far too often all we hear of is the negative, wasteful spending of Canadian tax dollars. It is true that often money is wasted and misappropriated, but often large amounts of money are put in the hands of those who have no experience and no ability to administer it properly.

Who suffers because of this lack of accountability? It is the most vulnerable, grassroots aboriginals who do not get the basic essentials to live dignified and fulfilling lives. We take for granted clean running water. We take for granted that people will have homes in which to live. We expect an efficient sewage system to safeguard against disease and protect health.

Every remote cabin in British Columbia needs government approval for its sewage system but reserves do not. Unfortunately, and far too often, such basic needs are not met on reserves because the money earmarked for those projects goes somewhere else, is not administered in a completely professional way or is given into the hands of those with no experience. Tragically, far too often it is the weakest of the weak, the children, who suffer the most.

That is why the motion is so important and why we must restore financial accountability to grassroots native people. That is why we must do everything we can as parliamentarians to help people on reserves, especially children, because those children are as much the future of our country as the children of parliamentarians like myself. I have said many times that one of the main reasons I am here is for the future of my country and the future of my children. However it is not only for my own children and grandchildren, it is for the children of Canada.

In April last year, the auditor general reported his audit of the elementary and secondary education programs that are administered by the department of Indian affairs. His findings are tragic. I will take a moment to read to the House some of the findings of his audit.

First, Indian and northern affairs cannot demonstrate that it meets its stated objective: to assist first nation students living on reserves in achieving their educational needs and aspirations.

• (1625)

For example, the department does not have the necessary assurance that first nations students are receiving culturally appropriate education. Moreover, progress in closing the education gap for Indian students living on reserves has been unacceptably slow. At the current rate of progress it will take over 20 years for them to reach parity in academic achievement with other Canadians.

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At present about 117,000 students enrolled in elementary and secondary schools live on reserves. Current budget costs, not including school construction and maintenance, are about \$1 billion annually. That is about 21% of the money that goes into Indian affairs. Despite the huge budget, the department needs to radically speed up reform and accountability practices to meet increased demands placed on education as a result of an increasing population on reserves.

There are other things I will briefly mention. The Indian affairs department does not know whether special needs students are being appropriately identified and assisted. That is according to the Auditor General of Canada.

The department has little involvement with first nations in the development of pedagogical principles and instruments, including curriculum design, instruction standard and teacher qualifications. Those are not things that people who are elected to council can simply do because they were elected.

Again, the department does not generally review the mission statements, objectives and plans of the schools that it funds, so it has no idea what is going on. Also, recent evaluations of on reserve schools disclosed a significant need to improve various aspects such as curricula, teacher training, equipment and homework policies. However the department, according to the Auditor General of Canada, does not monitor the implementation of evaluation recommendations. There is a great lack of responsibility on the part of the federal government that is not appropriately borne by the government.

It is shameful that in our society young native children are 20 years behind the academic achievements of Canadian children attending public schools. It is a tragedy. A whole generation of children will be left behind in the rapid technological transformations our society is experiencing.

We must not fail these children. We must have accountability not only on the reserves, although certainly there, but in the department of Indian affairs as well. We must make sure the resources and tools are there to give these children a well rounded education and that they are used as they are intended to be used. Adequate amounts of moneys, properly prioritized, are essential.

We have tried in the past to educate native children. During the 20th century the Government of Canada created the residential school system to teach young native children how to cope in modern society. Unfortunately the residential school system had its share of failures, although teachers and government officials at the time, I believe, honestly thought they were doing their best to help the children. However many judge them today as having instituted a system that robbed natives of their culture.

The real failure of the residential school system was the lack of accountability by the government of the time. Some who taught in those schools did fail the children. Some native children were

abused and those who abused the children went unchecked. The government failed to hold accountable those who contracted out to teach those vulnerable children. Right now the government is in the middle of a multibillion dollar lawsuit as a result of that lack of accountability and concern.

We must make sure that situation never happens again. Although circumstances are different, the results as we see them turn out to be the same.

• (1630)

We are failing the children on our reserves because they are continuing to fall behind the world in education. Why is that? It is because the government failed to adequately privatize aboriginal funding. It failed to insist upon financial accountability of money sent to the reserves which was earmarked for education.

The auditor general made this quite clear in his report to parliament. He told the department of Indian affairs to demand better accountability of elementary and secondary education programs because the children were being left behind. We must not let them continue to be left behind.

By adopting the motion, the government is taking a very important step to assure better quality education for native children. The motion makes financial accountability an obligation, not an option. The motion presented by my hon. colleague will help better the lives of aboriginal children.

[Translation]

The Deputy Speaker: Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Lethbridge, Trade; the hon. member for St. John's West, Coast Guard.

[English]

Mr. Rick Laliberte (Churchill River, Lib.): Mr. Speaker, it gives me great honour to rise at this time to address the House but, most important, to address the people of Canada. I would like to make some opening statements in my first language. As opposed to preparing a translatable speech, I will translate it following my statements.

[Editor's Note: Member spoke in Cree]

[English]

In a very brief statement in Cree, what I have said is that in the journey of life on this land we have seen many peoples find a home here. In searching for this home there have been agreements among

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our aboriginal nations and the nations around the world that found this place to raise our children together. I understand that relationship, the relationship of how Canada was created by a treaty process. The treaty was a nation to nation agreement, that the country we know as Canada was given birth when the crown of England struck treaties with the aboriginal nations of this country.

In creating a country as beautiful as Canada is today, and we talk about the marginalization and the problems that our aboriginal people are facing now and into the future, I beg all members of the House and I beg all citizens of the country to look at restructuring and correcting the relationship that this sacred treaty was signed on for living together in this country.

Referring to the restructuring, bringing more auditors to financially accountable programs will not correct the restructuring and the relationship of this country. I would say, and I would challenge, and I have spoken of this before, that a third house in parliament should be seriously considered, a third house that brings in a unity among all people of the country. This House is acceptable as a parliamentary house of dialogue of the country.

• (1635)

We also have the other House, the Senate, that conducts the affairs and the law making of the country. The third house of which I speak could take in the parliamentary building that exists today, the parliamentary library. I offer this today because it was built with a symbol of unity.

From the time of the signing of the treaties, if we look at the journey of the country and at the clerk's table as the signatory of the treaties, the crown came to that table to sign treaties. All the laws and administration of the affairs of the country have been taken by the crown. The aboriginal people have not been given the opportunity to be partners, to be part of the decision making and law making.

Mr. Speaker, I forgot to say at the outset that I will be splitting my time.

I draw to members' attention a treaty that was originally signed and understood. I should not say signed because it was an intention. It was called a two row wampum. I do not know if the ministers here are aware of the two row wampum. The two row wampum treaty signified that in the journey of life the aboriginal people and the people who came from all shores could travel together in harmony and unity. If one vessel overempowered another vessel in that journey, we would have lost our way and intent.

We have had hon. members today challenging the mismanagement of affairs by the chiefs and councils. I have been a witness to the failure rates, to the high school dropouts, to the unemployment rates and to the fetal alcohol syndrome. All these problems seem to

be landing on a handful of chiefs who have been audited for mismanagement.

That is not the debate today. The debate today is about the public reporting and auditing of public funds under the contribution agreements between the federal government and individual Indian bands. That is only a symptom of the problems that we have today in the aboriginal communities and in the aboriginal nations.

We have to look at restructuring, at where we will go from here on in. If we can have a third house in parliament, a council of aboriginal nations can sit in that house. If we have fiscal and electoral problems in any of our communities, they would be accountable to that council, not to the minister nor to anyone else. It is only right that they be accountable to their own nationhoods. If we look at self-government, we are not creating a dialogue of the nationhoods that exist.

Someone mentioned the truth. Let us talk about the truth. If we talk about the Cree nation, it extends from northern Quebec all the way to the Rocky Mountains. By no means can I be fooled if someone were to say that the Cree nation is united. It is diverse nation and has been dissected by existing provincial boundaries, Indian agents and Indian district offices.

We need to have a cohesive approach. We must allow these nations to grow and be accountable to their members. It is not band membership we are talking about, it is nation membership. Band members are citizens of their nations and they have to be accountable to their people. We must allow them to be accountable to their people. We will then see what the aboriginal people can contribute to the betterment of the country.

We should give them the tools and the natural resources they need to improve the economic cycles in their communities, regions and territories and that will enhance our country's future. They will be living partners in our urban centres. Their knowledge and research in the future technology field, but also embedded in their traditional knowledge and oral history, will become examples for the world.

• (1640)

A united nationhood of aboriginal people working in concert with the treaty negotiations that took place and made this beautiful country we call Canada is the dream we have for our children, but we have to work together.

There are only a handful of aboriginal people here in this House and we represent a huge geography, the huge tracts of lands that expand to the north.

The debate today incited me to raise the issue one more time. The accountability issue, the plight and the problems that deal with the administration of funds that members of the opposition have raised and looked at for a number of years, will fade away but the

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issue of the restructuring will stay. That is where I would like to see the debate go.

There have been no solutions. The motion does not address the plight of aboriginal people. It only addresses the problem the minister has accounting to the treasury of the country. It does not address the issues of the aboriginal people. When the House is ready to debate that, I will rise again and make that debate.

Accountability can go both ways. It is a double-edged sword. If the treaties and their spirit of intent were to share the land, in light of a handful of funds for housing, for medicine and for education, these funds are now being allocated because of the land that was transferred. If aboriginal people want to look at the accountability of finances they can look at the accountability of the lands and the management of their resources.

[Editor's Note: Member spoke in Cree]

[English]

It is our journey as Canadians. It is our journey as residents of our many territories. As an aboriginal person, I am proud that I am willing to offer a new structured relationship within this country to build a proud jewel in the globe where Canada can be a beautiful place for everyone to live. The accountability issue is just the start of a dialogue of restructuring ourselves. It could be a bold economic adventure. Research and development that does not take place now could take place in our homelands.

The chiefs are making decisions that are not based on sound, long term plans. They do not have their own research development institutes. That is what I beg to challenge the House on today.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I was interested in the comments made by the member across the way and would like to ask him a question.

The member expressed certain concerns with respect to the lack of resources the chiefs have to do background research. I was also very interested in his comments about the use of the parliamentary library. These were very interesting proposals and the types of things we should be discussing.

I also noted in his comments that the Liberal government has not fulfilled a number of outstanding treaty obligations. I wonder if the member could elaborate on what treaty obligations this government has not yet fulfilled. As we know, the treaties are based on the honour of the crown. What obligations by the crown does the member feel that the Liberal government has not yet met?

Mr. Rick Laliberte: Mr. Speaker, the obligations that were agreed upon in treaty were signed with the British crown to create a country called Canada. Today these obligations have been subject to interpretation. In the last general election we saw dialogue on and interpretation of these treaties.

• (1645)

When I first came to parliament, as I went up to the parliamentary restaurant on the right-hand side I saw a big pyramid that said all the credit of Canada is heaped on top of the pyramid. However, all of it would be nothing in my mind, if we took out the bottom part of the pyramid that is the territories and lands and of which our country is made.

If the vessels of Britain and France had stayed out on the ocean there would be no country. There would be no taxpayers and no credit. It was the territories and lands that were signatory, created by treaty, that created this country. From that relationship is where the obligations started fading. It was a mistake when we left the treaty signatories, let the aboriginal people go back to their camps and the crown assumed the administration of the country. Let us restructure and go back to that table.

Let us bring back the aboriginal people as a part of administering the country, as a part of making laws, taking control of them and enforcing them. They have to be part of the fabric of the country. They cannot be self-governing and thrown aside to address their own affairs. They have to be allowed to play a part in addressing the affairs of the country as well. They are a part of this country. That was their inheritance.

[Translation]

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I would like to make a comment and ask a question to the hon. member for Churchill River.

As we know, Canada's aboriginal and Inuit communities currently have access to changing economic development programs which, more often than not, are managed from afar by people in government offices. These communities must adjust their projects based on criteria defined by outside authorities.

We know that, as a result of the Royal Commission on Aboriginal Peoples, a report entitled "People to People, Nation to Nation" was drafted. For our Cree and Inuit friends from James Bay, Nunavut, Nunavik and all of western Canada, is my colleague pleased with what was said in the report of the royal commission?

[English]

Mr. Rick Laliberte: Mr. Speaker, since returning to the House I have taken great interest in the royal commission report. It is bound in a number of volumes.

My original interest, because of my previous life in the educational field, was only the educational chapters. However, the one thing that existed in the royal commission report, which I thought was a jewel, was the aboriginal house of representation. It is hidden inside the royal commission.

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If anybody reads the royal commission report thoroughly he or she will find there are a lot of futuristic recommendations in it. Some of them did not even materialize as recommendations. They are written in the body of the royal commission report. That is where this house of representation for aboriginal people was written.

I would ask the hon. member who made her maiden speech, and is now an Acting Speaker, to read the whole royal commission report on aboriginal people. It is a worthwhile document. It sets a journey and a vision for our people into the future.

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I will speak about initiatives undertaken by the Government of Canada to strengthen accountability in first nations and Inuit health programs and services, one aspect that we have not heard about today.

I will outline the government's mandate in the area, detail the provisions contained in Health Canada's new accountability framework and identify the government's short and long term accountability goals.

We currently, as a government, provide over \$1.2 billion for non-insured health benefits and community based health prevention and treatment for first nations and Inuit. Over 600 facilities across Canada offer a full range of community based health programs and services which include nursing services, prenatal and children's programs, public health disease and environmental health services, prevention programs, the Indian and Inuit health careers program, the national native alcohol and drug abuse program and the first nations health information system.

We have also provided a non-insured health benefits program which supplements the benefits covered by the insured programs offered by the provinces and the territories.

• (1650)

The non-insured health benefits program serves over 700,000 clients. It includes not only vision care but prescription drugs, medical supplies and equipment, dental care, medical transportation services and other care such as short term mental health crisis counselling.

Anybody in the House from any party would admit there is a long road ahead to fully meet all the needs. However, the government is moving forward and we are trying to do it without criticizing the client that we serve.

Concurrently the Government of Canada has been working diligently with the stakeholders and across government departments to address issues of accountability. In the Speech from the Throne, the Government of Canada pledged to improve the health of aboriginal people and aboriginal communities by championing

community based health promotion and disease prevention programs. We do this in partnership with the first nations. We are working to address the health inequalities which have plagued first nation communities for far too long.

Illness of almost every kind occurs more often among aboriginal people than among other Canadians. Consider the statistics, then move away in our minds from statistics and say that they represent real aboriginal Canadian people in this country. Diabetes, for instance, is three times higher in first nation communities than the rest of Canada. First nations and Inuit experience a higher rate of almost all chronic diseases, including heart disease to hypertension to tuberculosis. The average life expectancy for aboriginal people is at least seven years less than for other Canadians.

We have introduced concrete measures designed to improve the health and well-being of aboriginal people throughout Canada. However, increasing also at the same time the transparency and accountability of the first nations, as they manage and they deliver these services, has to be part and parcel of what is needed here.

Over the next few months Health Canada will launch a series of new initiatives and processes, both internally and with its stakeholders, to enhance the financial and program accountability to strengthen the ability to monitor grants and contributions and to respond to accountability issues.

Nobody wants to duck any problems that exist. We want to identify and develop mechanisms that help people help themselves.

At the same time, the Government of Canada recognizes that it has to maintain the objective of assisting the first nations people and the Inuit to build their own capacities to allocate and use the much needed health resources within their communities.

Since 1999 the first nations and Inuit health branch of Health Canada has been working with the partners, the Assembly of First Nations and the Inuit Tapirisat of Canada to develop an accountability framework for improved management practices. We have had assistance from many organizations. In fact, there are over 100 pilot projects on accounting management and assistance in place at this point in time.

The accountability framework will clearly outline the roles and responsibilities of relevant parties. It will also enable Health Canada to demonstrate results in investments, programs and services that are delivered. As well, it will identify the gaps in the service, improve the capacity to deliver the service and measure performance and improve overall management practices. They have to go concurrently.

An office of accountability implementation has been established to oversee the main components of this framework. These components are designed to build a more transparent accountability process. They include the programs, health plan program deliver

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and administrative capacity, in addition to the reporting, the evaluation and the audit elements.

An audit and accountability bureau was created which reports directly to the associate deputy minister of Health Canada. In addition to the traditional audit functions, it also oversees Health Canada's responsibility with respect to ethics and values.

A new quality assurance division will ensure that grants and contributions are well managed.

Within the first nations and Inuit health branch, regional directors are reviewing all the agreements in place to ensure that these agreements are processed, administered and maintained in accordance with Government of Canada policies and procedures. The ongoing implementation of the accountability framework will lead and has led to many improvements, not only in internal management control practices but in the standards, the policies and the controls for the negotiation signing and ongoing management of agreements.

We will, on this side of the House, support first nations and Inuit communities in building good governments, including more effective and transparent administrative practices. We are committed to continuing to work with first nations and Inuit organizations to help them improve their own accountability practices and to address any outstanding issue.

• (1655)

We will not list the failures. We will support, implement and encourage all of the success stories in this land. We will acknowledge around all the parties in the House that there is a need to be there helping with the health and the accountability in all programs governing our aboriginal peoples in this land.

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, I want to say that I have the utmost respect for my colleague and for what I believe she has done in her work on the Hill with aboriginal people. I know that she knows something about my involvement with aboriginal people.

I think the vast majority of us in the House take very seriously the work that lies before us in terms of bringing aboriginal people into some sense of sustainability and economic development, giving them a sense of self-worth and bringing them into the Canadian family in every way possible.

I know she has some concerns about our motion. At the same time, I want to ask her this question. We know the vast amounts of money that are involved. They are billions of dollars. Ostensibly the money is set aside by Canadians, through the government, to

help our native people achieve higher levels of success in every way.

Yet while all this money is going to native people, we still have the appalling statistics. We have statistics that tell us that unemployment is very high among native people on reserves. We have off reserve people in cities who are not able to find jobs. We have huge problems on native reserves with HIV, hepatitis C, diabetes and all of those diseases that are also in the non-native population, but are disproportionately high in our native population. We have terribly unacceptable suicide rates among our native young people. I just get sick when I hear about it. I see terrific amounts of substance abuse. What went on with the James Bay Cree young people is probably just a drop in the bucket, and it became a very celebrated case.

All of us have to grapple with this question. We have this money available and we have the resources to put at the disposal of native people. If there is not an accountability problem, what is it that is not working to help our native people to achieve what we want them to achieve? I would certainly appreciate the hon. member's elucidation on that.

Mrs. Sue Barnes: Mr. Speaker, it is wider than what I addressed in this particular 10 minutes. However, the root of it has to do with the culture and a respective people, their ways and their ability to govern themselves that historically has been taken away, maybe with all the best intentions.

Historically, we have done some wrong policy development. We acknowledged that with apologies. We have a situation where people of my age have been treated very poorly.

I know in my riding, when I discuss these issues with some of my constituents, they are ignorant of the facts. They do not realize the intensity of the depravation. They do not realize the lack of potential for the education of all the potential leaders in the community.

It goes much more beyond the accounting concept of accountability. It goes to a people who have in their own way been colonized and not willingly so. I think we have great potential for leadership and change. I do not think we will get there until everyone acknowledges that there were very wrong things done, maybe, as I said, with the best of intentions.

• (1700)

However, right now the only way forward is not to withdraw the finances but to help with all the governance solutions we can come up with and to address the social inequality, the educational inequality and the housing inequality. At the end of the day, if my children in my home faced the same challenges that I think a lot of young native Canadians have to face—and we know that their

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population is growing very rapidly—it would be very difficult and maybe they would not meet all the expectations laid down before them.

I sincerely hope that the motivation behind today's motion is not really about the accountability of the pennies but the movement forward of the people.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, it does give me pleasure to speak to this motion we have before us today and to speak in regard to the situation for aboriginal grassroots people, who I really would like to focus on.

The previous speaker for the Liberals made the point that it is time to accentuate the positive and I certainly agree. I would like to be able to do that more and more, because there are some positives out there. I have seen them. I have seen reserves where there is 100% employment and where there are excellent plans, excellent programs and a real honest, hard effort on the part of a number of chiefs and councils on a various number of reserves, and that is worth noting. There is no doubt about that.

However, when we take on a portfolio that leads us across the country to deal with grassroots natives all across Canada, we cannot help but notice some very serious situations and problems.

I would encourage all members of the House, whether they have native reserves in their ridings or not—they should go outside their ridings if they do not—to make a point of visiting some of these ridings. Stay out of the elegant administration buildings, or go there for a little bit maybe, and maybe visit the chief and councils in some of their fine homes, but get further into the reserve and really talk to the grassroots people, the individuals who are living on each and every one, and pass out the bouquets when they are deserved. When members see good things happening, they should bring it to the attention of the House. Let us know. We should know more about them. I agree with the hon. member that we need to accentuate the positive as much as we can.

However, where I have been and in what I have seen in the over 300 reserves that I have visited, there have been both positives and negatives. Unfortunately there is an awful lot of suffering going on across this land that needs to be dealt with.

I agree that this particular motion is not going to answer all the problems. A lot more has to follow this type of legislation in order to achieve much, but surely everybody can understand—and I appreciate the Liberal government supporting this motion—that in a lot of cases whatever we do will take dollars. In order to provide the dollars that are necessary, we need to have some good accountable people making certain that the dollars are going to and achieving what it is we want to have happen across this land.

I do not have to spend a lot of time talking about the examples I have seen, but I have been in their homes and sat on stumps that

were used for chairs. I have been treated to a great deal of hospitality by so many of these people, who have become very good friends. We are in contact quite often, either by mail or phone from time to time.

As for the suffering, I just could not believe that I was in Canada when I went into a home where there were 12 to 14 members of a family living in that home, with the very minimum to eat, nothing to sleep on, no rooms within the shell that they called home, no running water and no electricity. It was not a rare thing that I saw. It was quite common and in some very unexpected territories, areas where one would not think it could happen.

• (1705)

I was looking at a number of the concerns brought forward by aboriginal people. Alberta, one of the most fruitful provinces in the country, had the highest number of people on reserves asking for help. In a three year period, there were 56. Manitoba was second with 17. What they were asking for was some accountability and they did not know for sure what it would take to get that to happen. They would simply contact their member of parliament. The member of parliament would direct them to the department of Indian affairs, which would direct them to the chief and council. That is where they went in the first place, without results.

In many cases threats were received. They were told to stop complaining about the problem or not to bring it to the attention of the administration any more. They were told that if there were any more words from them they would wish they had not asked for help. Those were the kinds of threats that were made. Homes were burned down on some reserves, with people allegedly saying that they were purposely burned out because they had spoken out against the administration of that particular area.

These are serious things. Yet at the same time, a lot of public money was going into a number of reserves to build some real fine schools, although I will not tell members where they are, with as little as 10% of eligible students in attendance. They had the finest equipment, the best that money could buy, provided by public funds, yet 90% were not attending those schools. Where were they?

I investigated further and became more familiar with the situation. I will use a common name like Jones. What was happening was that all of these great ideas and programs were being developed, and the chief would be Jones, and for some strange reason, the director of education would be Carolyn Jones, the director of natural resources would be Robert Jones, the director of public works would be Phil Jones, and the director of welfare would be Cathy Jones. No one was qualified to even know what they were doing in terms of offering education and assistance for various types of programs. The programs were there and the positions were filled, but no one was doing anything. They were not solving any problems. They were not getting young people into the schools.

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They were not giving young people the assistance they needed for their addictions and their problems.

My colleague from Okanagan—Shuswap and I visited Winnipeg. One cannot help but feel very sorrowful when one goes to a place like that and visits the streets. We were accompanied by a person who lives there. His name is Mike Calder and he really knows the situation and the problem. He is an aboriginal himself. He runs the St. Norbert centre there, trying to help bring in young people from the streets and assist them with their addictions and other problems.

It was sorrowful to see the young people on the streets—and I mean kids—prostituting, delivering drugs, doing anything they could. They get sucked off the reserves because of their situations and the mighty heroes of organized crime bring them in and exploit them all over the place. We could see them. All we had to do was get in the car and drive around late at night. It is not a pleasant sight for Canadians to see, yet it is just one example of the many across the country now happening in our cities. Young people are exploited day in and day out.

When we cry out loud and clear that we must do something serious about these adults who exploit kids, we do not get support. We get bills like those that have been coming up recently, bills that say we will take away their tax status and that will show them. What a very terrible situation.

• (1710)

I believe my hon. colleague from across the way—I am sorry, but I do not remember from what riding—said loud and clear that this motion might be something that needs to happen, but that this has to go a lot longer and a lot further. I consider this motion to be an excellent starting point. If we can all agree that it is a good place to start, then we have to work toward solving the problems that these people are facing, not through their own fault in many cases. It is not because of them that they are in the messes they are in. A lot of times the leadership is not there and the accountability is not there. The requests for leadership and accountability have not been supported by the government.

How Mike Calder would love to have the federal government phone him and say that it is going to support his initiative in Winnipeg. Right now his initiative is supported by the provincial government and the city. There is nothing from the federal government. What a shame that is when he goes around trying to get young people off the streets, trying to help them out of their desperate situations.

We have to change our attitudes and this is a good place to start. I thank the Liberal government for supporting the bill.

Mr. Rick Laliberte (Churchill River, Lib.): Mr. Speaker, the hon. member talks about the plight or the affairs of those in off

reserve urban situations. A lot of the public accountability being called for by the motion is limited to on reserve.

If it is off reserve, if the plight of urban aboriginals is being brought in, should the accountability of provincial governments be brought to the House and investigated and audited for the results of the plight of urban people who are off reserve? Does he understand the jurisdiction of on reserve and off reserve and accountability with the federal and provincial governments?

Mr. Myron Thompson: Mr. Speaker, I thank the hon. member for the questions. Of course I understand the difference. I also understand that because of things not happening for the benefit of young people in particular, and for others on the reserves, they are being drawn off the reserves by certain organizations and by people who live in the city, people who are pulling them off the reserves and telling them the people in the city are the heroes, that they are the people the young natives need to go to, that if they want answers to their difficulties, these people can help. They are being drawn off.

The contributions toward the reserves come from many areas. There is absolutely no reason in the world why public funds of any nature that go into a reserve should not be accounted for. Of course they should be, whether they are provincial funds or city funds. Some cities do that. Calgary is constantly dealing with the Tsuu T'ina reserve within the city. It happens all the time. This accountability is not strictly for the location of the reserve but within the jurisdiction of moneys received.

Mr. Speaker, I forgot to mention that I would be sharing my time. I hope it is not too late.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, I would like to endorse what my colleague from Wild Rose has just said about the importance of changing the attitude. I really would like to commend the Liberal government for supporting the motion.

At this point in the debate, though, I wonder whether it might not be good for our listeners to know exactly what the motion is that we are debating. The motion reads:

That the government stipulate that in all Contribution Agreements between the Federal Government and individual Indian Bands, the use of any public funds be publicly reported and audited.

That is the motion. The intent of the motion, the exposition, if we like, is clearly what the money is being used for, how much money is being used and whether in fact the money is being applied in the manner that the original program intended. That is the technical import of the motion.

However, I want to go well beyond the technical intent of the motion because the essence of the transparency that is being called for, the accountability that is being called for in the motion, really has more to do with an attitudinal change and the recognition that

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with receiving funds there is a responsibility. It is the emphasis on responsibility that I wish to attack.

• (1715)

There comes a point when people are put in charge. At the present time the government is making a big issue of the fact that our aboriginal people ought to be given the powers of self-government. That is a wonderful thing to do. We want to give our native people the right to determine their own affairs. Giving them the power and the right to do so has an implicit sense of responsibility.

Part of that responsibility is to account for what we are trying to achieve. Are we achieving those things? Is the money we are applying to those purposes being used for those purposes? We are not talking about peanuts. We are talking about \$4.2 billion or thereabouts this year. That is an awful lot of money. Where is the money going? What results are being achieved?

My hon. colleague said that a lot of positive things were happening. Indeed there are. However, are the bands who are achieving positive results not the same bands that can show that there is reward for responsibility, for exercising accountability and being responsible for decisions that are made?

These are not those groups that go on tours. These are not the ones that go on cruises. These are not the ones that are paid exorbitant salaries. They are not the ones who hide where the money is coming from and where it is being spent. These are the ones who are telling their people the amount of money they got, where the money is going and what the results are. They should be proud of that. When they want to hide facts is when they get into trouble. That is the issue.

When will the time come when we as leaders in the House can demonstrate to the people that we are responsible? Will the Prime Minister, for example, demonstrate clearly that he is prepared to open the books as to what happened with the HRDC grants, the Shawinigan affair, his relationship with the hotel owner and the golf course? Will the Prime Minister tell the people of Canada what he did, or will he hide it? The Prime Minister is responsible and it is the duty of the House to call him to account.

That is what we are trying to do with the motion. We are not trying to call to account those band leaders who are doing their job. That is not what we are trying to do. We are trying to call to account those who are not doing that. We cannot do this unless there is a law that works.

Hon. members opposite have referred over and over again today to the provision of the audit in the legislation and regulations that apply. Let me read what the legal provisions are. The Indian bands revenue monies regulations state:

8(1) Every band shall engage an auditor to audit its account and to render an annual report in respect thereof.

8(2) A copy of the auditor's annual report shall, within seven days of its completion, (a) be posted in conspicuous places on the Band Reserve for examination by members of the Band; and (b) be supplied to the Minister of Indian Affairs and Northern Development.

Obtaining a copy of the audit under Access to Information is blocked by the 1989 decision of the Federal Court in *Montana Band of Indians v Canada*.

This is a court deciding that the people of Canada cannot know the result of these audits. It is not working. The intent of the legislation was not to prevent them from knowing how much money was being spent, where that money was being spent and what the results of spending that money were. That was not the purpose of that legislation or regulation. The purpose of the regulation was to open up and indicate clearly that a third party objective audit showed how much money was spent, what it was spent for and the results of the particular program.

Instead, on a technicality the court argued that because the leaders of particular bands decided to put together public funds and because those funds came from private ownership of Indian bands and were somehow put together in one book, we could no longer tell what the real position was.

• (1720)

There is not a self-respecting accountant performing audit functions who cannot identify that kind of difference. The only reason it can be muddled up is by people deliberately muddle the issue. That is how it happens. It does not happen when people are honest and truthful. It does not happen when people show clearly that this is their money and this is money that came from the public purse. It happens when somebody wants to make sure that we do not know the truth.

The time has come for the Government of Canada to recognize that it is responsible, and part of that responsibility is to tell the truth, to recognize that it has made some mistakes, that there are some things it can fix and that it will do it.

It is not done by hiding behind a technicality that says one source of funds is over here and the other is over there so we cannot tell the truth. That is absolute nonsense. That can be corrected. The intent of the motion is to make sure that the kind of legislation presented to the House will enable this kind of money to be made public so that we can clearly tell what the facts are and where we can go.

I commend the government for going as far as it has in supporting the motion. I also wish to clearly demonstrate that I am committed to the position of our native people, people who are declared as Indians under the Indian Act. I want them to have the same self-respect that we have and to have the same kind of opportunity to pursue their interests as we have. I want them to be performing in the House just as we are. They are citizens of

Canada. They are Canadians first, just like we are. That is what we would like in the House.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, the hon. member for Kelowna alluded to the mix of public and private funds. A bigger term is used, the term co-mingling. At the end of the day we are hoping that is what the government has some understanding about with respect to the motion.

Would the hon. member expand on that in terms of indicating what he understands the motion to be doing and, if there is honourable intent on the government's side, what it intends by the motion as well?

Mr. Werner Schmidt: Mr. Speaker, I would be very happy to expand on that. A number of Indian bands have extensive holdings and generate substantial revenues from those holdings. I commend them for the application of their expertise, their knowledge and understanding to do that.

Some of it comes from natural resources, from the application of the enterprise in terms of business ventures, and from the ownership, development and administration of financial institutions. All these are examples of where substantial revenues can be generated and are generated.

It is very easy for these groups to recognize the source of the revenue and the expenses associated with those kinds of enterprises. That is not difficult. Many of them are incorporated as separate and individual entities under the particular band council. It is not difficult to keep them separate unless we want to mix it up. It can be done very simply.

The motion recognizes that the same kinds of regulations and laws which govern the corporations we run and are involved with ought to apply in this case as well. When the government contributes funds from taxpayers it is from all of us. It is not limited to a particular group. This money comes from the public purse and should be accounted for in the same way as other audits are accounted for. The people who pay are the people who should know where the money goes.

• (1725)

[Translation]

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I will be sharing my time with the member for Nunavut.

I have listened to a number of speeches today and I read the Canadian Alliance motion which concerns the financial transfer arrangements between the federal government and individual Indian bands. It should have said aboriginal bands.

Supply

What the Canadian Alliance members would have us believe in presenting this motion today is that they are truly concerned about the effectiveness of the mechanism the government has set up to ensure the follow up of funds transferred to aboriginal communities.

They want to have us admit that they simply believe it is inappropriate for aboriginal peoples to be funded jointly by the private and public sectors.

Let us get right to the problem. We should look instead at the ability of the majority of the first nations to provide an accounting, be they the James Bay Cree, the Nunavik Inuit and aboriginal peoples across Canada and the Inuit of Nunavut. In fact, 98% of all audits done last year with aboriginal bands were submitted to an independent auditor, who accepted them without restriction.

But if we look very closely, we can get to the real problem. Today, they are talking about a financial audit, but they have opposed the economic development of aboriginal peoples in Canada since the start. They are either against the economic development of the James Bay Cree, the Inuit of Nunavik or Nunavut, or against certain Indian bands in Canada.

What they should do is move a motion telling the government what it could do for aboriginal housing in Canada. The Canadian Alliance is calling for audits but does not want the private sector involved with aboriginals. If we look at housing, just for the James Bay Cree and the James Bay agreement, there is currently a shortage of 2,000 houses. Nothing is heard about this. The Canadian Alliance members go to standing committees but say nothing.

Right now, Quebec's first nations, whether James Bay Cree or the Inuit of Nunavik, are taking charge of their own affairs. They are doing good reports and managing their affairs well. Companies like Air Creebec, First Air and Air Inuit are examples showing that things are really going very well.

When it comes to the economic development of Canada's first nations—this is what it is important to know, and this is what the Canadian Alliance is not saying—we are going to look after the health, housing and shipment of food to northern communities only accessible by airplane. Canada's first nations are contributing to the economy.

Often, when an aboriginal person receives \$1, 97 cents goes back south to buy a number of things. There is the example of the nine Cree communities of James Bay. Everything comes from the south. The Canadian Alliance never speaks about the transfer between aboriginals and non-aboriginals.

In their motion, they are calling for immediate audits. Aboriginals would say "by the next moon". Well, the next moon has come and gone. We will have to wait until next month.

Supply

There is one thing the members of the Canadian Alliance ought to understand, and that is the necessity to be concerned about the economic development of the aboriginal peoples, the Cree or Inuit of Canada. We know that at present the aboriginal communities have access to changing economic development programs that are for the most part administered at a distance. I must emphasize that they are administered at a distance from government offices, by public servants. They have to make their development projects fit criteria that have been defined by outside authorities.

If the Department of Indian and Northern Affairs were closed down completely this very day and the public servants were sent out into each and every aboriginal and Inuit community, the change would be evident. That is what is important.

The administration of our departments need to be monitored, whether they are in Ottawa, Toronto or Quebec City. To give one example, in lower town Quebec City there are 118 federal Indian and northern affairs employees who look after the aboriginal people of Quebec. They are rarely seen. There is the occasional meeting but half of these people ought to be out in the communities. They ought to be in the aboriginal communities of Quebec, in the James Bay, Chibougamau or Nunavik, but they travel there just when the time is right for them.

● (1730)

What must be noted however is that the aboriginal people of Canada are good administrators. The members of the Canadian Alliance ought to find a means of working with the government to improve the situation of our aboriginal and Inuit friends. They could try to find more funding for housing for Canada's native people.

The mention of housing cannot help but lead to a discussion of social problems. For example, a two bedroom house in Nunavut, Nunavik or in many of the James Bay Cree communities will be occupied by 18, 20, 21 or 22 persons, while the same sized accommodation in Ottawa, Montreal, Quebec City or even Val-d'Or will be home to four persons.

This is due to the fact that the government does not consider aboriginals like homeless people in their communities, since aboriginals have the decency to invite families that do not have a home. They invite them during the winter. In the summertime, they go fishing or hunting. Whether it is Inuit or Cree people, the story is the same. During the winter, our Inuit and Cree friends invite other families to live with them.

Like Canadian Alliance members, we all agree that sound management is necessary. Some day I would like to hear them talk about the way to co-operate with our aboriginal friends, who buy all their staples and food in southern communities, whether it is in Chibougamau, Val-d'Or or Montreal. All governments should contribute to the transportation of food by air.

I will support the motion but somewhat reluctantly. As my friend from the Bloc Québécois says, I will support it but I will do no more than that. The Canadian Alliance did not choose the proper words today to help our aboriginal and Inuit friends. We must find solutions together because we know that social problems exist in these isolated communities where there are no roads.

If we really want to help our friends, we should look at the report of the Cree-Naskapi commission—which was published in three languages—where it says, and I quote:

A treaty implementation secretariat totally independent from the Department of Indian Affairs and Northern Development should be created to manage the fulfilment of the Government's obligations under treaties and agreements.

Whether in the House of Commons or in committees, the report of the Royal Commission on Aboriginal Peoples is not consulted often enough. This report proposes measures for our aboriginal and Inuit friends in Canada. If we truly want to co-operate with our friends, we should give them the possibility of directly managing mining, forest and fishing resources, since this would allow them to find ways to promote economic development and job creation.

[English]

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, I have in hand a letter addressed to the hon. member, dated June 1, 1998, when he served as chair of the Standing Committee on Aboriginal Affairs and Northern Development. The letter is from the assistant deputy minister and provides information requested by another member of the standing committee. It refers to the *Montana v Canada* case wherein there was a reference to the co-mingling of funds, and therefore it was difficult to get full disclosure of information concerning the moneys transferred to different bands.

I wonder, as he recalls the letter, if the member was concerned about the nature of it in terms of issues of accountability, full disclosure and the divulging of how funds were used. Does he feel the motion before us today addresses the issue and that we will be resolving the dilemma created by the *Montana* case? Does he feel the motion before us is good in that respect and that it gets us past the blockage and obstruction of the *Montana* case?

[Translation]

Mr. Guy St-Julien: Mr. Speaker, as we know, there will always be new approaches.

What I said in my remarks earlier is that you come with a motion to try to talk about all the bands—

Some hon. members: Oh, oh.

Mr. Guy St-Julien: Mr. Speaker, I am sorry, I should know, after a number of years in the House of Commons, that I have to address my comments to the Chair.

Supply

• (1735)

For the member who has just raised a question, whether it is in the Montana case or in any other matter in Canada, with our aboriginal leaders, be it Matthew Coon Come, the chief of the Assembly of First Nations, Ted Moses, the grand chief of the James Bay Cree or Pita Aatami, of Nunavut, there will always be new approaches.

In the Montana case, some things are not hard to understand. Some things are readily comprehensible, but what is important for us is to provide funding for aboriginal governments, to improve quality of life.

I would like to say that I will steer well clear of this motion. What is important is to improve the quality of life of every aboriginal community in Canada. Please make the effort. Meet the leaders of these communities, and we will find solutions together.

[English]

Mr. Maurice Vellacott: Mr. Speaker, I have another question for the member on a closely related matter. Would he concur that with the motion before us members of bands and the general public, if obstructed from getting access to documents, would as taxpayers have access to the financial audits? Does he think it would be good for taxpayers to be able, through access to information requests, to get an understanding of those audited financial statements?

[Translation]

Mr. Guy St-Julien: Mr. Speaker, we know things are going very well in 95% of the aboriginal communities. I will not however be voting for your motion. I am opposed to it.

The Deputy Speaker: I would remind hon. members to kindly direct their comments to the Chair and not directly to one another.

Mr. Guy St-Julien: Mr. Speaker, the member was asking me if I was in agreement with the motion. They have changed it twice today.

They introduced one and then changed it with an amendment. When I look at it I see there is no mention of the problems of our aboriginal friends in Canada. There is no mention of the problems of our Inuit friends. That is what I fault the Canadian Alliance for.

They could have gone a bit further. There is reference to public and private funds, to “the use of any public funds” being “publicly reported”. There will always be audits. Hon. members are aware that the government always has access to the books, will always be on top of things will always know exactly what is going on in the communities.

There may be one or two examples to the contrary but at the present time things are going very well in the aboriginal communi-

ties in Quebec. What needs to be addressed above all is the quality of life, improving housing and health in order to improve the present situation in the aboriginal communities.

[English]

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I am pleased to speak to the opposition motion regarding a financial reporting system for Canada’s first nations. I want to put the whole issue into the context of how the government is working with first nations to create good governance and stronger accountability.

Across the country individual community members and the Canadian public are looking closely at first nations as they manage and deliver their own programs and services. They expect first nations governments to function in an accountable and effective way. They expect their tax dollars to be spent responsibly. The fact that most first nations manage their finances responsibly is a testament to both the determination of first nations to manage their resources well and the creation of a proper system of checks and balances.

First nations management systems are becoming increasingly important. Good governance brings certainty, stability and community well-being. Stable and effective government creates an environment conducive to economic growth. Sustainable governance structures and policies will ensure that first nations can manage economic change in an effective and responsible way.

The federal government is working with aboriginal partners to create and support more stable, transparent fiscal models and strong accountability processes which will strengthen the operations of aboriginal governments.

• (1740)

We know that economic development and self-sufficiency go hand in hand. It is key that we agree on a vision for the country that includes aboriginal people as active partners in our economy and that we agree to build a comprehensive plan for inclusion in Canada’s economy, from infrastructure to resources to investment.

A common vision and strategic plan would open up vast new opportunities for all of us to pursue. One of the hallmarks of all of our government’s policies is that economic and social success must be pursued together. We cannot lead in innovation and ideas without ensuring that we have healthy and secure citizens.

When it comes to good governance many first nations are leading by example. They are building capacity and putting into place new policies and procedures, from conflict of interest guidelines to human resources management policies that support sustainable and stable governance.

Supply

We are working on a number of initiatives to develop with the first nations sustainable governance arrangements for aboriginal people that are built on legitimacy, authority and accountability.

We are working with aboriginal people to explore financial issues at a national table on fiscal relations. This initiative could see for the first time the creation of four first nations public institutions.

First, the First Nations Finance Authority, FNFA, was created in 1995 by the Westbank first nation. Since then it has worked with an expanding circle of first nations to find ways and means by which first nations might use bonds, as do other governments, for access to longer term, more affordable financing. The circle has benefited from its partnership with an expert in the field, the B.C. municipal finance authority, which can secure bond financing at rates lower than the provinces.

The proposal would see the creation of a borrowing pool. Interested first nations may apply to be part of the borrowing pool and will need to demonstrate strong governance and financial management regimes to be accepted.

Legislation would be needed to give stability and legitimacy to the FNFA, and certainly to potential investors, that first nations have powers to borrow for these purposes. Qualifying first nations could look to increase their return on debt by 33% to 50%, which is a strong incentive for sound financial management.

The second is the First Nations Tax Commission. In 1988 the Indian Act was amended to allow interested first nations to enter the field of property taxation. Since then, 83 first nations have put tax bylaws into place and \$163 million has been generated for local youth.

This change was realized through the significant efforts of former chief Manny Jules of the Kamloops first nation and members of the Indian Taxation Advisory Board, known as ITAB. Kamloops first nation has borrowed against these new long term stable revenue streams to make its breakthrough in economic development for its people.

It is now being proposed that ITAB become a tax commission. To do so, ITAB would assume powers held by the minister through a more transparent and streamlined management regime with greater taxpayer involvement.

The third is the First Nations Financial Management Board. The FMB is a new organization and its initial task would be to provide independent management assessment services required by first nations seeking entry into the FNFA borrowing pool.

Its role, however, could grow over time as it interacts and consults with first nation governments and administrators, external

experts and other governments. It could evolve and build over time, much as ITAB's role has matured over past years.

The FMB would fulfil the need for a shared, sustained effort in setting standards and rethinking current accountability frameworks. Its work would complement the Aboriginal Financial Officer Association of Canada's professional development and support role.

Finally there is the First Nations Statistical Institute. As first nations operate more at arm's length with the Government of Canada, they need new statistical systems.

• (1745)

There are systems to support community decision making and accountability, and to relate to other levels of government. They are a prerequisite to developing new Canada-first nations transfer arrangements.

The FNSI would be partnered with, but separate from, Statistics Canada. This partnership would support an integrated national statistical system which would better meet the needs of first nations and Canada alike. It would facilitate the transfer of knowledge, experience and tools to FNSI.

These are exciting and practical developments. We expect to hear more about these in the months ahead as we seek the mandate to work toward legislation.

We have also put emphasis on capacity building. For example, almost all first nations communities completed accountability and management assessments last year, and the first ever designations were awarded for certified aboriginal financial managers.

The AFOA has made great strides in fulfilling a critical need for well-trained financial staff supported by a strong code of ethics which are fundamental to good governance.

Indian and Northern Affairs Canada is also leading a major review of its transfer payment business process by offering government online. This move would definitely improve the administration of transfer payments to first nations. The new system would be capable of handling a wide variety of first nations funding arrangements. Technology will play a major role in making this vision a reality.

There will be full automation, full electronic access to the system, online reporting and electronic access to the data and information needed to make the system work. The system will be driven by principles of transparency, disclosure and accountability. All these initiatives depend on building a new relationship and strengthening our partnership with aboriginal people.

It is through partnerships that we can most effectively pool our talents, our ideas and our resources. It is through partnerships that

we can make real and lasting progress. We are addressing the issues and giving aboriginal people greater control over their own lives, and we have begun to see some positive results. The gap in living conditions between aboriginal and non-aboriginal people has narrowed. Education levels have improved. Unemployment has dropped and housing conditions and basic infrastructure from roads to water have improved.

There is no question that as we try to design this new modern relationship with aboriginal people, we must balance the past with the future and meet new economic challenges. We have our work cut out for us and it definitely will not happen overnight. However, we need to clear up some myths and misconceptions so that people understand that first nations people and the Inuit are contributing members of society and part of the broader Canadian family.

We need to demonstrate that first nations government are good governments run on sound principles and accountable to the people they represent. The measures we are developing to ensure greater accountability and good governance are a good start, and they are beginning to show real results. They recognize that all Canadians have a role to play in tackling the challenges facing aboriginal communities.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, it is an honour for me to rise on behalf of the constituents of Calgary East to speak on today's supply day motion sponsored by the Canadian Alliance. I thank my colleague for Nanaimo—Cowichan for his excellent work in bringing this motion forward for debate.

Perhaps it is worthwhile to restate the motion before I begin my comments. The motion states:

That the government stipulate that in all Contribution Agreements between the Federal Government and individual Indians Bands, the use of any public funds be publicly reported and audited.

When Canadians look at what happening on reserves and what is happening with our brothers and sisters from the aboriginal communities, there is a kind of sadness and puzzlement. We have a huge amount of money being transferred to assist and to uplift the living standards of our brothers and sisters from the first nations.

• (1750)

When we look at what has gone on over the years, when we look at what is happening and when we look at the conditions on the reserves, we have to ask what is going on. Something is not right.

I commend the speaker who just spoke before me. She is from the first nations. I commend the efforts made by the first nations in working to bring their communities on par with the rest of the Canadians. I do not think anyone in the House would dispute what she said. I would like to be on the record of saying that I agree with what she said today. That is the essence of the debate is here today.

Supply

This motion is asking that all the public moneys that are transferred to the first nation bands be accounted for and be publicly reported and audited. The purpose is very simple. There has to be transparency and accountability. Without that we know there is a tendency to misuse funds. There is a tendency to maybe allocate funds to programs which may not be universally accessible to the communities or maybe even directed toward a smaller number. These are things that happen when there is no accountability and no transparency.

The motion in no way states that we, the Canadian Alliance members, do not have confidence in the first nations to run their affairs. We are very positive they have the confidence to do so. We are positive they can take destiny in their own hands, address these issues, move ahead and become part and parcel of the multicultural mosaic. We are rated the number one country in the world, yet when we look at what is happening on the reserves and with the first nations, we pause, we stand, we shake our heads and say that there is something wrong.

Speakers have highlighted ways and means that we can address these issues. It is time to address this issue. We cannot let this injustice carry on, not in Canada.

What is the the problem? The problem is not money, obviously. The total amount of money that is spent by the Indian affairs department on reserves is close to \$20,000 for every individual.

The delivery of the programs and where the money has been spent is an issue. I do not think we are going to stand up and start accusing people about where this money is going or that it has been misused. The motion states that the funds should be publicly reported and audited. We are asking for accountability and transparency.

The leaders of the bands have a responsibility to be accountable and transparent. They cannot hide behind the fact that because they are leaders they are accountable to no one and that if the funds come to them they can go ahead and do whatever with them.

The first nations are people of Canada as well. The funds are going to help them. When we look at fellow Canadians living in conditions which are deplorable, then we absolutely have every right to ask why is this happening.

• (1755)

I have had the occasion to talk to many members of the first nations. A lot have stated that many in their reserves are doing very well. I commend those who are. I met many individuals from first nations who are extremely wealthy. They are are seizing the opportunities that are presented and are moving ahead. This makes us happy because they are our citizens. That is what we want. We want our brothers and sisters from first nations to share in the

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wealth, to share in the prosperity and to share in the future that I hope this nation collectively presents.

I heard the members across, who are from first nations, say that they are part and parcel of Canada. They are Canadian citizens. We should ask ourselves why can our fellow citizens not grab the opportunities? Why are they not part and parcel of the same mosaic that everybody else is?

Therefore, we should start somewhere and this motion is a start. Asking for accountability does not mean that at the end of the day it will solve all the problems which are occurring. However, it is a start and we need to carry on. This is what we as parliamentarians are doing tonight. We have a voice and a say because these are public funds.

I neglected to say, Mr. Speaker, that I will be sharing my time with my colleague from Skeena.

In conclusion, I am pleased to state that I am supporting this motion. I know, at the end of the day, it will help my fellow Canadians get out of the deplorable situation which some of them are in. It will help them become equal partners.

Mr. Andy Burton (Skeena, Canadian Alliance): Mr. Speaker, I am pleased to rise in the House today to speak to the business of supply proposed by my Canadian Alliance colleague, the member of parliament for Nanaimo—Cowichan, which reads:

That the government stipulate that in all Contribution Agreements between the Federal Government and individual Indian Bands, the use of any public funds be publicly reported and accurately audited.

This motion is important in that it asks the government to ensure that the amount and use of public funds by an Indian band are accurately accounted for and those details made available to the public.

This may seem like a normal request but it is not. Currently Indian band books are exempt from requests under the Access to Information Act. Members of parliament or any other member of the public cannot request a band to account for the spending decisions they made with taxpayer dollars.

This motion, if passed, would dramatically change the way Indian bands handle their public funding. This would mean a positive change for the individual band members and an end to the potential for corruption which currently exists. I am not saying that every band council in Canada is corrupt. On the contrary, I am saying that the system is currently set up to allow for, and some would say foster, that kind of endeavour. This motion ensures clear accounting and auditing of public funds used by Indian bands. This should be the norm, but it is not.

Let me talk a bit about accountability, a word that in today's society is sometimes less valued than it should be. To be held

accountable for one's action should be the norm in society. Whether we are talking about a government, a corporation or a member of the general public, we must all be accountable for our actions. When it comes to the public trust, and as such, public funds, accountability means much more.

With regard to government spending, the public and members of parliament have access to the public accounts report generated each year on the spending of each federal government department. This report is generated to ensure spending accountability by each department.

● (1800)

As a member of the opposition I will say that we still do find fault with some parts of government spending, but at least we have the ability to review the spending and call the government to task on it. In the case of Indian bands we do not and that is the crux of the motion.

Furthermore, a standing committee of the House can call any minister to its meeting to be held accountable for spending within his or her department. This is a process which begins very soon with part III of the estimates being tabled in the House in April. We do not have this kind of access to the spending intentions of Indian bands. Since public funds are being used, we should have that ability.

It is quite simple. An open, accountable process to review and audit the spending of public funds by Indian bands ensures the reduction, if not elimination, of abuse. That is an endeavour I strongly support.

Some may ask why does the public need to make Indian bands accountable for their spending and to ensure that accurate auditing takes place. Should we not just trust that funding as being put to good use and that the individual band members would ensure their band council which receives the federal funding spends this money wisely?

That is basically what the federal government has been doing, and individual band members will tell members themselves the system does not work. There are cases where band councils hold open meetings and ensure that band members are advised of and agree to their spending priorities. Unfortunately it is those band councils that do not subscribe to such an open process that have abused the system. That necessitates the change.

I am concerned for the members of those Indian bands when I say that the system does not work and needs to be changed. Open and accurate accounting and auditing of federal funds would force band councils to spend their federal dollars on items deemed a priority to the entire band and its members, and not just those of the band council, its chief or other individual members. Such openness would ensure that the department would be held accountable if it

Supply

continued to fund Indian bands which have a history of misusing their funds.

The situation faced by Indian band members on reserves in many cases is deplorable. Driving through some reserves we find absolutely terrible housing conditions tremendously below national standards. It may surprise some to know that one-third of aboriginal people on reserves live in overcrowded conditions, that 50% of aboriginal children live in poverty, and that the infant mortality rate is twice as high for aboriginal children and three times as high for Inuit than for other Canadian children. This is a nightmare.

More than that, alcoholism, suicide, illness and crime rates are three times higher than for non-aboriginal people. It is deplorable, and yet with all the funding the federal government sends to Indian bands on reserves to try to curb these problems, to address these concerns it still persists.

Why? It is a fact that 25% of Canada's aboriginal bands are being run under remedial management plans, with a combined debt of just over \$139 million. A survey of 300 band councils done by the Department of Indian Affairs and Northern Development found that the most common problem was a lack of control on conflict of interest. This is incredible. Yet just over \$18 billion was spent on aboriginal specific programming over the fiscal years 1997 to 2000 from the Department of Indian Affairs and Northern Development and other departments to create a myriad of programs exclusively to remedy this situation, but to no avail.

I must ask if the government really believes that sending more money without the needed accountability will solve this problem. I do not think so.

Members in the House may wonder why I am so passionate about this issue. They probably think my only concern is the public purse. To that I say that in my riding of Skeena there are some 32 reserves, with a total population of just over 30,000 people. As their elected member of parliament I have a responsibility to ensure that their concerns and interests are met, along with those of the rest of the population of my riding.

To that end an ongoing overall level of accountability from elected on reserve representatives is paramount. I am supporting the motion because I truly believe it will make a difference, not only to those 30,000 constituents of mine but to the many hundreds of thousands of band members living on reserves throughout Canada.

We owe it to the individual band members, the ones coming to us complaining about the system, wanting change, to do just that. We must institute positive and needed change, as well as accountability where there previously was none. This can make an enormous difference in the lives of everyday aboriginal people living on reserves.

• (1805)

With accountability comes proper spending priorities and, as such, ensures that money earmarked by the department to help deal with some of the problems I mentioned earlier actually makes it to those programs.

Yes, we have a huge problem on some of our reserves. Let us take this opportunity, in the House, with this motion to make a difference.

I urge all members, particularly Liberal members, to support the motion. Accountability in public funding to Indian bands can only help. I urge members to join the Canadian Alliance in supporting the motion that is truly in the best interest of band members.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, I would like the hon. member to respond to a question that occurred to me based on some remarks that were made by the auditor general.

It has been said that one way in which the government avoids having to enforce accountability measures in its dealing with bands is by not collecting information on allegations and then referring back to it so it can learn from specific cases. In other words, we need to learn from history or we will repeat the same mistakes.

The auditor general said that the department does not have a national reporting system to help process the allegations. It does not have an overall picture of the nature and the frequency of the allegations that show the ultimate disposition, the conditions leading to the allegations and the areas of high and low risk within and among different Indian bands and their impact on accountability and funding arrangements.

The auditor general made a request for information on allegations to various regional offices around the country. One of the regional offices responded that it did not know how many allegations it had received during the past two years.

It is fine for members of the House to say that there are really no problems, but if there is no reporting and regional offices say that they do not know how many allegations there are, it is easy to say there are no problems.

Would the member feel it to be a good thing, as the auditor general infers, to have a listing and a proper process whereby we know the ultimate disposition of these cases, the conditions leading to the allegations, the areas of high and low risk and so on, and the impact on accountability and funding arrangements? Would he agree with the inferences of the auditor general that we need something like that so that we can catalogue and learn from history so we do not repeat these mistakes and Indian people would be better served all across Canada?

Supply

Mr. Andy Burton: Mr. Speaker, obviously there are a number of flaws in the system and questions like that are not being properly addressed.

I know in my riding the previous member received many letters from various concerned groups. It happens right across Canada. Our party is aware of a lot of these problems. Through proper accounting and proper auditing processes, many of these problems will definitely be highlighted and will possibly be dealt with in a better manner.

I certainly agree that the government should institute some kind of official reporting process so that when these problems occur they can be documented and dealt with. Possibly, when funding is being allocated to the various groups, these concerns would be taken into account and dealt with so that there would be proper accountability all the way down the line. In this way, dollars would be properly spent and would go toward the programs for which they were earmarked.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, as you know, I have for some time had an interest in charities and the transparency and accountability of non-profit organizations.

Some years ago, I did an examination of the T3010 tax returns of all kinds of charities to see how vigilant Revenue Canada was in examining these returns. These returns require charities to identify the revenues, how much they are paying individuals, how much in donations and so forth. They are quite elaborate.

● (1810)

I got returns from all kinds of charities: ethnic groups, churches, service organizations and, I should say, aboriginal friendship societies. In surveying these returns, I did find mistakes and errors. I compared these returns with the financial reports of the charities themselves and found all kinds of inconsistencies.

With the aboriginal friendship groups, what I found is that these T-3010 returns to Revenue Canada were completely blank. They were sent in and properly addressed to Revenue Canada, but there was not a single line filled out. Obviously this had been going on for some time and I had to ask myself the question: is the fact that these official returns to Revenue Canada, the fact that they are blank and not checked, is it because they are being sent in by aboriginals and are they blank because the aboriginals know when they send them in that they will not be checked?

It raises a very serious question about whether Revenue Canada, on the one side, and the aboriginals who are responsible for sending these returns in for these friendship societies, on the other, whether they had both decided that because we were dealing with aboriginals, a less high standard of accountability was expected of them. In fact it was ludicrous because, as I say, these returns were completely blank so no accountability was required at all.

Later I became a member of the aboriginal affairs committee and I spent several years as a committee member hearing of the problems on the various reserves around the country. Then it became very apparent that in regard to many of the reserves that were in trouble, the trouble revolved around the fact that government money was going into these reserves and was not being spent on the programs. It also became very clear that for years earlier, decades earlier, governments had not expected or required of aboriginal groups to meet the same standards of transparency and accountability in their financial management as they would require of just about any other group.

This was a clear example in my mind of the kind of evil paternalism—and I really mean that—it is an evil paternalism that sets people aside by race and lowers the expectations of them. I see no distinction between what has happened to our aboriginal communities because we as a parliament have required less of them than what has happened with the residential schools.

We have before us a motion which I believe is going to be matched by legislation from the Indian and northern affairs minister that is long, long overdue. On all sides of the House we should support the legislation because at last we are saying to our aboriginal brothers, shall we say, “You are just like us. You are one of us”. But, Mr. Speaker, what we have been doing for so long is we have been willing to give them self-government. We have been willing to give them the benefit of control over large tracts of land, but we have not given them the same responsibility that we expect of everyone else. This has to end.

I would say that this motion which simply requires of aboriginal communities to meet the same standards of financial transparency, to submit to audit, that we would expect of any municipality, that we would expect of any corporation, of any charity—what we certainly should expect of a charity—we should expect of aboriginal groups.

I really do believe that this is one time in which we are very much all on the same wavelength in the House. I do not know whether the motion will be supported unanimously, but, Mr. Speaker, you can be darn certain that I will be voting for it.

The Deputy Speaker: It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

● (1815)

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

Adjournment Debate

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

An hon. member: On division.

(Amendment negatived)

The Deputy Speaker: The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TRADE

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, I am rising today to speak to a question I asked on February 28 with regard to dealing with trade issues in the sugar industry. As we all know, the upcoming summit of the Americas conference to be held in Quebec City will be important to many Canadians.

As a member of parliament for Lethbridge, Alberta, agriculture is a vital industry to my constituents. The sugar beet industry is a large part of that agricultural industry.

The Alberta sugar beet growers and the Canadian Sugar Institute are very concerned about the upcoming meetings, particularly with regard to agreements with Central American countries. They are worried about the minor tariff that protects Canada's domestic refined sugar industry from outside takeover. They are worried that this tariff may be lifted during bargaining and used as a lever in sealing a deal.

They are concerned that any bilateral agreement with Central American countries would disadvantage our sugar industry. They are concerned that an agreement would provide no meaningful

export opportunity for them and would actually expose Canadian producers to trade distorting imports.

Exports of both raw and refined sugar from the C-4 countries totalled 1.7 million tonnes in 1999. Those countries have a huge surplus waiting to pour into our already well served domestic sugar market.

Canada already has the most open sugar market in the world. It should not be pressured into making further concessions while other countries intervene in their own markets and transfer those distortions on to ours.

Canada already imports nearly half the sugar shipped into North America annually. The Canadian sugar industry is already competing with imports of refined sugar from Central America and the imports are growing at a rapid and alarming rate. Any deal that would see the Canadian tariff lifted would worsen the current imbalance in sugar policies, intensifying the competition in the Canadian market while not providing a reciprocal market for Canada in Central America.

Any reduction or elimination of Canada's most favoured nation tariff on refined sugar threatens the viability of Canada's cane sugar refining and sugar beet industry.

The Canadian cane sugar refining and sugar beet processing industry has made recent capital investments in excess of \$150 million. In the context of the current international trade environment, the way the trade system is now, if the most favoured nation tariff is removed it would threaten the viability of our industry's investments. I need to stress that merely a fraction of current exports waiting to flood in from Central America would threaten the closure of Canadian refineries.

While paying a visit to my constituency, the Prime Minister's task force on western Canada promised the Alberta Sugar Beet Growers Association that sugar would not be traded off again. Will the government live up to that promise and guarantee sugar beet farmers and all of Canada's sugar industry that their livelihoods will not be put in jeopardy at the upcoming summit?

• (1820)

Mrs. Karen Redman (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, Canada is aware of the concerns of the Canadian sugar industry with respect to the ongoing negotiations with Costa Rica and has consulted with the industry extensively. We are committed to a process of full consultation and we will take into account these concerns as we seek to conclude negotiations.

The Government of Canada is also aware of the obstacles facing the Canadian sugar industry in the global market, and in particular, the uneven playing field created by the existing trade distorting sugar policies. Canada will continue to be vigilant in pursuing a stabilization of this market through the removal of trade distorting domestic support in the context of the ongoing World Trade Association negotiations on agriculture.

Adjournment Debate

As for the status of negotiations with Costa Rica, the last round of negotiations took place from February 19 to 23 of this year. The talks were productive and the discussions were especially helpful in terms of better understanding each country's particular sensitivities. Minister Pettigrew also had the opportunity to review the status of the negotiations in a recent meeting with the Costa Rican trade minister. Some key issues still have to be resolved, including the area of market access, and we will continue to seek an agreement that meets Canada's interests. Negotiators will meet again shortly to revisit the outstanding issues and see how negotiations can move forward.

Canada's overall objective in the Canada-Costa Rica FTA negotiations is to eliminate tariffs on key Canadian exports and to secure preferential access for Canadian businesses to the Costa Rican market. Last year we exported to Costa Rica \$102.9 million worth of goods and we imported \$176.1 million worth of goods. Costa Rica has one of the most dynamic economies in Central America and we see room for growth.

Canada is also striving to establish a comprehensive framework on the competition policy that will serve as a model for the region, as well as to make trade procedures more efficient in order to reduce delays and formalities for Canadian businesses. Side agreements to address labour and environmental issues are also being pursued.

From a broader perspective, a free trade agreement with Costa Rica would deepen Canada's bilateral relationship at all levels with this dynamic Central American country and signal Canada's continued commitment to the hemisphere, a commitment which includes the creation of a free trade area of the Americas by 2005.

COAST GUARD

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, my question is for the Minister of Fisheries and Oceans concerning cutbacks to the coast guard services in the province of Newfoundland and Labrador. The minister's department has announced that it is going to be scaling back coast guard services in the province.

When I raised the question with the minister, he basically said that it was all part of consolidation and consolidation was going to give us better service, so that instead of cutting back on the service to the province, the department was really enhancing coast guard services.

In a province with a coast line such as Newfoundland has, when we reduce an already diminished service by taking away a search and rescue vessel, by taking away one helicopter, I find it very hard to understand how we are going to improve service. Some people may ask "What is one helicopter?" However, by taking away one helicopter, the fleet has been reduced by 50%. We had four. One crashed a while ago. Now they are taking away one other.

The government is also going to take away the manning of 11 lighthouses so we will have another 11 automatic lighthouses in the

province. As well, it is going to back away from involvement in the freeing of whales that get caught up in cod traps in particular and in other fishing gear around the province.

An hon. member: And this is improved service.

Mr. Loyola Hearn: Yes, and this is improved service. The minister tries to tell us that this is going to improve our service.

Along with that, a certain amount of the maintenance work was done in the yards in Stephenville, an area where work has been reduced significantly over the years. Ever since the closing of the base, that area has been just hammered.

• (1825)

Governments should try to help wherever they can and add to the employment potential in the area such as Stephenville. They are taking away services that are badly needed, and of course other services being provided within St. John's.

We were told by people involved in the whale industry that there were services being provided to help free whales, but they depended upon the back up of the coast guard. If this service is taken away, its services certainly are not going to be enhanced.

To everybody's chagrin across the country, last week three young people fell off ice pans in the town of Pouch Cove in Newfoundland. The coast guard was involved. Along with the co-ordination of the RNC, the RCMP and the local people, the coast guard quickly found one of the bodies. However, for two or three days the coast guard was searching for the others and the local people were asked to stay out of it. Finally, the knowledge that local people know best took over and the fishermen put out their small boats, despite rough seas and stormy weather. They were the ones who found the two bodies that had not been recovered at that time.

It was great to know that the coast guard vessels were there for protection and enhancement. Had one of those vessels been reduced, it might have meant a boat which was badly needed at that time would not have been there.

We are getting to the period of the year when we go into the seal fishery. All around the coast of Newfoundland, particularly the north-northeast coast, we have fisherman prosecuting the seal fishery in small boats. Consequently, it is this time of year that the protection of the coast guard is used quite often and is badly needed.

I can go on all night with examples. However, I fail to see how a cutback in services like this enhances the protection of the people of Newfoundland.

Mrs. Karen Redman (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, I am pleased to respond to the hon. member's interest in the management of marine safety, service and protection of the marine environment, particularly as it

is carried out by the Department of Fisheries and Oceans in the Newfoundland region.

The Canadian coast guard Newfoundland region's renewal plan is an example of good management of public funds to produce essential services for Canadians in an effective and cost efficient manner.

This is not an overall resource reduction exercise. This plan was developed over a number of months by the regional coast guard management team to identify inefficiencies and to redirect funding to higher and emerging priorities within the Newfoundland region. These reallocations are made possible by the coast guard's continuing commitment to utilize modern technology and management in order to maintain and enhance service to Canadians.

For example, as a result of this exploitation of new technology, the coast guard has added approximately 600 new navigational aids to the marine safety system in Newfoundland and Labrador. It has also added lights to all of the remaining unlighted buoys.

With regard to the essential search and rescue services provided to Canadians by the men and women of the coast guard, I am pleased to remind the hon. member that the government last year allocated an additional \$115 million to marine search and rescue in Canada. Part of this new money will find improvements in the search and rescue system in Newfoundland. Two new, modern, high speed lifeboats will be added to the Newfoundland region and stationed on the west coast of the island. This will enhance the coast guard's ability to provide search and rescue services in the area. Established service levels will be maintained in other areas of the region by using other vessels in the regional coast guard fleet.

The coast guard is committed to the well-being of its employees and to ensuring that they have the necessary modern equipment, skills and training to maintain the high level of services they provide to Canadians.

Adjournment Debate

An integral part of the regional renewal strategy is the reinvestment of savings into staff training and development and equipment replacement and maintenance. I am also pleased to report that these changes being made in the Newfoundland region will not result in the involuntary layoff of any indeterminate staff.

● (1830)

It is also anticipated that many temporary employees who lose their current employment may well have future employment opportunities with the coast guard as retirements and the normal turnover of existing staff take place.

In summary, the Canadian Coast Guard's renewal plan in Newfoundland and Labrador is good news for Canadians in general and particularly for Newfoundlanders and Labradorians. The services of the coast guard are not only being maintained but in many cases are being enhanced. Mariners can continue to rely on the women and men of the coast guard and the important services they deliver, and know that they will be there when needed to preserve and protect life, property and the marine environment.

The Deputy Speaker: I remind members that during this part of our day there are still time restrictions. I was very generous tonight with the two minute limit because only two questions were raised. However I hope the message would be passed on to those able to effect changes so responses could be fully given without interruption from the Chair.

[Translation]

The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24.

(The House adjourned at 6.31 p.m.)

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