

competitive vehicle industry and transportation system depends upon effective and timely regulations.

Both acts establish a "notice-of-defect" requirement for safety defects. Each year, automobile and tire manufacturers conduct some 150 notice-of-defect campaigns in Canada, which involve one million vehicle recalls. Many defects are found in production and are corrected before any serious damage occurs. Other campaigns result from investigations by Transport Canada inspectors.

The bill contains mostly detailed amendments, which I have already referred to, that maintain the intent and functions of the existing acts. The changes will clarify industry's needs to keep records and the right of Transport Canada safety inspectors to access information, including documents that could be useful to the investigation of alleged safety defects. These provisions will contribute to increased efficiency of Transport Canada's monitoring and enforcement programs.

One of the key initiatives is new authority for Transport Canada to regulate safety standards for vehicle child restraint safety devices. With the concurrence of the Minister of Consumer and Corporate Affairs, Transport Canada will take full responsibility for child restraint safety standards.

Manufacturers of child restraint systems will be required, under the legislation's notice-of-defect provisions, to establish an owner's registration system for child restraints. This will help manufacturers to identify and contact owners who have defective units.

Clearly, the automotive industry has gone through major changes since 1970, when the *Motor Vehicle Safety Act* was first introduced. Approximately 22 years ago four domestic companies dominated sales in Canada. The original act was aimed at those domestic manufacturers while making parallel provisions for vehicle importation, which was a relatively unimportant issue at that time. Today, however, there are more important players in the auto industry, including big companies from the far east and Europe. Some of these automakers even have plants in Canada and are supplying a large number of vehicles to Canadian consumers.

In addition to Canada, the Canada-U.S. Free Trade Agreement includes a phased-in lowering of customs barriers to the benefit of commercial and private consumers and Canadian industry. The bill I am presenting responds to these changes by making the regulatory process more efficient as it affects the evolving auto-manufacturing industry and consumers.

A major aspect of the changes contained in the bill deals with the procedural matters especially in the development of complex technical standards for the dynamic and highly-technological auto industry.

I would like to emphasize, honourable senators, that the best safety and emission control designs and devices will be incorporated into Canadian vehicles as soon as practicable. I would also like to reassure the automotive industry that the proposed new safety and emission regulations will in no way impede continued competitiveness. Four-fifths of all vehicles made in

Canada are exported to the United States, and vehicle retail sales take place on either side of the border.

The bill addresses all companies in the same way, whether they manufacture or import vehicles. It also provides mechanisms for adopting standards of the U.S. or other countries with a minimum of delay—a particularly important feature for Canadian manufacturers who build for both U.S. and Canadian markets.

With respect to the importation of U.S. used cars into Canada, the bill provides authority to regulate the safety of such vehicles so that they meet Canadian standards—for example, by installing additional equipment such as daytime running lights—before they are registered for use in Canada.

I have touched on some of the safety provisions in this bill. As I mentioned earlier, the bill also has an environmental protection commitment. Canada is fortunate to have relatively clean air available to most of its population. We do, however, have some urban smog and we share full responsibility for some of the world's air quality problems.

Just as road transportation is vital to our prosperity and competitiveness, so too must the vehicles we make and import be as clean as possible. Vehicle emission control, therefore, is a central part of Canada's "green" environmental protection strategy. The bill contains several measures aimed specifically at ensuring cleaner air for Canada. First, there is authority to recognize U.S. and other government certification-of-vehicle standards which will cut the regulatory burden and costs to industry, a provision which is consistent with the commitment made by this government in the recent budget.

Secondly, the bill provides for a phased-in system of standards and credits which provides Canadian industry with the same flexibility in planning emission compliance as that in the U.S. The bill and its modifications are strongly complementary to the government's green plan. There should be no direct costs either to major international companies or to smaller manufacturers. Any costs that do result from this bill will result from new or improved safety or emission devices that are justified by the benefits they will provide.

In conclusion, honourable senators, the amendments to the *Motor Vehicle Safety Act* contained in this bill will benefit safety in many ways. They will also benefit industry, trade and competitiveness by making regulations more flexible and responsive, and they will also contribute to the government's protection agenda under the green plan. I look forward to discussion of this important legislation which will be of benefit to us all. Its speedy passage will enable Transport Canada to continue its road and motor vehicle safety programs in the most efficient and effective manner.

On motion of Senator Graham, debate adjourned.

The Senate adjourned during pleasure.