



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, October 7, 1997**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Tuesday, October 7, 1997

The House met at 10 a.m.

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*Prayers*  
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## ROUTINE PROCEEDINGS

• (1000)

[*English*]

### WAYS AND MEANS

#### NOTICE OF MOTION

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of a ways and means motion respecting the imposition of duties, of customs and other taxes to provide relief against the imposition of certain duties and taxes and to provide for other related matters.

At the same time, I would ask that an order of the day be designated for consideration of a motion.

\* \* \*

### FIREARMS ACT

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** moved for leave to introduce Bill C-236, an act to repeal the Firearms Act and to make certain amendments to the Criminal Code.

He said: Mr. Speaker, I rise to table my private member's bill to repeal the Firearms Act and to require that persons convicted of using a firearm to commit a crime must serve five years in prison; and that the sentence is increased to ten years if the firearm is actually fired.

This bill is important because the Canadian people want a serious crackdown on the unlawful use of firearms rather than legislation which aims primarily at law-abiding gun owners.

• (1005)

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

\* \* \*

### NEGOTIATION OF TERMS OF SEPARATION ACT

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.)** moved for leave to introduce Bill C-237, an act to provide for a national referendum to authorize the Government of Canada to negotiate terms of separation with a province that has voted for separation from Canada.

He said: Mr. Speaker, I wish to table my private member's bill entitled the negotiation of terms of separation act. This legislation provides the principles to determine whether a provincial vote to separate is valid and would require partition of any provincial electoral areas not voting to leave Canada. It would require a clear statement on a separation ballot of what a yes vote truly means. If Parliament agreed that such a vote was valid, then the Government of Canada would be required to hold a binding national referendum to authorize it to negotiate terms of separation.

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

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### FISCAL RESPONSIBILITY ACT

**Mr. Ted White (North Vancouver, Ref.)** moved for leave to introduce Bill C-238, an act to establish principles of responsible fiscal management and to require regular publication of information by the Minister of Finance to demonstrate the government's adherence to those principles.

He said: Mr. Speaker, I am very pleased to introduce this bill. It is quite lengthy and sets out requirements for the Minister of Finance to state his intentions over the next few years to forecast the finances of the country and to give reasons on a yearly basis as to why he is not meeting his targets.

In addition, it requires the publishing at least three months before the start of each fiscal year of a complete budget policy statement using standard accounting practices so that all the obligations of government are listed.

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

*Routine Proceedings***CONSUMER PACKAGING AND LABELLING ACT**

**Mr. Grant Hill (Macleod, Ref.)** moved for leave to introduce Bill C-239, an act to amend the Consumer Packaging and Labelling Act (recombinant hormones).

He said: Mr. Speaker, this bill is directed toward the ethical and health components of new technology. Genetic engineering is evident with bovine growth hormone. This bill would make certain that those individuals who wish to have the choice to use or not use milk produced in this way would have the product labelled. The bill has larger implications in terms of genetic technology in general. It will also look at labelling of other foods that are genetically engineered.

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

\* \* \*

**DEBT SERVICING AND REDUCTION ACCOUNT ACT**

**Mr. Ted White (North Vancouver, Ref.)** moved for leave to introduce Bill C-240, an act to amend the Debt Servicing and Reduction Account Act (gifts to the crown).

He said: Mr. Speaker, this bill would put an end to a process that has been taking place over the years. There has always been a debt reduction and servicing account where people could make gifts to the crown, supposedly to reduce the debt. But the government has always had access to that account and could play this sort of shell game where it pays off a bit of the debt and then borrows the money back again.

• (1010)

My bill would make sure that any money given specifically to the crown to pay down the debt would have to stay in trust until such time as there were surpluses, then it could be used to pay down the debt.

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

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**IMMIGRATION ACT**

**Mr. Deepak Obhrai (Calgary East, Ref.)** moved for leave to introduce Bill C-241, an act to amend the Immigration Act (right of landing fee).

He said: Mr. Speaker, it is my pleasure to introduce my private member's bill in the House today. This bill amends the Immigration Act to prevent the assessment of the right of landing fee on immigrants in addition to the application fee. This will prevent

economic discrimination against immigrants from low income countries which may be caused by such fees.

Canada is a land of immigrants and the current right of landing fee placed on people coming to Canada in addition to their application fee is discriminatory and regressive.

This practice goes against our history and against our vision of our country. Almost everyone can trace their roots back to immigrants and even today immigrants continue to play an important role in Canada's development.

This bill is a step in returning Canada back to its vision regarding immigrants. This bill was introduced in the second session of the 35th Parliament and I hope that members of the House will seriously consider the bill's intent and purpose.

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

\* \* \*

**PETITIONS**

## HEALTH

**Mr. Jim Gouk (West Kootenay—Okanagan, Ref.):** Mr. Speaker, it is my pleasure to present a petition from my constituents who point out that they are opposed to the potential legislation on dietary supplements that would significantly and very negatively impact on the health and well-being of thousands of Canadians, especially the elderly and the chronically ill.

## NATIONAL UNITY

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, I wish to table a petition from citizens across Canada who are concerned about national unity.

They ask that Parliament confirm that Canada's boundaries can only be resolved either by a free vote of all Canadians or through amending the Constitution by means of the amending formula.

This is one of the most critical issues facing our country and I hope the government will give serious consideration to these constructive suggestions.

## HUMAN RIGHTS

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Mr. Speaker, I am pleased to present petitions today from hundreds of people from the St. Joseph Island and Desbarats area of my riding.

The petitioners are concerned with the court decision in Ontario last year overturning a conviction of a woman who went topless in public. They ask that the federal government do something about this matter.

*Government Orders*

[Translation]

**QUESTIONS ON THE ORDER PAPER**

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

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

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

• (1015)

[English]

**CANADIAN WHEAT BOARD ACT**

Bill C-4. On the order: Government Orders

September 25, 1997—The Minister responsible for the Canadian Wheat Board—Second reading and reference to the Standing Committee on Agriculture and Agri-Food of Bill C-4, an act to amend the Canadian Wheat Board Act and to make consequential amendments to other acts.

**Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.)** moved:

That Bill C-4, an act to amend the Canadian Wheat Board Act and to make consequential amendments to other acts, be referred forthwith to the Standing Committee on Agriculture and Agri-Food.

He said: Mr. Speaker, I am pleased to open the debate on the proposed new law to change the Canadian Wheat Board, and to bring about the biggest changes in western grain marketing in more than half a century. At the outset I want to thank the government House leader for ensuring that this new legislation, Bill C-4, is before the House of Commons at a very early stage in this new Parliament. It is getting prompt, priority attention which is important to prairie farmers.

I noticed one urban news reporter complaining the other day that Bill C-4 had “suddenly” been introduced in the House. It may have escaped that reporter’s attention that amendments to the Canadian Wheat Board Act have been under consideration for more than two years. The consultations and analyses have been both exhaustive and exhausting, probably the most comprehensive in history. The whole process has been thoroughly public and transparent.

We promised to move quickly in this new Parliament to make the Canadian Wheat Board more democratic, more accountable and

more flexible and to place more decision-making authority in the hands of grain producers than ever before in history. Bill C-4 fulfils that undertaking.

The Canadian Wheat Board is a \$6 billion enterprise doing business in 70 countries worldwide. It ranks among the top 10 Canadian exporters. It is the country’s biggest single earner of foreign exchange. Once Bill C-4 is enacted, farmers will be in the driver’s seat like never before.

Throughout its history the Canadian Wheat Board has been governed by a small group of up to five commissioners, all appointed by the Government of Canada without any requirement that anybody be consulted and legally responsible only to the Government of Canada. But in today’s dynamic and changing marketplace, producers have made it clear that they want the Canadian Wheat Board to be more accountable to them. They want more control, and that is what Bill C-4 will provide.

Under the new law for the first time in history, the CWB will be run by a duly constituted board of directors. There will be 15 directors in total and two-thirds of them, 10 directors, will be elected directly by prairie farmers. That is a solid controlling majority. If Parliament is able to deal with this bill promptly, the elections to select these new directors can be held before another crop is planted.

The law will provide that all of the powers of the Canadian Wheat Board are vested in the hands of its directors. Because two-thirds of them will be elected, they will be directly accountable through the democratic process for how they manage the CWB’s multibillion dollar business.

In addition to their general power to run all the affairs of the CWB and in response to specific recommendations from farmers, the directors will have the explicit authority to choose their own chairperson, to set the salaries of the directors, the chairperson and the president, to conduct regular performance appraisals on the president and to recommend his or her dismissal if thought necessary.

Contrary to erroneous assertions of some of the wheat board’s more strident critics, like that gaggle of political drifters who make up the so-called Saskatchewan Party in my home province, neither the CWB nor the government will retain any power to fire any elected director.

To ensure that farmers are well served, the directors will be entitled to full disclosure of all facts and figures about CWB operations, including but not limited to audited financial statements. They will be able to examine the prices at which grain is sold, the price premiums achieved, all operating costs and whether the CWB is truly efficient.

Through its elected directors the CWB will gain the benefit of the practical expertise of real producers. If they are not satisfied with how the CWB deals with farmers or its sales strategy or the

*Government Orders*

way it does business, they will have the authority to change things as they see fit democratically.

One group that has been particularly outrageous in its attacks on the Canadian Wheat Board is the National Citizens' Coalition, a funny bunch that would not know a bushel of barley from a handful of rice. It alleges, wrongly, that this new legislation would give the directors and the officers of the CWB free rein to ignore and break the law. That is patently false. If you have any doubt, just read the bill.

• (1020)

The directors and officers of the CWB will be under an explicit obligation to act honestly and in good faith, exercising all reasonable care, diligence and skill. If they fail in that duty they will expose themselves to legal liability. They will carry a very heavy fiduciary responsibility.

The provisions in Bill C-4 on this point are virtually identical to provisions that appear in the Canada Business Corporations Act which applies to all federally incorporated private sector companies in the country.

Despite the structural changes in governance and accountability, the Government of Canada will continue to provide the Canadian Wheat Board with very substantial financial guarantees, covering not only the initial payment set at the beginning of each pooling period and the CWB's credit sales program, but also all of its general business borrowings.

Since the CWB is a multibillion dollar enterprise, the amounts outstanding under these guarantees are often very large. Historically, because of the wheat board's strong performance, the federal guarantees have been called on in only rare and isolated circumstances, but the Government of Canada is on the hook if something suddenly goes wrong.

For this reason the government will continue to have a window on Canadian Wheat Board affairs, in addition to that line of accountability directly to western farmers.

Such a window is also necessary because any Canadian exporter of wheat or barley, whether on the prairies or elsewhere, requires a Canadian Wheat Board export permit. Consequently, the government will select a minority of the CWB's directors, five in total, including the president.

Please note that under the new law the choice of president requires consultation in advance with the other directors. The directors as a whole will have the right to set the president's salary, to appraise the president's performance and to recommend dismissal if necessary. Farmers will always hold a two to one majority among the directors over all.

To enhance the Canadian Wheat Board's flexibility, to give farmers more choice in how they are paid for their grain and to speed up cash flows to producers, Bill C-4 will enable the

Canadian Wheat Board to make cash purchases of wheat and/or barley, increase initial payments quickly whenever market conditions warrant, close and pay out pool accounts at any time, provide an early pool cash-out option, fully use modern risk management tools, issue negotiable producer certificates, offset storage costs, facilitate deliveries to condo storage systems and receive grain through on-farm mobile elevators.

This new law will also empower producers to determine democratically what is and what is not under the Canadian Wheat Board's marketing jurisdiction. If farmers want to exclude some type of grain, in whole or in part, from the Canadian Wheat Board's current single desk system, that can be done, subject to three clear conditions. First, the CWB's directors must recommend it. Second, the Canadian Grain Commission must approve an identity preservation system to protect quality standards. Third, if the proposed exclusion is significant there must be a vote among producers to approve it.

Conversely, if farmers want to include rye or flax or canola within the Canadian Wheat Board's mandate, that too can be done, again subject to three very clear conditions. First, the farm organization which represents the producers of that commodity must make a formal written request for the inclusion. Second, the CWB's directors must recommend it. Third, there must be a vote among farmers to approve it.

These provisions are balanced and fair both ways, for either exclusions or inclusions, and in either case the authority is vested where it belongs, not in politicians but in the hands of farmers themselves.

Virtually every marketing innovation which farmers have debated over the past several years will be possible under this new law. In a nutshell, that is what Bill C-4 is all about, empowering producers, enshrining democratic authority which has never existed before, providing new accountability, new flexibility and responsiveness, and positioning farmers to shape the kind of wheat board they want for the future.

• (1025)

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, I am pleased to participate in the debate on Bill C-4, an act to amend the Canadian Wheat Board Act and other acts. In doing so I have two purposes.

The first is to draw the attention of hon. members, in particular members from urban ridings, to the importance of agricultural reform. Second, to express my disappointment that the bill before us is such a pale and timid imitation of what is required to prepare the Canadian Wheat Board and to equip Canadian grain growers to succeed in the 21st century.

There was a time when a majority of the members of the House had rural and agricultural backgrounds. That is now not the case.

There was a time when at least two or three of the leaders in the House would have come from farm backgrounds. That is now not the case. In fact, of the five party leaders in the House, I am the only one that actually grew up on a farm. I trust hon. members will forgive me if I engage for a moment in a little nostalgia before turning to the subject matter of the bill.

My grandfather on my father's side homesteaded in Saskatchewan at the turn of the century. He broke prairie sod with oxen south of Rosetown, Saskatchewan. With his three sons he went through the technological transformation of the agricultural industry, from ploughing with oxen, to ploughing with horses, to the old days of steam machines, to the days of gasoline and diesel tractors. He also went through the economic and political transformation of the agricultural economy, from the homesteading days of unregulated markets through the period of exploitation by the railways and the grain companies, to the agricultural reform period of the twenties and the thirties. That established the pools, ultimately resulting in the creation of the Canadian Wheat Board and the foundations of the current grain handling, production and marketing systems.

My father entered politics in Alberta during the depression. Throughout the years that he was a cabinet minister and the premier of Alberta we operated a dairy farm east of the city of Edmonton. We operated a farm that milked about 70 cows. We went through the evolution of supply management and the transformation from hand milking to mechanical milking, from stanchion barns to loafing barns with milking parlours, all the time subject to the cost-price squeeze that has become characteristic of trying to operate a family farm.

I recount this to say that almost all of us, no matter what we now do, if we go back far enough, will find family roots in the agriculture industry. I am also reminded that no matter how far away we may now be from the farm, if we are still in the habit of eating three times a day, we have a vested interest in the state of agriculture and in agricultural reform.

Therefore, I hope that when bills like this are brought before us and when agriculture questions are asked in the House, members from urban ridings, like me, will not simply turn glassy eyed and ignore what is being proposed or what is said. I trust that we will continue to give agriculture and members from predominantly rural communities the attention that their traditions, industries and concerns deserve in this country.

I would like to turn to the subject of the reform of the Canadian Wheat Board. No federal political party holds more grassroots, public political meetings in the west than Reform, meetings at which this subject has been discussed at length for years. If I can briefly survey what we have found over the last number of years it can be summed up in three positions.

First, there are those who would abolish the wheat board. There are those who favour doing away completely with the Canadian

### *Government Orders*

Wheat Board. They point out that the whole world is moving toward a more market driven free trade in the agricultural and food product sector. They maintain that the trend cannot be arrested nor should it be arrested and that in that environment the Canadian Wheat Board is a monopolistic anachronism. This is not the position of the Reform Party but we are aware that that position exists among some producers.

Second, there are those who want to keep the Canadian Wheat Board essentially as it is or as it was. Many of these are older producers who remember the exploitation of farmers by the grain companies and the railways in the early days of the west. Many of these are producers who are uncomfortable in having to deal with the complex and ever-changing market forces of the international grain trade. They believe the future prosperity of the grain farmer lies in the direction of following marketing principles that have served well in the past.

• (1030)

It is not the position of the official opposition that the Canadian Wheat Board should remain as it is or as it was. We are convinced that many of the old marketing principles, however valid they might have been in the past, are no longer a reliable guide to capturing the markets of the future.

There is a third option and this is the option favoured by the official opposition and by an increasing number of producers. That option is to fundamentally reform the Canadian Wheat Board to make it more market sensitive and more accountable: more sensitive to a freer, more diverse, more competitive market and trading environment, and more accountable not to the government and the minister but to the consumers and producers it is intended to serve. This is the position of the Reform Party and the opposition.

When we look at the bill we see a feeble attempt to appear to be reforming the Canadian Wheat Board without any real or substantive changes required to make real reform a reality. Only a government and a minister hopelessly committed to the status quo would regard the tinkering in the bill as substantive change, to use the words of the minister. The minister tries to make a silk purse out of a sow's ear, a feat beyond the competence of this minister.

My colleague, the member for Prince George—Peace River, and other Reform members, will discuss the defects of the bill in detail and will present some real reform alternatives. The bottom line of our analysis is that Bill C-4 fails to improve the market sensitivity of the Canadian Wheat Board and fails to substantially improve the marketing options open to producers.

The bottom line of our analysis is that it fails to significantly improve the accountability of Canadian Wheat Board producers in the manner that is being demanded by producers and required for the 21st century.

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Because of the importance of grain marketing to Canada, especially in the west, I urge all members to give the bill the attention it deserves and to take counsel from the members among us speaking particularly from rural and agricultural ridings.

For the foregoing reasons which will be expanded by my colleagues, I urge members to defeat the bill, to send it back to the minister and the department, and to demand a real Canadian Wheat Board reform act suitable for preparing the board and the producers it serves to cope with the demands of the 21st century.

[*Translation*]

**Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ):** Mr. Speaker, I am pleased to speak this morning on Bill C-4, formerly C-72. Thanks to the lack of foresight by the government during the 35th Parliament, we have to partially repeat the work the hon. members had done in this House on Bill C-72.

First of all, it must be made perfectly clear that the Canadian Wheat Board we are today trying to modernize, to update for the year 2000 and beyond, affects the grain producers of Quebec only very slightly. In reality, the Canadian Wheat Board is important in four provinces: Manitoba, Saskatchewan, Alberta and part of British Columbia.

Unlike the Reform Party, the Bloc Québécois will vote in favour of Bill C-4, because we find it a reasonable attempt to modernize the Canadian Wheat Board, its board of directors in particular.

Thanks to the contributions by the Bloc Québécois members sitting on the Agriculture and Agri-Food Committee, we have managed to get the number of directors elected by the grain producers themselves raised to 10. Before that, the good old federal government, with all of its great foresight, and particularly with its great generosity, was the one making the appointments. Obviously, we always tried to select the best, but the best is usually an acquaintance or a friend, someone who has done us a favour in the past.

• (1035)

For example, the government has just appointed Mr. Justice Michel Bastarache, a colleague of the Prime Minister, the former chairman of the yes committee in the 1992 referendum on the Charlottetown accord and a great friend of this country's federalists. Our fine Prime Minister, the member for Saint-Maurice, propelled this judge into a seat on the supreme court and it will be this judge who decides on Quebec's right to sovereignty.

In the riding next to mine, the very beautiful riding of Beauce, the member, Gilles Bernier, was an independent. In order to free this riding for a Liberal member, Mr. Bernier was also given an

appointment. Although he had no previous experience, the government appointed him ambassador to Haiti.

When I was relatively young, the Trudeau government appointed the Crétitiste member for the riding of Richmond—Arthabaska, my friend Lionel Beaudoin, to the Canadian Wheat Board. A byelection was then called, and Alain Tardif was elected, and sat in the House until 1984, when the Conservative Party arrived in force. Funnily enough, he too was appointed a judge, but with the tax court.

You can see how it works. Where is the usual process for appointing people to the important jobs?

From now on, only five members of the board of directors of the Canadian Wheat Board will be appointed by the Governor General in Council, the ten others will be elected democratically by the grain growers as a whole. The majority of the board of directors will be elected—a significant change—and under the control of the producers themselves.

Four appointments will be made by the Governor General in Council, that is friends once more. They will not be members of the Reform Party, but certainly friends of the Liberal régime will be sitting on the board.

**An hon. member:** Fundraisers.

**Mr. Jean-Guy Chrétien:** Fundraisers perhaps, as we saw in Quebec in March and in previous months.

A major difference—and I want to say a word about it—concerns the appointment of the president. The governor in council will have to consult the 14 other directors already sitting on the board in order to appoint number 15, who will become the president.

We in the agriculture committee managed, thanks—and I say it in all humility—to my intervention and also to the support of my friend and colleague, the hon. member for Malpeque, to include in the bill a provision whereby the remuneration is fixed by resolution of the board.

So, if a nitwit is appointed, board directors will have the power to decide that this person's salary will be one dollar per year. This way, the nitwit will not hang around for too long and will quickly give up his position. The board of directors will also have the power to include or exclude certain grain categories.

• (1040)

Let us take the case of canola, for example. Canola is currently not covered by the Canadian Wheat Board. Of course, should canola producers wish to join the Canadian Wheat Board, three very specific rules will apply. However, the most important decision, the biggest hurdle, will be to obtain a mandate from



registered canola producers. A vote will be held, but it will not be by show of hands, since some people can then move quickly and vote two or three times. There will only be one vote per producer.

If a majority vote yes and the other two conditions, which I will deal with later, are met, then all canola growers will have to join the Canadian Wheat Board.

That is not what some members of the official opposition were hoping for, which is for producers to join the Canadian Wheat Board one year because it suits them, and leave the next year, because they were able to sell their grain on their own. In other words, producers will not be allowed to join the commission when prices are down and then to opt out when prices go up. Either you're in or you're out. Either all producers join the Canadian Wheat Board or they're out.

In closing, I would like, of course, to congratulate the new Minister of Agriculture on his appointment. For once, the Prime Minister brought in someone who knows agriculture well. I find it unfortunate however that the responsibility for the Canadian Wheat Board was given to another minister, who no longer heads the Department of Agriculture. Like all members of this House, I think this is most unfortunate. Even among government members there is discontent.

What is the rationale? When the current minister was agriculture minister, he was naturally put in charge of the Canadian Wheat Board. Like the Canadian Dairy Commission, the wheat board falls under Agriculture Canada, not under External Affairs or Justice. This decision is fraught with consequences the Prime Minister will have to live with for years to come.

To conclude, members of the Bloc Quebecois will support this government initiative, which they believe is a step forward. It may be a small step, but a step in the right direction nonetheless in modernizing the Canadian Wheat Board.

[*English*]

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, I am pleased today to be able to speak to Bill C-4, the amendments to the Canadian Wheat Board.

I am proud to serve the area of Palliser. It is an area of Saskatchewan that includes all of Moose Jaw, a portion of Regina and a good swath of farming country that surrounds those two fine cities.

The constituency of Palliser is named in honour of a former British army captain, Captain John Palliser, who was sent out 140 years ago in 1857 on an expedition to southern Saskatchewan to see whether the climate was hospitable for agriculture. Captain Palliser became famous, or perhaps infamous, for saying that the region was "unfit for human abode".

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Captain Palliser was wrong. There have been developments in agricultural technology that he could not possibly have foreseen. The Regina plains he found so inhospitable that many years ago have now become one of the best grain growing regions in the world.

The climate can be as harsh as he described it, but people in Palliser and throughout the prairies have used the tools of community and co-operation to overcome the obstacles of climate and distance. The Canadian Wheat Board is one of those tools of co-operation. It has served western farmers well since 1935 and they made it clear in the barley plebiscite last February that they want to keep the Canadian Wheat Board as a single desk seller for their grain.

● (1045)

The minister in charge of the wheat board introduced amendments to the act in December of last year. Those amendments were sent quickly to the agriculture committee. In fact our caucus at that time in the 35th Parliament believed that the reference to committee was too hasty. We did not understand the minister's great hurry and we thought there should have been more opportunity for debate in the House prior to the referral. Len Taylor, our former agriculture critic from The Battlefords—Meadow Lake, made known his and our party's unhappiness with the government's procedure at that time.

I note that in Bill C-4 the minister is once again making the same speedy reference to committee and again we are concerned about that. We feel that members of the House would have valuable contributions to make in the debate prior to the legislation being referred to committee. We do not understand the minister's undue haste.

In any event, today the wheat board legislation is back before the House as Bill C-4. Our caucus has looked carefully at the bill and we are pleased to see that it makes some important concessions based on amendments proposed by the agriculture committee that I referred to earlier. I want to review the most important of those changes and to indicate where our caucus can support them and where we feel further amendments are required.

Most important, Bill C-4 contains an inclusion clause. That means that grains can now be added or included as opposed to what was in Bill C-72 when they could only be deleted or excluded. This is a major change and a concession on the minister's behalf. It was the wise course to take and the right thing to have done.

We do however have some concerns about how the process to achieve the inclusion of a new grain would be triggered. It is not clear to us which farm organizations would have the right to ask for such an inclusion. I flag this for the minister to suggest that we do have questions and that we may have suggestions to offer.

Second there are also some welcomed changes in governance. Bill C-4 stipulates as the minister said that 10 of the 15 members of

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the board of directors are to be elected by farmers with the minister naming the remaining five. The directors will now choose their own chair rather than leave that power with the minister. These are improvements over Bill C-72 but we do not believe that they go far enough yet. We have no problem with the government naming some members to the board of directors.

The government will continue after all to guarantee the wheat board's initial price on grain purchased from farmers. Our caucus insisted that the government continue these financial guarantees and we are pleased that they have been maintained. If the government is going to have considerable financial exposure, then it is only reasonable that it have some window into the board's operations.

However under Bill C-4 the minister maintains the authority to choose the president of the board of directors, a person who will double as the wheat board's chief executive officer. Our caucus opposes this. We believe this gives the government too much control over a board of directors that should really be accountable ultimately to the farmers and it gives the government too much control over the day to day operations of the wheat board itself.

In contrast to the proposal, we believe that the board of directors should have the authority to choose the president and chief executive officer and we urge the minister to make this amendment. We believe that the federal government will have enough influence by its appointment of one-third of the 15 members of the board of directors.

There are those who insist that the government should have no participation on the board of directors. Too often these are the same people who would like to sever all connections before the government and the board. This is a cynical exercise using the rhetoric of democracy as a tool to do away with the wheat board itself.

We believe that the minister has addressed an important issue on the inclusion of grains and has made some improvements on the issue of governance. However there is a third area of concern to us in which the minister has made no concession and that is in the area of cash purchases of grain.

For decades the Canadian Wheat Board has earned the confidence of farmers because they knew that they would all be treated equitably in the purchase of their grain. The board bought grain from farmers at similar prices and under similar conditions. This practice known as price pooling has been the bedrock on which the Canadian Wheat Board was built.

Both Bill C-72 and now Bill C-4 the son of C-72, would give the board the ability to buy grains from anyone, anywhere at any time. This in effect undermines the principle of price pooling. We believe

that it would also undermine the farmers' confidence in the board and thereby diminish the board's credibility and effectiveness.

The minister argues that these arrangements would allow the board to adapt more quickly to market developments especially when the board needs a certain grain quickly and supplies are not immediately forthcoming. While there is logic in this reasoning, we fear that the board could in the search for short term flexibility undermine its longer term credibility with farmers. At the very least we would want the legislation to be quite specific as to when the board could resort to cash buying.

● (1050)

We in this caucus believe that it is time to end the uncertainty which has surrounded the Canadian Wheat Board. This uncertainty has been foisted onto the board and onto western farmers by the actions of some of our trading competitors, but what is even more damaging are the activities of that vocal minority of farmers who would do away with the board altogether.

Although the Leader of the Opposition did not refer to what his party is going to propose, undoubtedly it will be a form of dual marketing. We suggest that dual marketing is no more a solution in the agricultural area than two tier health care is in the medicare field.

Despite our lingering concerns about this government's longer term trade agenda, we believe it is best to get on with Bill C-4. This bill makes some important concessions and improvements from its previous incarnation based on amendments proposed by the agriculture committee in the last Parliament. Our caucus supports Bill C-4 in principle but we reserve the option of making further amendments to this legislation in committee.

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, it is the first time I have had the opportunity to speak in the House for an extended period of time so I would like to congratulate you and the other members of the Speaker's chair. I sit beside you and we have a good working relationship. I expect that will continue.

I would also like to thank the electorate of Brandon—Souris for putting me in this wonderful position in the House and for being able to speak today on Bill C-4 on their behalf.

I would like to begin debate on the bill which is now before us with the prophetic words of one hon. member of Parliament. He was a member of the Progressive Conservative Party and represented my riding over 40 years ago. He was the Hon. Walter Dinsdale. His words on the subject matter outlined in Bill C-4 are very relevant for someone who spoke on the issue 40 years ago:

Wheat is still the economic lodestar of the prairies—Wheat made possible the building of Canada's first transcontinental railway, and I sometimes think the construction of the CPR was the last major effort on the part of this dominion government relative to the prairies.

It was also the rapid development of our wheat economy that made possible the great waves of immigration in the early years of this century and opened up that part of Canada to popular settlement.

Important as the wheat trade undoubtedly is, it nevertheless leaves our prairie economy in a particularly vulnerable position because it means that we are tied to a one-product economy. When disturbances inevitably occur in world economy and are reflected in our internal economy, it is the agricultural industry that is the first to suffer.

In this regard I would like to add, Mr. Speaker, that the wheat board has been particularly effective in smoothing out extreme swings in the economic cycle. The only difficulty with the wheat board is that it has tended to become used as an instrument of political manipulation, and wheat policies have been adapted to the welfare of the party in power.

I would add, though, that marketing boards do not necessarily increase the price to the producer. They merely iron out some of the wilder fluctuations. In the final analysis it is demand that determines price.

It is ironic reciting these words on an issue which was brought to the attention of the then Liberal government over 40 years ago by a Progressive Conservative member of Parliament. Is it not funny that 40 years later the current Liberal government continues to put a deaf ear to the concerns of western members of Parliament. It is sad how little things have changed around here. It is really sad for the producers who have to deal with a federal government which is so adamant on preventing change when it concerns the interests of farmers across western Canada.

I appreciate the fact that the government in power has a very difficult issue facing it today. I have spoken to many stakeholders across the country and I can say that they have very divergent needs. Some say to get rid of the board entirely and we recognize who those people are. There is also the range on the other side which says to leave it exactly the way it is, the status quo with no changes whatsoever. We recognize where that comes from.

There is in the middle however a number of stakeholders, a number of producers, who would like to see change, some of them within the Canadian Wheat Board system and some of them on a voluntary basis, so they would have the right to choose in which fashion they would market their grains.

• (1055)

The government today had an opportunity to embrace change going into the 21st century. It had an opportunity to show leadership with respect to marketing western Canadian grains. In fact with Bill C-4 before us right now, it has failed to show that leadership. The government has tinkered with the existing Canadian Wheat Board.

### *Government Orders*

I am not naive enough politically to believe that we on this side of the House are going to change the direction of government. In saying that, when I came to this House I said to my constituents that I wanted to bring positive criticism, constructive criticism to the government. I would like to in the next little while show some of that positive criticism.

The first issue I would like to deal with in Bill C-4 before us today is that of the inclusion clause. I had the opportunity to actually speak to the commissioners of the Canadian Wheat Board. When I asked the question why must there be an inclusion clause to include canola, flax, rye and oats, the answer I received was if there is going to be an exclusion clause, then we should have an inclusion clause.

Never did they speak to the ability to market better. Never did they speak that it would be better for the producers. Never did they speak to the fact that it was the best way to market in the world today. They simply said because there is exclusion, there should be inclusion. This is not good enough. The majority of shareholders and stakeholders in agriculture do not want inclusion of those crops.

On the board of directors, it is a very good move considering the legislation that is before us. There should well be an elected board of directors. I agree with that. Of the 15 board of directors who have been identified, all 15 should be elected by the producers, not appointed by government.

They are going to say "but the government has an involvement in this financially". In the Ontario Wheat Board right now, the government has involvement financially. All 10 board of directors are elected by producers and not appointed by government. There should be an elected board of directors, not one that is appointed by government.

In saying that as well, the CEO form of governance is great. I do not believe nor have I ever believed in management by committee or by commissions. I believe the CEO form of governance is a good direction this government has taken. In saying that, I also believe that the CEO should be appointed by the board of directors, not by government.

If the CEO is given the proper opportunity and the proper vision to plan for where we are going in the 21st century, I believe it is a step in the right direction. Give the chief executive officer the opportunity to put his or her positions forward on the basis of the board, not on the basis of politics.

The last thing I would like to speak to right now is that of accountability. The Canadian Wheat Board in the opinion of the stakeholders has not been accountable to the producers. It is a closed shop. They do not have the opportunity of getting the information that we would like to see.

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The Canadian Wheat Board along with CSIS are the two organizations that are not affected by the access to information legislation. That is not right. There has to be transparency. There has to be openness and there has to be accountability by the Canadian Wheat Board to the people that they serve, the producers of western Canada. That accountability can come with a chief executive officer who is appointed by an elected board, and with the elected board.

In closing, there are improvements within the existing Bill C-4 over previous legislation on the Canadian Wheat Board. What I would like to see are those changes I talked about previously as well as the possibility and the opportunity of perhaps some voluntary co-operation of producers with the Canadian Wheat Board, an opt in and an opt out opportunity for producers. This has not been talked about. It has not been discussed.

Trust me, when it gets to committee I am sure there will be plenty of time to debate these very, very positive and constructive criticisms of this bill.

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, it is a pleasure to stand in the House today and make some comments on Bill C-4. I am pleased to speak in support of the motion to refer Bill C-4 to the Standing Committee on Agriculture and Agri-food.

• (1100)

I congratulate my colleague, the Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, for the work he has done in the process of developing the bill over the last number of years.

For 62 years the Canadian Wheat Board has been one of the cornerstones of our nation's success in agriculture and agri-food. Changes in Bill C-4 build on that success by providing for a more modern Canadian Wheat Board, one that is more accountable to farmers, more flexible and more responsive. Farmers will have a direct role in shaping the operations and directions of the corporation. They will have more power to take on the very real challenges and opportunities that lie ahead.

Throughout the preparation and debate on the legislation we have done everything possible to ensure that everybody with an interest in this complex issue has had a full and fair opportunity to voice an opinion.

In July 1995 my predecessor as Minister of Agriculture and Agri-food established the western grain marketing panel to conduct a comprehensive examination of western grain marketing issues. One year later after extensive consultations, including 15 town hall meetings and 12 days of public hearings across the prairies, the panel completed its report and submitted it to the minister.

The minister distributed a summary of the report's recommendations to all farmers in western Canada and invited their feedback. In one way or another more than 12,000 individuals and organizations responded to the panel's recommendations.

In December 1996 Bill C-72 was tabled in the House of Commons. In February 1997 the Standing Committee on Agriculture and Agri-food, which I chaired at that time, held a series of meetings across western Canada. We visited Winnipeg, Regina, Saskatoon, Calgary and Grande Prairie. We heard from more than 40 groups and a similar number of individual farmers during those committee hearings.

As a result of those hearings we made more than 20 amendments to the bill before we reported it back to the House in April 1997. I am pleased to note that the amendments were retained in the new bill. The system does work.

Over the course of the past summer the minister responsible for the wheat board continued to conduct informal consultations with the grains industry officials to hear views on the legislation. In early September he requested views from farm organizations on the appropriate principles to govern the election of the directors. It is therefore no exaggeration to say that the future of the Canadian Wheat Board has been exhaustively discussed and debated.

The purpose of the amendments is to respond to some of the major concerns raised during the debate and to ensure that the CWB is well positioned to continue as a reliable, responsive single desk seller of Canadian wheat and barley in the years ahead.

Our objective is to build on the proven strengths of our existing marketing system while enhancing its accountability, improving its responsiveness to changing producer needs and opportunities, providing more flexibility and faster cashflows, and minimizing future complications in international trade.

We are taking action on all of the points raised by the panel with regard to the accountability of the Canadian Wheat Board. As the minister responsible for the wheat board has explained, under the legislation the current commissioner structure of management would be replaced by a part-time 15 member board of directors.

It would be comprised of ten producer elected representatives and five government appointees including a full-time president. Both the chief executive officer and the full-time president would be responsible for the day to day operations of the board.

The CWB status as an agent of the crown and crown corporation would end when the new board of directors assumes office. The Canadian Wheat Board Advisory Committee would be terminated when deemed appropriate by the minister responsible for the wheat board but not before the end of its current mandate at the end of 1998.

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The changes in the bill would also allow the Canadian Wheat Board to offer farmers more options in terms of pricing and timing of payment for their grain and provide it with greater flexibility in the way it acquires grain. At the same time the amendments leave intact the basic principles of single desk selling.

• (1105)

The legislation also includes provisions for adding additional grains to the marketing mandate of the Canadian Wheat Board. I want opposition members to listen to the process that has to take place. In such a case the request would first have to come from a recognized commodity group and the board of directors would have to recommend the inclusion. Then a vote on the inclusion by the producers of that grain would also have to be held. There are a number of steps. After that the changes to the marketing mandate of the Canadian Wheat Board could then be made through an order in council.

The amendments in the bill would also give the board of directors the power to exclude specific types, classes or varieties of wheat or barley from exclusive Canadian Wheat Board jurisdiction in the domestic or export market. This authority would be exercised only upon the recommendation of the board of directors. There would have to be assurances from the Canadian Grain Commission that the necessary quality control measures were in place to avoid co-mingling of grains.

If the board of directors considers the exclusion to be a significant change, a vote of the producers would also have to be held. Again a number of steps would have to take place.

A Canadian Wheat Board governed by a board of directors comprised of a majority of producer elected members would improve accountability to and communications with producers. It would also result in an increased sense of producer ownership of their marketing organization.

While the self-sufficiency of the Canadian Wheat Board would increase, the government would still have an important role to play in supporting it. For example, the government would continue to provide financial backing for initial payments, borrowing, and for such programs as the credit grain sales program. The changes would provide the board with more flexibility in the acquisition and the pricing of wheat and barley enabling it to operate more efficiently, increase returns to farmers and reduce the risk to government.

As I have discussed the bill responds to views expressed by numerous stakeholders. It is important to note, however, that the amendments do not constitute the full response of the Government of Canada to the concerns of the Canadian grain producers and the recommendations of the western grain panel. We are also pursuing

many other avenues to address other issues that they brought forward related to grain marketing and transportation.

For example, last November our government introduced legislation to modernize the Canada Labour Code. Among other things those amendments stipulate that while grain handlers and their employees will retain the right to strike and lockout, in the event of a work stoppage involving other parties in port related activities, services affecting grain shipments must be maintained.

On another important issue, specifically the efficiency of our transportation system, the Minister of Transport, the minister responsible for the wheat board and I met this summer on July 25 with key members of the grain industry in Winnipeg. As a result of that meeting the grain transportation industry has developed and put in place a monitoring program and a contingency plan to ensure efficiency in the movement of grain.

Through Bill C-4 and other actions the Government of Canada is demonstrating it is listening to the concerns of Canadian grain producers. It is taking action to address those concerns. It is laying the foundation for continuing growth and prosperity in the grain sector and Canada's rural communities.

I call upon all the members of the House to lend their support to the amendments contained in the legislation.

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Madam Speaker, I wish I could say at the outset that it is a pleasure to rise today to address Bill C-4, an act to amend the Canadian Wheat Board Act, but the simple truth of the matter is that it is not. A vast majority of western Canadian grain farmers whom the bill will affect and I hoped the minister and his government would have listened to them.

Just to digress for a moment, I noted during the brief remarks of the hon. minister of agriculture a moment ago he referred to some 20 amendments the agriculture committee had made that were ultimately incorporated into the bill before the House today, Bill C-4.

It is important for people watching the debate today to realize that those amendments are very superficial. With the possible exception of the so-called inclusion clause, there is not a lot of substance to those amendments. They do not go nearly far enough to address the real concerns being echoed across the prairies by Canada's western grain farmers.

• (1110)

As with the bill's predecessor, Bill C-72, the minister has accomplished the near impossible by alienating everyone. Where is the support for what he is about to do? If this is the way to proceed and the majority of grain producers support his latest retrain legislation, why are they not applauding him? One has to speculate the point of consultations, submissions and hearings undertaken by

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the minister and his government over the the past year if in the final analysis they do not intend to listen to and incorporate those ideas.

I note the western grain marketing panel and all the debate that took place, as the Minister of Agriculture and Agri-Food just mentioned, on Bill C-72 both in Ottawa and during the travelling show across the prairies. Where are the substantive arguments put forward by the farm groups and farmers that appeared before that panel? We do not see them in the legislation.

The simple truth is that farmers will not substantially benefit from the legislation, and the Liberals know it. The government is intent on forging ahead despite the cries of the vast majority of producers that it simply does not address their needs.

Part of the government's strategy is to bring forward the bill for 180 minutes of debate with 10 minute speeches and no questions and comments. We in the opposition ranks cannot do an adequate job of discussing such a comprehensive piece of legislation in a 10 minute speech.

In the few moments I have left I will touch briefly on a number of points. I certainly applaud the intervention of the Progressive Conservative member. It is interesting to note that he and his party have picked up on the lead that Reform took on Bill C-72 in the last parliament. They are now basically in line with some of the main points we are raising.

The bill does not include anything that would take the Canadian Wheat Board toward being a voluntary organization. We see a real demand by producers for freedom to choose. We do not see any real options in the bill. That has to be one of its most fundamental flaws.

The minister may bring about the total demise of the Canadian Wheat Board with the legislation. With its all or nothing inclusion and exclusion clauses, a future board of directors could gradually exclude grades and types of grain until eventually the wheat board would be just a shell that does not market anything.

Farmers may divide on their support for the Canadian Wheat Board. Other speakers have referred to the two extremes. The bulk of farmers are in the middle. Between 75% and 80% of farmers want to see some change which ranges from minor change to very substantive change. I have found the majority of farmers are opposed to the contingency fund. They view it as simply another tax being imposed upon them by the government. In a situation where it is mandatory to belong to the Canadian Wheat Board this contingency fund is another tax at a time when farmers cannot afford any more input costs.

Another perplexing part of the legislation is the question of how elected directors will ultimately be held accountable, as my hon. colleague from the Progressive Conservative Party noted.

Like CSIS this organization is highly secretive, ultra secret. It does not have to adhere to access to information and it cannot be audited by the auditor general of the country. We think those are major flaws. Again this was an opportunity for the government to address very real concerns, to open up the board and make it more accountable. I would ask all hon. members and people viewing this debate to answer this question. Can they imagine any other corporation, club, or charity to which they belong answering questions concerning decisions made at an annual general meeting by saying "I can't answer that" or "If I told you that I would have to kill you". It is absolutely ridiculous.

• (1115)

We have to open up the Canadian Wheat Board. Farmers are demanding it. For the minister responsible for the Canadian Wheat Board to suggest that this bill is going to make it more accountable is actually ludicrous.

Fourth, yet another anomaly contained in this legislation is the issue of the legal liability for directors, officers and employees of the Canadian Wheat Board. If directors act honestly and in good faith, as it states they must in this legislation, then why do they require protection from criminal activities? If they have shown that they have complied with clause 3.12, then could they not simply prove that in a court of law as other Canadians are required to do without having this other clause 3.13 which basically exempts them?

I also note that one of probably twenty changes that the minister was bragging about a while ago is the deletion of the term "employees". Yet we find that other persons are also covered under that clause. In view of that the clause stating "person or persons acting at the request of the corporation" would certainly include the employees, at least I think it would.

Finally, there are a lot of concerns across western Canada about the timely and efficient movement of grain to market. This was an opportunity for the government to include in the bill or some other bill the removal of the Canadian Wheat Board from the present position it has across the country with transportation. I support that we should be looking at ways in which we can decrease the bureaucracy inherent in the grain transportation sector. One of those ways would be to have the board take an at port position.

I have one underlying question. Is this the best the Liberals could come up with? Earlier the minister took great pains to justify his rush to get this recycled bill back through the House. He said that extensive consultations had already taken place regarding the legislation. He is correct on that point, but obviously, as I said earlier in my presentation, the simple fact is that he is not listening. He is not responding to the very real needs of producers.

Those producers are crying out for fundamental change and some freedom to choose. In a free and democratic country like

Canada it is absolutely ridiculous that we still have this mandatory monopoly left over from the second world war.

**Mr. David Iftody (Provencher, Lib.):** Mr. Speaker, I am pleased to speak in this debate on the motion to refer Bill C-4 to the Standing Committee on Agriculture and Agri-Food.

The changes to the Canadian Wheat Board that are proposed in Bill C-4 have been designed to respond to the wishes of western Canadian grain farmers. Some western grain producers and producer groups have been asking for more flexibility in the marketing of wheat and barley. The question arises, would Bill C-4 allow aspects of a dual market or voluntary marketing through the Canadian Wheat Board? The short answer is yes, subject to the democratic will of the farmers themselves.

The tool, Bill C-4, would enable the Canadian Wheat Board to provide additional marketing options to farmers while maintaining the integrity of pooling and single desk selling. However, the board of directors, two-thirds of whom will be elected by farmers, would also be empowered to recommend changes that would result in a marketing system with some of the features of a dual market, if that is what producers want.

• (1120)

Part IV of the current Canadian Wheat Board Act provides the Canadian Wheat Board with single desk control over the export of wheat and barley, while part III deals with the acquisition of grain from producers, pooling and initial payment.

Part IV also provides for monopoly control over interprovincial trade of wheat and barley which has, of course, long since been removed for domestic feed grain. As members can see, producers currently have three options for selling their feed wheat and feed barley. They can sell it to the Canadian Wheat Board. They can sell it to the private trade. Or they can sell it directly to a domestic customer. None of this will change if Bill C-4 is passed. In fact, it has been made more explicit to remove all doubt.

Right now the option of selling to the Canadian Wheat Board, the private trade or directly to the final customer exists, but only for domestic feed grain. However, under the exclusion clause in the new legislation it will be possible for this option to be extended to "any kind, type, class or grade of wheat and barley." This clause provides for the exclusion by regulation of any kind, type, class or grade of wheat or barley from the provisions of part IV of the Canadian Wheat Board Act. But it would still allow the Canadian Wheat Board to continue its activities under part III. This would mean that the Canadian Wheat Board would still be able to purchase the grain from producers and at the same time operate a pool.

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For such an exclusion to occur three conditions have to be met. First, a new farmer controlled board of directors would have to recommend it. Second, the Canadian Grain Commission would have to approve an identity preservation system to safeguard quality. Third, a producer vote would have to be held if the board of directors decided the exclusion is indeed significant. If all three conditions were met, the minister would recommend the exclusion and the governor in council would pass the legislation.

Balancing the exclusion clause is an inclusion clause. This clause allows for the extensions of part III or part IV or both to grains not currently covered by the Canadian Wheat Board Act. I should point out that this inclusion clause is confined to crops that fall within the definition of grain now in the Canadian Wheat Board Act, that is oats, flax, rye and canola.

It is subject to the commodity organization which best represents the producers of that grain asking for it. And of course, the Canadian Wheat Board directors, as I said, those who were duly elected, would have to agree and farmers would have to approve it by a democratic vote.

Suppose that all these three conditions were fulfilled and suppose that the Canadian Wheat Board Act were thus extended so that part III applied to rye, but not part IV. Remember, part III refers to pooling while part IV refers to single desk selling. Extending part III but not part IV would create a situation as I have described under the exclusion clause, that is, farmers would be able to sell rye not only to the Canadian Wheat Board but to others. If the decision is to extend both parts III and IV, this would result in both pooling and single desk selling.

Another provision of Bill C-4 would allow for cash purchasing. The Canadian Wheat Board would have the flexibility to purchase grain at a price other than the initial payment. If this were used extensively for a particular grain such as feed barley, the result could be that prices for feed barley in Canada would differ from prices in the United States only by actual transfer costs. In such circumstances, licences to export feed barley to the U.S. would likely be granted with no charge for buy back, although there might well be conditions imposed to ensure that such feed barley exports would not adversely affect the Canadian Wheat Board malt barley exports to the U.S.

This situation would be somewhat comparable to a dual market or voluntary marketing through the Canadian Wheat Board.

Finally, part VI of the Canadian Wheat Board Act allows marketing plans for voluntary pools to be established for grains, varieties, grades or classes that are not required to be marketed through the Canadian Wheat Board.

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• (1125)

Such a marketing plan can only be set up after an association of producers or an association or firm engaged in the processing and marketing of grain submits a proposal for the establishment of a marketing plan to the minister and is approved by the governor in council. Such a marketing plan would include guaranteed initial payments, however, the guarantee would only cover a maximum of 90% of any losses incurred.

The provision for marketing plans is in the current act but it has never been used. If it were it would result in a voluntary pool for grain covered by the marketing plan. Under this provision the administrator of the plan must be designated. It is conceivable that after it becomes a mixed enterprise the Canadian Wheat Board might qualify to be an administrator.

In conclusion, there are several ways that a dual market or voluntary marketing through the Canadian Wheat Board, or similar results, could be achieved under Bill C-4. All of them would require as a minimum that the producer controlled board of directors take a conscious decision to do so. In most cases farmers would carry the ultimate authority through a democratic producer vote. It comes down to producers deciding what producers want. They will elect the majority of the board of directors and they will vote on inclusion or significant exclusions of crops.

Like many other aspects of the legislation these tools are enabling. They put power in the hands of producers, allowing them to shape the Canadian Wheat Board to the needs of Canadian farmers.

[*Translation*]

**Ms. Hélène Alarie (Louis-Hébert, BQ):** Madam Speaker, as a member of the Standing Committee on Agriculture and Agri-Food, I am very honoured to take part in the House of Commons debate on Bill C-4 to amend the Canadian Wheat Board Act.

I would like to begin by saying that, strictly from the standpoint of principle, the Bloc Québécois supports Bill C-4, with a few reservations that I will mention.

First of all, it is good to see the decision making power of the Canadian Wheat Board put in the hands of farmers, who represent ten of the 15 members on the board of directors. In addition to making them accountable, their presence means the Canadian Wheat Board is more plugged in to what they actually experience.

The level of trust and agreement between people in the same profession is very high. Quebec farmers are no exception to the rule and want to see their colleagues in the west benefit from this new arrangement of the Canadian Wheat Board.

The fact that elected producers form the majority on the CWB will leave the Board less vulnerable to challenges regarding international trade rules from our trade partners.

Quebec, which prides itself on promoting orderly and harmonious marketing of agricultural products, can only be glad that the Canadian Wheat Board has greater flexibility in marketing its products.

There are, of course, major advantages to streamlining the Canadian Wheat Board's operating method and making it more functional. However, with billion dollar transactions involved, what mechanisms will be introduced to ensure good risk management?

In addition, Quebec taxpayers are not ready to see their tax dollars go toward making up the Canadian Wheat Board's deficits. It will be recalled that these deficits were in the several hundreds of millions of dollars in 1991. Business is business. This is a marketing agency that must be able to assume its deficits in the long term if there are annual losses. Let us hope that the reserve fund does enough to allay that concern.

• (1130)

It is worth pointing out that Quebec wheat purchasers, that is the mills and the bakeries, have appreciated the consistent quality of the products delivered under the auspices of the Canadian Wheat Board, and they hope those same quality standards will be maintained in future under Bill C-4. There are provisions for implementation of quality control.

A reading of the bill raises some questions. This is a bill for western Canada, since 95% of the volume administered by the CWB comes from the provinces of Manitoba, Saskatchewan, Alberta, and parts of Ontario and British Columbia, that is the region designated in Bill C-4.

The Bloc Québécois must, however, look after the agricultural interests of Quebec, both its present and its future interests.

A reading of clauses 24 through 26, which indicate that the CWB may, under certain conditions, recommend that certain types of grains be excluded from or added to the exclusive jurisdiction of the Canadian Wheat Board, leaves one confused. The bill states that the minister may not make the recommendation for exclusion unless the board of directors so recommends and the Canadian Grain Commission has approved a procedure for identifying the grain in question, so as to preserve its identity. If the board is of the opinion that the exemption is significant, the producers will also have to vote on this.

First of all, who are these producers? How will they vote? And most of all, can they be from outside the designated region? In this connection, Quebec is justified in asking questions, since it has to



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go through the Canadian Wheat Board if it wants to export. What if Quebec were to become an exporter of any of these products?

The federal government retains considerable control over the board of directors of the Canadian Wheat Board. Let us hope that opening it up to the producers is something real, and not just caving in to community pressures.

Bill C-4 contains a good 60 references to the minister. The federal government is, therefore, maintaining considerable control over the Canadian Wheat Board. For example, the federal government is the one to decide how farmers will be elected to the board of directors. The president of the board of directors is appointed by the governor in council on the recommendation of the minister. Why can the elected directors elect the president of the board but not the president of the commission? The president holds office for the period of time set by the federal government. The government is also requiring the Canadian Wheat Board to prepare a corporate plan annually, under clause 19. Obviously, the Minister of Finance must approve the plan.

With this right of review, the Minister of Finance retains control. How much autonomy will the Canadian Wheat Board have? On the one hand, the government allows farmers to speak when it can no longer stand the pressure from the farming community. On the other, the government is keeping the decisions affecting them centralized. You wonder who really has their hand on the tiller.

We in the Bloc Quebecois will be on the watch.

[*English*]

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Madam Speaker, I am pleased to speak on Bill C-4, the amendments to the Canadian Wheat Board Act.

• (1135)

In essence this bill is a further refinement of the previous Bill C-72 of the last Parliament on which the agriculture committee held extensive hearings across the Canadian Wheat Board area. This new bill encompasses much of what we heard from the farm community during those hearings and tries to establish a balance between the various views within the farm community.

I hold strong views on the Canadian Wheat Board and personally maintain that commissioners appointed for their expertise and marketing still makes a lot of sense but I am, based on views put forward by the farm community during those hearings, willing to accept the approach of the board of directors and the kind of flexibility that Bill C-4 encompasses.

I would express to those strong Canadian Wheat Board supporters that they will have to be extremely vigilant in the election process because big money from the merchants of grain with allies

like we have just heard from the Reform Party is really out to destroy the Canadian Wheat Board over time.

I suggest that those strong supporters of the wheat board be very vigilant in terms of seeing that people are elected to that board who are pro-wheat board supporters, as we have shown can happen through the Canadian Wheat Board advisory process through which the majority of pro-board supporters were elected.

The Canadian Wheat Board has shown itself to be a model, an institution second to none in marketing intelligence and ability through its operating structure to maximize returns back to primary producers.

The three pillars of single desk selling, pooling of returns and government guarantees are essential for the Canadian Wheat Board to maximize those returns back to primary producers. Those pillars remain under this legislation.

The role of the Canadian Wheat Board is to sell western Canadian wheat and barley in the international marketplace at the very best possible price. All proceeds from sales less the marketing costs are then passed back to farmers.

With annual revenues of more than \$5.8 billion, the Canadian Wheat Board is one of the country's largest exporters and one of the world's largest grain trading organizations. That is very different from the private grain companies that often work on exploitation of primary producers, the kind of system that Reform members opposite seem to support. The wheat board works on farmers' behalf.

Since its founding in 1935, the Canadian Wheat Board has been able to return premiums to farmers through pooling and single desk selling. Its status as a single desk seller of western Canadian wheat and barley exports has given strength and market power to prairie farmers.

Today instead of competing against one another, Canada's 110,000 wheat and barley farmers sell as one and can therefore command a higher price for their product.

Single desk selling also enables the Canadian Wheat Board to take a unique approach to market development. It is both product and consumer oriented in nature, resulting in long term relationships and a better consumer understanding of Canadian grain. Longer term marketing relationships are to the benefit of farmers and all of Canada.

Through the Canadian Wheat Board all sales are deposited in one of four pool accounts, wheat, durum wheat, feed barley or designated barley. This ensures that all farmers benefit equally regardless of when their grain is sold during the crop year. The system of initial in term adjustments and final payment has worked well.

Even that will be improved in this legislation and the government will continue to guarantee the initial price. As well, the government continues to guarantee the Canadian Wheat Board's

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borrowings. This allows the CWB to finance its operations at lower rates of interest, again to the benefit of farmers and the country as a whole.

• (1140)

The Canadian Wheat Board, without a doubt, has provided exceptional service to western Canadian farmers for more than half a century. The 1995-96 annual report tabled in this House states:

A performance evaluation conducted during the 1995-96 crop year showed Canada ranks highly with its customers in such areas as quality of product, customer service, technical support and dependability of supply. Another study conducted by three economists showed that the CWB's single desk system generates an additional \$265 million per year in wheat revenue for farmers, thereby enhancing Canada's competitiveness. It also showed the CWB provides a low cost marketing service to farmers.

Another thing I should mention is what our competitors are saying. To those who want to undermine the ability of the wheat board, let me quote what our competitors are saying in the U.S.

Robert Carlson of the National Farmer's Union said:

From a competing farmer's perspective, we in the U.S. do not have a vehicle like the CWB to create producer marketing power in the international grain trade. We basically sell for the best price among our local elevator companies and lose our interest in our grain after that point.

Our export trade is dominated by a few large corporations who are interested in buying low and selling high to enhance the earnings of their owners, who are not generally the same people.

If we destroy the various institutions that farmers in many countries have built to help themselves survive economically, we will have nothing left but producers standing bare among the ruins of structures that once empowered and protected them in a marketplace dominated by giants.

Our objective through this legislation, Bill C-4, is to continue to empower our farmers and make the Canadian Wheat Board an even better marketing institution. I would show these Reformers opposite the annual report of the Canadian Wheat Board, "Marketing for the Future", and that is what this legislation is all about.

Through this legislation, our government is responding to recommendations made by farmers with concrete action. Under Bill C-4, 10 out of 15 Canadian Wheat Board directors will be elected by prairie farmers before the end of 1998. That establishes the two-thirds majority farmers called for.

There will also be changes to the Canadian Wheat Board's marketing mandate and greater empowerment for farmers. There will be changes to allow more flexibility in wheat board operations and improvements in cash flow.

In addition, under Bill C-4 the Canadian Wheat Board will be able to adjust management adjustment payments during any crop

year much more quickly by removing the need to first obtain cabinet approval.

The legislation also provides for a contingency fund to manage risk consolidated with cash trading. As the minister responsible for the Canadian Wheat Board has said, the operations of the CWB will also be improved by the access it will have to modern risk management tools that would allow a forward contracting system.

I believe that these changes, along with many other important adjustments proposed in Bill C-4, will effectively build on the principle of more direct producer input into the priorities and operations of the Canadian Wheat Board while also enabling the Canadian Wheat Board to become an even more flexible and effective marketing agent for western Canadian grain farmers in the century ahead.

As it says on the cover of the wheat board annual report, "Marketing for the Future", this government is willing to empower the Canadian Wheat Board while those opposite are wanting to undermine it. We will succeed in the empowerment of the wheat board.

• (1145)

**Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):** Madam Speaker, I am very pleased to participate in this debate on Bill C-4. As a matter of fact I am so enthused I was able to persuade my colleague the member for Qu'Appelle to share his 10 minutes. So we will be taking five minutes each on this issue.

There is an old saying that those who forget the lessons of history are doomed to repeat them. We have seen the Reform Party members stand in this House and try to give a little history lesson as it has been rewritten by the Reform Party, not quite going back to the dirty thirties where there were no marketing boards working co-operatively to market farmers' grains in this country. They fail to remember that part of history where farmers were having a very difficult struggle in this country to make ends meet but we will see what happens down the road.

In the last Parliament the NDP caucus opposed Bill C-72 which is now Bill C-4 which is before the House. We opposed it as it was originally introduced in December 1996 for a number of reasons and I want to summarize some of those reasons today.

One was cash buying. The board's great strength and its success are based on its practice of buying grain from farmers at an initial price, marketing it as a single desk seller and distributing any surplus earnings equitably as final payments. We were concerned about provisions in Bill C-72 for the board to buy grain for cash from anyone, anywhere at any time. We felt cash buying had the potential to undermine the board and as a result farmers' confidence in it.

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We were concerned about governance. Given the language of former Bill C-72 we feared that the government and not farmers would control the board's destiny. For example it was not clear then how many directors there would be. Nor was it clear how many of the directors would be appointed by the minister and how many would be elected by the farmers.

My colleague the member for Palliser has outlined what changes have been made as a result of our interventions in the previous Parliament. Of course two-thirds of the board are now going to be elected in 1998.

The minister also retained the power to appoint the chair of the board of directors as well as the president of the board. This has not been changed in Bill C-4. We still support this component of the remake of the CWB.

What concerned us most was that Bill C-72 allowed for the exclusion of grains from the wheat board's jurisdiction but made no parallel provisions for grains to be added to that jurisdiction. We felt that this was clearly hostile to the board and we could not understand why this provision was in the legislation. For the information of the House it is now in Bill C-4 and we are very pleased that grains are being included as opposed to being excluded.

Bill C-72 was introduced in December 1996 but the legislation was soon overtaken by events. The minister decided that farmers should vote on whether they wished to continue to market export barley through the wheat board. In a certain sense he was experimenting with the exclusion clause of Bill C-72 even before it became law.

The barley vote occurred amid great controversy. A few farmers who were stubbornly opposed to the board had earlier chosen to break the law. Rather than sell to the board, they ran to the border with truckloads of grain. Some of these farmers and their soulmates in the Reform Party and the National Citizens' Coalition as well continued to use every available opportunity to attack the wheat board as we have heard today in the House of Commons.

The Alberta government even mounted a constitutional challenge to the board's right to buy and sell grain on behalf of farmers. The courts have now spoken, ruling in the board's favour.

But all of that is history. As we know the barley vote was held last February and the great majority of farmers left no doubt as to where they stand. Fully two-thirds of barley growers voted to continue to have the wheat board act as the single desk seller for their grains.

The Reform Party always boasts about how democratic it is, about how it believes in referenda and plebiscites as a means of making political decisions. Here is a perfect opportunity for Reform Party members. Two out of three farmers voted in favour of wheat board marketing. We might expect that Reform would

now honour its commitment to democracy and accept the wishes of the majority. But as I said earlier, those who forget the lessons of history are doomed to repeat them and that is Reform's tombstone in my view.

The Reform Party rhetoric is one thing and principled action is completely something else as far as Reformers are concerned. Based on what I have seen and heard from Reformers, they will continue to attack the wheat board. They have no intention of respecting the wishes of the majority of farmers when it comes to the wheat board. I think that speaks volumes about the integrity of that party.

Finally, I want to congratulate former New Democratic Party members Vic Althouse and Len Taylor who worked very hard in the committee prior to the election being called to establish some of these major changes on behalf of the wheat board, on behalf of farmers throughout Canada.

• (1150)

**Mr. Lorne Nystrom (Qu'Appelle, NDP):** Madam Speaker, I want to say a few words today in support of Bill C-4.

The history of the CCF and the NDP over the last 50 or 60 years has been one of supporting the Canadian Wheat Board and fighting very hard for orderly marketing in other marketing boards in this country. I am very proud to say that in the last Parliament our small caucus was able to persuade the government to come forth with a stronger bill which is why we can support this bill in principle today. At the committee stage of course we will be moving amendments to improve the bill further.

I want to put on the record that we strongly support single desk marketing in this country. It is a principle which is supported by the vast majority of farmers right across this country. We saw that recently in February 1997 when two-thirds of the barley producers voted in favour of marketing their barley through the Canadian Wheat Board, through single desk marketing.

The Reform Party is hypocritical. I do not even know if it should be called Reform. Sometimes it is the deform party. It opposes the Canadian Wheat Board and has called for dual marketing. Meanwhile it says that it wants referenda for everything. It says that it is a grassroots party. Remember the rhetoric of its leader saying that it is a grassroots party and that it will listen to the people.

Two-thirds of the people have spoken, the barley producers. And where are the Reform Party members? Are they in the House saying that barley should be marketed through the Canadian Wheat Board? No they are not. They are silent. On the one hand they say there should be referenda. There was a referendum. The farmers said very clearly that they wanted their barley to be marketed through the Canadian Wheat Board and that is the way it is going to be. Yet the Reform Party members are silent on the issue. They do

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not believe their own rhetoric. They do not fulfil their campaign promises.

The farmers have spoken, the grassroots have spoken, the people have spoken. Where is the Reform Party? Reformers are not listening to the people. They have broken their word. They have broken their promises. It is about time Reformers were called to task for their hypocrisy, called to task for breaking promises, called to task for misleading the farmers of this country. This is only one example of where they have broken their promises.

They have another promise. Recall. Where are those prairie MPs who said they would listen to the farmers? They should be recalled. There should be petitions recalling those prairie MPs. They have said one thing and done the opposite.

The Leader of the Opposition said "I would never move into Stornoway. No, I would never move into Stornoway. It will be a bingo hall". Where is the Leader of the Opposition resting his head at night? Where is he dreaming at night? In Stornoway. What hypocrisy we are seeing from the Reform Party.

They are very quiet. They are ashamed of themselves. They are hanging their heads in shame. The right wing Neanderthals of the Reform Party say one thing and practise something else. It is time they were exposed to the farmers of this country. It is time they were exposed to the people of Canada.

**Mr. John Harvard (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, first I would like to offer my apologies for a raspy, scratchy voice. I beg the indulgence of members of the House to hear me out this morning.

Madam Speaker, I want to congratulate you on your appointment to the Chair. I am sure you will do a good job.

This being my first opportunity to give a speech in the House during this Parliament, I want to take the opportunity to say thanks to my constituents for returning me to the House of Commons for a third term. I thank them for placing their confidence in me once again.

One of the reasons I am happy to speak on Bill C-4 is because the Canadian Wheat Board's home is in my city, the city of Winnipeg. In fact many employees of the Canadian Wheat Board are constituents of mine who live in the riding of Charleswood—Assiniboine.

I would like to outline some of the changes which distinguish the new bill from its previous incarnation in the last Parliament, that is Bill C-72. I would also like to detail the proposed amendments that are aimed at both rejuvenating and modernizing the Canadian Wheat Board and putting control over its activities squarely in the hands of producers.

• (1155)

Throughout its 62-year history the board has been an agent of the crown answerable solely to the Government of Canada and governed by a small group of up to five commissioners. Bill C-4 provides for a big and immediate change in the way the board is governed. Under this proposed legislation a board of 15 directors of whom 10 would be directly elected by producers would govern the operation of the wheat board.

Therefore under the new bill the Canadian Wheat Board would become a mixed enterprise, and for the first time in its lengthy history it would become accountable in a very direct way to the producers it serves. This means that producers will have a larger and more direct voice in the way in which their marketing system operates. These changes are consistent with the majority recommendations put forth by the Western Grain Marketing Panel.

As many of the members of the House may recall, in 1995 an extensive consultative process was undertaken that involved literally tens of thousands of producers across western Canada. The goal of that process was to determine how best to revitalize and modernize the operations of the Canadian Wheat Board. It culminated in a set of recommendations made by the Western Grain Marketing Panel in July 1996.

While the debate among western farmers with respect to grain marketing is a sharply polarized one, it makes it all but impossible to arrive at one all-encompassing solution. The minister responsible for the wheat board has listened to the concerns of western farmers and has answered their calls for a more responsive, accountable and accessible wheat board.

The evidence is before the House today in the form of Bill C-4, an act to amend the Canadian Wheat Board Act and to make consequential amendments to other acts. This legislation proposes major changes to the Canadian Wheat Board that will empower farmers as never before.

What has changed from Bill C-72? Although Bill C-4 resembles very closely Bill C-72, there are a few changes that differentiate it from its predecessor. Foremost among these is the elimination of the interim appointed board of directors provided for in Bill C-72. This was to be a transitional measure, however the government has responded to farmers who saw no need for this step.

Under Bill C-4 the Canadian Wheat Board would be governed by a board of directors with a majority of its members elected by farmers and accountable to them. I repeat elected to farmers and accountable to farmers. This board of directors should be in place by December 1998 at the very latest. Ideally it would be in place as soon as next spring. The draft bill no longer provides for an interim bill.

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The second major change in Bill C-4 is the provision that allows for the inclusion or exclusion of grains under the Canadian Wheat Board's mandate. Similar to an amendment tabled by my colleague the hon. member for Malpeque during the last Parliament, this provides that such a change in the Canadian Wheat Board's mandate can only be triggered if certain conditions are met.

If producers wish to remove a type of grain from the mandate of the board, they will be able to do so subject to three conditions. First there must be a recommendation to do so from the board of directors. Second the Canadian Grain Commission must approve an identity preservation system to ensure quality standards remain intact. Remember Canada has a great reputation when it comes to our wheat and we want to maintain that. Third if the exclusion is viewed as significant by the board of directors, a vote among producers must be held.

Similarly if producers wish to add additional grains to the wheat board's mandate, this too could be possible subject to three specific conditions. First the farm organization representing the producers of that commodity must make a written request for the inclusion. Second the inclusion would have to be recommended by the wheat board's board of directors. Third producers themselves must vote in favour of the addition. That is pretty democratic in my estimation.

These new provisions are balanced and fair both ways for either exclusions or inclusions. In either case the decision making authority lies where it should be, directly with producers themselves. The clear goal is to put farmers in the driver's seat when it comes to any future changes in what grains the wheat board markets.

• (1200)

It should also be noted that when Bill C-72 was originally drafted, both the Financial Administration Act and the Canada Business Corporations Act were used as models for various provisions. Subsequently it was decided that it would be more appropriate if provisions in the CWB act relating to the duties of directors and officers were the same as those in the Canada Business Corporations Act which applies to private sector corporations. Accordingly, a few revisions have been made.

Hon. members opposite might wish to note that references to employees in provisions relating to the duty of care, duty to comply, limit of liability and indemnification have been deleted. These changes will result in employees of the Canadian wheat board being placed in the same position as employees of any corporation. To me that makes a lot of sense. If they are acting in good faith and within the scope of their employment, then they would have the same protection under common law as would employees of private corporations.

As for the directors and officers of the Canadian wheat board they will naturally be required to abide by the law. They will also have the duty to act honestly and in good faith, exercising all reasonable care, diligence and skill. If they fail in that duty they will expose themselves to legal liability.

In addition to the changes that I have mentioned, all of the amendments made to Bill C-72 in the last Parliament have been retained in Bill C-4. It reflects the essence of the Western Canadian Marketing Panel's recommendations on Canadian wheat board governance and operational flexibility and also establishes the criteria and general process for making changes to the wheat board's marketing mandate. These changes usher in a new era of accountability and flexibility within the Canadian Wheat Board, ensuring that it is well positioned to compete with in the global marketplace as the dawn of a new millennium approaches.

Canada has roughly a 20% share of the world market in grain. This is in no small way a direct result of our having a single desk seller of wheat and barely that combines size, global reach and marketing clout to bring about the best possible returns from its world markets. Because of the not for profit nature of the Canadian Wheat Board the cost to farmers for the premiums commanded by the board amount to mere pennies per bushel. This is well worth reiterating.

**Mr. Jason Kenney:** Madam Speaker, on a point of order. I understand that the member is at least three minutes over his time. Every member has been tightly constricted in the debate, including the Leader of the Opposition. I would ask that the Chair enforce the time limits on this debate.

**The Acting Speaker (Ms. Thibeault):** As far as I know, there is no problem on the time. Everything has been according to the chronometer. The member has 10 minutes.

**Mr. John Harvard:** Madam Speaker, I understand that I have only a few seconds left. After all, I was given 10 minutes as everyone else was.

I look forward to this bill's moving on to committee and I am sure that it will be vetted and examined there very closely and we will have a vigorous debate.

**Mr. Bill Casey (Cumberland—Colchester, PC):** Madam Speaker, I would like to congratulate you on your elevation to your new position.

I say to my constituents that this is the first time I have had a chance to speak at any great length in the House and I really appreciate being returned to the House after a short vacation of three and a half years. I am certainly pleased to be back and I will do my best to represent their interests.

Bill C-4, the Canadian Wheat Board bill, is a difficult issue. It is very complicated and there are a lot of stakeholders and many

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positions, as my colleague from Brandon—Souris reported a while ago. The government had to take a position on this issue.

There are four options available. It could get rid of the Canadian Wheat Board altogether which 37% of farmers recently voted in favour of, quite an astounding vote to toss the wheat board out completely. This certainly expresses a great deal of frustration and anger for 37% of the people to say throw it away and we will go our own way.

• (1205)

The second choice would be to leave the status quo, and I do not think anyone agrees that is a realistic possibility. The third option would be change the board and have influence from the primary producers, and this is what Bill C-4 does.

We would have preferred some voluntary participation so that farmers would have a choice. How would the fast food industry react if a small group or majority group of fast food operators said that all fast food operators would operate a certain way without choices? This would not be acceptable. It would be the same with the steel industry and with the fishermen in my part of the country. If a majority of fishermen said they were going to sell their fish and produce to a certain group of people and that the rest of the fishermen would have to comply, it would not be acceptable.

Farmers should have an option. It should be voluntary participation in the Canadian Wheat Board like every other industry. This goes well with the general direction of global economy and privatization.

We are willing to support certain aspects of this bill but we will require amendments. We will be making positive amendments, not nuisance amendments. One area we are concerned about is the inclusion clause. We do not understand it nor do we understand the purpose of it. There is no support from the farmers we have talked to. It seems to be a backward step in the age of global economy and privatization.

The exclusion clause is positive and it does acknowledge the needs and the desires of some people to have voluntary inclusion in the program. But it is very complex and very cumbersome to implement the exclusion clause. We would like it made a little more flexible and available to more people.

Ten out of fifteen people on the board of directors are from the industry. Four of the fifteen members and the CEO will be appointed. The previous speaker said he wanted to put farmers in the driver's seat. If we are going to put them in the driver's seat why do we not let them drive and have all of the board members from the industry rather than just ten?

In Ontario the industry drives the system. In the Ontario Wheat Board all members are elected. We do not see why the members of

the Canadian Wheat Board are not also elected. The CEO should definitely be elected from the board, by the board of directors, as in any other format.

The indemnification clause bothers us. The board members are allowed to set their own pay, benefits and make all the decisions. It says, however, that they will not be responsible for any errors or omissions. This is unacceptable. They must be responsible if they are responsible for their own pay, benefits and working conditions. In any case this is still a monopoly the way it is set up. There must be accountability. The way Bill C-4 sets it up there is indemnification and there is no responsibility on behalf of the board members. With a monopoly there must be openness. There must be access to information, freedom of information and there must be accountability. We will probably put forward an amendment on that.

Another area which was brought to our attention by industry people is the contingency fund. If farmers are to take the responsibility for the contingency fund and not the federal government, why are there still five federal appointees on the board? Farmers see no place for the federal government's board members if they are to be responsible for the fund. They think all members should be elected.

There is a big hole in Bill C-4 the way I see it as the transportation critic. Transportation is not mentioned in the bill at all and there are no issues with respect to transportation. The second biggest issue in grain handling in this country is transportation. It involves every aspect of the business, rail operators, elevator operators, port operators, pilotage organizations, pool operators and the primary producers, the farmers. Most people we have talked to have indicated that the issue of transportation is equal to all others. It must be addressed.

One aspect that is extremely cumbersome is that the Canadian Wheat Board has total control over the allocation of wheat cars. This makes it almost impossible for the farmers to have access to the cars.

• (1210)

It means that empty ships are waiting in Vancouver harbour and full train cars are sitting in the port of Vancouver but with the wrong product. The wheat board has determined that the wrong product should be shipped to port. It is a mistake. We think this should be completely reviewed and the primary producers should be involved in what grain goes in what train cars and is delivered to what port and when. They must play a role in it.

Another issue is pilotage charges. It has been brought our attention that pilotage charges are expensive. With new technology there is no need for these pilotage charges, especially on the west coast. In the end the grain industry pays for them.

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We are pushing for a review of the Canadian Wheat Board issues and on wheat transportation issues in general. We believe the system cannot respond quickly anymore to changing market demands. There is no accountability in the transportation system in the wheat transportation business. There is no penalty for non-performance. Many market opportunities are missed because of full train cars sitting on the wharf, empty ships in the harbour and the wrong grain in the train cars.

This system is designed to fail in the global economy. It clings to the assumptions of a bygone age and it means the system cannot work. We think the system must change and we have a plan. We would like to see the new system have accountability. Farmers are accountable for delivering the right grain in a timely manner. Railways are accountable for moving grain according to agreed on terms. Shippers are accountable for loading the grain at the right time in the right place.

We think market forces should be responsible. We think market forces should determine what grain goes where and when. We think those people who buy grain should determine when it moves, not the people producing it and not the people in the Canadian Wheat Board. The demand should determine what grain goes where. We think there should be just in time delivery so farmers do not have grain sitting in elevators for months at a time or sitting in train cars at the port of Vancouver.

There are many things. We want choice for the grain companies. We want them to have choices for transportation as much as possible. We want transparencies so the rules are clear to all participants in the system. We want a reasonable transportation cost. As much as the Canadian Wheat Board is a monopoly, so is the rail system a monopoly. With deregulation and changes in rail costs coming down, the transportation costs for wheat should be coming down. They are not. We would like to see some control over costs that way.

We have a lot to say on this bill. We want it to proceed but we want it to proceed with the amendments the industry is demanding.

**Mr. Reg Alcock (Winnipeg South, Lib.):** Madam Speaker, as a quick comment on the final remarks of the previous speaker, I suggest this is the Wheat Board Act. There has been a great deal of work done in the transportation department and the transportation committee on the issue of grain transportation and some of the problems in developing a truly competitive rail system. I do not think that is something contained in this legislation and we should not detract from the importance of this legislation in trying to solve a separate problem.

I congratulate the minister responsible for the wheat board for what has been a truly Herculean task. The minister has worked for

more than two years consulting with producers throughout Canada. This is a service to more than 110,000 Canadian farm families. It directly affects their livelihood and you do not undertake changes to such a program without careful consideration and consultation within that community.

• (1215)

The minister has done a superb job and is to be congratulated.

I come from the city of Winnipeg. I do not farm. I live in an urban centre. Urban centres right across the prairies are enormously impacted by the health of the agricultural community. The large grain companies and the wheat board itself are located in Winnipeg along with the commodities exchange and a host of suppliers that make their living on the effectiveness of the work done in the farming communities around the urban centres.

I would like to focus in my remarks today on the whole issue of accountability and democratization. The minister has made a very prudent step in his move to open up the operations of the wheat board to control five producers.

I am a little surprised by the reaction of the Reform Party. Like the member for Qu'Appelle pointed out, members of the Reform Party came into the House in the last session, in the last campaign and now in this session talking about the importance of taking direction from their voters, the importance of listening to their constituents and acting in their best interest.

I cannot think of another circumstance when it has been clearer what producers want. A small number of producers would like to see the board abandoned completely now, but a substantial majority of producers, and not 50 plus 1, want exactly the kind of changes the minister is proposing.

I do not understand what part of democracy the Reform Party does not like. A majority of members of the new wheat board will be elected directly by producers. It is unclear what members opposite are objecting to.

The board will be more flexible. It will be more accountable. Producers will have the opportunity to make major management decisions such as excluding certain types of grain from the control of the board. I was interested in the remarks of the Conservative member who referred to including certain types of grain. That member supported the exclusion but had grave concerns about the inclusion.

Is that not what democracy is all about? If we tell farmers they are empowered to make decisions following a process that consults with the producers, and as in the act a vote must be taken, what does the member of the Reform Party fear?

If a significant majority of producers vote in favour of including something in the wheat board, are they not the ones to make that

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decision? Similarly if they vote to exclude something, are they not the ones to make that decision? Is that not what we have heard across the floor in the last four years from the Reform Party, that we should trust people to make the decisions in their own best interests? That is what the minister has tried very hard to do.

It is a balanced approach. It is a big step. It does not go all the way to full democratization, but it certainly takes us down that road and puts control directly in the hands of producers.

The bill is about five basic principles. It is about empowering producers. It is about putting authority where producers have always wanted it.

I urge my friend in the Reform Party to consider all producers. Let us not just be concerned about a few large producers along the American border. Let us consider what the wheat board has always been charged to do along with the rights and needs of all producers. Let us trust in producers as a group to make decisions which should properly be made by them because it has a direct impact on their livelihood. The bill enshrines that authority. It enshrines the democratic process that outlines the authority those duly elected members will have in the management of the new wheat board.

• (1220)

I was a little surprised to hear the opposition of the member for Portage—Lisgar to the new accountability provisions. I heard him speak about the need for the wheat board to be more accountability, yet when we take that action in the bill he wants to toss it out. I am a little puzzled by that.

The board will have access to audited financial statements. It will have access to all the operational information it needs to make decisions about the proper functioning of the wheat board. The board will have control.

It has enhanced powers in its overall flexibility. The board can make the decision to include or exclude types of grain. It can make the decision about how it will market. I fail to understand the concern of the member for Portage—Lisgar.

The bill does something the government has tried to do in a great many areas, that is open up the processes of governance and hand over to people directly affected in a community the right and responsibility for the management of that entity. We have seen it with the moves in the transportation industry. We have seen it with the moves in the establishment of independent, arm's length agencies, in research infrastructure and now in scholarships. We are saying that governments can step back and can trust the community to make those decisions.

I am fundamentally amazed the one party in the House that constantly preaches this process refuses to support it.

**Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.):** Mr. Speaker, it is always a pleasure to sit in the House, listen and learn, and then give the opposition some good advice and perhaps explain a term or two.

The hon. member for Winnipeg South asked me why we could not support democracy. In the last election were there only Conservatives and Liberals on the ballot? Were there not Reform and NDP candidates? When we vote on the Canadian Wheat Board, why do we not have on the ballot single desk selling, open market or voluntary wheat board? Why do we not have four options? To me democracy is a clear vote with no argument.

In committee we elected our chairman. I wanted to ask the hon. parliamentary secretary to the minister for the wheat board how he explains democracy and I was ruled out of order. To me democracy is a vote by a secret ballot, not one with a policeman standing at the door and counting fingers. That is not democracy. I have seen that type of democracy in the Soviet Union and in Eastern Bloc countries but not in democracies like Canada, the United States and Great Britain.

I am all for democracy. I am for a free vote on the Canadian Wheat Board. Everybody has hammered me because I do not represent farmers. Let us ask members across the way how many rural Liberal or NDP members there are from Saskatchewan, Manitoba and Alberta? Not very many. They cannot hold one to a dozen that we have, so they should not tell me that we are not representing farmers.

**Mr. Wayne Easter:** 100% in Ontario.

• (1225)

**Mr. Jake E. Hoepfner:** None, none, at all. Is it democracy to have somebody in Ottawa dictating to farmers in western Canada what they have to do, no matter what the price?

They did not listen to the latest ruling by Judge Huband in Manitoba on the wheat board court case. He said the wheat board had no accountability to farmers. It does not have to maximize prices. All it is obliged to do under the wheat board act is to move grain.

Is that representing farmers? For goodness' sake, to me that is distortion. Perhaps I am getting a little strong with my words. Maybe I had better tone down.

**Mr. Lorne Nystrom:** The farmers spoke.

**Mr. Jake E. Hoepfner:** The hon. member from the NDP talked about accountability and equality. I wish he would explain it to me. When his MP pension plan is about \$2 million and my farmers are starving, where is the accountability? How did the NDP vote on the MP pension plan?



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**Mr. Jason Kenney:** How come he did not run in Yorkton this time?

**Mr. Jake E. Hoepfner:** I wonder why he did not run in Yorkton. I do not think there were many farmers there. He needed the farmers. He wanted them to vote for him, did he not, or why did he move?

It is an interesting House in which to sit and listen to these people talking about democracy, accountability and equality. As long as somebody in Ottawa can tell us what to do in western Canada it is accountability and it is democracy. When we in western Canada send 60 Reform MPs representing all the rural areas we say what farmers need. They want a voluntary wheat board, a wheat board that can market all grain and get the best price for them. But that is not equality, that is no good, according to the government.

**Mr. Wayne Easter:** They voted on the wheat board advisory. They were 100% in favour.

**Mr. Jake E. Hoepfner:** They voted on the advisory board. I thank the hon. member for bringing that out. I do not have Mr. Harder, the advisory board chairman, in my riding but I was interested in what kind of accountability and prestige he had in his riding. I went to the returning officer and checked the figures on the votes the Liberals and the NDP got in the two polls where Mr. Harder, the big defender of the wheat board, was working against Reform tooth and nail. The results were 25 for the Liberals, 78 for Reform, 18 for the Liberals and 72 for Reform. That is democracy.

There was a flood in Manitoba. It was very interesting when they were campaigning. All of a sudden I saw Liberals waving \$5,000 cheques and saying "Vote for the Liberals and you will get compensation. Just vote for us". There were 12 Liberal candidates in Manitoba and 6 of them floated down the Red River with their \$5,000 cheques. They are gone, gone for good. That is what I call democracy. That is accountability. If we do not deliver what we say then down the river and out into the lake.

Farmers in western Canada want equality. They want accountability. They want democracy. They want the option of a voluntary wheat board, a single desk or open market. That is all they ask. When we look at the CTV-*Maclean's* poll, farmers are in the most honourable profession in Canada. Let us look where politicians are: right on the bottom just above lawyers. It is accountability when they are placed according to order.

It has been a real nice experience to listen to the debate today. I hope they will ask me for the judgment of Judge Huband to read how accountable the wheat board is. When the wheat board mandate is only to get rid of grain no matter what the price that is not accountability. Accountability is to get a fair market price distributed to each farmer. If the wheat board is not prepared to do that it should get out of the business. Everybody else will do it.

We can look at the canola industry, the flax industry and the rye industry. Farmers are moving them. They are getting decent prices. They are progressing. Look at the wheat board grains. They are going down, down, down. Very soon we will not have any wheat with which to make our bread. That is what is happening to wheat board grains.

● (1230)

We recently had a provincial byelection in Portage. It is Portage—Lisgar for the information of the hon. member for Winnipeg South. Reform got over 15% of the votes without a party to back it up, just behind the Liberals. Not only did we do well, we got rid of another two Liberal MLAs in the legislature. They resigned because they were so disillusioned with the lousy political system.

**Mr. Dick Proctor:** Mr. Speaker, I rise on a point of order. I am very new to the House, but it was my understanding that we were debating Bill C-4 today and not the recent byelection.

**The Acting Speaker (Mr. McClelland):** In the opinion of the Chair the hon. member was relevant.

**Mr. Jake E. Hoepfner:** Mr. Speaker, I would like to look at the last clause of the bill. If a wheat board manager or a wheat board employee is found to be in civil disobedience or is caught in a criminal act what happens to them? The liability comes back to the farmer who has entrusted that employee with the grain. That is responsibility. I have to pay the liability for the guy skimming my grain.

If I hire a man and he steals my pick-up truck and I call the police and they arrest him and put him in jail, will I have to pay the fine? Will I have to pay him for the time he spends in prison?

That is how ridiculous this bill is. It takes the liability away from the government, which is forcing this bill on farmers and placing the liability on producers. I have never heard of something like that happening in a democracy. It really bothers me that that type of thing can happen.

Judge Huband said that Parliament should look into these irregularities and do what has to be done. What did Parliament do when asked to act on these irregularities? The solicitor general lost the documentation between here and Winnipeg D division. It was gone. I got kicked out of the House because I could not believe that was possible. How can government, from the solicitor general to D division in Winnipeg, lose the documentation?

That is what this bill is about—

**The Acting Speaker (Mr. McClelland):** The Chair rose because on that occasion, in the opinion of the Chair, the hon. member for Portage—Lisgar was straying from relevance to the bill on debate.

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The member has about 30 seconds to wrap up his speech. I would ask that he do so by speaking on the bill which we are debating.

**Mr. Jake E. Hoepfner:** Mr. Speaker, I appreciate that very much. I know that I will get the chance in the House one of these days to get an explanation of democracy from that side of the House because I still have not found that it gibes with what the dictionary says. I would like to know who is right. Is the Webster dictionary right about democracy or is the Liberal government right?

That is what this bill deals with. Where is the accountability? Where is the equality? Where is the democracy in this bill? I do not see it.

**Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Mr. Speaker, it has been an interesting morning and afternoon discussing Bill C-4, an act regarding the Canadian Wheat Board. It is something which the hon. member opposite from western Canada claims he knows a fair bit about. What astounds me is that he talked about democracy. I know a little about democracy and I know that this bill speaks directly to democracy.

This government has made a very firm pledge to listen to the producers. It listens to the people who are affected by legislation. That is exactly what Bill C-4 does. It speaks exactly to the needs of producers and to consumers who enjoy the agricultural industry. It is a Canadian industry. It is not just a western Canadian industry. That is why we are debating it here on the floor of the House of Commons. It is very important for us to discuss it. I honour and respect the opinions of our colleagues from western Canada, our colleagues from Reform.

• (1235)

We too represent western Canada. We are prepared to listen to their arguments, to their discussions and to their points. That is exactly what we are doing here today. We are referring this bill to committee prior to second reading. That is what the debate today is about. We are referring this bill to committee prior to second reading. That is the democratic process.

Referral to committee prior to second reading allows members opposite and government members to provide greater input into the substance and structure of a bill. It is an innovation that was created by the Liberal government in the last Parliament to allow opposition members and government members to provide greater substance to bills.

From the democratic point of view that is a very important point, something we are not afraid of. We are not afraid to listen to people who have opinions and want to have their opinions registered for the record.

However, we have come to a point where we are arguing—actually my colleagues opposite are arguing—whether or not this bill embraces democracy. Clearly two-thirds of the board of directors of the Canadian Wheat Board will be representatives of the producers who are most directly affected.

I understand a little something about democracy and I would suggest to the hon. speaker that clearly those who have a vested interest should be represented on the board. That is clearly what Bill C-4 does. For the first time in the history of the wheat board we will actually have representative democracy. Those producers who are most directly affected by the actions and outcomes of the Canadian Wheat Board will have a direct say in its management and its structures. That is representative democracy.

This morning the hon. member for Portage—Lisgar had to ask the question, what is democracy. I can certainly understand why he would have to ask that. He has intimated that he does not understand where democracy fits into this bill. The farmers themselves are sitting on the board of directors of the Canadian Wheat Board. They are the ones who represent the associations, they are the ones who represent the farmers and they do the best job. Two-thirds of the board of directors will be farmers and that is exactly what this bill is all about.

The hon. member for Portage—Lisgar mentioned that his farmers are starving. For 62 years the Canadian Wheat Board has been representing farmers and it has been doing a very good job. Stability in the wheat board process is very important and it is something that creates stability within the agricultural community.

We are prepared to create innovation because innovation is important. We are creating innovation within this act to respond to the needs of the day. Two-thirds of the directors of this organization will be from the producers themselves, and I find absolutely nothing wrong with that. It is quite a good bill. It is a bill that meets the needs of the wheat industry. The Canadian Wheat Board will now be more representative of those needs.

Wheat exports have been increasing recently in part because of the efforts of the Canadian government and in large part because of the efforts of the Canadian Wheat Board. We have actually seen increases in our export capability in this field. We have seen increases in revenue, in the amount of value that is created from our agricultural community. That is a very important point to add when we talk about the supposed inefficiencies of the wheat board. Where do we get increases when there are supposed inefficiencies from this structure? It is a good structure because it represents the needs of the people who are most interested in the Canadian Wheat Board.

It bothers me to address this in the House because the House deserves better decorum. However, there has been a suggestion that the farmers who will sit as members of the board of directors for the Canadian Wheat Board will for some reason be corrupt and that

this wheat board legislation will protect corrupt farmers. That was the suggestion from the Reform Party. As they go around their constituencies making representations about the Canadian Wheat Board, they will suggest that the legislation allows inappropriate activity to go unharnessed and unabated.

• (1240)

I would like to point out the wording in the Canadian Wheat Board Act what we proposed directly follows the Canadian Business Incorporations Act and nothing more. It follows exactly what every private sector firm incorporated under the rules of the Government of Canada follow today.

When they go about their riding consultation process are they going to point out that day after day as long as Reformers sit in the House, that they have indemnity from any sort of prosecution? That is a procedure they enjoy every day.

When Reform members make inappropriate statements and members from the opposition benches make what some would consider inappropriate statements, it is the House of Commons and the people of Canada who will pay for their legal bills. That is amazing.

Reform members are discussing the fact that they feel this is completely inappropriate that farmers, those who sit on the board of directors of the Canadian Wheat Board should be completely open and susceptible to any charge or allegation, even if it comes from the benches of hon. members opposite.

There is a valid reason why we should have the same rules that govern every private sector forum in the country incorporated under the Canada business act that same respect should be given to the farmers who take the courage, time and energy to sit on the board of directors of this corporation.

I would like hon. members opposite to point out when they go about their constituency consultations that they do not want farmers who sit on this board of directors to have any protections whatsoever, to have any sort of umbrella within the Canadian Wheat Board. They should be able to do their business and not do things which are contrary to the laws of Canada as has been suggested, not to do things which are contrary to the best interests of farmers. They should be allowed to just go about their business.

While members opposite enjoy parliamentary privilege day after day in the House of Commons, they would have farmers be susceptible to prosecution regardless of how frivolous the charge. That is exactly what hon. members will not talk about as they go about their riding consultations, that they enjoy parliamentary privileges and that they will have their legal bills paid for by the House of Commons, yet they will not even extend part of that same privilege to anybody else. That is hypocrisy.

Now I come to my conclusion. Soon we will refer this to committee before second reading. It will be a great opportunity to

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work with my colleagues, to respect the wishes of farmers and to strengthen, not tear down, the Canadian Wheat Board. Quite frankly, I believe hon. members opposite want to weaken it because they know it is a darned good Liberal innovation and it will strengthen our resolve in western Canada.

[*Translation*]

**Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ):** Mr. Speaker, I am pleased to speak to this bill to amend the Canadian Wheat Board Act and to make consequential amendments to other acts.

People sometimes think that the Bloc Québécois or the other opposition parties systematically oppose everything the government proposes. We for our part support this bill. We may have a few concerns, some constructive criticism, but in general terms, we will vote in favour of the bill's being sent to committee.

• (1245)

I would first like to take a few minutes to send greetings to the people in my riding. This is not the first time I have risen in this new Parliament, but this is my first speech. I would therefore like to take a few minutes to acknowledge the people in my riding.

As you know this is my second mandate. I obtained 64% of the vote thanks to a fine team that stuck with me throughout the campaign, which led to a great victory on June 2. The people placed their confidence in me. That moves me deeply. And I thank them very much.

In all good faith, I would like to salute my opponents in the last election campaign, especially Clément Lajoie, the mayor of St. Bruno, a village in my riding, and Sabin Simard, the Conservative candidate.

I think all candidates ran a respectful campaign. I say "candidates" because at the party level, it was another story. When you are facing in your riding a party like the Liberal Party of Canada, I can tell you that respect sometimes goes out the window. Let me tell you I did not appreciate the Liberal Party's little destabilization tactics in the middle of the campaign.

It was rumoured that we had not risen often enough in the House, while over not quite eight months I think I had risen more than 70 times, which is quite a bit more than many members across the way. The word was going around that I attended only 80% of votes, when it is well known that one day a week, that is one day out of five or 20% of the time, I could not be here. They were trying to destabilize us in the middle of the campaign using this kind of lines. They played with public opinion by capitalizing on the fact that people are not necessarily familiar with how politics works.

Also, what I find most disturbing is how much money these political parties have available. You probably know that, as a party, the Bloc Québécois believe it is important not to have financial ties

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with business or corporate interests. That is why there are no corporate donations allowed in Quebec, only public funding.

When, in the middle of an election campaign, you find yourself pitted against political parties that take donations from large corporations, I find it extremely painful to have a policy to that effect, especially considering how they get their financing. This was made obvious recently during question period.

In a word, Mr. Speaker, as I can see you watching the clock, while I will not rend my clothes over this issue, I certainly would have a lot to say on the matter, but there is nothing to worry about.

I may be upset with how things were done in the past, as I said, but fear not, I am looking to the future. In fact, I am absolutely thrilled about the future. Because the future means 44 Bloc members. It means the year 2000 and a new country. This will require a third referendum, and this time the yes side will win.

[English]

**The Acting Speaker (Mr. McClelland):** I would ask please, that we stay somewhere close to the bill that we are debating which is of course the wheat board bill.

[Translation]

**Mr. Stéphan Tremblay:** Certainly, Mr. Speaker. I am getting there. But the folks in our ridings deserve a nod.

I am very proud of my riding—

**Mr. Louis Plamondon:** On a point of order, Mr. Speaker.

I am very surprised to hear you call a member to order by censoring his arguments. On every occasion that we have risen in this House, we have made the connection between the bill now before us and certain objectives that our party has. I am very surprised to hear the young member interrupted and told that he must say this or that, when the other parties are not treated this way.

[English]

**The Acting Speaker (Mr. McClelland):** With respect, hon. member, the Chair does not consider that to be a point of order.

[Translation]

**Mr. Stéphan Tremblay:** Mr. Speaker, I think that it is sort of a tradition for one's maiden speech to concentrate a bit more on local affairs. That was the reason I thought it important to mention a few facts. But, as you wish, I will move right along. I had some nice things to say, but out of respect for the Chair, and for this democratic institution, the Parliament of Canada, I will move on to my comments on Bill C-4. I do so with respect, because I hold this institution in respect. In Quebec, we have respect for democracy. I did want to mention the third referendum, which is not far off. I

hope that this institution will respect Quebecers' upcoming decision.

• (1250)

Finally, in connection with Bill C-4, I wanted to mention an agricultural initiative in my riding, the Coopérative Grains D'OR. The co-operative's 225 shareholders have set up a grain centre, which means they can process and package their own crops. I am telling you this because it brings me to today's debate on the bill to amend the Canadian Wheat Board Act.

So, as I said earlier, the Bloc Québécois is not opposed to the bill. It is a worthwhile piece of legislation which will ensure greater representation for western producers, and we are pleased to see a measure which will benefit other Canadian provinces. We are not here to undermine what is being done elsewhere, quite the contrary, but we are aware that, while the bill affects Quebec to some extent, it does so in an indirect way.

This measure is a carbon copy of Bill C-72, which was introduced during the last session of the 35th Parliament. Fear not: it is not out of generosity that the Liberal government came up with this legislation but, rather, because of pressure exerted by western producers, who have been demanding that changes be made to the methods used by the Canadian Wheat Board. In recent years, many transborder farmers from western Canada have illegally exported wheat to the United States. This undoubtedly explains, to some extent, the government's initiative.

The changes to be made to the Canadian Wheat Board through this bill take into account, among other things, the restructuring of this body, thanks, in part, to the partial replacement of Liberal patronage, as outlined in clause 3. I say "partial replacement of Liberal patronage" because this government will still appoint five directors out of the 15 mentioned in the bill.

However, the reason we are supporting this bill is that a majority of directors, 10 of them, will be elected by the farmers who use the CWB's services. This is a positive change, in light of the current situation.

It should be noted that the Bloc Québécois played a major role in the makeup of the board. Indeed, without the efforts made and the pressure exerted by the hon. member for Frontenac—Mégantic, the Liberals would surely have reduced the number of producers' representatives.

As regards the activities involved, Bill C-4 provides greater flexibility in purchasing grain and paying farmers, the whole process being covered in part by a reserve fund set up by the CWB.

As our agriculture and agri-food critic said earlier, the Bloc Québécois supports this government measure. Unlike those who accuse us of navel gazing and despite the fact that this subject might appear to be of no interest to us because of the difference in our farming sectors, we are interested in the measures proposed in

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the bill, which is of considerable significance for Manitoba, Saskatchewan, Alberta and various parts of British Columbia. Western grain farmers are entitled to have their say, and we will try to add our support in this matter.

Still on the subject of the social restructuring in this bill, I would point out certain facts that will shed a little light on what appears to be a government sacrifice, but which in fact is a sham. I say sham because the government will retain fairly significant control over the Canadian Wheat Board.

In short, for these reasons, the Bloc Québécois will support the bill's being sent to committee, and we do not intend to make things difficult for the government.

[*English*]

**Mr. Jerry Pickard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I would like to clarify a couple of points that have been made on Bill C-4.

• (1255)

When we hear about the undemocratic process that has been suggested with regard to the wheat board, there is no question that we need to have a balance between those who are responsible for the expertise in that legislation and those who really represent the sale by the farmers.

This bill does put forward a very good balance. We do have people who were appointed as the CEO of that corporation. We are looking at an extremely large corporation. People looking after that corporation certainly have a responsibility to have the expertise to be brought forward to make certain that those issues are understood and understood well.

We certainly need a larger portion of elected people who are going to represent those they are selling the grain for. Quite clearly there is not a scenario where one can be done without the other. The expertise of both is required: those who know the value of the grain, sell the value of the grain, work with people abroad, work with all the intricacies of transportation and everything the board is responsible for; and those who represent the primary producers.

In this bill we have set forward a balance yet we have put the primary producer first without question having 10 people elected from areas across this country.

When one talks about the responsibility of that board, the Ontario Wheat Board which is a very heavy producer of wheat as well is under the Canadian Wheat Board. Ontario certainly has a very strong vested interest in how the Canadian Wheat Board operates.

There is not one Reform member who represents Ontario nor do they understand. I spent a long time in the last Parliament trying to

explain to several Reform members what that condition was with the Ontario Wheat Board and our sales.

Certainly they have to understand that my riding is a major producer of wheat, there is no question about that. We produce it in Ontario yet we need to have permission from the Canadian Wheat Board to sell our grain abroad. We need to have permission from the Canadian Wheat Board to transport it from province to province. Therefore there are many implications of that wheat board that have a great effect on other regions of Canada. It is not just a western grain issue, ladies and gentlemen. That is not the case.

I also believe that when we look at this bill we have done extreme consultation across the west. There is no question that this has been a process where hearings were held by a committee that went across the west. It looked at the results of those hearings and certainly moved that issue forward.

I think the minister at the time and the minister who remains today tried to take into account every aspect of the operation of that board before he made any recommendations. He very cautiously went about the recommendations and changes that were brought about.

I have no question that the department has spent years looking at the issues and bringing forth a compromised position that actually is fair for everyone. What we are hearing here is a very one sided viewpoint, a one sided presentation.

As my colleague before me pointed out, it is very clear when they talk about not having protection for the farmers who are sitting on the board from legal suits that may come about. What an unfair position it is to ask people who are elected and sit on a major board that deals with all Canadian wheat in areas of other countries, with all the questions and problems that come about and they are saying, "Look, sit there. We will pay you a small amount but if you are sued for millions of dollars, do not expect any support".

What a shame that is because every other corporation in this country provides those protections for people sitting on their boards. All members in this House when they stand and speak are afforded that protection in this House. The House of Commons covers their costs if they have legal problems with regard to whatever happens in the House. They cannot be sued for statements they make in the House. However at the same time, they are saying that the board of directors for the Canadian Wheat Board cannot be provided that kind of protection.

• (1300)

I suggest there are many arguments being put forth here which are very one sided. That is very unfortunate from my viewpoint because I believe those ladies and gentlemen who dedicate themselves to work on the wheat board, those ladies and gentlemen who shall run for the new wheat board, will do a great service for the

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farmers in western Canada and for all the farmers in Canada. There is no question that we should give them all of the afforded protection we can give them so that they will provide that service well.

**Mr. Roy Bailey (Souris—Moose Mountain, Ref.):** Mr. Speaker, I rise for the first time in this House. I want to say that no bill will ever come before the House this session which is closer to my constituents than this bill.

I come from the Souris—Moose Mountain constituency where the farmers in 1960 wanted options. They were not satisfied with the marketing of grain. Although they were subjected to all kinds of opposition, phoney road bans, phoney literature being spread about it, the farmers said they want an option. They dug down deep into their pockets and built the Weyburn inland terminal. Today the city of Weyburn has the largest grain handling facility of any inland place in Canada because the farmers exercise an option.

Members opposite do not seem to realize that is what Reform is talking about. We are talking about an option.

If the wheat board does not look clearly into what our young farmers are saying, and I know this is true in Souris—Moose Mountain, if they are not given an option, then the wheat board, in its original purpose, the reason for which it was designed, will self-destruct. That self-destruction will not take too many years.

There is one thing of which members opposite ought to be cognizant. They brag about the 37% vote they got. The only difference between a third and a half is a sixth. That fraction is growing smaller and smaller all the time because of the bills they are putting before the House such as the bill which revises the wheat board.

They talk about democracy, with 10 of its members being voted in and 5 being elected. They say it is a Canadian bill. Is the creation of the Ontario Wheat Board not a Canadian bill? All of its members are elected. What is wrong with electing all of the members to this board?

As long as there is not accountability and open books, as long as there is not accountability in the way their statements are audited and produced, then that area of suspicion grows with every crop that comes off every farm. It is growing and government members had better understand why it is growing.

I alluded to the farmers in my constituency who have and will continue to put their money into their own grain handling facilities. If those farmers are given the option tomorrow, we will find out which option they will take. They will take the same option which they did in building their facilities. They will take that option. There is no doubt about it.

The member talked about getting permission from the Ontario Wheat Board to deliver grain across the border. Why is it that the people in the west cannot get permission to deliver their grain to the area of their choice? It is allowed in Ontario, but it cannot happen in western Canada. Government members will have to answer those questions.

• (1305)

The electorate of western Canada did answer. The greatest wheat growing province in Canada said “no way, we are going to elect eight Reformers all from the rural area”. There is the answer.

Those members say this is an Ottawa made bill for the bureaucracy that basically is in Ottawa, and therefore the bill is going to stay here. They know very well with the government members, five of them being appointed, all they have to do is take three members away from the 10 and they have the majority.

Democracy goes right out the window. All of those three members elected have to do is side with the government and the five who are appointed and the wishes of the farmers are gone.

Members know that and that is exactly why they did not have a totally elected board. That is exactly the reason. They are not fooling the farmers of western Canada. They are not being fooled one little bit.

If the farmers right now who are in dire straits, and there are a lot of them with the price of wheat, are given the opportunity, if they are listened to, they would say “Please, in our democratic society of Canada give us the choice. Don’t legislate to us. We grow it, we store it but we don’t own it. We don’t sell it. We can’t understand the operation because our selling agency is not even responsible to us”.

This is why, in my constituency, more and more agents every year are going out of wheat. Do members know why they are going out of wheat and barley production and the acreage is going down? Because they do not have a choice.

When they can get mustard, canola and soya, all of these commodities, that is where they are going. They contract it in the spring. They know what they are going to get and they got a choice. They have a choice with whom they even contract it to.

That is all we are asking, but those members want to keep this thing a dictatorial body governed not at arms’ length from the government. The government is right in there and that is where the mistrust comes.

I know I can go to the people of my constituency, even those who support the wheat board, even those who openly say they want more control. They have said no, they are not going to get it with this mix-match. “We will give them 10 elected boys but we’ll control them”.

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They still see the board controlled by the government. That is exactly what the farmers do not want and that is not what the farmers on their survey of western Canada said.

I hope this bill gets a good airing in this House. I hope committee goes through it in detail because the major producers of western Canada deserve more of an option than what they have been given under this bill, for this is a billion dollar industry.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I do not know if two or three years from now whether anyone will remember this speech, but I will give it anyway.

Government is destroying the wheat board. I want to make that clear at the beginning. I am going to be asking a series of questions to point out how it is doing that. I have heard the Liberals across the way talking about the fact that we do not have any representatives in Ontario.

I do not see the relevance of that point to what we are discussing today. The Canadian Wheat Board affects primarily the people in the prairie provinces. If the hon. minister in charge of the wheat board had to face farmers in an election today, he would not get elected.

He got elected because he is in primarily an urban constituency. There are very few farmers who support him on this issue. I think that is something that should be clear to the members opposite.

I appeal to those people watching and listening to this debate today, I appeal to our city cousins, to listen to the dilemma farmers are in because they have no control over the minister of the Canadian Wheat Board.

The government is talking about democracy. Every farmer knows that the question which was asked on the plebiscite on barley marketing was not the key question. It was an all or nothing question.

• (1310)

The government decided that there was either a monopoly or there was no wheat board. That is not what the farmers in my area are telling me. If members want to talk about democracy, they should come to my riding and design the questions. I have already done that and over 80% of the farmers want changes to the wheat board, which the minister is not making. That is democracy and it is not happening in the House today. Over 50% of the farmers want some choice. They were not given that option.

I live in an area that is very strongly supportive of the wheat board.

Unfortunately I will not have time to get through the nine very important questions that I think need to be addressed. I will have to somehow communicate that to the members opposite in another way because those are key questions.

We have had very little light shed on this debate today. There has been a lot of heat and it has generated a lot of friction between farmers in Saskatchewan. Unless these questions are addressed and light is shed on this, we are spinning our wheels and not doing what is in the best interests of farmers.

When I surveyed the farmers in my area, I had no vested interest in one side of the question or the other. I wanted to know what farmers really thought. I think that is what the government should be doing. It should be going to farmers and asking what they really want. The government put in place a marketing panel and when it brought in its report, the government cherry picked.

I listened to somebody this morning reporting about the transportation issue and how all of the key stakeholders in it got together and reached an agreement and the government simply cherry picked on the results of that. That is what it has done with the western marketing panel. We have this problem over and over.

Another time I will go through my nine questions because I feel they are essential in shedding light on this issue.

**The Acting Speaker (Mr. McClelland):** It is my duty to interrupt the proceedings at this time and put forthwith the question on the motion now before the House.

**Mr. Garry Breitkreuz:** Mr. Speaker, on a point of order. If I were to get the unanimous consent of the House I could go through these nine points because they are essential.

**The Acting Speaker (Mr. McClelland):** Does the member have the unanimous consent of the House?

**Some hon. members:** No.

**The Acting Speaker (Mr. McClelland):** There is not unanimous consent.

Is the House ready for the question?

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

• (1315)

*And the bells having rung:*

**The Acting Speaker (Mr. McClelland):** The vote stands deferred until the end of Government Orders tomorrow.

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**CANADA PENSION PLAN INVESTMENT BOARD ACT**

The House resumed from October 6 consideration of the motion that Bill C-2, an act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other acts, be read the second time and referred to a committee; and of the amendment.

**Mr. Jerry Pickard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, last night, as you are well aware, I had started into the debate on the CPP legislation, Bill C-2. I wish to give a quick review of the points I made last night before I continue.

The CPP legislation was designed some 30 years ago. There is no question that in that design of CPP legislation there needed to be—

**The Acting Speaker (Mr. McClelland):** Excuse me, hon. members, if we could keep it down in the House while other members are speaking.

**Mr. Jerry Pickard:** Mr. Speaker, that was very kind of you. The folks across the way could listen and learn a bit about the CPP legislation. Then they would understand. There is a very good colleague across the way who happens to be a parliamentary secretary who is helping them understand some of the finer details and we very much appreciate that.

In the review of what I talked about yesterday it is critical to understand that the legislation which started 30 years ago needed some upgrading to be brought into the reality of today's society. Certainly when the chief actuary reported that there was a tremendous imbalance in the relationship between the contributions on the one hand and the payouts on the other hand and that it would not be a long sustainable plan, the finance minister took it upon himself to make certain corrections were made.

As I pointed out, the minister did not move along in this in some way in that he did not hide the fact that this plan needed revision. He went about it in a very open clear obvious way. He did consultations with all provincial and territorial governments in trying to examine the direction we should go. He talked to professional actuaries across the country, insurance experts. He talked to social planners, seniors, youth and the disabled to make

certain that all the elements of society that are affected by the Canada pension plan were taken into account.

The consultations took a very long period of time. The answer that came back from Canadians was to keep the CPP and to make changes if necessary. The message was that the CPP is a very vital part of Canadian society, a very foundation under which we operate and one that needs to be maintained.

I also pointed out that there were some distortions when talking about the CPP. Many colleagues across the way have suggested that it is a tax grab. Quite the contrary. This is a savings plan, an investment fund that will be managed by an independent body. Any profits that come to the management of that independent body will go back into the fund. No dollars will go into general revenue. It is an independent fund that will be managed separately.

• (1320)

CPP contributions are tax deductible and therefore a tax deductible process that is put in place for the future of Canadians, for seniors of today. When we look at it, there is no question that it is a very vital program.

Anyone who says it is a tax grab is saying "Don't put any more money into it". If that is the case, the reality is that if no more money goes in, payments do not go out. In reality what they are saying is no CPP for low income seniors in the future. That is a shame because that is removing the vital foundation under which this country operates which is to look after the seniors of this land. To say "Don't put money into the CPP" is to say "Low income seniors, we don't care about you". I have a tremendous concern about that.

The basic features remain the same today as they were before. What we were told as well through these consultation processes that I pointed out yesterday was to go very easy. We were told not to go at this process very rapidly to alienate, hurt or upset any group in society. The plan was put in place so that changes would occur over a seven year period. Those adjustments would not be put in immediately. They would be spread over a seven year period and therefore it would not be a catastrophe or a blow to any group in our society.

Thus I have arrived at the point where I finished last night and I am continuing today. The impact of the changes will be shared among retirees, future survivors of retirees and recipients of disability benefits.

As noted earlier, one currently in receipt of a retirement pension under the CPP will not see that pension change. Let me state that again because that is something everyone in this House and everyone in society should be aware of. If you are in receipt of a CPP pension today, that will not change. All of those people who have pensions now can look forward to that same pension over the years without change.



However retirement pensions for future beneficiaries would change since the calculation would be based on five year maximum earnings instead of the current three. As an example of that impact of the proposed change, the maximum monthly pension based on the year's figures would drop from \$736 to \$724. That proposed change means a \$12 a month change in benefits. That is a minimal change. It has been designed to be minimal, not to upset or destroy the balance but to make it affordable and make those changes minimal.

There are also changes proposed in the disability benefits of the CPP. As of now, to qualify for a disability pension an applicant must have contributed to the CPP in two of the last three years, or five of the last ten years. The bill proposes to change that requirement so that to be eligible for the benefit you must contribute in four of the last six years.

Changes are also proposed to the formula which will be used to calculate the disability levels. Under these proposals, pensionable earnings would be based on the applicant's maximum pensionable earnings at the time of disability.

I see I have a short time left to finish and there are a couple of points I would like to underline. We found ourselves in a position from the actuarial studies that stated that changes had to occur in the plan. We have tried to make those changes as easy and spread over a longer period of time as possible. We believe it is very vital that all seniors have pensionable earnings. We believe that seniors must be protected with the Canada pension plan and it has to be put in place to be sustainable.

Anybody who says you cannot increase the rates is saying you cannot pay benefits to seniors in the future. That is the reality. It is either pay into the plan and pay the benefits, or do not pay into the plan and cut the whole CPP.

• (1325)

What I am hearing from the right wing side of the House, from the Reform Party, from the Conservative Party, is they do not want seniors to have the Canada pension plan any longer. That is the reality if they are saying not to renew it or not to do what needs to be done to improve the plan.

Liberals strongly believe this fundamental foundation in security has served Canada well and will in the future.

**Mr. Jean-Paul Marchand (Québec East, BQ):** Mr. Speaker, I was particularly impressed with the comments from the MP for Kent—Essex saying that the pension plan is not a tax grab by the government, that the funds that would be put into the pension fund would not be used for purposes other than pensions.

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I submit to the MP for Kent—Essex that the government increased UI premiums and instead of using this money to help the unemployed, it used it to reduce the deficit. This was a misuse of that money.

What about the GST, the famous tax that was supposed to be abolished by the government? The GST was never abolished as far as I know. I ask the MP from Kent—Essex if the government can be trusted not to use funds in the pension fund for purposes other than the pension plan.

**Mr. Jerry Pickard:** Mr. Speaker, I appreciate the question from my colleague. I am surprised because he was sitting in the House when the Liberal government was elected in 1993.

The member referred to the unemployment fund. The first measure that the government undertook in 1993 was to stop an increase scheduled by the Tory government before we were elected. Then under three subsequent budgets we reduced the EI contributions, once, twice, three times. We reduced them in every succeeding budget. For the member to suggest that we increased them, I wonder where he has been for the last three and a half years. Certainly he has not been studying the legislation.

I would like to continue on that point which he opened the door for and reiterate very firmly so all Canadians understand, that we will have a fund. It will be a tax deductible contribution by Canadians. It will pay for the CPP benefit. It will be administered by a separate body. Not one penny of contributions will go to the general revenue fund. They will go to the CPP fund and will be used to pay for benefits down the line.

It is important for Canadians to understand that there were changes made in the 1989 legislation that allowed more people to qualify for CPP and increased the flat rate. We actually increased the rates that people could receive under the CPP and we set up the plan for more people to qualify. As a result it affected the bottom line of the fund historically. That is one of the reasons that it is not able to pay for the costs in the future.

• (1330)

These minor alterations will set that balance straight and maintain an appropriate balance so all seniors will be allowed to receive CPP.

**Mr. Jim Gouk (West Kootenay—Okanagan, Ref.):** Mr. Speaker, I find this very interesting. I rise to make a comment on the hon. member's speech. He called a 74% increase in payroll taxes a minor adjustment. If that is a minor adjustment, I would like to hear the hon. member's definition of a substantial increase.

I want to comment on his remark that the Reform wants to get rid of pensions for seniors. A plan comes in. Everyone is told a pension

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will be there for them and that there will be no increases. Now we are facing a Liberal solution: throw money at it.

We have promised in writing that seniors in our plan will be guaranteed the pension they are already receiving. They will get everything they have a right to expect from the plan. We will offer it to people earlier and get it out of the hands of a government that has totally lost control of the plan.

We are not talking about some adjustments in 1989 that have jeopardized the cashflow of the plan. We are talking about a plan that is almost \$600 billion underfunded. That did not start in 1989.

Does the hon. member wish to clarify his comment that this is a minor adjustment? Does he wish to reconsider his position? He ought to know it is incorrect to say the Reform is out to take away anyone's pension.

**Mr. Jerry Pickard:** Mr. Speaker, the obvious reality is that people are paying into the plan. We have separate management of the plan by financial experts. They are experts in insurance policies. They are experts in social planning. They are experts in disability payments. They are experts in all areas CPP covers. They tell us the contributions—and we see it in the actuarial numbers—have not and will not pay for the retirements of the future.

We did not take this role on to stand back and not deal with it until we are at a critical stage. Paul Martin had the foresight to take the issue on immediately—

**The Acting Speaker (Mr. McClelland):** The Chair is almost certain the hon. member was referring to the Minister of Finance. Is that correct?

**Mr. Jerry Pickard:** Yes, Mr. Speaker. The hon. Minister of Finance had the foresight to move the issue forward and resolve the problem 20 years in advance.

On the other hand the Tories avoided solutions. They did not tackle the issue. We must make sure contributions match the payouts over any period of time. It is a closed fund. The only way it becomes sustainable is to make certain that contributions and payouts balance. If we cannot increase the contributions we cannot make the payouts. That is obvious. As soon as we cut the contributions we cut the payouts.

What is being proposed in the RRSP scenario is that those who have a lot of money to pay into RRSPs will be the benefactors of a pension in the future. Those who do not have the funds, those poor Canadians, are the ones who will end up without pensions. The rich get more and the poor get poorer. That is story being put forward by colleagues across from me today.

• (1335)

**The Acting Speaker (Mr. McClelland):** The hon. member's time has expired for this segment.

Before recognizing the next hon. member, for the benefit of hon. members who are new to the House, including those who are new to the Chair, I would like to explain the use of the word you.

If the word you is being used as a general term and not aimed at a specific individual, this Chair thinks it is okay. If we use the word you and we are referring to another hon. member, it would be better if we referred to each other through the Chair. This is the interpretation this Chair has taken from the Speaker.

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, I am pleased to rise to debate Bill C-2, an act to amend the Canada pension plan. Some members of my generation think it should be renamed the Canada Ponzi plan.

The pension plan was devised over 30 years ago by a Liberal government with a noble objective, one which all members then and now can agree on. The objective was to provide retirement security to all Canadians and to reduce poverty among seniors.

To a certain extent Canada's retirement income system for seniors has been successful in alleviating poverty among seniors and generally improving the living standards of Canadians. As a young Canadian I would like to be on record as supporting a strong, fully funded retirement income system which ensures that no Canadians fall between the cracks in their older years when they are without earned income and sometimes without support from their families.

This is one thing we can all agree on. It is unfortunate the hon. member who spoke before me found it necessary to engage in overblown, overheated partisan demagogic rhetoric. He suggested that my Reform colleagues and I supported a diminishment of benefits for seniors simply because at the same time we support generational equity.

It is an important first principle that all parties debating the bill support income security for seniors and for all Canadians as a primary objective.

The basic framework of the bill and the plan which it amends is as fundamentally flawed as it was 30 years ago when it was first introduced in this place at a time when the most wildly optimistic demographic projections still foresaw that a pay as you go scheme was unsustainable.

The experts knew it then. They have known it every since. Call after call for responsibility to ensure that we did not rack up a massive unfunded liability, a massive taxpayer IOU, was not heeded by successive Liberal and Tory governments. They put short term political considerations ahead of long term human considerations. They should be eternally shameful for failing to act.

They have created a scenario where the pension fund now has a \$580 billion unfunded liability, an amount that almost exceeds the

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federal debt. This brings the total indebtedness and liability of younger Canadians to well over \$1 trillion.

When we add to that the debts and unfunded liabilities of provincial governments, local governments and other pension plans for public servants, we find my generation will be inheriting over \$2 trillion in public indebtedness and liabilities. This is a result of successive decisions made by this parliament and provincial parliaments. That is something for which those who sit on the front bench of government, none of whom represent people of my generation, should apologize to my generation.

People of my age will forever have to work harder and longer to get less, keep less and earn less. They will be paying higher taxes, higher income taxes, higher payroll taxes and higher sales taxes, to fund the debts and liabilities incurred by the government and by the Progressive Conservative Party when it was in power. The bill speaks to that and the member for Saint John denies it.

• (1340)

The fact is, whether or not they like it, the Tories made the decision to do nothing. They made the decision not to act. They made the decision to let the unfunded liability rack up to the point where it is now at \$580 billion.

Now the government comes to us and presents itself as the saviour of the Canada pension plan. Finally it says it is time for somebody to take up the clarion call and reform the Canada pension plan.

The government is 30 years too late and \$580 billion short. It should have structured the plan the right way 30 years ago when it was known that the demographic pyramid would change.

When the plan was designed it was assumed there would be six taxpaying workers to every dependent retiree. We now know that within 20 years the ratio will be two taxpaying workers to every dependent retiree, a ratio which is not sustainable for a defined benefit pension scheme like this one.

We do not need a Ph.D. in mathematics. We need to look at the actuarial report of the Canada pension plan which year after year reports a tragic record of red ink into which the government has decided to steep my generation.

I find it particularly galling that the government spends so much time congratulating itself on its moral courage in deciding to raise payroll taxes by 73%.

This will kill tens of thousands of jobs and reduce hope, growth and opportunity for younger Canadians and future generations. The government is busy congratulating itself. At the same time it is busy stealing from the taxpayers of the country to fund its MP

pension plan. It is prepared to impose a 10% payroll tax on all Canadians so they can get a whopping pension of \$8,800—

**Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.):** Mr. Speaker, I rise on a point of order. When an hon. member accuses us of stealing I would ask you to consider it. It is not right. It is not fair. It does not create an atmosphere which is conducive to the good governance of the House.

**The Acting Speaker (Mr. McClelland):** The Chair heard the member for Calgary Southeast refer to stealing in an abstract manner. It was not directed at an individual. The Chair also recognizes the sensitivity and would ask the hon. member for Calgary Southeast to ensure that when that kind of word is used it is very clearly put in the context of the abstract.

**Mr. Jason Kenney:** Mr. Speaker, I did not mean to impugn the integrity of any member of the House. I meant to impugn the decisions made by successive governments and parliaments that decided to use the coercive power of the state to take money from people, without giving them a choice, to fund their retirement funds.

Maybe I cannot use that word in the House, but I know the words people on Main Street use to describe the MP pension plan. They are a lot worse than the word I just used.

The government and its friends in all the other parties want to raise the CPP payroll tax to 10% to give Canadians an enormously generous pension of \$8,800 a year. Is that not something? They are prepared to pay a lesser premium to the MP pension fund to get millions of dollars in unfunded, lifetime pension benefits.

This double standard is a scandal which every Canadian knows about. Members can heckle me from the other side of the House as much as they like, but they know their constituents are fed up with that double standard, and I will take a stand against it every chance I get in the House.

• (1345)

What the government proposes to do, among other things, is to raise the CPP premium, as it is called, from the current rate of 5.6%. It started at 3.5%. I understand that when the father of the Minister of Finance first introduced this concept, it was suggested that the premium rate would stay at 3.5% in perpetuity.

They guaranteed Canadians that at the time. Of course they were wrong. I will not say they lied. I will assume the best intentions. Since then, the rates have crept up to 5.6% and now in Bill C-2, they propose to move those rates to 9.9% by the year 2003 so that individual premiums will increase from \$945 a year to \$1,645 a year, a 73% increase. That means payments of over \$3,200 a year for a self-employed person, the kind of person who is trying to run

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a small business, to create jobs, the kind of jobs the government does not know how to create.

What is that going to do, that \$10 billion tax grab, the largest single tax increase in Canadian history? Is it going to create any jobs? That is a question I ask members opposite. I believe they ran, quite honestly and sincerely, in the last two federal elections on a commitment to increase employment, particularly for younger Canadians.

I heard the Prime Minister speak quite movingly in his remarks on the Speech from the Throne on the importance of increasing economic hope and opportunity and jobs for young Canadians. I was very impressed by the sincerity and emotion expressed in his speech but actions are the true measurement of sincerity, not just words.

The government proposes in Bill C-2 to take away jobs from younger Canadians, take away opportunities from small businessmen who are struggling to create real employment and growth in our economy. They propose to do that through the single largest payroll tax grab in our history.

What about the question of generational equity? What do they say about that? What we know is that the first retirees, the first beneficiaries of the Canada pension plan, will have received \$11 in benefits for every dollar in premiums that they paid into the plan.

Who can argue with that? It is nice that we were able to manufacture money to increase the living standard of retired Canadians. The problem is that somebody has to pay the bill, and that falls on us here today.

Younger Canadians, those of the generation after me, will receive some 57¢ in benefits for every dollar they pay into the plan that the government is proposing. Is that equity?

The Liberal Party of Canada always prides itself on being the party of equity. It claims to be the party of fairness. Where is the fairness in taking from one generation without its consent to subsidize benefits for another generation? Where is the fairness in that?

They talk about supporting young Canadians. This is a government that does not have a single member under the age of 30 but has the temerity to stand up and say that. I appeared before two of the panels that the federal government held on reform of the Canada pension plan.

There were very few representatives of the younger generation of Canadians welcomed at those panels. Why? They were too busy working. They did not have time, like the tax-funded special interest group friends of the government to come before those hearings and to ask for more money from their grandchildren and great grandchildren.

I say shame for not giving younger Canadians a voice on this. We do have younger Canadians. They are looking at one of them right here who is going to have to pay part of these bills.

One of the other things the Liberals propose in these amendments is to create a publicly managed investment fund of over \$200 billion. Just imagine that, a bunch of politicians and government appointed patronage hacks controlling the largest investment fund in Canadian history. As far as the eye can see is pork when they talk about that kind of investment board. Where are the controls? A board entirely appointed through cabinet appointments, just like those very noteworthy appointments to the appeals board, to the parole board, to the immigration refugee board—

**An hon. member:**—like to the Senate.

**Mr. Jason Kenney:** Thank you very much. That is just what we need, a bunch of senators managing \$200 billion public dollars.

• (1350)

The Department of Finance has produced several studies and reports. The Bank of Canada, the World Bank, the International Monetary Fund, and virtually every credible economic think tank in Canada will confirm that payroll taxes kill jobs. The biggest killer of jobs in terms of taxation are higher payroll taxes.

We are now in the 78th straight month of unemployment at over 9%, with 17% youth unemployment that reaches 25% in some regions of the country. Families have been undergoing diminished disposable income for the past 15 years. Even though they are working harder, they are coming home with less. What does the government want to do? It wants to raise those taxes even higher and go against all of the conventional economic wisdom which says that will reduce job growth and mean fewer opportunities for Canadians to get a leg up in the tough new 21st century economy.

There is an option. Yes, we do have an unfunded liability and the country has to make some difficult decisions on how to deal with that unfunded liability. There are no easy choices. As I said at the outset, this party and I think all reasonable Canadians are committed to fully respecting and honouring the commitments that have been made to Canadians concerning their pension benefits. We are committed to that, but it will cost money to honour those obligations.

However, there is a way to fully fund those benefits while at the same time giving younger Canadians better pensions and better retirement security. That is to look at some of the reforms that have been proposed by very respectable mainstream organizations. The C.D Howe Institute has produced several papers proposing the conversion of the defined benefit Canada pension plan Ponzi scheme into a mandatory private retirement savings vehicle, a proposal which has been seconded by the World Bank, an organiza-

tion which is in part funded and supported by the government, as well as many other think tanks around the world.

Governments around the world are coming to grips with the same problem that Canada is now encountering. Last summer I attended a conference in Budapest attended by economists from welfare state countries around the world. They talked about how to convert these defined benefit pension plans into pensions that are fully funded, mandatory private retirement savings vehicles.

Reform has offered such an alternative and I wish members opposite would take this idea seriously. If young Canadians were allowed to make a payroll contribution to a private investment vehicle and got a modest rate of return of 6% a year, they would end up with an annuity of over \$250,000, producing an annual retirement income of nearly \$24,000 a year, a far sight better than the measly \$8,800 offered by the government. Better pensions at lower cost seem to make too much sense for the Liberals opposite.

I would like to close my remarks by saying that the House has a unique opportunity to really grasp the future. Members should think about the impact that this will have on their grandchildren and the taxes they will be forced to pay. Members should forget about their own interests for a moment if it is possible. Maybe they would give up their MP pension plan if they really started doing that. Members should forget about their own benefits for a moment and think about their grandchildren. If they do that, I have enough faith in the sincerity and good sense of members opposite that they will embrace a real alternative for Canada and for its future by embracing a private mandatory retirement savings plan, as we have proposed.

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, I have listened very closely to my hon. colleague. Unfortunately the Reform people continue to speak negatively and with fear.

I want to quote from my hon. colleague's speech. He said "Actions are the measure of sincerity and not just words." That is very interesting coming from a party whose leader is now living in Stornoway where he promised he would never live, but that he would turn it into a bingo hall rather than live there.

• (1355)

**Some hon. members:** Shame.

**Mrs. Brenda Chamberlain:** This also comes from a party with a leader who drives around with a chauffeur and a car that he said he would never drive around in.

This comes from a leader of a party who received \$31,000 tax free for suits. What kind of suits could you possibly wear for \$31,000 a year? I ask that question.

### *Government Orders*

The leader of the opposition has changed his looks. He would never, ever change himself. He has changed his hair, he has changed his teeth and he has changed his voice.

In his speech my hon. colleague said "we have to believe, we have to trust". The people of Canada elected a Liberal government this time because they believed that we would attempt to change the pension plan—

**The Speaker:** I do not know if that was a question or a comment or an answer or all of the above. Was she asking for a comment from you?

**Mr. Jason Kenney:** Yes.

**The Speaker:** So now you have a chance to go at her. You have about a minute.

**Mr. Jason Kenney:** Mr. Speaker, it was not a question, it was not a comment, it was an irrational rant by a member who is embarrassed by the moral leadership of the hon. leader of the opposition who took the challenge and gave up his pension last year. Why does that member not meet the same challenge?

All I can do is quote one of my constituents. I have received more mail on this than on any other issue so far in this Parliament. People have been saying that there is a need for real reform of this pension plan. For instance, Mrs. Brad Skeet from my riding writes "I am a hardworking, tax-paying citizen in your constituency. I heard that the federal government is going to raise the pension contributions again. I must strongly protest this action—the CPP is something that my husband and I do not even count on for supporting us in our retirement. We have struggled to put aside the money we can to invest in our future years".

Those are the kinds of sentiments I am hearing from Canadians instead of the superficial partisan political rhetoric that we just heard from the member opposite. What about talking to young Canadians who are concerned about their future? That would be responsible.

**The Speaker:** As much as I know we are enjoying the debate going back and forth there will be about six minutes for questions and comments when we come back to this debate. As it is almost 2 p.m. I have two things to do.

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[*Translation*]

### **REPORT OF THE AUDITOR GENERAL OF CANADA**

**The Speaker:** I have the honour to table the report of the Auditor General of Canada to the House of Commons, Volume 1, dated April and October 1997.

*S. O. 31**[English]*

Pursuant to Standing Order 108(3)(d), this document is deemed to have been permanently referred to the Standing Committee on Public Accounts.

Because it is almost two o'clock we will now proceed to statements by members.

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## STATEMENTS BY MEMBERS

*[English]*

### HOMEcomings '98

**Mr. Carmen Provenzano (Sault Ste. Marie, Lib.):** Mr. Speaker, I rise to tell hon. members about an exciting event that will take place in my riding of Sault Ste. Marie next year.

Homecoming '98, an 11-day celebration of Saultites and their city, promises to be the biggest party Sault Ste. Marie has ever seen. From July 9 to July 19 residents and visitors will be treated to more than 150 events and activities.

Each day will have a specific theme, such as July 11, youth day, and July 14, heritage day. Homecoming '98 will give the local economy a significant boost, but just as important, it will instil a renewed sense of civic pride in all Saultites past and present. High profile homecomers will include astronaut Roberta Bondar, artist Ken Danby and writer Morley Torgov.

I invite all members to add their names to this list and to join us in Sault Ste. Marie for what promises to be a truly unforgettable event.

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### NATIONAL FAMILY

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, this week is national family week. The October issue of *Reader's Digest* said it received an enormous response to a July article and that the vast majority of letter writers agreed wholeheartedly that it was unfair for the government to tax a single income family more than a double income family making the same amount.

• (1400)

Some families with one parent at home pay thousands of dollars more each year than their double income counterparts. Sheila Donovan from New Brunswick commented that staying home to raise children is a real job: "Not only are we not valued by society but our government does not value us either". Rhonda Pomeroy of Carrot River, Saskatchewan wrote: "I find it appalling that families

who have a full time parent at home are at a disadvantage compared to homes where both parents work".

Strong families are the fundamental building block of Canadian society. We need policies that support parents as they raise their children not which put them at a disadvantage. Canadian families are not asking for special treatment. They are just asking for equal treatment.

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### DENTURISTS

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I am pleased to inform the House and all Canadians that October is national dentist awareness month. Denturists received legal recognition as a profession in Canada in 1961. Since that time Canadians of all ages have benefited from improved quality of life and health care that denturists provide.

The Denturists Association of Canada seeks to promote nationwide standards and common legislative treatment in all provinces. As part of dentist awareness month denturists are seeking to encourage and facilitate the standardization of education among their colleagues and to make the public more aware of their commitment to providing the best services available to Canadians in need of oral health care.

For our part the federal government continues to co-operate with the provinces and territories, as well as non-government organizations, to ensure that the health care needs of Canadians, including oral health care needs, are addressed in a cost effective but efficient fashion.

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*[Translation]*

### FOUNDATION FOR INNOVATION

**Ms. Hélène Alarie (Louis-Hébert, BQ):** Mr. Speaker, since the February 1997 budget, there has been talk of the Foundation for Innovation and its magnificent \$800 million budget.

Yet we do not know when the Foundation will be truly operational, nor what it has planned for the world of research. According to the information we have available, the funds will be used solely for infrastructure expenditures.

Universities and hospitals are already having to cope with budget cuts, imposed by the cuts in transfer payments in particular. The Minister of Industry must realize that they will have difficulty finding partners who could make contributions equal to 50 percent or 60 percent of the funding from the foundation.

I am therefore inviting the minister to sit down with the Government of Quebec to find the best way to get the most out of these funds while respecting the respective governmental jurisdictions.

[English]

### FIRE PREVENTION

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, I remind all hon. members that October 5 to 11 is fire prevention week. This special week reminds us all of the dangers of fire and promotes messages of safety and prevention.

As the Minister of Labour stated at the official launch last Friday, we should never take for granted that we and our families will not be affected by fire. People need to know how to respond in an emergency. That involves education, planning and practice. Every family should have a smoke detector, a home fire escape plan, conduct fire drills and learn to react quickly and decisively. It could make the difference between life and death.

I thank all firefighters in Lambton—Kent—Middlesex and across Canada and recognize the vital service they provide in our communities.

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### COMMUNITIES IN BLOOM

**Mr. Joe Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, this past weekend Merrickville, a community in my riding, was a participant in the Communities in Bloom national finals. I had the honour of attending the third annual competition in St. John's, Newfoundland.

This competition was created to honour Canada's most beautiful municipalities in their efforts toward community and environmental improvement. Participating municipalities were judged on the quality of their green spaces, the diversity and originality of their landscaping, general tidiness, environmental awareness, heritage conservation as well as the level of community involvement.

There was representation from all the provinces and territories. All were winners as they experienced people, plants and pride growing together.

I congratulate Mr. Raymond Carriere and the Communities in Bloom organizers, the judges, participants as well as the sponsors on the tremendous success of this program and I encourage all municipalities to get involved in projects that improve quality of life through participation and help build a sense of community.

\* \* \*

• (1405)

### SMALL BUSINESS

**Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.):** Mr. Speaker, as this House is aware, October 19 to 25 is small business week.

*S. O. 31*

I take this opportunity to make a tribute to the businesses that enrich the constituency of Edmonton—Strathcona.

There is a merchant in my constituency who trades in rare artefacts from around the world. He came to me frustrated because despite his constant and meticulous attempts to obey thousands of rules governing trade, he was still in violation of customs laws. As a consequence, his merchandise was held in a sterile city warehouse while his business suffered.

I am also familiar with a small, family owned restaurant whose owners find themselves unable to hire the staff they need because payroll taxes are too high.

In the spirit of the upcoming small business week, I urge this government to pursue policies that would lower taxes and deregulate the economy. Let us eliminate this monkey business and give Canadian small businesses the fighting chance they deserve.

\* \* \*

### APEC '97

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, I want to bring to the attention of my colleagues that our prime minister visited Vancouver last week to launch Canada's hosting of the Asia-Pacific economic co-operation forum, also known as APEC '97. As a B.C. member of Parliament, I was honoured to join him at various functions.

British Columbia will host APEC meetings for 18 world leaders and their ministers in beautiful Vancouver. To use the prime minister's own words, Vancouver is Canada's gateway to Asia-Pacific. It is also my home town and I can assure this House that the people of Vancouver are honoured to be hosting this important event on November 24 and 25.

As chair of the APEC '97—

**The Speaker:** The hon. member for Champlain.

\* \* \*

[Translation]

### PARISH OF SAINT-RÉMI DE LAC-AUX-SABLES

**Mr. Réjean Lefebvre (Champlain, BQ):** Mr. Speaker, I would like to express my warm congratulations to the people of the parish of Saint-Rémi de Lac-aux-Sables, in the riding of Champlain. They are celebrating the 100th anniversary of its founding this year.

When the parish began in 1897, Saint-Rémi had 59 families. It now has 1,512 residents. Saint-Rémi de Lac-aux-Sables is an outdoor tourism centre of great attraction to boaters and sport fishers.

I wish to pay tribute to the founders of Saint-Rémi de Lac-aux-Sables and to all those contributing to the success of the festivities surrounding this 100th anniversary.

*S. O. 31*

[English]

### LAND MINES

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, Robert Kennedy once said each time a person stands up for an ideal, strikes out against injustice, they send forth a tiny ripple of hope, and crossing each other from a million different centres of energy, those ripples build a current that can sweep down the mightiest walls of resistance.

Last year those ripples gathered enormous speed when our Minister of Foreign Affairs issued a challenge to governments around the world to sign, this December in Ottawa, a treaty that unambiguously bans land mines.

Land mines are indiscriminate killers that too often, long past the end of the intrastate conflicts, kill or maim children playing or men and women trying to grow food and gather firewood.

Non-governmental organizations, soldiers, survivors and witnesses have been pushing for years to ban land mines. In December 1997 we will ride that current together. Much work will stand before us to implement the treaty, but December 1997 will be a time of celebration, a time of hope.

\* \* \*

### JUSTICE

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, one of my constituents, Brenda MacDonald, points out the absurd application of section 232 of the Criminal Code, the defence of provocation.

Brenda's sister, Susan Klassen of Whitehorse, was strangled to death by her estranged husband Ralph Klassen. In January 1997 he was given a five year reduced manslaughter sentence by successfully arguing the defence of provocation, that Susan had provoked him such that he could not contemplate the consequences of his own violent actions.

This defence of provocation blames Susan for her own death. It legitimizes violent spouses' attempts to control and dominate. Manslaughter is death resulting from accident. Susan's death was no accident.

Experts say this defence should be abolished.

• (1410)

Susan Klassen may be just a name to us, but she was Brenda's sister, a friend, an aunt. How many more spouses need to die before action is finally taken by this government? Abolish the defence of provocation.

[Translation]

### ACADIAN ARTISTS

**Mr. Guy St-Julien (Abitibi, Lib.):** Mr. Speaker, them Acadian artists had to go to Montreal to find work. It's kind of like them poor sovereignists what went to Ottawa because there weren't no jobs in Quebec City.

\* \* \*

[English]

### TRADE

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, 10 years ago the Canada-U.S. Free Trade Agreement was concluded. The passage of time has taught us a few things. First, hundreds of thousands of jobs did disappear and many such jobs disappeared from the ranks of the large corporations that said in 1987 that free trade meant more jobs.

Second, there is no question that the FTA and subsequently NAFTA and the WTO have all contributed to downward pressure on wages and the standard of living of ordinary Canadians, not just in terms of wages but also in terms of deteriorating social programs and social harmony. Although I am sure there are Canadian exporters who have done very well, it is also true that we do not know to what extent the low value of the Canadian dollar is really the key determinant in much of this success.

Furthermore we continue not to have free trade with the U.S. On softwood lumber, on durum wheat, on sugar, and in a variety of other ways the U.S. appears to have it both ways.

Now we have the MAI, with still more protection for investors than that provided by current free trade agreements. When will we get agreements to protect workers, the environment and the public interest? When we get an NDP government.

\* \* \*

[Translation]

### QUEBEC BY-ELECTIONS

**Mr. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, the government of Lucien Bouchard, our designated premier, took quite a beating last night. The Liberal Party of Quebec won three out of four by-elections in the province.

First of all, I would like to congratulate the winners: Michelle Lamquin-Éthier, MNA for Bourassa; Denis Chalifoux, MNA for Bertrand; Claude Béchard, MNA for Kamouraska—Témiscouata; and I have to hand it to the Liberal candidate in the riding of Duplessis, Daniel Montambault, who turned in a wonderful performance and almost carried the day.



The message Quebeckers were sending to Lucien Bouchard and his followers was loud and clear: "Enough about your special interests. Enough of your colonialist junkets on the backs of taxpayers to promote the partition of Canada. Enough of worrying Quebec's business community with talk of partition". It is time you took care of real problems and—

**The Speaker:** The hon. member for Chicoutimi.

\* \* \*

### FREE TRADE AGREEMENT

**Mr. André Harvey (Chicoutimi, PC):** Mr. Speaker, this week marks the 10th anniversary of the signing of the free trade agreement.

What did the Liberals say back then in order to win the election? They said, "The Americans are going to take our water", "seniors are going to lose their pensions", "we are going to lose control over gas, oil and electricity".

What do we have to show for the free trade agreement ten years later? We have a 140 percent increase in our exports to American markets. But economist Alain Dubuc said it best in one of his editorials, which is worth a second read: "When the Chrétien government boasts about economic results that are beginning to look up, it does so as a government that owes much to the Conservatives, as a government that is acting on strategic decisions taken by its—

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

\* \* \*

[English]

### CANDU MOX

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, the Canadian nuclear industry's CANDU MOX proposal would involve the importation of up to 150 tonnes of weapons grade plutonium from Russia and the U.S.

Canada would mix the plutonium with uranium oxide for use as nuclear reactor fuel. Canada would then be responsible for the "disposition" of the spent fuel. Since plutonium with its immense radioactive longevity and carcinogenic qualities cannot be disposed of, "disposition" is used to mean moving plutonium from one place to another without actually eliminating its danger. If implemented, this initiative would also impose high long term costs on Canadians.

• (1415)

I therefore urge the government to reconsider its support for the Candu MOX initiative and instead have Russia and the United States dispose of their own plutonium within their national boundaries.

### Oral Questions

## ORAL QUESTION PERIOD

[English]

### AUDITOR GENERAL'S REPORT

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, today the auditor general released his report. In it he condemns the waste in the fisheries department in some of the strongest language he has ever used. In particular he shows how the government has squandered \$3.5 billion on the TAGS program.

The TAGS program was supposed to help lift up Atlantic fishermen after the collapse of the fishery. Instead it has made more Atlantic fishermen dependent on the federal government for income.

How does the Prime Minister explain the complete and utter failure of the program and the damage it has done to Atlantic Canadians?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I do not think it was an error for the government to help fishermen who were in a very difficult situation because of problems in the fishery.

The TAGS program helps people in Newfoundland adjust to the situation. They were asked by the government not to fish any more because the stocks had decreased and there was a need to give the resource time to replenish itself.

Of course it was a program that—

**The Speaker:** The hon. Leader of the Opposition.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, when TAGS was created, members will remember the former Minister of Fisheries and Oceans stood in the House to say that only one-third of the expenditure was to go to income support. That was the basis on which parliament gave the money.

According to the auditor general's report today, fully 76% of the TAGS money went to income support and none of the program objectives were achieved.

Now that the auditor general has exposed TAGS as a costly failure, will the Prime Minister pledge to the House that he will not extend this wasteful, dependency creating program?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, to call giving money to poor fishermen who cannot go to sea a waste of money is completely unacceptable.

One of the benefits of living in a federation is that we can help those people who live in areas where there are problems. Everyone recognizes that the fishermen in Newfoundland and in other Atlantic provinces have faced very difficult problems over the last few years.

*Oral Questions*

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, what the fishermen of Atlantic Canada wanted and what parliament voted on when it voted to support the program was money for training and restructuring of the industry, and they got neither of those through the TAGS program.

The auditor general said that the government started implementing the program before it had finished the planning, that parliament was not given accurate progress reports, that the department did not have reliable data, and that other alternatives which would not have created dependency were not even considered.

How could the House regard the government's claim to be accountable as anything other than a big fish story?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is very sad when a leader of an opposition party makes fun of a difficult problem.

I do not think I should comment further when the Leader of the Opposition has no consideration for the misery suffered by anyone in the land.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, taxpayers have been taken for a sucker once more. In the auditor general's report tabled today we find that the government sold Nav Canada for \$1 billion less than its value.

My question is for the Minister of Finance. Why, when he is squeezing every last nickel out of employers, employees, taxpayers and retirees, did he give a \$1 billion break to Nav Canada?

• (1420)

**Hon. David M. Collenette (Minister of Transport, Lib.):** Mr. Speaker, the government estimated the net worth of the air navigation system as did those negotiating on behalf of Nav Canada.

In any deal no one expects to get their own financial adviser's top dollar. This was a good deal that reflected a negotiated compromise.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, the minister is not telling us that the adviser to the government was also the adviser to Nav Canada and Nav Canada got by far the best deal.

We paid millions of dollars to lose a billion dollars. I want to know when it was the government's policy to approve conflict of interest sole source contracts that cost the taxpayer a billion dollars.

**Hon. David M. Collenette (Minister of Transport, Lib.):** Mr. Speaker, I think we have to keep in mind that at the time of the sale the viability of the air navigation system as a not for profit entity relied heavily on fluctuating interest rates. It relied on credit ratings which were creating a serious concern as to whether or not the new entity could actually raise the money. That is why the government moved in this direction.

With respect to the question of advisers, the advisers were retained in accordance with normal Treasury Board guidelines.

\* \* \*

[Translation]

**RCMP INVESTIGATIONS**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday, on four separate occasions, the Prime Minister was asked what action he had taken after being advised of allegations of influence peddling within the Liberal Party of Canada, he repeated each time that his minister had done his duty in following instructions.

My simple and direct question to the Prime Minister, who likes clear questions, is as follows: What did he personally do to protect his government's integrity and that of his ministers once he was made aware of the fact that a fundraiser for the Liberal Party of Canada was peddling influence to businesses that had applied for grants?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I will repeat at this time that there is a police investigation under way and we will wait to see what comes of it. Whether there has been wrongdoing or not will be determined after the police has conducted its investigation.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, we know that there is an investigation under way.

What I am asking the Prime Minister is what he did, what action he has taken, since his minister took action. Did he, personally or through his chief of staff, on the eve of a general election in Canada, remind his ministers of the directives on influence peddling issued within his government? Is that what he did or did he tour Quebec with individuals who were involved in influence peddling instead?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is in fact because we have given and continue to give ministers advice on this issue on a regular basis that the minister acted on this swiftly. Only hours after being informed, he immediately called in the RCMP to conduct a proper investigation.

The instructions were clear. They were understood by the ministers. I regularly remind them that it is imperative that they follow all instructions issued to them on their conduct in their official capacity.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Minister of Intergovernmental Affairs recently suspended an aide involved in a controversial issue, until the investigation into his conduct is completed, in compliance with the spirit of the government's code of conduct.

*Oral Questions*

My question is for the Prime Minister. Why, in the case involving influence peddling, did the Prime Minister not act like his Minister of Intergovernmental Affairs and comply with the government's code of conduct by suspending the person suspected of wrongdoing until all the facts were known?

**The Speaker:** The question as asked is out of order.

[English]

They must go to the administrative responsibility of the person involved. This has to do in my view with a party matter as opposed to another matter. I will go to the second question.

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** I apologize, Mr. Speaker, but my question is for the Prime Minister and concerns his compliance with the government's code of conduct. With all due respect, I will put the question to the Prime Minister rather clearly, so everyone can understand what it is about, given that I have only one question.

I am asking the Prime Minister to tell us why his ministers comply with the government's code of conduct, but not him, since he left a person strongly suspected of influence peddling mingle with Liberal Party members and ministers.

I think the Prime Minister has a duty to respond.

• (1425)

**The Speaker:** I will allow the Prime Minister to respond because the question is on the code of conduct.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the code of conduct applies to the government and to public servants.

In this specific case, the investigation concerns an organization that is not part of the government. It is a political organization. Moreover, in the case of the Minister of Intergovernmental Affairs, the person involved admitted he had made a mistake and the code of conduct was immediately applied because that person was an employee accountable to the minister and to the government.

\* \* \*

[English]

### EMPLOYMENT

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, my question is for the Prime Minister.

Canadian analysts including Wood Gundy's chief economist charge that the government's endorsement of last week's interest rate hike is "like waging war on yesterday's problem". It is predicted that as many as 500,000 jobs will be lost if the government continues on its current path.

When will the Prime Minister show some leadership, start to live up to his campaign commitment and tell his finance minister to stop killing jobs?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, everything the government has done since it took office, whether it be re-establishing the credibility of government to bring interest rates down, keeping inflation low, investing in research and development or investing in youth employment, has been directed to the one aim of giving Canadians an opportunity for a better quality of life and greater job creation.

Since we have taken office over a million jobs have been created in the private sector. It is very clear that the policies we have put in place have worked.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the finance minister is telling us that it is just too bad about the 1.4 million people who still do not have jobs. I have in my hands a paper—

**The Speaker:** I remind hon. members that we can read from papers but I prefer that we not use them as props.

**Ms. Alexa McDonough:** Mr. Speaker, I refer to a finance department report that says the very best Canadians can expect from the government until the end of the century is 7.8% unemployment.

Before the election the Liberals said their unemployment goal was 5%. Now we learn that it is really closer to 8%.

Why does the Prime Minister not make this his big millennium project and put a million and a half Canadians back to work so they can join in the celebration?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, since we have taken office we have already put a million Canadians back into the workforce.

I refer the leader of the New Democratic Party to the numbers that came out last week. Long term interest rates have dropped and five year mortgage rates are now at the lowest level they have been since 1965.

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### AUDITOR GENERAL'S REPORT

**Hon. Jean J. Charest (Sherbrooke, PC):** Mr. Speaker, my question is for the Prime Minister. It has to do with the continual misuse, abuse and rip-off of the employment insurance system by the government, a rip-off we have been denouncing for some time which it refuses to acknowledge.

The auditor general in chapter 17—

• (1430)

**The Speaker:** Would the hon. member for Sherbrooke please get to the question.

*Oral Questions*

**Hon. Jean J. Charest:** Mr. Speaker, my question is this and it is to the Prime Minister. Will he guarantee to the House that his government, as the auditor general reports, will cease to abuse the employment insurance system at the expense of Canadians who are unemployed?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I said last week and I will repeat that when we took over as the government the premiums paid by Canadians were \$3.30. This has been reduced to \$2.90 and is going down every year.

When we took over the unemployment insurance fund it was many billions of dollars in the red. We put it in the black. Good administration led to a reserve and led to a reduction in premiums. We are doing that on a regular basis.

**Hon. Jean J. Charest (Sherbrooke, PC):** Mr. Speaker, surely the prime minister knows that he is alone in this position. The Canadian Chamber of Commerce, the Canadian Federation of Independent Business, le Conseil du patronat du Québec all share the view that these premiums must come down.

Let me ask the question to the Minister of Finance. Since the prime minister will not move, will the Minister of Finance accept the recommendations of the auditor general and table here in the House of Commons the analysis on which he bases the premium rate?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the analysis is well known. The leader of the Conservative Party is very badly placed to comment on unemployment insurance premiums. The prime minister has set it out very clearly.

Let us be very clear. For a Tory to blame the Liberals for the unemployment insurance premiums is like a mosquito blaming the doctor for malaria.

\* \* \*

**POLITICAL CONTRIBUTIONS**

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, last night we learned that there is a special government list of companies seeking government funds and that this information gets sent out to the government's regional ministers and the local MPs whose ridings are affected. That means the prime minister must have known about the \$600,000 grant proposal by Videon. Then of course Videon made this \$5,000 donation to the Liberal Party when it never had done so before.

Let me ask the prime minister this. When he went to cash that \$5,000 cheque, did he not smell a conflict of interest?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there should be a little respect for the truth. The \$600,000 program is going toward the creation of jobs and will be paid when the jobs have been created. Also, the company that is building the

hotel is not Videon. A person by the name of Thibault who lives in the riding told the press that he never heard about a company called Videon.

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, the Prime Minister talks about a little respect for the truth. We have to watch him from this side every single day, so we certainly understand what he talks about.

Videon is a parent company of Auberge des Gouverneurs which is building the hotel. We know that. The transitional jobs fund lets people in the riding know what is happening. This means that the prime minister would have been informed. This means that the prime minister as the local MP for that area would be allowed to lobby the minister for that \$600,000 grant.

• (1435)

The prime minister is digging himself deeper and deeper. Let me ask him how in the world he is able to plead ignorance on more of these shenanigans in Shawinigan.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the member has her facts absolutely wrong. She is not listening. The builder of the hotel is Mr. Thibault. He has a franchise with the hotel chain but the builder and owner have nothing to do with the Auberge des Gouverneurs. Mr. Thibault told the media a few hours ago that he has never heard of the company Videon. This should be enough for the hon. member to shut up.

**Some hon. members:** Oh, oh.

**The Speaker:** I cannot wait for Wednesday.

\* \* \*

[Translation]

**AUDITOR GENERAL**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I have a question for the Minister of Finance.

The auditor general has just confirmed that the contribution rate for employment insurance was just pulled out of a hat, and is a matter of pure chance.

When will the Minister of Finance put an end to the amateurism he has shown to date in the way he is administering the employment insurance fund and setting the contribution levels?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member is well aware that the contribution level is set according to the economy, the government accounts, and a combination of various data. We are adhering exactly to established procedure.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the auditor general states specifically that there is no procedure and that the minister is flying by the seat of his pants, for example by excluding, since January, half the people who would have been

*Oral Questions*

entitled to employment insurance and no longer are, thanks to him. That is the situation.

I wish to ask this question of the Minister of Finance. Does the minister realize that his haphazard approach greatly penalizes the companies and workers who make the contributions, and the unemployed, who are truly unemployed, not just sort of unemployed?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the facts speak for themselves. When we came to power, there was a \$6 billion deficit. Today, there is a surplus. When we came to power, the rates of contribution were going up, year after year. Since we came to power, they have gone down from \$3.07 to \$2.90 and it has been announced that they will drop to \$2.80 in November.

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[English]

**ATLANTIC GROUND FISH STRATEGY**

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, today the auditor general devoted three chapters of his report to the Atlantic groundfish strategy. TAGS failed in its own stated goals of downsizing fisheries capacity and retraining fishers in response to the Atlantic fisheries crisis. Even the auditor general said that the government was at best naive about the failed results of TAGS.

How can the prime minister defend a program that the auditor general has pronounced to be such a failure?

**Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, let us put this into context for two seconds. TAGS can also be put into the same position as the two major problems we had with the two floods, the one in the Saguenay and the one in the Winnipeg area. When we think of what happened in Manitoba and in the Saguenay and that they were crises, the crisis in the fish community was the same thing. We met that crisis with a program that was put in place to help 40,000 people who had no income. I think that is what a government should do.

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, floods are something that are natural disasters that one cannot predict. In 1994 there were too many fishers and there were too few fish and the Liberal government promised a program to end all programs. Today in 1997 there are too many fishers and too few fish and a Liberal government with egg on its face and an Atlantic wipe-out to prove it.

Will the prime minister commit to never again buying the votes of desperate fishers with programs that breed dependency?

• (1440)

**Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, let us put a few facts on the table.

**Some hon. members:** Oh, oh.

**Mr. Robert D. Nault:** Pay attention, you might learn something.

Out of the 40,000 people we were working with, some 15,000 were adjusted out of the groundfish industry. Maybe the auditor general does not accept that as a move in the right direction but we think that is a long way down the road to restructuring an industry that has totally collapsed.

\* \* \*

[Translation]

**AUDITOR GENERAL**

**Mr. Odina Desrochers (Lotbinière, BQ):** Mr. Speaker, my question is for the Minister of the Environment.

The auditor general reveals that 7,500 trucks carrying hazardous waste cross the border between Quebec and the United States alone, without any federal control.

How does the Minister of the Environment intend to put a stop to this unacceptable negligence by her government, which, we must remember, puts people's health and safety at risk?

[English]

**Hon. Christine Stewart (Minister of the Environment, Lib.):** Mr. Speaker, since April when the auditor general's information became knowledge to my department, officials have put in place measures to try to combat the weaknesses that were outlined by the auditor general.

We consider the import and export of hazardous waste to be a very serious situation. I will be looking further into this issue to make sure the necessary improvements are put in place.

[Translation]

**Mr. Odina Desrochers (Lotbinière, BQ):** Mr. Speaker, how does the minister intend to meet her responsibilities in the future, when only yesterday she announced that staff will continue to be cut in her department?

[English]

**Hon. Christine Stewart (Minister of the Environment, Lib.):** Mr. Speaker, as I said yesterday, the staffing cuts that are occurring are a result of the 1996 program review. It has nothing to do with our department's ability to refer to the auditor general's comments about the import and export of hazardous wastes and we will be doing everything to respond to the concerns raised by the auditor general.

*Oral Questions***ABORIGINAL AFFAIRS**

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, yesterday in question period the minister of Indian affairs bragged about the level of accountability to aboriginal people. Today the auditor general gave us the straight goods.

Over \$1 billion is spent on aboriginal health care each year, yet the auditor general states that the government has insufficient information on how two-thirds of its programs are working. Given that the auditor general refers to the status of aboriginal health as a tragedy and a crisis, what concrete steps is this government going to take to ensure proper accountability for the \$1 billion that is spent every year on aboriginal health care?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, whenever responsibility for an aboriginal community is turned over to a First Nation, it is done on the basis that that community will not only have responsibility for administering the program, but for accounting for it as well. The agreements that are entered into with First Nations ensure a level of accountability.

There is no doubt we have things to learn from the auditor general's report. We will be looking at it very carefully. I assure the hon. member that chief among our priorities will be the accountability of First Nations for the money that is spent.

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, the auditor general's report shows clearly that there is no accountability.

On another subject. As if there is not enough heartbreak stemming from serious social problems on reserves already, we learned today that the department of Indian affairs is complicit in facilitating prescription drug abuse.

The auditor general states that in one three-month period, 15,000 people went to three or more pharmacies, 1,600 obtained more than 15 drugs and over 700 people had 50 prescriptions in one three-month period. Since the government has known this problem has existed for 10 years, why has it done absolutely nothing about it?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, that is simply not so. Over the last 10 years we have worked assiduously to put systems in place to deal with the kind of problem the member has referred to. I will give two examples.

First, it was the system of gathering information put together by Health Canada that allowed the auditor general to come up with the analysis in his report.

• (1445)

Second, by the end of the current calendar year, after years of work, we are going to have a point of sale system in place that will

let pharmacists know that there is a problem with the prescription. That is going to help with this problem.

\* \* \*

[*Translation*]

**FOREIGN AFFAIRS**

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Mr. Speaker, my question is for the Prime Minister.

Yesterday, the Prime Minister said that the government would ensure that no one would use a Canadian passport for unacceptable purposes, and the Minister of Foreign Affairs responded in a similar vein.

Are we to understand from the Prime Minister's response that Mossad is authorized by the Canadian government to use Canadian passports for purposes other than terrorism?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, this question is particularly irresponsible, and the answer is no.

\* \* \*

[*English*]

**AIRPORTS**

**Mr. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, my question is for the Minister of Transport.

Can the minister confirm that there are guidelines restricting the hours of operation at Lester B. Pearson International Airport and can the minister assure the citizens of Mississauga that the government will not allow the Greater Toronto Airport Authority to unilaterally change those hours?

**Hon. David M. Collenette (Don Valley East, Lib.):** Mr. Speaker, I wish to congratulate my colleague for his first question. I know it is of great concern to him and thousands of other people in the west end of Toronto.

The hon. member is right on both counts. There is a restriction in effect at Pearson airport that cannot be changed without the government's authority and that authority will not be forthcoming.

\* \* \*

**INCOME TAXES**

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, the Governor of the Bank of Canada says he is going to continue to raise interest rates, but now the CIBC says that he is choking off the potential for job creation.

Since high interest rates shut off job creation, the minister must now finally explore the only other avenue that will create jobs: lower taxes.

Instead of increasing spending all the time when is the minister going to start lowering taxes?

*Oral Questions*

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member was a member of the House during the course of the last mandate. He knows full well that in the last budget taxes were reduced by over \$2 billion.

Does the hon. member feel that reducing taxes for students so that they can pay for their schooling, that reducing taxes for the physically disabled so that they are given a level playing field, that helping poor families with children is not the kind of thing the government should do? We feel that it is.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, by the government's own measure taxes have gone up \$8 billion a year since the government came to power. The finance minister says to Canadians he wants to consult, when in fact he has already committed in the throne speech to higher spending. What gives?

The fact is lower taxes, not higher spending, is the way to job creation. With interest rates increasing, when is the minister going to recognize that the only way to create jobs is to start cutting taxes? When is he going to get it?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I repeat, if the hon. member looks at what happened last week with the reduction in long term interest rates, mortgage rates have been at an all time low.

I would refer him back to his own province and the consultation that took place. Citizens from all over the province came together and effectively came to much the same conclusion as the government: it is worthwhile investing in Canadians. That is what we are going to do.

\* \* \*

**HEALTH CARE**

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, my question is for the Minister of Health.

The auditor general raises a serious issue when the report states about Health Canada that the department is not fulfilling its responsibilities to manage in a way which helps First Nations establish programs and services likely to improve their health.

What action will the minister take to ensure that rather than the dump and run style of program transfer often currently employed, the department will work in partnership with aboriginal communities to ensure that programs transferred are actually going to improve the health of aboriginal people?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, that is certainly our objective.

• (1450)

As I mentioned earlier to the House in response to another question, with each agreement we negotiate the transfer for the purpose of self-government, a program for health of aboriginal

communities. We try to ensure a level of accountability that will make sure that money is properly spent and spent for community purposes.

May I also say that we have achieved some real progress in areas like life expectancy and infant mortality over the last 15 or 20 years, and we intend to keep investing in that kind of effort.

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, the auditor general's report raises the horror of death and illness of aboriginal people due to over prescription of drugs through the non-insured health benefits program. The auditor general also states that the department has known about this problem for 10 years.

Will the minister now move, in consultation with aboriginal peoples, to transfer this program to the First Nations people as a way to ensure that the issue of over prescription is actually dealt with instead of the department's poor response to the report when it says it will deal with the problem simply by giving aboriginal people more to read about the dangers of prescription—

**The Speaker:** The hon. Minister of Health.

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, for 10 years Health Canada has been working to address this problem. There are two things in particular that have been done.

First, we have kept good statistical analysis of how the drugs are being used so that we can track abuse. Second, over the last number of years, we put in place a system that will be fully operational by the end of December 1997 which will allow pharmacists at the point of sale to determine whether the person presenting the prescription is doing it fraudulently or otherwise.

That will make an enormous difference in resolving this problem.

\* \* \*

**FISHERIES**

**Mr. Bill Matthews (Burin—St. George's, PC):** Mr. Speaker, I have a question for the Prime Minister. The auditor general today stated in his report that he could find no clearly stated national policy for sustainable fisheries.

In light of the very serious problems being experienced on the west coast and the east coast of the country with fisheries and after being in office now for four years, when can we expect a national policy on sustainable fisheries?

[Translation]

**Hon. Gilbert Normand (Secretary of State (Agriculture and Agri-Food)(Fisheries and Oceans) Lib.):** Mr. Speaker, I am pleased to rise here for the first time.

**Some hon. members:** Hear, hear.

**Mr. Gilbert Normand:** The new fisheries act will be tabled in February 1998. We will then be able to see with all the fishers,

*Oral Questions*

organizations and provinces just how we will manage the future of fish we call “fish of the future”.

[English]

**Mr. Bill Matthews (Burin—St. George’s, PC):** Mr. Speaker, I hope the Prime Minister attaches a little more importance to this, which I am sure he does.

As well, in his report today, the auditor general stated the obvious. Ground stocks in Atlantic Canada are not regenerating. There are very few job opportunities in those rural communities in Atlantic Canada and the Atlantic groundfish strategy expires a year early in May 1998.

What can Atlantic Canadians expect from the Prime Minister and his government after May 1998?

**Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I want to inform the member if he has not been reading the press in the last few days, Human Resources Development Canada announced a post TAGS review.

The intention of this review is to deal with exactly what the Reform Party asked earlier in the House. Now that we have dealt with the crisis in its early stages, we are going to be reviewing post TAGS in the next year to work in partnership with the provinces and the stakeholders to come up with some long-term solutions to the problem he asks about.

\* \* \*

**HEALTH CARE**

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, schizophrenia is a devastating disease that affects one out of every hundred Canadians. There is a critical need for increased funding for schizophrenia research in Canada.

Can the Minister of Health tell Canadians how much of our government health care research funds are going to schizophrenia research?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the federal government tries to reflect its awareness of the seriousness of this problem in its programs and its policies.

We are trying to help in a number of ways. We encourage the collection of catalogues of best practices around the country so that can be shared with communities. We encourage research and indeed, through the Medical Research Council, we invest in medical research.

We work with other legislatures to make sure that legislation reflects the need to integrate people with this affliction into the community.

I can assure the hon. member that in everything we do, we try to reflect the importance of our concern with this illness.

\* \* \*

• (1455)

**GOVERNMENT SERVICES**

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, yesterday the Minister of Public Works and Government Services told us that the government has a new system for choosing the successful bidders on larger contracts, but there are Liberal Party organizers and campaign workers on this committee and they give government contracts to Liberal firms.

The Prime Minister cannot justify having patronage appointed Liberals on this patronage granting committee. Will he remove them?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, first of all, the members of the panel are appointed by the industry.

Again, maybe the member should speak to Mr. Brian Thomas, who ran the advertising campaign for the Reform Party. He said that he has no evidence the process is not fair or weighted in favour of Liberal political allies. Maybe he should consult the person who ran their last election campaign. He will give him the best advice.

\* \* \*

[Translation]

**TOBACCO ACT**

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, my question is for the Minister of Health.

Less than 24 hours after the Tobacco Act was passed and on the eve of the last election campaign, the Prime Minister partially recognized his mistake and promised to amend the legislation so as to remove certain restrictions on international racing event sponsorships.

Does the Minister of Health intend to keep his government’s promise to make the legislation more flexible in order to satisfy international racing event organizers?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, we intend to keep our promise. We are now in the process of drafting an amendment to the Tobacco Act. We are consulting all interested parties and I intend to take action when we are ready.

\* \* \*

[English]

**TRANSPORTATION**

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, my question is for the Minister of Finance.



*Oral Questions*

I suspect that Canadians will be shocked later today when they find out that when the government decided to sell off the air navigation system to the private sector it only charged \$1.5 billion when its own department said it was worth \$2.4 billion.

Will the Minister of Finance explain to the Canadian people why he gave away almost \$1 billion in this transaction?

**Hon. David M. Collenette (Minister of Transport, Lib.):** Mr. Speaker, we negotiated a very good deal. It is a good deal for taxpayers. It is a good deal for airline safety.

What better structure to have than those representing the aviation industry, the stakeholders, running the system, keeping the seamless safety record intact, one day with the government, the next day in a non-profit organization?

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, yesterday the Canadian ambassador to Mexico resigned after making incendiary comments, including his reference to international business transactions between Canada and Mexico as being a joke.

The ambassador also referred to U.S. tactics regarding law enforcement in Mexico as hiding a darker U.S. reality.

Irresponsible comments like these can undermine our foreign policy legitimacy. I ask the Minister of Foreign Affairs if those comments were simply a diplomatic faux pas like the Prime Minister's at NATO or are these statements part of some emerging Canadian foreign policy?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, first I would like to compliment the Prime Minister on his major diplomatic achievement at Madrid at the NATO meeting where he was able to secure an agreement.

Having put that aside, I point out that the ambassador to Mexico made his own decision that the comments he made which were published in a Mexican magazine, were inappropriate and were going to limit his effectiveness. He, therefore, requested he be reassigned to Ottawa. We agreed with that request. It reflects no policy position whatsoever of the government.

\* \* \*

• (1500)

**FRANK MCKENNA**

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is with regret that I learned today that Premier Frank McKenna of New Brunswick has decided to quite politics.

He has been a very good public servant for a long time. He has done a fantastic job in his province. He was elected for three terms. He changed the province by bringing responsibility to public administration and at the same time kept a social conscience, a balance that we all try to achieve.

He has gained the respect of the people of New Brunswick and all of Canada. In Calgary last summer he played an extremely important role in using his experience as the dean of the first ministers to develop a consensus that was very important for the future of Canada.

[*Translation*]

As a premier, he was always interested in the status of minorities. I had the pleasure of meeting him myself, because he vacationed at Cap-Pelé, in the riding I represented for a number of years. He has, for many years, spent his holidays with francophones. He always took a keen interest in the status of the French minority in New Brunswick and throughout the country, and of the English minority in Quebec.

I believe he served his province and his country very well and we wish him all the best in his future endeavours.

I would like to pay tribute to his wife and family for the wonderful support they gave him during his many years in public life.

[*English*]

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, on behalf of the official opposition I would like to pay tribute to Frank McKenna. The fact that he was premier of New Brunswick for 10 years certainly withstands the test of time for any leader.

Frank McKenna was one of the first premiers who acknowledged the need to balance the books in his province. This is being celebrated right across the country now and we certainly appreciate it.

He served his province and his region, especially as an advocate of free trade and private enterprise. This also has spread right across the country and we celebrate that because that is the only way we will be able to work our way out of the terrible debt situations we have all found ourselves in.

He also was a signatory and an important player just last month in the Calgary declaration. He endorsed the national unity process, the process the premiers were talking about in Calgary. He found it important to note that consultation is important, but also to recognize the equality of all provinces. We appreciate the fact that he thinks this is important and we want to move ahead in that area.

We want to wish him well. Again I wish to say on behalf of the official opposition that we probably have not seen the end of Frank McKenna in this country.

*Privilege*

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, on the occasion of Premier Frank McKenna's resignation I rise today on behalf of my colleagues to wish him well. There are few Canadian politicians, in fact not one that I could name, that have to their credit having won 58 out of 58 seats in a provincial election or any election. This certainly has been an indication of the level of support the premier has had throughout his 10 years of office.

I note it is rumoured that Premier McKenna is thinking of leaving politics and perhaps going to work in Africa. The current prime minister should beware. When I stepped down as provincial leader in Nova Scotia it was my intention to go to Africa, not to go after the top job in the federal NDP. So one never knows where Frank McKenna may land when it comes to his future decisions.

• (1505)

During 10 of the 12 years that Frank McKenna was in the New Brunswick legislature, I had the opportunity to serve in the adjacent legislature in Nova Scotia. During that time we had differences of opinion as you might expect. There were a couple of particularly strong ones over his commitment to workfare, which I think has been proven to be something of a failure, and also over his commitment to court corporations into the province to create low wage jobs as long as they were subsidized by the public.

Despite my differences with Frank McKenna from time to time, I have never questioned his sincere commitment to serve the people of his province as he saw fit.

On this occasion I would like to wish him and his family well. Whatever he decides to pursue in the future I am sure he will undertake with the same kind of zeal and passion with which he has approached his job as premier of the province of New Brunswick.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, as has been mentioned in the House by the prime minister and the leader of the official opposition party, Premier Frank McKenna will be stepping down effective October 13, which is the 10th anniversary of his leadership of the Liberal Party of New Brunswick.

Frank is very personable and he has tremendous family values. He is a man whose family comes first. His wife Julie and his children have given a great deal to Canada and to New Brunswick over the last 15 years. Frank was there as an MLA before he became leader of the party. He said when he was elected as the leader of the Liberal Party that he was going to be there for 10 years and that was it. He kept his word.

A lot of people are critical of politicians, particularly politicians who do not keep their word and Frank did. He worked very diligently for the people in New Brunswick. There are a lot of us here who live in that province. I served as mayor of Saint John for 11 years, so perhaps I worked with Frank more closely than anyone else in the House. Sometimes we agreed and sometimes we did not agree, but we always had great respect for one another.

We will miss Frank. I am hoping that he does not go to Africa. I am hoping that he finds something in Canada, preferably in New Brunswick so he can continue to work and promote our province. He is known probably better than any other premier we have had across Canada for his stance.

To Frank, to Julie and the children, we wish him good health and the best of luck. I am sure we will see him again.

\* \* \*

**PRIVILEGE**

## LEGISLATIVE COUNSEL

**Mr. Roger Gallaway (Sarnia—Lambton, Lib.):** Mr. Speaker, I rise on a question of privilege. It came to my attention yesterday afternoon that the office and position of legislative counsel has in a de facto manner ceased to exist. I would suggest that this in and of itself is a prima facie case of breach of privilege.

I need not remind members of the House that a breach of privilege occurs according to all the precedents when there is some improper obstruction to the member in performing his parliamentary work. The facts are that in 1993 there were seven legislative counsel and today there are approximately two point something legislative counsel. This is the improper obstruction.

• (1510)

I have three questions to ask. How can a member of any of the 18 standing committees be reasonably expected to have access to independent legal advice concerning the probable effect of specific sections of bills before a committee when no legal counsel is available? How can a member draft amendments to legislation when there is a six month wait for the same two point something people to draft private members' bills? How can a member who is sent here as a legislator fulfil that role without reasonable access and availability of legal counsel? In brief, to do the job, each member requires the tools.

The Privy Council in the case of *Kielley v. Carson* in 1842 when ruling on a question of privilege noted that members of the legislative body enjoy these privileges because the legislature cannot act or perform without the unimpeded use of the services of its members.

Yet members are in fact being impeded in performing their parliamentary work. Indeed I as a member have no reasonable access to the services of the legislative counsel's office. As a member of this House I have been disempowered in carrying out my duties.

As the guardian of the rights and privileges of this place, I implore you to give me along with others in this place the right to do our work. I am suggesting to you that this is not a matter for the

Board of Internal Economy. That body functions in a realm that is defined by statute.

What I am asking of you is to uphold my rights as a member of this House and not my interests as a member of a particular political party which we know is reflected in the composition of the Board of Internal Economy. When the Board of Internal Economy meets, its members present the positions of their parties and members but do not speak or represent each and every member of the House. Only you, Mr. Speaker, as guardian of privileges can act in such a manner.

I am not asking for another business process review of the House staff and functions, nor do I believe that I should be forced to resort to individuals who have been subjected to four hours of training and are now called legislative clerks.

Finally, I am aware suggestions abound that the British Parliament uses legislative clerks to fulfil the function of legislative counsel and by extension the same could apply here. I would suggest that this kind of logic ignores 130 years of the evolution of this House to the point that we are unique and not a twin or clone of Westminster.

I would suggest to you, Mr. Speaker, that a *prima facie* case of privilege exists and with your permission I would like to move the motion:

That the lack of legislative counsel to assist members in fulfilling their duties is a *prima facie* case of privilege and this matter shall be referred to the Standing Committee on Procedure and House Affairs.

**The Speaker:** I will wait for more discussions on this particular point of privilege but at least at this point, I will not accept the motion until I find if indeed there is a *prima facie* case.

[*Translation*]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, first of all, I believe that, with all due respect for your decision, if you were to agree to consider the motion, you would find there was agreement. That is because each hon. member who has used the services of the legislative counsels in the past to draft bills knows just how time consuming that is, without the proper resources.

• (1515)

I know you have been extremely attuned in the past to our task as legislators, but how can anyone seriously claim in this House that our privileges are not being violated when the situation is such that gaining access to legislative counsel has become extremely complicated?

I remind you that a committee addressed this matter only four months ago, with the suggestion that more legislative counsels be added, contrary to what has been done recently. It is a fundamental privilege for each member to be able to act as the spokesperson for his community and to be able to introduce private members' bills.

### *Privilege*

Everyone is well aware that the complexity of the matters dealt with, the complexity of the subjects the hon. members must debate in order to properly speak for their communities, require us to have access to a level of expertise such as the legislative counsels possess.

I truly believe that there is unanimity in this House. Let us recall the time, not so long ago in parliamentary history, when private members' business was allotted far more time. If the work of the legislator is to have any meaning, it is important that we be equipped to be able to introduce private members' bills.

I believe our colleague deserves our gratitude today for bringing to your attention the fact that our privilege is being infringed upon by the lack of resources.

[*English*]

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.):** Mr. Speaker, I would like to second what the member for Sarnia—Lambton and the member for Hochelaga—Maisonneuve said.

I had a couple of private member's bills in the system long before the House sat, and since then a couple of more, but they were not ready when the draw was taken.

I am sure many other members in the House have had the same situation where bills they were hoping to be drafted and ready for the draw were not.

Our privileges are affected, especially when we made commitments in the last election to constituents that we would do things when we got here and present legislation as private members. However, because they were not done, our privilege of having our name in the draw was not there. That is key to this whole argument. That is why most private members in the House are upset with this whole situation.

I would ask, Mr. Speaker, that you take that as the major consideration. If we cannot have a bill in the draw or it is in there but it has not been drafted because there is not enough bodies to draft it, there is a problem with the system. It is a good issue to be referred to a committee so we can solve the problem of private members and ensure that all private members' bills and amendments are drafted as quickly as possible so they can do their job.

We know the government with all its machinery can get bills drafted in a day if it wants to present them in the House. Yet a private member comes nowhere near that ability. It is taking months, at least three and a half months in my case for one bill which is still not finished. I think we should have better service than that.

I am hoping, in your considerations, Mr. Speaker, that you will see fit to allow it to go to a committee so we can solve this serious problem.

*Privilege*

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, I would just like to respond to the last remark of my colleague opposite. He indicated that there may possibly be some preferential treatment to members on the government side. I do not believe—

**An hon. member:** That is not what he said.

**Mr. Bob Kilger:** I am sorry, I apologize to the House. In fact it is a reference to the government in terms of drafting bills, yes, it has certain resources.

I think this question of privilege was raised already by a government member who had experienced some frustration and was possibly looking for a different or a better means of being able to serve his constituent through private members' bills.

I will wait for the decision of the Speaker on whether this is a prima facie case. As one member of the board, it is certainly a matter the Board of Internal Economy has already been apprised of and sensitized to.

In a matter of hours, possibly, as we get together for our first meeting the issue will be high on the agenda. We will be looking to address it in the best interest of private members. It is not a government-opposition issue but is a member issue that should be addressed by the board. I will certainly abide by the ruling of the Chair.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, I commend the hon. member on the government side for bringing the issue to the floor of the House.

Many colleagues on the opposition side as well as on the government side have experienced this situation. I lend the voice of our party in support of the motion that has been brought forward. I am sure, Mr. Speaker, you will address this proposition and take it under advisement. We want to support it.

• (1520)

**The Speaker:** Unless there are new facts that members would like to bring to the argument, as opposed to support one way or the other, I will take it under advisement.

However, if there are new facts members would like to bring forth, I will listen to some brief comments.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I will be brief. I do not know if it is a new fact, but I want people to know that it is a fact the NDP shares the concern raised by the hon. member and others who have brought it to the attention of the Chair.

We will be doing what we can, either through the Board of Internal Economy or in some other way, to make sure the matter is addressed.

**The Speaker:** If I am to hear more facts about support that is one thing, but if we have new facts to bring forth that would be another.

**Mr. Jack Ramsay (Crowfoot, Ref.):** Mr. Speaker, in addition to the problems we have as private members, during the clause by clause amendment of Bill C-68, a large controversial bill, we were unable to get the services we required to draft amendments.

We had over 200 amendments and we were not able to obtain the services from legislative counsel because of the overload they were experiencing. We had to not bring in our amendments at clause by clause stage. We had to bring some of the amendments in at report stage.

I add that to the volume of information that has been placed before you for your consideration, Mr. Speaker.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, with respect to the new facts you have at your disposal to enlighten your decision, I would like to point out that there used to be a law clerk here, who reported directly to the Speaker of the House. Over the years, the idea got lost, and little by little we slipped into a funnel with fewer and fewer resources.

The fact I would like to add is that having only two permanent law clerks for 301 members is the result of a number of years of systematic erosion of the resources available to us to perform our duties as members.

We both know that time is very important in politics. We had an example here today in which the auditor general commented on employment insurance. Had we asked for a bill to be drafted for a month or two, or some such, and we could not take political action before next January or February, then I would consider my parliamentary privileges were being breached.

[English]

**The Speaker:** We have had quite a bit of information on this matter. I remind all hon. members, with respect, that last week a question of privilege was brought up to which I will address myself in the next short while.

All the interveners seem to be of one opinion. The hon. government whip has stated that the matter would possibly be brought up in the Board of Internal Economy today.

I would like to take some time. Perhaps some information will be forthcoming to me in the next 24 hours or so. I will review everything that has been said today as I have been reviewing with regard to the hon. member for Prince George—Peace River. If it is necessary for me to get back to the House I will do so after a brief delay.

## GOVERNMENT ORDERS

• (1525)

[English]

### CANADA PENSION PLAN INVESTMENT BOARD ACT

The House resumed consideration of the motion that Bill C-2, an act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other acts, be read the second time and referred to a committee; and of the amendment.

**The Speaker:** We have six minutes remaining for questions and comments.

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, I very much enjoyed the debate that was going on in the last couple of hours. It really demonstrates the difference between a group of people who have not really thought about what they are proposing and some people who have given a considerable amount of thought to what is actually happening.

I gave a statement in the House the other day in which I pointed out that young people today, like the member who was speaking, pay \$3,400 a year for 35 years to pick up a pension of about \$8,800 a year, when that same money invested in a very modest RRSP style plan for the same number of years would end up with an annuity of something like \$92,000 a year.

Members on that side who still think an \$8,800 a year pension is good news should give their heads a shake because it is totally ridiculous.

As a secondary effect of these CPP taxes, what does the hon. member feel the impact will be on small business? At the moment, having come from small business myself, I know that every month they have to pay CPP taxes, UI taxes, corporate income taxes, income taxes for employees, business licences, Workers' Compensation Board taxes and capital taxes in B.C.

Could the member give us an idea of the impact on small business of this drastic increase in CPP?

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Madam Speaker, I thank the hon. member for his question.

The impact on small business of the proposed payroll tax increases in Bill C-2 will be considerable. Self-employed small business people will face an increased payroll tax burden of some \$3,600 a year.

For some hon. friends opposite who are expecting to cash out on the great Las Vegas MP pension scam, \$3,600 is not a lot of money. For a lot of people in my constituency it is the difference between

### Government Orders

being able to take a holiday in a year, being able to take their kids for a trip in the summer, and perhaps being able to hire an extra employee to help them so they can actually go home a few nights a week and spend some extra time with their families. For the people that I know \$3,600 a year is an integral part of their quality of life, which will be further eroded by the payroll tax increases in the bill.

As I stated during my speech a direct link between higher payroll taxes and fewer jobs has been demonstrated again and again and again. That is one of the reasons we still have over 9% unemployment, 1.4 million unemployed Canadians, and 17% youth unemployment. If that is not evidence enough that high taxes kill jobs, I do not know what is.

**Mr. Joe Jordan (Leeds—Grenville, Lib.):** Madam Speaker, I listened to the member for Calgary Southeast. The debate has two levels. Clearly our parties disagree on the function of the retirement system. I think we would all agree on that.

I also marvel at the member's skills in terms of making speeches. He has a lot to bring to the debate, but to simply harp on about the form of the system when what he is really talking about is the function does not do any good.

One thing that disturbed me was when the member spoke of his youth. Clearly I do not know exactly what role that plays in the debate, but he opened the door and I will try to get my rickety old body through it. Just because the member speaks of his youth does not mean he speaks for the youth.

I watched that party across the way during the election. Its advertising strategy seems to be let Canada separate from Quebec. We recently went through a colleague of his going through let B.C. separate from Canada.

• (1530)

When he talks about the younger generation not being willing to pay for some of the deficits that are owed in terms of the plan to the old, I would caution him that generations should not be autonomous.

There is a generation of Canadians that went to war to pay the price for his freedom. He simply stood up and said "my generation now, at our age, doesn't think this is a good deal for us, so forget the older generation Canadians".

I would like a clear answer from the member. Is he laying the groundwork for the third pillar of the Reform Party, which is youth separation? Am I going to have to stand up here and fight against that? Is that something that the hon. member does not stand for?

**Mr. Jason Kenney:** Mr. Speaker, I can assure the hon. member that I am a strong federalist as are my colleagues in this party. I do think I speak for a large number of young Canadians.

*Government Orders*

It is interesting that there are nine members of Parliament on this side of the House under the age of 30 and none on that side of the House. I think that says something.

I said during my speech at the very beginning that I would like to be on record as a young Canadian supporting a strong, fully funded retirement income system which ensures that no Canadians fall between the cracks in their older years.

Therefore yes, I do recognize those obligations and do want to fully fund those obligations. I did say it would not be easy to do that.

In the context of funding the obligations to older Canadians, we can also give more retirement security to younger Canadians at lower cost than what the government is proposing.

That is why I encourage hon. members to vote against Bill C-2 and to support a private mandatory retirement savings vehicle, a defined contribution plan which would give more retirement security at lower cost to my generation as well as to all Canadians.

**Mr. John Bryden (Wentworth—Burlington, Lib.):** Mr. Speaker, this is one time I really regret not having an opportunity to ask a question of the previous speaker, the member for Calgary Southeast, rather than having a 10-minute speech.

The question I would have asked him pertains to his continued attacks on the MP pension plan. One does not like to hear old time rhetoric from supposedly new style politicians.

As it happens, when he attacks the MP pension plan, he alludes to the fact that in the last Parliament the majority of Reform MPs, all but one, opted out of the pension plan. That was by statute. We had to make a legislative change because the pension plan for parliamentarians is mandatory. What has been the case of the MPs of the Reform Party of the class of '97 recently elected?

A change of statute, a vote in this Parliament, is required for the MPs of the class of '97 to have the option of opting out of the MP pension plan. Instead of moving legislation or proposing a private member's bill, what the Reform Party has done is that each one of the class of '97 has written to Treasury Board saying they want to opt out of the MP pension plan.

The problem with that is, as they should know, Treasury Board does not have the power to act. It can only be done by statute.

The question I would like to have put to the member for Calgary Southeast, and I am sorry he does not have an opportunity to reply, is whether he is prepared right now to move a private member's bill, which he can write himself, giving MPs the option of opting

out of the pension plan. If the Reform Party were really sincere in all it says, it should have done this long ago.

The rest of my speech has to do with the accountability, a term MPs opposite seem to like to throw around, of what has been said in debate by the opposition parties, chiefly the Leader of the Opposition.

I listened with great care to the speech of the member for Calgary Southwest because I am a great believer that, in this Parliament, when the opposition speaks it must speak constructively. It has an important role in making legislation better.

• (1535)

I did not find the kind of constructive criticism that I would like to have found from the Leader of the Opposition. Instead I found, for example, the Leader of the Opposition criticizing Bill C-2 because it does not have a preamble. He says the reason it should have a preamble is so the courts will know how to interpret the legislation. He actually says there is a legal reason and that every time Parliament passes a statute it has to make its intent crystal clear.

If the hon. member for Calgary Southwest had consulted with a competent lawyer he would have been told that a preamble has no legal force in the courts. When a judge approaches legislation for interpretation he is not required in any way to follow the preamble. The legal profession disparagingly refers to preambles in legislation as the pious hope clause.

When there is a preamble in legislation it is usually a political smoke screen which comes out of the department that writes the legislation, usually the Department of Justice.

I will give the House a perfect example of a misleading preamble. It is the preamble to Bill C-46, which the party opposite fully supported at third reading. That bill had to do with restricting the rights of the accused in obtaining records from therapists in sexual assault trials. Remember that the opposition party completely supported that bill. It had a wonderful preamble which outlined how it would protect the rights of victims, how it would do this, that and the other thing. It outlined how the legislation would obey the charter.

Within months of getting through Parliament it is being challenged in Alberta because it defies natural justice. It destroys the right of the accused to defend themselves. It has also been challenged in and overturned by the courts of Ontario.

This is the case of a preamble which was put into legislation that was fundamentally bad. Learned parliamentarians on all sides of the House supported a law which should not have been supported.

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I suggest that the hon. member for Calgary Southwest, instead of proposing that bills have preambles, should be condemning preambles. Legislation speaks for itself clause by clause.

The hon. member for Calgary Southwest talked forever about payroll taxes. The point he was trying to make was that increases to CPP premiums are a tax. He cited all kinds of academics to prove the point that the increases to CPP premiums are a tax.

It is certainly true that no one likes to talk about a new tax, be it in Parliament or anywhere in the country. Certainly the government would prefer not to talk about it as a tax. The reasoning is that because the government does not directly collect the tax one should not think of it as being a tax.

The argument was not fully developed by the hon. member for Calgary Southwest. The argument is if it is mandatory, if it is taken off a worker's payroll, then it is a tax. It is a tax because it is mandatory. The hon. member for Calgary Southwest said the government is not being genuine because it is really a tax.

What do we find later in his speech? He talks about super RRSPs which are mandatory. In other words, the other party, while condemning the government for proposing a pension tax, is proposing a tax itself. It is a matter of semantics. Perhaps it is a misunderstanding of the language. The reality is that a mandatory super RRSP is a tax as well.

Finally I come to the issue of accountability. The Leader of the Opposition condemned Bill C-2 because he felt it merely required annual reports and proper reporting by the investment board which will be responsible for the funds under its charge, which is a huge innovation in the bill to turn the management of the pension funds over to an investment panel which will invest them in the open market and do so wisely.

• (1540)

Again the member for Calgary Southwest missed the point. Instead of condemning the fact that Bill C-2 wanted reporting he really should have gone after the bill and said that this is the kind of reporting we want. I do not blush as a government member to warn my government that I am dissatisfied with this aspect of the bill. What is missing from the bill is an itemized account of what we expect from this investment board when it presents its annual report.

We want to know the remuneration of the executives. We want to know the cost of administration and management. We want to know the investment plan. We want to know investment performance. Rather than condemning the government, and Bill C-2 because it wants annual reports, the Leader of the Opposition missed an opportunity for valid criticism and he has left it again to the government backbenchers to warn the government that it has not fully examined the bill. I hope the committee will look very

carefully at this whole matter of what kind of accountability there should be.

I also listened very carefully to the remarks of the member for Sherbrooke. He is the leader of the fifth party, I believe. We find Sesame Street economics. This member condemned the bill because it took \$11 billion out of the economy over six years. Somehow he does not seem to understand that this investment board is going to reinvest it in the economy, in the open market. It will reinvest the money in Canada.

Later the member for Sherbrooke complained that he wanted RRSPs to be permitted to invest 50% in foreign investment instead of 20%. He is proposing that Canadian pension funds be invested outside Canada. He is not interested in investing in Canada, and no wonder. That party did not succeed very well in the election of 1993.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Madam Speaker, I am pleased to speak today to this bill that will finally bring the CPP up to date. It must be admitted that the existing plan has a few shortcomings and is in need of improvement. There is certainly no need to replace it with the sort of formula the Reform Party is proposing, but adjustments are in order.

I think it is also important for those Quebecers listening to know that very few Quebecers are affected by the CPP, because a similar plan, the Quebec pension plan, was set up at the same time as the CPP. This evokes memories of a time when some form of co-operation with the federal government was possible.

Members will recall the Pearson era, when Quebecers were allowed to create the Quebec pension plan, and even to make original contributions, such as the Caisse de dépôt et placement du Québec, an idea which the government has picked up on in the new bill before us today.

The only Quebecers affected by the CPP are those who have paid CPP premiums, whether they live in Quebec or decide to move there, as well as members of the Canadian Armed Forces and the RCMP. Approximately 12,000 Quebecers are affected by the plan.

For most Canadians, however, these are significant changes. The increase in premiums will reach 9.9% in 2003. We understand that this increase is due to adjustments required to ensure that the plan can meet the objectives for which it was created.

I think it important to point out that there have been many shortcomings in how the plan's money has been built up in the 20 years it has been around and that we thought the present bill needed to be improved in this regard. In this sense, the Canada pension plan investment board seems like an interesting idea. It is not too direct a market competitor for the Caisse de dépôt et placement because it does not actually have an economic mandate. Its only

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mandate is to ensure that the funds are managed as well as possible. As a matter of fact, there were major deficiencies in this respect.

• (1545)

I would like to add that I am somewhat surprised by the Reform amendment where it says that the system will be even more unfair to young people when in fact the proposed premium increase will come mainly from the pockets of the baby boomers, that is to say those who are presently aged between 40 and 55, and I am one of them.

It is normal to some extent that we pay more. Indeed, had corrections not been done, we would have ended up receiving benefits for which we would not really have paid premiums and nothing would have been done to ensure that younger people do not have to pay disproportionate amounts for what we, the so-called baby boomers, will be entitled to in terms of benefits.

It seems to me that the position of the Reform Party and their amendment are untenable. The purpose of this bill is not to reform the plan at the expense of the younger generations, but rather to reduce intergenerational inequity by ensuring that everyone pays his or her fair share.

What is missing in this bill and is of great interest to me is mention of what will become of the seniors benefit, commonly called old age pension. Under the current pension plan, the various sources of income available to those eligible for benefits because of their age include private retirement plans such as RRSPs and supplementary pension plans. There are also the public plans, namely the Quebec pension plan and the Canada pension plan. Then there is old age security, the guaranteed income supplement and the spouse's allowance.

Once this bill on the CPP is passed, it will be very important to hold a true consultation across the country regarding the seniors benefit. What little information we have received so far on the government's proposal involves very fundamental issues for the future of pension plans in Canada.

There is, among other things, the universality of benefits. Many people who had planned their retirement based on an existing plan will face a situation different than the one they expected, simply because the government has decided, with this bill, to protect those aged 59 and over. The government should ensure that much younger people have the option to choose between the existing plan and the one that will be implemented in the months to come.

The plan protects those who are already in the current system. These people will not be affected. This is a good thing, but we have to make sure that those who will have to live with the new plan can do so under acceptable conditions. This is why I call upon the

solidarity of older people, of those already covered by the existing plan.

The initial reaction of a person aged 65 or 70 could be: "I am protected under my plan. I don't necessarily need to be worried about the coming reform". However, those who can give the most intelligent opinion, the one most closely reflecting day to day reality, are the people who are 65 or 70 years old today and are living with the current program, those who receive the guaranteed income supplement, who can tell us how it would be if they had to live from day to day on an income that came solely from the new form of allowance the Government of Canada is proposing, and can tell us there would be major problems.

This consultation would, therefore, have to be transparent, and carried out in such a way that everyone may grasp the issues and that all strata of society may have a chance to be heard. The new pension plan is going to be very important to the baby boomers, but it is also going to be important for those who are 20, 25 or 30 years old today, because this will be their opportunity to define the framework under which they will have to live in the years to come.

It is important to look at the Canada pension plan in the perspective of this reform of the seniors benefit.

• (1550)

I would like the government to be more attentive in the next consultations than it was in previous ones, such as the consultations on the employment insurance reform. If the past were any indication of the future, it would be a cause for concern.

The Standing Committee on Human Resources Development and the Status of Persons with Disabilities toured Canada and visited all the provinces to hear what people thought of the proposed employment insurance plan. The consultations did not lead to the results expected.

Again today, we see basic common sense in the auditor general's report, but considered, calculated, assessed and providing the same result as the committee's consultations. In other words, the employment insurance plan must be managed by its contributors—employers and employees—and government must provide an accounting of the way it determines contribution amounts and ensure that the surplus is properly directed to ensure that job creation objectives are met.

The type of consultation done for employment insurance should be done for seniors pensions, but with greater guarantees that the government will listen to those consulted, who will tell us what they want in a benefits plan for seniors, so that after the Canada pension plan is reformed with the change to seniors benefits, we are sure that our seniors have an adequate pension plan. Perhaps the



most respectful way a society can acknowledge the contributions of its citizens is in the treatment it accords its seniors.

[English]

**Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.):** Madam Speaker, thank you for the opportunity to speak on Bill C-2. I also congratulate you your appointment.

Bill C-2 amends the Canada pension plan and secures the future for all Canadians. No government has ever consulted more widely across the country than the Liberal government. We consulted all Canadians from sea to sea on the future of the CPP and on Canadians' vision for the future of the CPP.

Now Bill C-2 allows the CPP to be an investment for Canadians, by Canadians and in Canada. This will be a win-win situation and we will not burden future generations.

My hon. colleague who spoke before me talked about our extensive consultations with the HRD committee, on which he was a very hard working member. The social security review was good and much will come from it. We have set the direction for social security into the next century.

Today we heard the Reform party attack everything we are doing. I commended the hon. member from Quebec on his good attendance and good work in committee. The HRD committee set an all time record for the amount of hours spent here in Ottawa and on the road. I have to disclose that Reform members were not there to listen to Canadians.

It is shameful that they took this opportunity to cross the country and hold their own town hall meetings and then bring the reports back. Reformers are only wanting to represent the views of their own members and not of Canadians.

**An hon. member:** We could not get a hearing before the committee.

**Mr. Larry McCormick:** The hon. member opposite says he could not get a hearing before that committee. When we were in Calgary for two days there was a lot of opportunity for walk-ins. If the hon. member had been there he could have been heard.

• (1555)

Last February a federal-provincial agreement was reached on changes to ensure that the Canada pension plan would be sustainable in the future and would make it more fair and more affordable for all Canadians.

The changes are the result of the latest statutory review of the CPP that the federal and provincial governments, as joint stewards of the plan, began in 1995. They reflect what was said during

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extensive public consultations that were held across Canada in 1996. The key recurring theme was that Canadians believe in the CPP and they want it preserved.

Most participants believe this can be accomplished by strengthening the plan's financing, improving its investment practices and moderating the growth in costs.

This agreement answers the concerns of the residents of my riding and of most Canadians. This is a very balanced approach.

Federal and provincial ministers agreed on a three part approach to restore the financial sustainability of the CPP and make it fairer and affordable for future generations by moving to fuller funding; by accelerating contribution rate increases now so that it will not have to exceed the 10% for future generations; improving the rate of return on the CPP fund by investing it prudently in a diversified portfolio of securities at arm's length from the government; slowing the growth by tightening the administration of benefits and by changing the way that some are calculated.

The following important features of the Canada pension plan remain unchanged. Anyone currently receiving CPP retirement pensions, disability benefits, survivor benefits or combined benefits will not see these benefits affected. Persons over the age of 65 as of December 31, 1997 who elect to start CPP retirement pensions after that date will also not see these pensions affected.

All benefits under the CPP except the one time death benefit will remain fully indexed to inflation. The age of retirement, early, normal or late, will remain unchanged.

Building up a larger fund, fuller funding and earning a higher rate of return through investment in the market will help pay for the rapidly growing cost that will occur once baby boomers begin to retire. This is what Canadians have asked the government for, to ensure that their Canada pension plan will be there in the future.

Accordingly, the Canada pension plan will move from pay as you go financing to fuller funding to build a substantially larger reserve fund.

Contribution rates will rise over the next six years from the current rate of 5.85% to 9.9% and then remain steady instead of rising to 14.2% in the year 2030 as predicted by the chief actuary. In dollar terms an employee earning \$35,800 a year now pays about \$945 in contributions. In the year 2003 that employee will contribute about \$1,635. Yes, that is \$450 more than what is currently legislated for that year. However, by the year 2030 employees will be paying \$565 less a year than if we had not acted now. Increasing rates more rapidly now will cover the cost of each contributor's own benefits plus a uniform share of the unfunded burden that has built up. These costs will not be passed on to future generations.

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There will be positive changes to the benefits and to the administration of the CPP. Changes proposed are how benefits will be administered and calculated in order to moderate the growth of costs. By the year 2030 costs will be reduced by just over 9% compared to what they otherwise would be by then.

Stewardship and accountability are the most important facets of the CPP. To improve stewardship of the CPP and provide for more accountability so that the sustainability of CPP is not again put at risk, federal-provincial reviews will be required every three years rather than every five. Any future benefits will be fully funded.

In any future statutory review of the plan, new default provisions will identify the steps necessary if the chief actuary calculates the CPP to be no longer sustainable at the steady state rate and ministers cannot reach a consensus on actions to sustain the plan.

Canadians will now receive regular statements about their pensions with the intent to provide annual statements to all contributors as soon as possible. The CPP investment board will provide quarterly financial statements and will report to Canadians on the performance of the fund. It will hold public meetings at least every two years so Canadians can know what is going on in every province. CPP annual reports will provide more complete information and will explain how administrative problems are being addressed. Other issues are up for review. These changes will restore the CPP sustainability and make it more fair and affordable for all future generations.

• (1600)

Partial pensions. Many Canadians want to make a gradual transition to retirement. This opens up the possibility of more jobs for younger Canadians. This will be made possible by providing partial pensions during the transition while Canadians can continue to work and earn further pension credits. We are going to examine this and I hope we can make great progress.

Survivor benefits. Compared with today when 68% of working age women are in the workforce, in the past, when the CPP survivor benefits were designed, most women did not work outside the home. Ways to update survivor benefits to reflect changing realities and the needs of today's families will be examined.

In response to misinformation that is being supplied across Canada by the official opposition I want to repeat that there is no change in the age of retirement. There is no change in the contribution rates past the 9.9% that is being set now. It will be held steady. We will know what the rate will be in the future. The year's basic exemption, which is now \$3,500, will be frozen at \$3,500. There is no change to the maximum pensionable earnings. All benefits except the death benefit will be fully indexed.

Again I want to say that good government makes a difference. This government has certainly listened to Canadians. We have held hearings in every riding that we represent and we are happy to talk to Canadians.

**Mr. Rob Anders (Calgary West, Ref.):** Madam Speaker, I would like to tell you a story about some mad scientists. Many people know them as social engineers. They have this theory, this idea that the more centralized a project is, the better it is. They also believe the more people that are involved, the better it is. But these scientists have a problem. There are so many observations that refute this theory. These fallacies of theirs are obstacles that prevent this scientific theory from becoming a scientific law.

These social engineers have staked their reputations, even their views of the world, on this framework of centralizing more jobs, but the anomalies are overwhelming. Hence we have a real crisis. They created this crisis called the Canada pension plan.

I will talk about a number of these anomalies, these complications they had. First, other government run disasters do not work. Government members point to their own example when they talk about how it is a half trillion dollars underfunded. There is also the Quebec pension plan. Although it is better than the CPP it has repeatedly earned a rate of return substantially below the market average for investments.

I look to my own province with the Alberta Heritage Fund which squandered hundreds of millions of dollars on Gainers meat packing and Novatel. Those are two examples but there are more. Even Singapore's Central Providence Fund will not be able to meet even the modest levels of retirement benefits estimated by the Central Providence Fund itself. We have examples within Canada and without that point to government run disasters on investment funds like this.

When these Liberal social engineers set up the CPP in 1966 they made some promises. Paul Martin Senior and his Liberal cronies said that it would "never cost more than a few hundred dollars". Those were their own words. Yet today Liberals are talking about something in the thousands of dollars which is 10 times what their initial promises were. But oh no, we should trust them.

• (1605)

The Liberals also promised the CPP would never climb above 5% contributions, but lo and behold they are talking about 9.9% as though it was nothing. They say that's it. Can we trust them now?

It was a con job all along. We know that now. And it is still a con job. Some people are convinced that they are entitled to this tax. I say that if it comes out of your pocket, if it is taken out of your wallet, it is called extortion; if it goes back into your pocket once the government has taken it, then it is blood money. It is paying you

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off. It is trying to buy back your support with the fruits of your own labour. The GST rebate worked the same way.

The Liberals said that Canadians asked for these changes. I do not remember being asked if I wanted the CPP tax doubled. I have friends on this side of the House who wanted to make application before the travelling board and they did not get an opportunity.

Even if we were dense, I surely would have remembered the government selling this high priority Canada pension plan tax hike during the election campaign. It is a high priority bill that is being introduced right after the election. Surely the Liberals would have mentioned it there and I would not have missed it.

Where was the tax increase mentioned in the Liberal red book? I did not see it. I am not blind and I do not think I am all that deaf, but nonetheless these things were not talked about during the campaign. I am reminded of when the Liberals broke their promises on the GST.

I doubt whether doubling the CPP would have passed a referendum vote. They say it is something that is grassroots and democratic. If they put a vote to the citizens of this country in terms of whether or not they want to see a doubling of their CPP, they know that would fail.

The Liberals have more tricks in their bag. They bent the ears of the provincial governments. How did they do that? The Liberals bought off the provinces with promises of cheap loans that would be available due to the federal government's extra CPP tax revenue.

History has a funny way of repeating itself. The last time the government raised the CPP tax it squandered pension funds in provincial bonds at below market rates. We could well see that type of thing again. Canadians would once again be in the debt hole and the Liberals would once again come back to them and say "Trust us. This time it is only going to be 15% or 20%."

This job killing tax hike is going to bring in nearly \$11 billion over and above what it does now. That is \$700 extra per year for every working Canadian. According to a Department of Finance study acquired through an access to information request, the increase in compulsory contributions from 3.6% to 5% that happened between 1986 and 1993 reduced employment by nearly 26,000 jobs. These are the same people who are saying this tax hike will not cost jobs. This Department of Finance study indicates that the Liberal tax hike this time could kill up to 75,000 jobs.

I would like to quote the finance minister. In 1994 in his blueprint for the economy entitled *A New Framework for Economic Policy*, he said "Higher payroll taxes increase the cost of labour and reduce the incentive to create new jobs." It is 75,000 fewer jobs. That is what the finance minister is talking about. The Liberals do not like to call it a tax hike or a payroll tax, but that is what it is. It reminds me that the Liberals are short-sighted. They only see as far ahead as the next election because the finance minister can say one thing in 1994 and another thing in 1997.

• (1610)

Indeed, members opposite said during the beginning of this debate that they only realized there was a problem three years ago in 1994. They did not sense this baby boom population bubble. They did not feel it. They were oblivious to it. Marketers, demographic trend setters, everybody was talking about it but the government did not know.

This Liberal plan was created in 1966. Surely these people could not turn a blind eye to this. They were not daft, or were they? They should have known and anticipated this bubble in the demographic trends. For them to notice the plan even on their own admission only three years ago, it has taken them this long to finally catch wind that it has to be changed, that it has to be reformed. It sounds very fishy indeed.

What we have is a government that wants to bring in a tax hike right after an election. What they are hoping is that people are going to forget it, but I do not think that is going to be the case.

The Liberals claim that the screw-up they created could have been worse. If they had stuck their head in the sand a little bit longer, then the hike would actually have been 14%. This is so typical of Liberal promises. They promise to spend taxpayers' money and then when they do not spend it they say "We are heroes. We've saved you money because we didn't spend your 14%. We are only doubling it to 10%".

I am going to make a prediction, and this will be very short. The Liberals are bringing in this tax hike early in their term and they are hoping the people are going to forget about it by the time of the next election. This increase only gets worse over time, and its coat tails will be long.

If they cut taxes, they might not slit their own throats but if foreign pressure on interest rates causes them to rise, especially with a separatist vote in Quebec, then they will dig their own debt grave.

**Ms. Susan Whelan (Essex, Lib.):** Mr. Speaker, I am pleased to be able to participate in the debate today on such an important issue for Canadians.

In recent years, as hon. members may know, a number of social, economic and demographic trends have developed, such as declining birth rates, increased life expectancy and lower than anticipated growth in productivity and wages, which, if unaddressed, could challenge the sustainability of Canada's public pension system.

This is why we committed ourselves to strengthening Canada's public pension system. The legislation that we are debating, Bill C-2, will enact the joint federal-provincial agreement reached last February to change the Canada pension plan, or CPP as it is known.

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It is legislation that will place the Canada pension plan on a solid financial footing.

The first point that I would like to make is that whatever the circumstances, CPP will be there for Canadians when they need it. In fact the very reason we are making changes now is to ensure that it is there in the future.

In his February 1995 report, the chief actuary clearly showed that without modification to the Canada pension plan, the CPP fund would be exhausted by the year 2015 and that contribution rates would have had to soar to over 14% to cover the rapid growth in cost. That would be a 240% increase.

It is only through responsible action now that we can avoid bankruptcy and truly intolerable CPP rates later, an increase now with a number of generations sharing the burden or an increase later for our children's generation.

Before moving to make changes to CPP, we held extensive consultations with Canadians. During 33 sessions held in 18 cities throughout Canada, more than 270 formal presentations were made to allow the government to find out what Canadians thought should happen to their plan. Canadians had no reservations in their expectations. They wanted the plan preserved, its financing strengthened and its investment practices improved. We have done that.

I would like to take a moment to tell my constituents what remains the same under CPP legislation and how the plan is being preserved. Anyone currently receiving Canada pension plan benefits, be it retirement pensions, disability benefits or survivor benefits, can rest assured that they will not see these benefits affected in any way.

• (1615)

Anyone currently receiving Canada pension plan benefits will not see these benefits affected in any way. All benefits now and in the future will remain fully indexed to inflation. The ages of early retirement, normal retirement or late retirement all remain unchanged.

What has changed? Let me try to describe the changes today. Effective January 1, 1998 retirement pensions will be based on the average of the year's maximum pensionable earnings in the last five years prior to starting the pension. In the past they were based on a three year average. The amount of the pension will continue to be dependent on how much and for how long a person contributes to the plan.

The administration of disability benefits will be further improved. The appeal process will be streamlined and the legislation will be applied more consistently. To be eligible for disability

benefits workers must have made Canada pension plan contributions in four of the last six years prior to becoming disabled. Presently a person needs to make Canada pension contributions in two of the three years previous or five of the last ten years in order to be eligible to apply and qualify for disability benefits.

The rules for combining the survivor and disability benefits and the survivor and retirement benefits will be largely the same as those in existence before 1987. However, changes will limit the extent to which these benefits can be added together.

The death benefit will continue to be equal to six months of retirement benefits but up to a maximum of \$2,500 rather than the current \$3,580. The option to eliminate the death benefit was rejected by the federal and provincial governments together.

Through enacting the legislation after careful consideration with Canadians the government will ensure that the Canada pension plan is there for future generations, that it is there at an affordable premium and that the benefits are guaranteed for those future generations. Due to our plan some 75% of the reduction has been made on the financing side and only 25% on the benefit side.

The CPP will continue to be affordable. Canada pension plan contribution rates will increase in steps to 9.9% by 2003 or 4.95% for each employer and employee and then remain unchanged instead of reaching the 14.2% projected by the chief actuary for the year 2030.

The Canada pension plan will move from pay as you go financing to fuller funding to build a much larger reserve fund. It will grow in value from two years of benefits currently to about four or five years of benefits. It should be noted that the yearly basic exemption, the first \$3,500 of earnings on which no contributions are paid, will be maintained and frozen.

Without these changes future generations would have to pay 14.2% for the same benefits we are currently paying only 5.85% for.

Until now CPP contributions not needed to pay for benefits have been lent mainly to the provinces at the federal government's interest rate on long term bonds. Under this new legislation Canada pension plan funds will now be invested in a diversified portfolio of securities prudently and at arm's length from government.

This means that Canada pension plan funds will be invested in stocks, bonds including provincial bonds, and mortgages. Instead of being lent in their entirety to the provinces we are now in the position with the passing of the legislation to make the investment philosophy of the Canada pension plan more market oriented. This is consistent with investment policies in most public and private pension plans in Canada.

Based on prudent assumptions the Canada pension plan can secure an average long run return of almost 4% a year above the rate of inflation. That compares with only 2.5% assumed under the current policy of the chief actuary. As well, from now on whenever provincial governments borrow from the Canada pension plan they will pay the same rate of interest that they pay on their market borrowings. That is making smart use of public money.

During cross-Canada consultations Canadians told us they wanted the Canada pension plan to run like a private pension plan. In response we have provided that the fund will be managed independently from government by a 12 member investment board. The investment board is accountable to Canadians and their governments through regular reports.

The board will be subject to investment rules similar to other public and private funds in Canada. Therefore the transparency for Canada pension plans of the future is the same transparency in private plans throughout the rest of Canada.

• (1620)

It should be noted that Canadians will start to receive regular statements on the pensions they are earning. We intend to provide annual statements to all contributors as soon as it is feasible. Canadians will receive an annual statement which will show how the Canada pension plan is progressing. Canadians will have the opportunity to see year to year the retirement future their contributions are building.

Last February in the House of Commons the Minister of Finance tabled the first draft of Canada pension plan legislation, in case the member for Calgary West was unaware. In response to the comments received further refinements were made to the legislation and revised draft legislation was released in July for further comment.

The measures proposed in the bill today will become law once the legislation is passed by parliament and support orders in council are received from the provinces that are party to last February's agreement. This will permit the changes to take effect on January 1, 1998.

Finally I would like to take this opportunity to answer some of the critics of these changes. There are some who advocate scrapping CPP and moving to a privatized system with mandatory retirement savings plans. I believe they do not understand two things.

First and foremost, Canadians want the Canada pension plan to remain. Canadians want a public pension plan that is available to everyone.

Second, the Canada pension plan provides protection not available through private RRSPs such as disability benefits and survivor and death benefits.

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The Canada pension plan is part of our public pension plan system along with old age security and guaranteed income supplement. Together these three pillars ensure that all our eggs are not in the same basket. The changes reflect the long held Liberal values of providing stability for and protecting those in need.

It was a Liberal government that introduced the Canada pension plan over 30 years ago in 1966, and now this Liberal government is making the necessary changes to ensure the future of the Canada pension plan for all Canadians. This allows all Canadians to prepare for their future together.

**Mr. Jim Gouk (West Kootenay—Okanagan, Ref.):** Madam Speaker, my comments are sparked in part by the last member who spoke and some of the other members who have spoken today, in particular those on the Liberal side.

I find it very ironic and kind of sad that they would stand and talk about Reform's plan when obviously they have never read it. They have never opened the book, or they read it and they chose to ignore it, to say things they know are not stated in the book and to ignore the things that really are there.

It is unfortunate they would prey on the fears of Canadians, those who have already retired and those approaching retirement, to try to sell a very bad plan of their own.

It has been mentioned today that it started at 5%. They were told it was a wonderful plan and that it would never go up. Now it is doubling from that early start.

I want to speak about one aspect of the plan, the impact of the raising of the payroll taxes to 9.9% on business, in particular small business.

Speaking again of false comments made by the government, its members seem to want to imply that Reform's plan is to scrap CPP and instead simply have people put their money into RRSPs.

Members who think like this are the ones who have not actually read the plan. The plan is an RRSP type system changed over from the existing Canada pension plan. It is not paid out of rich profits from a high paid job but in fact paid by the same deductions that are going into the Canada pension plan right now, money that has been squandered, money that has been spent and still results in a \$600 billion liability on the part of the Canada pension plan. I just want to make sure people understand that.

I hope hon. members opposite listen to this example. I welcome heckling when I am speaking. I actually feed on it. Sometimes it gives me some good stuff to carry on with in my speech. When all their friends are away, I hope they get a chance to think of this one point personally and consider it from a non-partisan point of view.

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• (1625)

Before I came to this place I had a small construction company that built about eight houses a year. During that time I was doing other things. My company, which was primarily myself, made a profit of about \$6,500 per house.

I employed carpenters, plumbers, electricians, excavation people with their equipment, roofers, drywallers and any number of people. I bought supplies from people all over town and throughout my region. It was a good economic engine for the small community and the region I come from.

I had three people who virtually worked full time for me. If I consider the number of people who worked for me as I needed them for drywalling, roofing or some other components, it worked out to be the equivalent of about 10 full-time positions. It was as if I had 10 people full time who, if they had the particular talents, would have been able to do all the jobs. It would have created an annual income for those people.

According to the Liberal plan the wages I paid those people would be subject to this new payroll tax for the purpose of CPP. It would amount to \$650 per head. What would be the impact on a small company?

As I said, I made about \$6,500 a house and I had the equivalent of 10 full-time positions. As the employer my share would have been \$650 times 10. The gross profit for one-eighth of my productivity as a builder would have gone to pay the increased CPP premiums.

When I had people working for me they liked to maintain some form of standard of living. They were pretty reasonable people. If I was still running my company and this increase came along, I suspect many of them would have come to me and said "We know times are tough. We know that the economy is tight. We are not looking for a raise but we certainly cannot afford a cut in pay. What we need is enough of a raise to pay the increase in our CPP premiums".

They were hard workers. I would have been hard pressed not to have given it to them, but had I done so it would have been another \$650 per employee for the equivalent of 10 full-time employees or \$6,500, the gross profit from another house.

This was a viable small business and the increase in the Canada pension plan premium, a payroll tax, would have taken 25% of my gross profits from that construction company.

Government members will say that it is a government bill and they have to vote for it. I understand their dilemma. A member of the House who does not happen to belong to the Liberal Party any longer voted according to the way his conscience and his constituents directed him. Consequently he sits on this side of the House because the Liberal Party threw him out. They are not allowed to

vote the way they think is in the best interests of Canadians in general or their constituents in particular.

I hope government members will raise this matter in caucus, speak to the minister and speak to the critics who deal with the Canada pension plan. If that is what would have happened to the small business I operated in Castlegar, in the interior of British Columbia, think what it will do to countless hundreds of thousands of businesses across the country.

The Liberals talk about job creation. How in God's name can jobs be created when they increase a payroll tax on people which will ultimately result in 25% of the profit from a small company going out the window? It will not work.

I hope that each of those members will say that they did not look at it from the point of view of employment. They are saying they looked at it from the point of view of rescuing the plan. There are much better ways to rescue the plan than simply throwing more money at it and in doing so destroying the economy of the country by destroying a lot of small businesses.

Instead of spouting the rhetoric thrown by the minister down to them they should read Reform's plan. It is an alternative. It is not the destruction of a pension plan. It is looking at it from the point of view that we have to ensure an income for people in their retirement and we have to make it affordable not only in terms of premiums but in job creation and sustainability. They look at it and say the 9.9% now will be the be all and end all to save the plan. It is the same thing that Liberals of days gone by said when it was brought in at 5%.

• (1630)

I hope my speech gives the Liberals something to think about. I appreciate the attention Liberal members have paid and I truly hope they will reconsider this in a non-partisan manner. If they do, I promise that I will not try and roast them by saying they were wrong. I will congratulate them on their re-examination and their concern for Canadians instead of just following the rhetoric of a few.

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Madam Speaker, I congratulate you on your new office. This is the first chance I have had to speak with you in the chair.

As I listen to members opposite, particularly members of the Reform Party, it becomes more clear that we are dealing with two very fundamentally different visions not only of the Canada pension plan but of the country.

History would make it clear that Liberal governments have put people and their communities first. I suggest the Reform Party would take us back decades when it was not so important that people and communities worked together for the good of all.

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The Reform Party attempts to make an issue of sustainability with regard to the changes to the CPP and the program being in place in the future. I think it has much more to do with the kind of society we want for ourselves, our children and our grandchildren.

Throughout the last term of office and through the election campaign I did not hear much from the constituents in my riding of Algoma—Manitoulin calling for a privatized super RRSP for the future. If I heard concerns about the pension plan for the future they were to make sure that what Canada has such as the CPP and OAS will be there for us when we retire and for our children and our grandchildren. Their worry centred around the sustainability of the program and that it be available in the years to come.

While Reformers can argue that a super RRSP, according to their arithmetic, will be better for Canadians, when we get to fine details it is a much different story.

I will cite a couple of examples. The Reform Party claims to be the party of families, a fact which is quite disputable. Its proposal would not cover workers who take leave to look after children, which runs contrary to the fact that CPP does. Working poor families would have difficulty paying mandatory RRSPs and the extra insurance to replace the disability and death benefits provided by the CPP.

In a society where there is a general consensus to move toward a national drug plan, a pharmacare plan, and society is moving toward sharing the wealth in a reasonable way, Reform would have us go back to the beginning of the century when it was quite the opposite. In its plan we would forget the working poor family, the spouse who for one reason or another had to stay home to take of children. I use this as only one example of where the Reform plan would break down and the CPP would be there for spouses who stay home for children.

• (1635)

Reformers also neglect to point out that in a super RRSP plan a tremendous public subsidy is required. As we all know, when you invest in an RRSP, as all Canadians are able to do if they choose to and have the funds to do so, there is a commensurate tax reduction to reflect that investment.

The current system costs billions of dollars per year. It is a system whereby Canadians are redistributing their wealth. In a system totally dependent on RRSPs those with most of the wealth would be benefiting from most of the tax loss as a result of the tax deduction. In the current system which is a balance of RRSPs, Canada pension plan, OAS and the supplement, there is a broader range of pension options available to people. If we provide a pension plan based solely on the RRSP system there will be a much greater demand on the tax system than what we see right now.

It is incumbent on the Reform Party to make it clear that its system does not come without tremendous cost. I submit to the House that the cost will be much greater than what we are seeing right now. The CPP is not intended to be the only source of income for seniors, although by necessity it is for many. The overall pension system in Canada is designed to provide Canadians with a chance to blend several vehicles as they prepare for their retirement.

Much is made about the fact that premiums are going up. The Reform Party uses the word tax. Tax is not the correct word. The correct word is investment. When an employer through a payroll deduction makes a contribution to the CPP he is making an investment in the country for sure but also in the workers who work for him. When the employee makes a contribution to the CPP he too is making an investment.

The previous speaker from British Columbia mentioned his construction firm and the number of houses he made per year. If he asked his employees they would not see it unreasonable that 10 employees would see their premiums matched by the profit, just the profit on one of eight homes. They might see that simply as sharing the benefits that come with a capitalist society.

If we were to move in the direction that is proposed by the official opposition we would see a deterioration in a significant way of Canada's social safety net which is made up not only of our pension system but of the employment insurance system and the health care system.

The pension system is one of the very important three pillars that make up the social safety net. It is in the nature of our society and the reason we are envied throughout the world, it is in our nature to be compassionate to one another. That compassion is reflected in the fact that our pension system makes sure that in every reasonable case Canadians can provide some income for their pension.

When it comes to the cost of administering the Canada pension plan versus millions of private super RRSPs I do not think it takes rocket science to figure out that administration costs would be approximately \$20 per person through the CPP versus \$150 or \$200 per person in a private RRSP plan. When it is all added up, a 10:1 ratio in favour of the CPP makes a lot more sense.

Why should we be spending pension dollars unnecessarily on the administration of a pension plan? The fact that these amendments include the creation of a board to ensure the CPP fund is invested in the most appropriate way for Canadians makes a lot of sense.

• (1640)

To distribute the administration of these funds to hundreds or thousands of fund administrators across the country makes very little sense at a time when we should be looking at better ways of

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spending our money. We have made changes that will ensure the sustainability of the CPP into the 21st century.

Canada's current government has seen fit to take charge of this issue and to move us forward in a way that most industrialized nations have not yet be able to do. I am pleased and proud to support the government's initiatives. To do contrary would be very irresponsible.

[*Translation*]

**The Acting Speaker (Mrs. Thibeault):** 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 Waterloo—Wellington, children; the hon. member for Vancouver East, post-secondary education; the hon. member for West Vancouver—Sunshine Coast, foreign affairs.

**Mr. Maurice Dumas (Argenteuil—Papineau, BQ):** Madam Speaker, I am pleased to speak to Bill C-2 on the reform of the CPP.

As is usual, I would like to begin by thanking all those in the riding of Argenteuil—Papineau for their vote of confidence in once again sending me to represent them in this 36th Parliament. I will continue to uphold their rights as staunchly as I have in the past.

This reform of the Canada pension plan is of particular interest to me because I am the Bloc Québécois critic for seniors and also because it affects me as a member of that generation.

I have risen many times in the House to uphold the rights of seniors, one of society's most vulnerable groups. The Bloc Québécois agrees in principle with the contents of Bill C-2 at second reading.

I am now going to give a brief history of this bill. The government introduced a preliminary bill in February 1997, followed by a revised bill last July. Amendments proposed by the federal government were approved by at least two thirds of provinces representing two thirds of the Canadian public, as required by law. Eight provinces in all, including Quebec, approved the proposed changes. Only British Columbia and Saskatchewan voted against.

Generally speaking, the Bloc Québécois is in agreement with the primary objectives of this reform, with a few reservations. Indeed, I cannot help but mention that, on March 9, 1994, I asked a question to the then Minister of Human Resources Development concerning the reform of social programs.

As the official critic on seniors issues, I also made the following statement in the House, again in 1994, and I quote:

Mr. Speaker, my question is for the Minister of Human Resources Development.

On March 9, the minister indicated in this House that he wanted to review old-age security programs. Following the general outcry caused by this announcement, the

Prime Minister decided that the review would be limited to the Canada Pension Plan and RRSPs. This review was to be tabled last June but the government has clearly delayed it.

My question is this: Can the minister tell us why the government has delayed announcing its intentions by tabling the review promised for last June?

• (1645)

The following was part of the answer was:

We are presently speaking with a number of groups and organizations throughout Canada, particularly as they represent seniors, to get their point of view.

Allow me to wonder what the government's true intentions were, since it called an election before making good on that commitment. However, we realize that some changes have become necessary, because of the financial implications and of the plan's sustainability.

It had been forecasted that there would be no money left in the fund by the year 2015, at which time contribution rates would have gone up from 6% to 14% for the Canada pension plan, and from 6% to 13% for the Quebec pension plan.

The reform is also more of a concern to Canadians than to Quebecers, since less than half of one per cent of Quebec residents receive CPP benefits.

So, the bill proposes the establishment of the CPP investment board, which will be quite similar to Quebec's Caisse de dépôt et placement. The Quebec government introduced Bill 149 to deal with the Quebec pension plan and to amend various related acts.

Allow me to reiterate the remark made by my hon. colleague from Mercier, who indicated that the Government of Canada and every province except Quebec should have taken Quebec's lead in 1964-65 when it established the Caisse de dépôt et placement.

While the Bloc Québécois supports this reform's objective, which is to preserve this public pension plan, increasing contribution rates faster than initially planned will cause an increase in benefit funding. We believe that this in turn will reduce intergenerational inequity by charging more to baby boomers, who, generally speaking, have another 20 years to put in on the labour market.

I would also like to emphasize the changes proposed by the federal government with respect to the disability pension. Under an existing ministerial directive, any person over the age of 55 who is unable to perform the duties of his or her own job can be declared disabled. Now the federal government wants to repeal this directive, thereby making the administration of the plan much stricter.

We have never had any such directive in Quebec. The federal government wants to limit eligibility to those who have contributed to the plan for four of the past six years, which should make the plan considerably less accessible.



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In Quebec, those who have contributed for two years out of the past three, five years out of the past ten or half of the contribution period are eligible for disability benefits. Unlike the federal government, the Government of Quebec is about to recognize a proportionately larger number of persons with a disability. The Bloc Québécois cannot support this part of the CPP reform.

The Reform Party's proposal to establish a super RRSP is based in part on the model developed in Chile. According to the example provided by this country, however, the administrative costs of such a system are far higher than for the present ones. The Quebec pension plan devotes the equivalent of 1.7% of the amount paid out in benefits to plan administration.

In this system of super RRSPs, the government will have to guarantee an acceptable base income at the time of retirement, in the form of either a minimum pension or a separate assistance plan. In both cases, considerable costs are associated with this type of guaranteed minimum income.

This Reform Party position leads me to the position of the government, which is trying to worm out of it by shifting the administration of a government plan to a local administration. The Reform Party proposals will enable the government to assume the same attitude toward its responsibilities, as the example of ADM, Aéroports de Montréal, clearly illustrates.

• (1650)

As the member for Argenteuil-Papineau, I have spoken out on numerous occasions in defence of the development of Mirabel airport, which is located in my riding.

In order to understand the similarities, we must start with a brief review of the history of ADM. This is a not-for-profit body, or as it states in its letters patent, a corporation without share capital, constituted under part II of the Canada Corporations Act. The government is washing its hands by handing the airports over to this body, because it refers any taxpayer claims to it.

The Reform Party proposals relating to the reform of the Canada pension plan place the federal government in a similar position, since it can always answer that, in future, this plan is privately administered and is similar to the registered retirement savings plans.

The Bloc Québécois has, moreover, never called for termination of the Canada pension plan, and I would refer you to my speeches in the House, which have always been along the same line: do not touch seniors rights.

The younger generations must also be able to benefit from a public pension plan. Our approach is the opposite of the Reform Party's.

I wish to repeat my position on seniors rights and to point out that October 1 of each year will always be a memorable day, because the United Nations have designated that day to mark the important role seniors play in society.

As well, the UN has decreed 1999 to be the international year for paying homage to seniors. Its theme, "Toward a society for all ages" is aimed at raising public awareness of the essential role seniors play in all sectors of activity.

[English]

**Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.):** Madam Speaker, I am pleased to rise today to challenge the flawed reasoning by my opponents across the way and to demonstrate why our efforts to reform the Canada pension plan are far superior to any of the opposition plans and are much preferred to doing nothing.

Our plan is exactly the kind of preventive action that Canadians demand from their governments to avert future crisis in the Canada pension plan. While our opponents would rather we do nothing and let the program collapse, we are moving forward in a decisive way.

Before I reiterate the benefits of the government's well considered plan, I will refute the feeble assertions and the rhetorical rantings of our opponents.

When we came to power in 1993 we inherited a mismanaged plan from the Conservative government of the day. The procrastination of the Conservatives showed their unwillingness to act. If they had acted to repair the Canada pension plan in preparation for the growth in seniors then, we could have capitalized on the massive economic boom of the late 1980s. Instead, they did nothing. They believed that the issue was best left for future generations.

In a similar way the Tories ran their platform in the last election, they essentially said they would do what we would do but they would put it off longer and make more substantial increases in the future. Apparently they were not ready to let the future begin for Canada pension plan reform.

Yesterday I heard the NDP critic, the hon. member for Kamloops, compliment our efforts to reform the Canada pension plan as the economy changes. I thank him for his support of our plan and remind him that when he has the conversation on the Canada pension plan with his parents they or any other senior today will not be affected by any changes in the plan. We can put that yellow herring aside.

The NDP's plan during the election was just not practical. It wanted to maximize the payout while limiting the potential growth in the fund and its viability. This meant that some day Canadians would be forced to borrow to cover the difference or abandon the plan. This we find irresponsible.

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This brings me to the Reform plan and the super RRSP. This is not what Canadians want. The Reform plan would break the covenant that was laid down when workers first began to pay into the pension plan in 1966 by breaking the pledge made to those workers by previous governments that the Canada pension plan would be there for them when they retire.

The mandatory Reform plan calls for higher increases in premiums, higher administrative costs and an additional private cost by Canadians to cover the private insurance for disability and death coverage. Reform plans to take this away.

• (1655)

In total it adds up to higher payments for young Canadians than our plan. In the name of intergenerational equity espoused by the member for Calgary Southeast, their fresh start on pensions is a false start for young Canadians.

In addition, the *Globe and Mail* speaks of the plans already under way. The future reform of Canada pension plan would enable the baby boomers out of the work force to reduce the unemployment of young having difficulty—

**Mr. Ken Epp:** Talk about your own plan instead of ours.

**Mr. John Richardson:** I have just heard the booming voice of the biggest teller of tall tales we have ever heard in this House.

What we have done is avert a crisis and we are doing it responsibly. Our government acting in co-operation with our provincial partners took the lead to restore financial footing of the plan. We held 33 sessions in 18 cities, hearing more than 270 former presentations from Canadians on the plan including young Canadians.

Canadians and young Canadians in particular have no hesitations in asking us to preserve the plan, strengthen its finances, improve its investment practice, and we are doing that. This bill addresses the concerns raised in our national hearings and again we thank the Prime Minister and the Minister of Finance for their visionary leadership on the issue.

However, do not take our word for it. Listen to the words of others. The minister of finance of Ontario, a hero to many Reformers, on February 15, 1997 stated: “We have protected benefits for pensioners and secured a sound financial future for the plan and the people who need it”.

Christopher Clark of the Canadian Council on Social Development says: “It is highly ironic that proponents of dumping the Canada pension plan for private RRSP schemes often defend the idea in the name of intergenerational equity because it would be cheaper. It is neither equitable nor cheaper. As is the case with most

quick fix privatization proposals, it sounds too good and easy to be true, and it probably is”.

The head of Business Council on National Issues agrees with him: “This agreement places Canada at the forefront of industrialized nations with problems linked to an aging population”.

Allan Tough, an actuary from Alberta, states in the *Calgary Herald* the importance of acting now: “With any problem it is better to face up to it now rather than later. The longer you delay, the worse it gets. A 9.9% contribution rate sounds definitely better for my children than going to 14% later”.

David Crane of the *Toronto Star* commented: “The announcement of higher premiums for the Canada pension plan should reassure Canadians on the long term viability of the plan to which all workers contribute”.

The CPP has become a key component of our national pension system. The amendments to the plan contained in Bill C-2 are designed as a package to stabilize the plan and ensure that it will continue to meet the needs of Canadians. If we continue forward ignoring reform to the pension system we can guarantee there will be no pension for Canadians and that is simply not an option. That is why I stand in my place and support this bold move to save this cherished covenant with working Canadians.

**Mr. Gordon Earle (Halifax West, NDP):** Madam Speaker, I am pleased to rise to speak for a few moments on Bill C-2, an act to establish the Canada pension plan investment board and to amend the Canada Pension Plan and Old Age Security Act and to make consequential amendments to other acts. What a title and what a problem the government is creating with this bill.

As has already been indicated by previous speakers, this bill attempts to do a number of things, namely to discontinue the Canada pension plan advisory board and establish a Canada pension plan investment board, the main function of which will be to manage and invest Canada pension plan funds, to amend the contribution, benefit and funding provisions of the Canada pension plan, to tighten the eligibility for disability benefits and the rules for combining survivor and disability benefits and survivor and retirement benefits. It reduces the death benefit, it reduces the maximum CPP retirement pension through its formula for calculating retirement pensions.

Another thing this bill attempts to do involves harmonizing. We in Nova Scotia know that dreaded word, harmonizing, very well because we have the harmonized sales tax. This bill attempts to harmonize the CPP disability benefits with provincial workers compensation benefits and various other benefits, including those received from municipalities and private insurers.

• (1700)

As well Bill C-2 amends the Canada Pension Plan and Old Age Security Act with respect to information sharing, investigations and penalties. Indeed some of the clauses regarding information sharing and investigations require close scrutiny but that will be done at a later time.

Suffice it to say for now that we are opposed to this bill because it erodes the public pension system and the universality of that system. It erodes the system that was established in 1966 to provide all members of the paid labour force in Canada a base upon which to build their retirement income, as well as provide benefits in the case of serious disability or death.

The changes to the public pension system as proposed by this bill continue the trend of the Liberal government of penalizing the most vulnerable members of our society: low income workers, many of whom are women, the disabled and seniors. Again with respect to seniors, the changes proposed by this bill regarding OAS and GIS have profound implications for seniors and the income they can look forward to under the new seniors benefit proposal.

The government is creating more difficulties for people by introducing a bill that will force low income workers to pay more in contributions, that will cause fewer people to obtain benefits by tightening the eligibility for disability, that will create greater clawbacks on seniors' incomes, that will take away a person's right to have his or her own benefit by consolidating the income of both spouses. Rather than creating these kinds of difficulties through Bill C-2, we believe the government would be better advised to spend its time correcting the problems which already exist in the Canada pension plan rather than creating new problems.

I am referring specifically to the kinds of problems which we see every day in our constituency offices. By far the largest volume of case work in Halifax West concerns Canada pension plan disability. The same I believe is true in other NDP metro ridings and I am sure across the province and perhaps even across the country.

The main complaint is the lengthy process and red tape which applicants must go through before a final decision is rendered. First is the initial application with numerous forms and medical reports to assess eligibility. Apparently almost everyone is now rejected at this initial level in keeping with a decision over the last few years to apply the definition of severe and prolonged disability more strictly for eligibility purposes, and Bill C-2 would put further restrictions on eligibility.

Following a rejection at the first level there is an appeal by way of a request for reconsideration which must be filed with the minister within 90 days. Then there is a second level of appeal to an independent, note the word independent, review tribunal. This must be filed within 90 days but may be extended at the discretion

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of the minister. Finally, applicants or the minister may appeal a decision of the review tribunal to the pension appeals board within another 90 days. Claimants dissatisfied with the board's decision may then ask for a reconsideration within 90 days but this would entail more waiting and would likely be to no avail.

The administrative procedures and hearings involved in all of these are long. It is not uncommon to have applicants waiting for years before a final decision is rendered, sometimes with sad consequences.

A constituent applied four years ago and has since developed terminal cancer. Last month he was told his application had been approved but even now it appears that the department is backtracking and wants more clarification on a range of items. This person is suffering with terminal cancer and is still unable to get disability benefits.

My constituency assistant had a meeting with two CPP officials last Thursday. He was informed that there has been an attempt, which started last June, to speed up the process by regionalizing the services somewhat. However there is still a backlog at the pension appeals board level. The board is backlogged and is unable to hear cases expeditiously.

Figures that we have obtained from Human Resources Development Canada suggest a trend starting in 1995 to reject most of the applications for CPP disability. In 1993 they approved 69%. This was down to 44% in 1995 and sank to 33% in 1996. I am told that Nova Scotia has the highest per capita CPP disability claimants. If that is the case, this trend of rejecting applications is particularly harsh in our province.

• (1705)

A major problem with this program is that the minister can and often does automatically appeal any decision below the appeals board level. When the independent review tribunal has ruled in favour of an applicant the minister can appeal that decision, and the matter becomes bogged down in a time consuming process. No doubt the primary reason for this tactic is to save money, but this is being achieved on the backs of the disabled.

Another troubling issue is that recipients of CPP disability benefits who try to work are penalized. Benefits are withdrawn if they work for over three months. This is most discouraging to the disabled who usually have to go through considerable personal sacrifices to supplement meagre benefits with a meagre income. The system should be working to improve the lives of the disabled, not to penalize them for trying to seek a more active and productive life.

In conclusion, we cannot support Bill C-2 as it does nothing to correct the problems that are currently experienced, but rather

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introduces measures to make life even more difficult for wage workers, women, young people, seniors and the disabled.

I wish to move a subamendment. I move:

That the amendment be modified by inserting after the words "young Canadians" the following: "and more particularly, to women, the disabled, those eligible for survivors' benefits, and low income Canadians".

**The Acting Speaker (Ms. Thibeault):** The amendment is in order. Debate is on the subamendment.

[*Translation*]

**Mr. Guy St-Julien (Abitibi, Lib.):** Madam Speaker, it is a pleasure for me to speak on Bill C-2, which will have an impact on the future of Canadians.

In keeping with tradition, I would like to thank the electors of Abitibi who put their trust in me for the next four years.

I represent the largest riding in the ten provinces of Canada. It covers an area of over 802 square kilometres and has a population of 92,000. To give you an idea of its size, it is equivalent to more than half the province of Quebec. There are four PQ members of the National Assembly doing the same work I am as a federal MP. In other words, in the riding of Abitibi, there are four provincial MNAs and that costs four times as much.

• (1710)

To get back to the bill, in compliance with the law, changes to the Canada pension plan must be approved by at least two thirds of the provinces representing two thirds of the country's population. This requirement has been met.

This bill represents a significant step toward preserving, as we said we would, the Canadian income and retirement system. The changes will ensure the plan's viability over the long term while making it fairer and more affordable for future generations of Canadians.

They recognize that the Canada pension plan is fundamental to the public pension system. The proposed changes will strengthen our system to permit it to continue to provide Canadians with the opportunity to create for themselves new and sufficient retirement income.

To ensure the future of the Canada pension plan for all Canadians, last February the federal and provincial governments agreed on changes to the plan to ensure its long term financial viability, while making it more fair and more affordable for future generations.

The proposed changes have the support of the federal government and the provinces of Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, Quebec especially, Ontario, Manitoba and Alberta.

However I must point out that Quebec administers a plan which parallels the Canada pension plan, that is, the Quebec pension plan. The Government of Quebec, through the Hon. Lucien Bouchard, recently announced amendments to the Quebec pension plan comparable to the proposed changes to the CPP, with the result that premiums will be the same.

Let us take a look at this new investment policy. There are approximately two years' worth of benefits in the CPP at the present time. The assets not immediately required to pay benefits are placed in non-negotiable instruments issued by the provinces. The provinces pay interest on these loans at the rate of long-term federal government bonds, as set at the time they were issued.

Greater capitalization of the CPP will result in significant growth of the assets from approximately two years of benefits to four or five years of benefits over the next twenty years. A new investment policy is necessary to get the best return possible in the interests of contributors. A higher return on the plan's assets will help hold the line on increases in premiums.

The ministers of all provinces, including Quebec, agreed on the following measures. The assets of the CPP will be invested in a diversified portfolio of instruments in the best interests of the contributors and beneficiaries. This new policy is consistent with that of most other pension funds in Canada, and in particular with that of the Quebec pension plan.

The assets will be managed in a professional manner, independent of governments, by an investment board, which will periodically report to the public and to the various governments on its activities.

Finally, with respect to investments, the board will be subject to rules similar to those applying to other pension funds in Canada.

I noticed that schedule II contains a comparison of existing CPP provisions and the proposed changes. This is something we should also mention: early retirement, from age 60, no change; normal retirement, at 65, no change; late retirement, up to 70 years of age, no change. There is no change in the new bill to the maximum annual earnings with pension entitlement, indexed to salary.

There will be no change to the ceiling for the combined survivor's and pension benefit in the new bill. All benefits, except death benefits, are now fully indexed. There will be no changes.

• (1715)

There are several stages to go through still. The bill complies with the terms and conditions agreed upon with the provinces in February regarding such things as a move toward fuller funding, with the new investment policy, changes to the formula for calculating certain benefits and a tightening of the administration of benefits.

It is always important to keep our people informed of what goes on in Parliament.

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[English]

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, for the first time in our history a whole generation of Canadians is unsure that it will be able to enjoy the same quality of life that their parents did.

Many Canadians worry that some of our most fundamental institutions and values, such as health care and the Canada pension plan, might not be there for them and their families when they need it.

Canadians know that they can no longer count on the federal government for everything. There was a time when they did, no matter which political party was there. We all know that. Everybody was looking for the government to take care of them, and the political parties were only too happy to promise everything. Canadians have every right to expect the federal government to set the right priorities and policies, and to chart the right course to achieve what they need for the future.

We need an innovative, realistic plan that sets new priorities for government as part of a long-term vision for our future. One of these priorities is security of retirement for all Canadians, and more especially, the restoration of the Canada pension plan.

Canadians are looking for leaders that are committed to maintaining the CPP as a central component of our social safety net. They want obligations of the CPP to be clearly defined. They want it to be put on a sound financial footing, and they want it to be managed efficiently now and in the future.

What is wrong with the CPP? For one thing, it is bordering on bankruptcy. The rapid aging of our population is one of the main reasons. I know that because they just have to take a look at my grey hair. My hon. friend across the way might have a little dye in his—I am not sure—but I think he is almost as grey as I am.

Today, for every person of retirement age there are five persons of working age. In 20 years, there will be one person of retirement age for every four persons of working age. When today's youth retire 40 years from now, that ratio will be just one to three. We have young pages sitting here. We want to make sure that they have a good retirement pension plan.

In 30 years, the average age of Canadians will be higher than the present average age of the population of Florida, with no corresponding adjustment in temperature.

A lower birth rate and increased life expectancy along with a sharp rise in disability claims also puts new stress on the CPP. The CPP has also been jeopardized by inadequate contribution levels and inefficient plan management as a consequence of faulty legislation.

CPP funds, for instance, have been lent to the provinces at the rate Ottawa pays on its 20-year bonds. This is less than what the provinces pay other bond holders. It is also less than what private sector plans earn. No wonder Canadians think the government cannot add.

The CPP must be changed now if it is to provide pensions in the future. Older Canadians have earned the right to a secure retirement. Middle class workers cannot afford to pay more, and I know that because I had a young mother come to me just last week. She came with her husband and said "It will cost us \$700 more, Mrs. Wayne. We have two children. We are trying to save every month for their education. We don't want any handouts but we can't afford that \$700 more".

Younger Canadians want the CPP to be there when they need it, and they expect it to be flexible. They expect government to plan for the future in the same way Canadians plan for their future.

• (1720)

How are some proposing to preserve the CPP? The Liberal plan to fix the CPP is an \$11 billion tax hike on working Canadians and employers over the next six years. This is coupled with already punitively high EI levels which the Minister of Finance has refused to lower, despite a substantially high fund surplus. Such a traumatic tax grab would have a devastating affect on job creation. This is an attack on the middle class taxpayers, families and small businesses.

The Reform's plan is even simpler. Just scrap it and replace the CPP with super RRSPs. That is even more scary when we remember that at its last convention the Reform Party advocated eliminating the RRSP plan. I do not know whether it has any plan at all?

Under the Reform Party's plan Canadians would be given recognition bonds to reflect the CPP credits they have already earned. This approach would leave young Canadians paying for the CPP benefits of their grandparents, for the recognition bonds due to their parents and for their own retirement savings. On top of all of that, it fails to provide any numbers as to how it will pay for its proposals. It reneges on a commitment to Canadians made by successive governments. It ignores the profound attachment that Canadians have for this social program in favour of an extreme ideological position.

Individuals also have to assume the risk of inflation in their investment decisions under the Reform Party's plan. The disability coverage now included in the CPP would be eliminated.

Both the Liberal Party and Reform Party solutions are short-sighted and self-defeating. The security, affordability and stability of the CPP are an integral part of the Progressive Conservative Party's plan to address the economic and social insecurity felt by so many Canadians.

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We set out three key benchmarks to do so. Make the CPP self-financing, offset premium increases with tax cuts and encourage more RRSP savings. How would we meet these objectives? We would increase CPP contribution rates to levels adequate to ensure the long-term viability of the plan. However, these increased contributions would be offset by the substantial reductions of personal income tax rates and EI premiums. This means putting more money into the plan without asking Canadians to pick up the tab and without creating more threats to job creation. We would also make provisions to finance the extra cost per year of seniors benefits resulting from demographic change.

Canadians also need to know that never again will their pension funds be mismanaged the way they have been in the past. They deserve a greater return on their investment. To ensure this we would transfer all CPP funds to a separately managed Canada pension trust as is already done in Quebec. We would structure the Canada pension trust to be completely independent of the government of the day. We would select the Canada trustees on a non-partisan basis, recruiting experts in the financial business and actuarial community in consultation with the provinces.

The mandate of the Canada pension trust and its trustees would be to advise the government on required contribution levels and to select the best private managers acceptable to the industry to invest the funds growing surplus to secure long-term returns.

It is most important that we guarantee all our young people today, not just the ones who are sitting in the House, but those across the country that there will be a retirement plan, a Canada pension plan for them. It is up to each and every one of us in the House to make sure that this happens. Now it is our generation's turn to become nation builders. Part of that responsibility is to ensure that Canadians of all ages and all circumstances can count on a secure retirement.

I look forward to debating this issue in the future because this must take place.

• (1725)

**Mr. Charles Hubbard (Miramichi, Lib.):** Mr. Speaker, congratulations on your selection as Speaker. We hope all members of the House will co-operate with you. I know you are doing a very fine job with it.

I am from the Miramichi. This is my first speech since the new Parliament began. Today we in the Miramichi have heard of the resignation of our premier. His absence from New Brunswick and the political scene in Canada is certainly going to be a great loss for all of us as Canadians. I want to pay tribute to the many years that Frank spent, some 15 years, representing Miramichi, and for the past 10 years as premier of the province of New Brunswick.

Over that period of time he had to exert a good deal of effort looking at the pension funds in the province of New Brunswick and trying to find some solutions to their funding for future generations.

Today as we consider the Canada pension plan, my constituents and Canadians in general would be shocked to hear some of the statements that are being made by members opposite. I have heard very few complaints about the plan not being effective. I have heard very few concerns about people not wanting to participate in the plan. It is looked upon as a very important part of that great income security system that the Liberal Party and Liberal governments have made for this country over the past several generations.

Today in Canada there are approximately five million Canadians who in one way or another are receiving payments from the Canada pension plan. We have approximately 3.7 million plus another 1.2 million under the Quebec pension plan. Of that group some 2.4 million Canadians and 800,000 under the Quebec plan are receiving retirement benefits. In the disability portion of the plan we have some 300,000 Canadians in other provinces along with another 50,000 people in the province of Quebec.

It is a good plan. However, in the next few years the plan will need more money to support future Canadians as they require the benefits from it.

When I hear of the demands of the opposition that we should move away from a Canada pension plan and toward a system of RRSPs I have to remind the House that RRSPs do not have the great benefits that are shared by those who participate in the Canada pension plan.

Today contributions to the plan are some 5.85% shared by employees and employers. However, future contributions will eventually reach some 9.9% to be shared by those two groups.

The CPP does not only include retirement. It also includes a great number of other benefits to the Canadian people. Those who pay into the plan are protected against disability. Those who pay into the plan have their spouses protected in case of death or disability. Those who participate in the plan have their children protected until they either finish school or if they continue in school, until they are 25 years of age.

This plan is essential and is regarded as being essential by most Canadians. It is a form of income security. There is a basic understanding among the Canadian workforce that workers will be able to receive benefits if they become sick for an extended period of time, if they become injured and they cannot work or if they eventually are not able to participate for other given reasons.

It is very important for us to share in the great benefits the economy of this nation has. We must make sure as members of Parliament that we indicate to Canadians that we are willing to

participate in a program where all Canadians can share in benefits of our country.

• (1730)

We know there are private plans out there. When the committee looks at the Canada pension plan bill it realizes that it has to look at some of the concerns that are being expressed here today.

The member for Saint John, for example, recommended that we should look in terms of maybe trying to reduce income tax as we increase Canada pension benefits. Certainly this might be a fact that could be considered by our Minister of Finance.

We might also look at how various calculations are made. It is certainly important that we look at how the plan will affect us in the future and how the calculations will try to make sure that we get the optimum level of interest in terms of where that plan is invested.

I think it is good that we are moving away from the system whereby the funds were available to the provinces at very low interest rates. It certainly will give a better return to the investment. We have an investment of nearly \$40 billion and probably through a better system of investing on the open market the plan can gain more money for future people involved with Canada pensions.

I would hope, in terms of the eventual outcome, as it goes to committee we can look at the many suggestions that are being made to the House today, that we will eventually come up with a good system by which all Canadians can participate and by which all of us, in terms of being members of this Parliament, can ensure that Canadians are guaranteed a safe and secure pension plan that will apply to all workers in the country.

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.):** Mr. Speaker, this is the first opportunity I have had to speak since the election. I want to thank Herb Grubel who represented Howe Sound before me. I know Herb served this House very well in the one term he was here. He is now back at Simon Fraser University and working with the Fraser Institute. I know all members would like me to wish him well. I would like to, on behalf of all the constituents, thank him for the job he did while he was here.

I would also like to congratulate you, Mr. Speaker, on your re-election and the election of all the deputy Speakers. I was here 25 years ago making a speech in this House in 1972 as a Conservative member of Parliament. It is quite interesting to listen to the speeches in this debate. In 25 years some things do not change.

I thank the constituents of West Vancouver—Sunshine Coast for sending me back. As my youngest son said to me, that was a quarter of a century ago. It was before he was even born, but I have six other children who were already born. I am not sure they

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enjoyed my time when I was here before because it is a lot different when you are 30 years of age with five children and be a member of Parliament than it is when you are 55 years of age and you have all your family grown up.

I can thank my constituents for sending me here. I know I am going to enjoy this session. I am certainly enjoying being a Reform member of Parliament. When I look back and read the first speech I ever made in this House, I could say most of the same things today. A lot of things do not change.

Let us look at the Canada pension plan. I heard my good friend, the member of the Tory party, speaking a couple of times before me talking about what the Tories would do and I listened to what the Liberals would do, yet this plan is \$560 billion in debt. Some things just do not change. We have a major debt in this country and we have a pension plan that is not working very well in this country.

I think the people in this country, as this debate goes along, are going to start really wanting to know what is happening with the Canada pension plan. Where are they going to be when they want to retire? I think it is pretty scary. It is scary when I hear Liberal members on the other side. I heard a member from the Conservative Party talking about how Reform wanted to cancel the RRSP. The election is over. They should get that nonsense out of their heads. This party never said it was going to cancel RRSPs. Our plan for the Canada pension plan is one that should be listened to by the Canadian people and should be listened to by all sides of this House because it makes a lot of common sense.

I heard a member on the other side the other day talking about Bre-X because our plan would involve using the private sector. What would happen to all these poor pensioners if they had been involved in Bre-X? Even the member does not know how pension plans invest their money or it is just a straight scare tactic. There are bad companies every year in the stock market.

• (1735)

Companies that invest in the stock market do not just invest in one company. The Ontario teacher's pension plan in 1995 was worth \$25 billion, in 1996 \$35 billion and in April 1996 was up to \$41 billion. It probably had shares in Bre-X. Most Canadian pension plans did. It was on the Toronto stock exchange. Thank God it was not a BSE stock or we on the west coast would have taken all the heat for that one.

Bre-X was a disaster as far as a stock is concerned. But all the pension plans went up last year even with the Bre-X situation. If we look at the average return, the Ontario teacher's pension plan has earned 16.7% in 1997 so far and over four years it averaged 12.1%. That is not a bad return. The overall performance in the private sector is 8% to 10% but the teacher's plan is 16.7% and the CPP, 2%. By the year 2000 it will be 1.8%. How can we expect any

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Canadian to think they can retire on a pension plan that is going to give them 1.8% to 2%?

The private sector in this country does a good job. Why are we here not more concerned about a government that wants us to do a CPP that will only give a small amount of money? The CPP is going to have \$10 billion annually by the year 2003. It is a tax grab. It is like the EI. There will be a few billion in the bank. Where is going to come from? It will come from the people who work, the people who want a fair pension when they retire. Every member in the House knows what they think about our pension plan. This plan does not come anywhere close. Most guys who retired after the last election get as much in a month as these people will get in a year with this plan.

Even the Quebec pension plan is better managed than the CPP. It is a province that has its own pension plan and it has done a better job than the federal government. Maybe my province of British Columbia should look at opting out the CPP and getting its own pension plan. Maybe it could do a better job.

Individual premiums are going to increase from \$945 to \$1,645 per year, and this is what the average Canadian has to think about. To the average taxpayer that is a lot of money. We are talking about \$700.

A lot of people are probably a bit jaded about the money, but to the average constituent \$700 is a lot of money. If there are two people working that is \$1,400, over \$100 a month. We in the House have to start thinking about the average Canadian and not relating to our pension plan which is what we are doing overall.

What are average Canadians going to do when they have to put out this extra money? How are they going to look after their families? We in the House do not seem to think much about that.

We are asking the young people to assume a national debt of \$600 billion and now we are asking them to pay the CPP debt at the same time. Young people in this country are getting very frustrated because they cannot get ahead. They want a better pension plan and a better tax system. We all know that. The debate in this House in this session is the lead off to why we are going to see a revolution in this country to change the tax system. The CPP is just going to be the start. People are fed up paying more and more money to the government for fewer services.

The Liberal minister said they are going to get a better return on investment by setting up a new CPP investment board appointed by cabinet. Even the Liberals laugh at that because they know. At least they could bring it to the House or to committee so we could all look at where it was going.

We have some of the best companies in the world here in Canada. Some American companies have been bought out because

they have been very successful in the mutual fund business. Why are we not using those companies just we are suggesting? Use the companies in Canada to help us invest the CPP. Put it right into the private sector which has done well. A politically driven board is not going to solve the CPP problems in the country.

The CPP needs an overall review. It was a nice thought when it was started because we all wanted a pension plan. But it has not worked and people cannot live on \$8,844 per year. Anybody who thinks they can is not looking at reality.

• (1740)

Modern day pension plans are defined contribution plans. These take many forms, but in these plans the contributor personally owns the contribution and the accrued growth. That is what is extremely important and the public should remember that, defined contribution plans.

My party is looking at this type of plan to help Canadians get a plan which will give them something they can retire on.

The government is asking employees and employers to increase their CPP contributions. That will hurt small business. If we took a portion of that money and put it into a private sector plan, instead of retiring on \$8,000 a year the numbers could get up to \$24,000, \$30,000 or \$40,000 based on what people have been investing in mutual funds over the last 100 years since they have been available.

Any member of the House who has RRSPs in a mutual fund company will know that they have grown a lot more than the CPP in the last few years. Why do we not give Canadians the chance to have their individual account where they can see the money going in every month and receive a statement every month showing the growth in the plan, which would be protected by both the government and the private sector?

If the government does not believe in that it does not believe in this country. It does not believe in the private sector which runs this country. That is a shame.

Canadians have to take some responsibility for their own plans and the way to do that is by allowing them to participate.

I want to talk about the Ontario teachers pension plan and other major pension plans in the country. Those plans are doing better than the government pension plan. They are being run by the private sector. Even the most socialistic of groups that have a pension plan run by the private sector is doing better than it would with the CPP.

I implore the government to listen to what is being said in the House. Let us look at the pension plan which the Reform Party is recommending to Canada. Let us ensure that this debate goes on long enough so that Canadian people will know that this plan is the second biggest tax grab in our country's history.



*Government Orders*

[Translation]

## BILL C-2—NOTICE OF MOTION FOR TIME ALLOCATION

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we have been unable to reach an agreement pursuant to Standing Order 78(1) or 78(2) with respect to proceedings at the second reading stage of Bill C-2, an act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other acts.

Pursuant to Standing Order 78(3), I give notice that, at the next sitting of the House, I will be moving a motion for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage.

**Some hon. members:** Shame, shame.

[English]

## RESUMPTION OF SECOND READING

The House resumed consideration of the motion that Bill C-2, an act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other acts, be read the second time and referred to a committee; and of the amendment and the amendment to the amendment.

**Mr. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, I would like to congratulate the hon. member for West Vancouver—Sunshine Coast on his maiden speech in this House after an absence of 25 years. Perhaps there was a good reason for his return to debate the retirement system of Canada. I know the member opposite has a distinguished career in public service in British Columbia and I welcome his return to the House.

I am very pleased to speak to Bill C-2, an act to establish the Canada pension plan investment board and to amend the Canada pension plan. This bill is a very important piece of legislation.

We cannot let our seniors down and we have to ensure that all Canadians have a sound pension plan for the future.

We realized some time ago that the Canada pension plan was not on very sound footing. We also understand that Canadians look to the federal government for leadership when it comes to the retirement income systems of Canada. We realized that the Canada pension plan is not unlike many pension plans around the world, whether they be private or public pension plans.

We knew we had to put the plan on a sound financial footing. There are many pension plans facing the same challenges. With changing demographics, changes in the birth rates and increasing life expectancy many pension plans in the public sector and in the private sector are facing challenges. It is not uncommon in the

private sector to have unfunded pension plans, which only recently companies are beginning to address.

● (1745)

While the situation we found ourselves in with respect to the Canada pension plan was nothing that we are particularly proud of, it is not unlike many situations in many countries and in many private pension plans. Our government is taking the lead by making amendments to the act and by putting the Canada pension plan on a sound footing.

We realized that we had to make the plan fiscally sound, so we began consultations across Canada. We spoke to all Canadians. Canadians told us that they wanted the federal government to play a leadership role.

We worked with the provinces and basically we began to look at three different scenarios. One scenario was that we increase the contributions to the Canada pension plan. The second alternative was that we decrease the benefits under the Canada pension plan. The third scenario was that we look at some combination of the two.

We sat down with Canadians, we sat down with the provinces and we came up with a solution that I think is the fairest and most reasonable solution. In doing so we have avoided radical changes to benefits.

With respect to contributions, the rates will rise over the next six years to 9.9% of contributing earnings. That is 4.95% for each employee and employer. We avoided the increase of 14.2% that was actually estimated by the chief actuary.

Bill C-2 will establish the Canada Pension Plan Investment Board which will allow the invested funds to be put to uses that typically most pension funds have the capacity to invest in. They will not be restricted to debt instruments. They will have the capacity to look at equity and in so doing, they will be able to earn a greater return from the pension plan funds that are invested. This legislation will allow that to happen. Notwithstanding the fact that the Canada pension plan until this point in time has not had the flexibility that other pension plans would be permitted, the pension plan has still yielded an average of about 10% which is not good enough.

But when the opposition parties rant and rave about this hopelessly inadequate Canada pension plan I think they should sharpen their pencils. They talk about a real rate of return of 6%. A real rate of return is the nominal rate of return minus inflation. They say their self-directed super RRSP given that kind of return will put the Canada pension plan system on a sound footing.

First, Canadians are saying that they want a public pension system. Canadians are saying they want the federal government and the provinces involved. If Reform members say they want a

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real rate of return of 6%, then a lot of pension plans would be doing very well with a real rate of return of 6%.

We also have to look at the experience of other countries. There are some small countries that have experimented with the proposal that Reform discusses. What we have determined is that the administration costs for these super directed RRSPs or private plans are approaching 10% even though we do not have a lot of experience with them. There are only a few years of experience. Compare that with the administration burden of the Canada pension plan at 2%.

The proposal by the Reform Party would certainly make a lot of stockbrokers, investment advisers and retirement planners very rich and wealthy, but I am wondering what it would do for Canadians. In a self-directed RRSP would the average Canadian citizen have to sit there at night and work over all the numbers or hire some investment counsellor? What about the Canadian public not all of whom have the sophistication of the investors sitting opposite? How are they going to deal with securing their retirement future?

I guess it would do very well for all the friends of the Reform Party, their investment brokers and counsellors. Perhaps that is where they have been getting these suggestions from. Have they actually been listening to Canadians? I doubt it very much.

• (1750)

Another irony is that with the Reform proposal even though Reformers will not put it out very publicly, contributions will go to 14% whereas our contribution rate maxes out at about 9.9%. It will do very well for all the investment advisers and stockbrokers in the Reform Party's constituencies, but what about the average Canadian?

The private plan Reformers are proposing does not have the features of a public pension plan. For example, what about people who become disabled? Is that part of their plan as well? Will they look after them? What about survivor benefits? Does their proposal contemplate that scenario?

Our legislation on which we have a consensus of the vast majority of the provinces does not affect people who are disabled. It treats them in a fair and equitable manner. It contemplates survivor benefits. And it does not affect anybody over 65 years of age as of December 31, 1997. The benefits will remain fully indexed to inflation and all the current retirement ages remain the same.

I think we have struck a very reasonable balance. In fact if we look at the ratio of the changes we made to the benefits as opposed to the contributions, 25% can be attributed to the changes in retirement benefits and 75% can be attributed to changes in the

contribution rate and also the actuarial estimates of the income that will come from this more advantageously managed fund.

Those who say that the CPP is a tax grab either do not understand economics or they do not understand tax. The contributions to the Canada pension plan go into a separately administered fund. They never hit consolidated revenue ever, ever, ever. Members should read the estimates and they will discover that the Canada pension plan is a separately administered pension plan. It goes nowhere near the revenues of the government. If that is not political hyperbole to say it is a tax grab, I don't know what is.

In conclusion, this plan is going to secure the future for all Canadians. It is going to make sure that we look after our current seniors. I am hoping that all members of this House will support this very important bill.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I am pleased to take part in the debate on the act to establish the Canada Pension Plan Investment Board and to amend the Canada pension plan and the Old Age Security Act and to make consequential amendments to other acts.

The bill is now at second reading, the stage at which we deal with the underlying principles of the legislation. Like all Bloc Québécois members who spoke before me, I fully agree with the principle of the bill, since the overall objective of the reform is to preserve the sustainability of a public pension plan. I insist on the word "public". The Reform Party would rather have private plans. Yesterday, their leader tabled an amendment which basically says: let us stop considering the bill. The Reform Party is opposed to this legislation. It would prefer a super RRSP.

This is my fifth year here, but I am still surprised at some of the things I see in this House, such as the tabling by the NDP of an amendment to the amendment by the Reform Party. As I understand the rules, the purpose of an amendment to an amendment is to improve the original amendment and it implies that we agree with it. It is quite surprising to suddenly see the NDP agree with the Reform Party to reject a proposal from the Liberal government.

• (1755)

I was among those who congratulated the member for Madawaska—Restigouche, first for defeating the former Minister of Human Resources Development during the last election—which is a praiseworthy accomplishment in itself—but also for his speeches on employment insurance.

While the intention may be good, the means used create confusion, unless the words "women", "disabled", etc., are added, because it implies that the two parties agree with the Reform Party's amendment seeking to reject the idea of a public pension plan for Canadians, including a number of Quebeckers.

I should point out for the benefit of those who are listening that less than 1% of Quebecers are affected by this bill, since the Quebec pension plan is in effect in our province. That figure is made up of Quebec residents who, at one time, worked in another province and came back to live in Quebec, and of people who served in the armed forces or the RCMP.

So, at this stage, the issue is whether or not we support the idea of a public pension plan. As for the Bloc Québécois, I reaffirm that we are in favour of a public pension plan, because it is not true that everyone has the possibility individually, over his or her lifetime, to prepare for retirement by contributing to an RRSP. This is not the case for low wage earners, and I am also thinking of those who are becoming more and more common, unfortunately, the single mothers—and single fathers too—who have difficulties the whole time they are raising their children, even when the children have reached young adulthood and are still pursuing their studies. It is hard for many people, therefore, to contribute to an RRSP.

We absolutely must have a public pension plan so that opportunities at the time of retirement are as equal as possible. I would therefore invite the new NDP members to reflect on this, for I am sure that it falls in line with their usual values.

When one is in favour of something, and has very little time, there is no point in arguing the point further, but I would like, as the member for Lévis, to—

**The Acting Speaker (Mr. McClelland):** The hon. member for Charlotte, on a point of order.

[*English*]

**Mr. Greg Thompson:** Mr. Speaker, under the rules of the House, there should be a minister present and I believe that is not the case.

**The Acting Speaker (Mr. McClelland):** According to someone much more familiar with the rules of the House than the Chair, there is no such requirement.

[*Translation*]

**Mr. Antoine Dubé:** Mr. Speaker, the members of the Conservative Party with little to say are interested in points of order.

Two initiatives from groups in the riding of Lévis are similar. While they agree with the principle of a public pension plan, they want people to prepare for retirement as early as they can.

Accordingly, the Association des coopératives d'économie familiale (ACEF) in my riding yesterday invited me to attend the launch of a training course intended to help people of all ages prepare for retirement. They will of course get information to prepare them to

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save, even a little. I think this applies not only to the people in my riding, but to all ridings, because even if the program is the creation of the south shore ACEF it will be available to all the ACEFs in the various regions of Quebec.

● (1800)

I invite those interested to contact the ACEF. The entire program is aimed at enabling people to come to terms increasingly with the need to prepare for retirement. In 1996, seniors groups met at a summit in my riding. Among other things, they discussed at length the issue of information on retirement and the ACEF responded to their need.

I am concerned about this. Members who sat in the last Parliament will recall that I was the training and youth critic. Since then, I have aged and, since May 15, at 50 years of age, I have been eligible to join seniors clubs. I know many of our colleagues opposite are also in the same position, which means they are able to plan for their own retirement and, more importantly, to help other people do the same, and walk them through the process. As members of Parliament, we have a duty to monitor legislation, and this one in particular.

To conclude, we support this legislation because it is designed to help future generations plan ahead so they are not faced with an empty fund at some point in time. Had the government not introduced this legislation as it did on September 25, action would have been deferred unduly and we would have found ourselves in a situation where the financial security of those coming after us might have been jeopardized. That is why we are in favour of immediately making changes to the plan by, first, increasing premiums because fuller funding is required right away to build a fund out of which pensions can be paid to those who will come after us.

We, members from Quebec, are pleased to note that, from time to time, the federal government imitates the Government of Quebec. As you know, the Caisse de dépôt et placement du Québec is in charge of making sure that the revenue from premiums is invested in businesses to produce the best possible return.

One of the objectives of this bill is to have the board see to it that the amounts collected in the form of premiums are invested in a such a way as to produce the best possible return to ultimately make the retirement fund grow. We, in the Bloc Québécois, have nothing against that, since, in Quebec, the Caisse de dépôt et placement—which dates back to 1964, I think—has worked wonders and, moreover, fosters economic development.

I will conclude by repeating that we are all in favour of this. At the same time, while being in favour of a public pension system, I think individuals should be encouraged to plan for their retirement, within their means, as early as possible.

*Government Orders**[English]*

**Ms. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, I am pleased to participate in this debate. We are discussing the future of our national retirement plan, the Canada pension plan.

The legislation was introduced after talking to Canadians. We asked them about their future and they responded. They asked us to preserve the Canada pension plan. They told us that they needed to know it would be there when they retired or if they became disabled. They also told us they wanted to see some changes. They asked for better financing of the plan. They asked for improved investment practices. They asked that the growing costs of benefits be slowed to ensure the long term stability of the plan.

The government has addressed those concerns. We have put forward a bill that has the support of each provincial government representing two-thirds of our population and three political parties.

I remind members opposite that the bill was first introduced in February 1997 and was a result of joint provincial consultations. It is a first class example of participatory democracy. I cannot think of a better testament to the government's determination to find a solution with broad based support. It goes to our commitment to building and working in partnerships as we confront the challenges facing us on a daily basis.

• (1805)

It is a shame that the governments of Saskatchewan and British Columbia could not see it as the only viable way to guarantee the future of the Canada pension plan, a program I know they value as much as I do.

The CPP is a public plan funded by employer and employee contributions. It is jointly managed by federal and provincial governments. The plan provides retirement pensions and a range of survivor benefits for a family in the event of death.

The Canada pension plan provides a fully indexed pension system. It provides replacement of a quarter of insurable earnings. It provides benefits that are portable and universal. It provides protection against periods of low or no earnings including years spent raising children. It provides benefits to workers who are unable to work due to disability, and death and survivor benefits including benefits for dependants.

Canadians told us they wanted their plan fixed now, not scrapped, not privatized. We have come up with a solution that is fair, equitable and balanced. I am proud to stand here in support of it today.

Our loudest critics are the members across the way. They claim we are ripping off the taxpayer, but the funds generated by this premium increase will not be put into a general revenue fund. They

will be held for the sole purpose of providing future CPP payouts. While the fearmongers among us would have us believe this is a sinister tax grab, I remind them that these premiums are no less than a prudent investment in the future of retiring Canadians who are most in the need of this portion of their retirement income.

The critics say they have an alternative. Let us look at their alternative for a moment. Their super RRSP is a fully indexed tax deferred trust fund similar to the conventional RRSPs that promise to pay more with lower contributions, but their scheme does not take into consideration any volatility in the market. It assumes that all investors will make wise investments. It puts all the risks on the worker. It does not provide benefits for children. It does not provide a child rearing drop out provision and it will not provide indexation.

Reform has not indicated a clear plan of how it would implement the system. For example, what contribution would the employers have to pay, if any? How would they deal with seniors who are already benefiting from the CPP? Who would pick up the tab to provide protection for these pensioners?

Reform says it will guarantee benefits for current seniors, but it does not say how it will provide funding for it. Obviously workers will have to pay twice: once for their RRSP and once again to guarantee the benefit for current seniors. The estimate of the funding that would be required is \$18 billion a year.

It has been suggested under their proposal that a retiree might collect \$117,000 more over the course of 30 or 40 years, or about \$25 a week. This scenario is only correct if they do not drop out, if they do not get disabled and if they actually make their contributions. Let us consider how many actually make RRSP contributions now. It assumes they invest wisely. It assumes they will not be ripped off by a disreputable financial adviser.

The cost to administer over 10 million individual RRSPs and insurance plans would be greater than the administrative costs of the CPP. In 1994 administrative costs of the CPP were \$20 per contributor while the administrative cost of an RRSP plan are between \$125 and \$175. The administrative cost of the Chilean system the Reform holds out as being the model actually costs 10% compared with 2% for the Canada pension plan.

Reform would create jobs to profit the insurance industry and RRSP sellers, but it would not provide a better deal for workers. Under the Reform proposal workers would be asked to put all their eggs in one basket, one RRSP account. We support a mixed system where workers receive a basic benefit from the public plan. Under the CPP individual workers can add RRSPs for extra retirement income if they wish.

The Reform plan would require families to purchase separate insurance to cover disability and death benefits already provided under the CPP. This insurance would be expensive. Reformers do

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not tell us about that when they tout the effectiveness of their RRSP plan.

The Canadian pension plan is family friendly, something I thought the Reform Party cared about. Our plan covers people who leave the workforce temporarily to look after their children. It is a good example of how Canadians help each with special needs. Under the Reform Party everybody looks after themselves. The Reform Party stand on this issue contradicts its commitment to represent its constituents.

• (1810)

**The Acting Speaker (Mr. McClelland):** The hon. member for Témiscamingue on a point of order.

[*Translation*]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, Bloc Québécois members would appreciate hearing the hon. member's speech, regardless of whether or not they agree with it. We would appreciate hearing her and we would ask you to call some Reform Party members to order. We have trouble hearing the speeches.

[*English*]

**Ms. Judi Longfield:** Mr. Speaker, I remind members that the Canada pension plan is a family friendly plan, something I thought the Reform cared about.

Our plan covers people who leave the workforce temporarily to look after their children. As I said before, it is a good example of how Canadians help each other with special needs. Under the Reform plan every household is completely on its own. Its stand contradicts the Reform Party's commitment to represent its constituents.

The majority of Canadians clearly wants a public plan which demonstrates a basic retirement benefit for all workers and shares some risk of disability and death. The Reform is saying this is not true. Clearly this has the support of eight out of ten provinces.

Canadians reject the individualistic survival of the fittest approach being advanced by some of my hon. colleagues.

**Some hon. members:** Oh, oh.

**Ms. Judi Longfield:** I seem to be hitting a nerve. I served as vice-chair of the Whitby seniors advisory committee—

**The Acting Speaker (Mr. McClelland):** A point of order, the hon. member for West Nova.

**Mr. Mark Muike (West Nova, PC):** Mr. Speaker, if we agree or not it is important to be able to hear what the hon. member is saying. I would really appreciate it if we could.

**The Acting Speaker (Mr. McClelland):** We should all keep in mind that we need to be courteous to one another.

**Ms. Judi Longfield:** As I was saying, I served as the vice-chair of the Whitby seniors advisory committee for six years. I have had the opportunity to discuss the issue over and over again with my constituents. I had the opportunity during the last campaign to discuss it.

The residents of my community overwhelmingly support the retention of a Canada pension plan. They all agree that a universal plan, an affordable plan and a secure plan is necessary.

We are providing this. We are providing a good deal of dignity to those workers who cannot afford to participate in a private venture. When these workers collect their pension they will know it is their pension, not a government handout.

Given the substantial changes in our demographics, a much higher than anticipated ratio of retirees to worker and the longer life expectancy, I believe we found the best possible solution. I call on members opposite to support this very important legislation.

I remind members of the House of words of the finance minister in his budget speech:

The ultimate test of a nation is its will and capacity to support those who are most vulnerable, to sustain the programs on which everyone of its citizens depend.

The government continues to demonstrate that it has the will and the capacity to provide a Canada pension plan that is fair, accountable and affordable.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I would like to say it is a real pleasure to discuss the bill in the House but I cannot. However, I can tell you how disgusted I am with the government for moving closure on what is probably the most important bill it will bring before parliament in this mandate.

We have had eight hours of debate and already the government has moved closure. Hon. members in the Reform Party, and no doubt in other parties as well, will tell the House that when people come to their town hall meetings the issue that is highest on their agenda is the issue of pensions.

I guess the government does not think it is important enough to allow parliamentarians to debate this issue. After merely eight hours it has said "Enough, we are going to close off debate". That is absolutely disgusting, anti-democratic and typical Liberal.

Last time around the Liberals jumped all over the Tories who set a record for introducing closure. This time around the Liberals have already gone well beyond what the Tories did. It proves the old adage of my friend, the member formerly for Beaver River, now from Edmonton North, Liberal-Tory, same old story.

• (1815)

I want to speak now to the essence of the bill. First, the Canada pension plan is in serious trouble. Everybody knows that. It has a \$560 billion liability. We know that in order to deal with the problems of the plan, the government is raising the premiums by an astounding 73%, the largest tax hike in Canadian history, a \$10

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billion tax hike by the final year that the new premiums go into effect. Despite that \$10 billion when people retire they will still only get a pension of \$8,800.

**An hon. member:** What about their MP pensions?

**Mr. Monte Solberg:** In other words, people will pay in some cases \$3,300 a year for 47 years if they happen to be self-employed, and at the end of that time they will get a measly pension of \$8,800, and that is the best case scenario.

If a you happen to be a widow, under the government's plan, after your husband has paid into the plan for 47 years at \$3,300 a year, you can count on \$460 a month. That is absolutely disgusting. And the government says that this is some kind of reform as though it is good? No one believes that.

However, that is not the worst of it. It also raises the huge issue of the inter-generational transfer. Many members know, if they have talked to young people, how cheated young people feel by what is being proposed in this legislation. Young people are asking why in the world they are being asked to contribute to something that they will never draw from. That is their attitude.

I am sure that hon. members know if they will examine their hearts that in a few year's time when young people form the majority in this country they are going to be sorely tempted to change the plan to ensure that they will get some of the benefits that will now only go to some people who are currently in the plan.

The government has set up a plan that is going to set young people against their parents. It knows this is one of the problems with the plan, but it has done nothing about it.

Because I do not have a lot of time, I want to talk about the Reform Party proposal.

My hon. friends across the way have tried to scare people, which is their typical way of dealing with these things, by suggesting the Reform Party plan is something radically new. I would point out to my friends across the way that not only have about 25 different countries around the world adopted this sort of plan, countries like the U.K., Switzerland, Denmark, Australia now has a version of it, and Argentina. The U.S. is looking at this right now. It is talking about going to this sort of plan.

I make the point that the Reform Party is simply taking the best of what is being offered around the world and offering it to Canadians. Why are Canadians second class citizens to this government? Why can they not have some of the great benefits that this plan has brought to other countries?

I would point out that Singapore has had this plan or a variation thereon since 1955. It has the highest savings rate in the world. Eighty-five per cent of the people in Singapore own their own

homes. It is because there is a tremendous amount of prosperity in that country, due in part to this plan. We need to talk about these issues.

When the government members held consultations did they want to hear about this sort of plan? No. Their consultations were limited precisely to the type of plan they wanted to consider.

I invite my friends to consider what the Reform Party would do if it was in government. First, it would bring in tax relief. Now, that is novel for the government to hear, tax relief. Under the Reform Party plan it would take 1.3 million Canadians right off the tax rolls. That would do something to deal with the problem of the hike in premiums that the government is proposing and 300,000 seniors would be lifted right off the tax roll. I think that is important to talk about. The Reform Party would target seniors benefits so that people on the low end of the income scale would get more through the seniors benefit.

● (1820)

We would also guarantee that existing seniors would get the CPP benefits which were promised to them. We would bring in an improved survivor benefit. Under Reform's super RRSP we would have the situation where we could actually turn over the entire amount of the annuity to the surviving spouse.

As my friend from Calgary pointed out earlier in the day, under the Reform Party plan, if the mandatory CPP premiums were put them into an RRSP, and accumulated in an account in the individual Canadian's name, at the end of the 40 years they would have an annuity of over \$250,000, paying them an income of about \$24,000 a year. That is three times what the government plan offers. It would be a tremendous benefit which would be turned over entirely to the surviving spouse.

I do not know why government members do not want to adopt something like that instead of paying a measly \$436 a month to the surviving spouse.

Beyond that Reform would provide the super RRSP plan so that people who are just coming into the system would start to pay into an account in their own name. As I mentioned a minute ago, that would build up over a period of time. It would give them a tremendous retirement nest egg, far greater than what the government is proposing.

At the same time we would start to contribute a bit into the existing CPP because under successive Liberal and Tory governments it has run up a \$560 billion liability.

Finally, I point out that the Reform Party plan would give Canadians the power of choice. It would allow them to direct where their money was to be invested. That is a novel idea.

Under the government plan we know where the money would go. It would go to the super investment board, which would probably represent the largest intervention in the Canadian economy since the second world war. The government would be directing about \$130 billion. We would have a team of bureaucrats or political appointees, chosen by the finance minister, to direct where \$130 billion would go in the economy. That is ridiculous.

We have heard in the House today and in previous days how corrupt are some of the things that go on in this government. Do we really want to turn over the keys to the vault to these people? We are talking about \$130 billion.

These people forget to whom that money belongs. These people think it belongs to them. They think it is their God given right to tax it out of people's pockets.

I would argue that is wrong. That money belongs to the Canadian people. It is their hard earned money and it should accumulate in an account in their name, far from the grasping fingers of the government.

That is why it is time for the government to wake up and realize there are other options. Just because an idea comes from the opposition does not automatically mean it is wrong. Maybe it is time to look at alternatives. The government should start to look at the alternatives which exist around the world. If it did that it would begin to realize that the Reform Party is on to something.

To force closure on this issue eight hours into the debate in a brand new Parliament sets a precedent which I believe will resonate throughout the entire mandate. I hope my friends across the way will seriously consider the impact that moving closure on a bill of this magnitude will have on this Parliament. To me it speaks to the anti-democratic nature of the government. I trust that very soon it will be punished when Canadian voters once again get the chance, just like it was punished in the last election when it lost 30 members.

**Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.):**  
Mr. Speaker, good afternoon.

**An hon. member:** Hear, hear.

**Mr. Hec Clouthier:** That wonderful gesture by the member opposite reminds me of something that George Bernard Shaw once said: "He thinks he knows everything, yet he knows nothing, which points clearly to a career in politics".

Hopefully I will elucidate on the reasons I am speaking today in support of this wonderful legislation to amend the Canada pension plan.

• (1825)

Once again, for the benefit of members opposite, there are changes in the wind. I guess it was Heracleitus, the Greek philosopher, who said "Nothing in the world endures except change".

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We must amend some of this legislation to make it better, more propitious, more benevolent for the wonderful workers of this great country of Canada.

I have in front of me a few questions that have been asked of ordinary Canadians. I did not realize until tonight that some members opposite could not participate, would not participate or were prevented from participating in this debate. I am truly sorry for that.

We have the friendly giant across, the hon. member from Munchkinland. I see him sitting on the steps over there so he can see what is going on. Perhaps I will lend him my fedora because I am getting blinded here. He suffers from premature "defolication".

I guess it was the hon. member for Calgary Southeast who say that business was suffering as a result of the CPP. I beg to differ. I am at variance with that. I come from the field of business. What hurt business in the last 10 to 20 years more than anything else was high interest rates. We now have the lowest interest rates in 35 years.

CPP has not prevented me from hiring anyone unless they were not good workers. Perhaps some of the members opposite might fill that bill. It was not the CPP that was stopping me from hiring people. It was the high interest rates, and now we have the lowest interest rates in 35 years and doing a remarkable job.

How do the proposed changes make the CPP more sustainable, affordable and fair for Canadians? Just the simple fact we have raised these premiums a bit, it is sustaining everything for our entire lifetime. Some members opposite could live to be 75 or 80 years of age, although some of them already look like they are octogenarians.

I will go on now to the affordability. Certainly it is affordable. We have six years before it gets up to the top premium price of 9.9%.

Is it fair? Certainly it is fair. I want some of the hon. members opposite who are under the age of 30, mere pups, to take advantage of the wonderful system we are putting in place. The hon. member for Elk Island will not be around that long to look after it, but some of the younger members under the age of 30, still in diapers, will be able to look after it.

Another question is will the CPP be there for me when I retire. I am having so much fun here I do not think I will ever retire. I will not have to take advantage of this. With the system we have put in place to look after the pension plan, it will be there for one and all when we retire, if we so choose to retire.

Here is the question the Reform Party is very interested in. It was asked at many committee meetings. Instead of making changes why don't you scrap the CPP? Can't better pensions be provided through RRSPs?

My answer is simply that Reform Party members have clearly indicated through their own actuaries that the RRSP program is more expensive than the CPP. Why? Not only would they be

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contributing to their own RRSPs. They also must pay for the benefits that have accrued through the CPP.

That in itself should be clear evidence to the members opposite.

**An hon. member:** It is obvious.

**Mr. Hec Clouthier:** It is quite obvious I agree with that. One would not have to be a rocket scientist. A mere cerebrally challenged farmer such as myself could figure that one out.

• (1830)

**Mr. Jim Gouk:** Mr. Speaker, I rise on a point of order to seek advice and help from you. There are words in this House that are unparliamentary. For example if someone lies, we are not allowed to call them a liar. Having listened to the hon. member across the way, I wonder if there is some word you could provide me with that I could use that would be acceptable in this House to point out the error of his way.

**The Acting Speaker (Mr. McClelland):** The Chair heard no such word or inference from the hon. member for Renfrew—Nipissing—Pembroke.

The hon. member has four minutes remaining, which I know other hon. members will anticipate with glee. The Chair has enjoyed, as I am sure all hon. members have, the debate this afternoon and it augurs well for the future, but unfortunately the debate for today has come to an end.

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## ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### CHILDREN

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, the throne speech correctly outlined that a country that has decided to invest in its children is a country that is confident in its future. A country that invests in its children successfully will have a better future. I believe this to be true.

We as a government have made tremendous strides in our attack on child poverty. For example the government has demonstrated its commitment by increasing its contribution to the Canada child tax benefit by \$850 million a year, with higher payments to families beginning July 1, 1998. We need to do more. We need to focus on child hunger.

[*Translation*]

As a teacher, I am well aware that a hungry child does not do well in school, has behavioural problems and can become a dropout.

[*English*]

As the former chairman of the Waterloo regional police, I know firsthand that these children often start down the path of delinquency and end up as young offenders or worse. In a country as wealthy as Canada, it is unacceptable that 20 per cent of our children live in poverty and an estimated three million children arrive at school hungry. People in our communities and schools are ready, willing and able to assist to ensure that nutrition programs are in place for all Canadian schools that need one.

[*Translation*]

I believe that investing today in our vulnerable children will yield major dividends tomorrow.

[*English*]

I believe that the federal government has both a role and an obligation to assist hungry children. I ask the government to examine this issue and explore ways and means available to ensure that child hunger is no more by the 21st century.

Will the Parliamentary Secretary to the Minister of Health commit to explore such ways to eradicate child hunger by the new millennium?

**Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, I want to reassure the member for Waterloo—Wellington, who is already beginning to make his mark in the House with very poignant and very incisive interventions, that as far as the federal government is concerned, in Canada childhood is for children. As Canadians we want our children to enjoy all the opportunities that Canada has to offer both in childhood and as they grow into adults.

As a society we need to seize the opportunity early in the lives of our children to nurture their development and to help them prepare for the years ahead. The growing body of research evidence is clear. Children's early experiences have long term effects on their health, intellectual development and well-being.

While families are the ones who are first and foremost responsible for the development of their children, they are not the only ones who must assume some responsibility. Governments, communities, employers, unions, teachers and individual Canadians in all walks of life have an important role to play.

This government has identified children as a major priority in its public policy initiatives. The Speech from the Throne highlights work that we are undertaking with the provinces and territories to create a national children's agenda.



• (1835)

I take pride in noting that this government has already made contributions to the well-being of children. The member for Waterloo—Wellington will acknowledge this as well.

The national child benefit process with the provinces produced a federal commitment of \$850 million of investment in the Canadian child tax benefit. There is the prospect of further investment in this area.

[*Translation*]

I am also pleased to mention that the last federal budget provides for a \$100 million increase, over a three year period, under the Canada prenatal nutritional program and the community action program for children.

[*English*]

These two sets of initiatives are indicative of a commitment to children and an approach to children's issues which is comprehensive and structured.

#### POST-SECONDARY EDUCATION

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I draw to the attention of the House and the government the grave situation facing students in this country who are reeling under student loan debt and the crisis which is in our post-secondary institutions.

I raised a question in the House last week and asked the minister responsible what the government was prepared to do to provide real financial assistance to students.

The fact is that post-secondary education and student loan debt has now reached a crisis proportion. Despite the recommendations and announcements of the government on its intentions in the throne speech, the crisis continues.

There is a huge gap in the reality of what the government is saying, what it is purporting to do and what the reality is that is facing our institutions and students in this country.

If the Liberal government is truly committed, as it repeatedly says it is, to access an opportunity for young people in Canada, then why have we seen a cut of more than \$2 billion in our post-secondary educational institutions since 1993? Why has there been a cut of \$550 million this year alone?

The truth is that the government has shown by its actions, not by the rhetoric but by its actions that it does not care. It does not care about the student loan debts which students are facing in this country. It does not care that it is more difficult for our post-secondary institutions to deal with the financial crisis which is upon them.

Recently the Canadian Federation of Students produced a major report called the "Blueprint for Access". In that document they

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pointed out that the average debt load will be \$25,000 for students by June 1998. That is up from \$13,000 in 1993 when the Liberals took office. This is an appalling and shocking fact and shows the real lack of commitment this government has shown to young people and students.

In 1995-96 more than 7,800 students who received Canada student loans declared bankruptcy. Is this a healthy system? Does this demonstrate to us that students are coping in the institutions? The contrary is true.

Another astounding fact is that tuition fees in Canada have reached a national average of \$3,100 which surpasses the average of publicly funded institutions in the United States. This is something Canadians are not aware of.

How has the government responded to this crisis? We have heard vague promises of the millennium fund. There was no consultation and this fund will not help students today who are graduating into poverty. What we need are national standards for accessibility. We need a real commitment of leadership from the government to help students today with financial assistance and a flexible program that will relieve the debt load. We do not need some vague promise about a scholarship fund in the millennium which will not help students who are in grave difficulty today.

We call on the government to end the rhetoric and to put into action accessibility as a national standard and to show leadership by providing the financial commitments to assist students today.

• (1840)

**Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, the accessibility of post-secondary education for young Canadians is and always has been a priority of the Government of Canada. Recognition of the importance of post-secondary education in helping Canadians build their careers is demonstrated by the Government of Canada's investment in post-secondary education through the Canada health and social transfer.

Provincial jurisdiction together with the fact that the federal transfers to provinces for post-secondary education through the CHST are provided as a block fund means that there is no direct connection between the federal transfers and provincially set tuitions. Provincial spending priorities will determine the level of funding to post-secondary education and other social programs.

While the Government of Canada does not directly influence the level of tuition fees, it does however play a major role in helping students cope with costs and in facilitating access to post-secondary education.

In the 1997 budget the government increased federal support for higher education and skills by improving interest relief and tax measures. The period of interest relief was extended from 18 to 30 months allowing low income borrowers to defer repayment. Further the government is working with interested provinces to

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explore the implementation of income related repayment schemes to help reduce student indebtedness.

As you can see, there are many proposals and projects on the go with the Government of Canada and the provinces and this will continue as we help students get an education in Canada.

## FOREIGN AFFAIRS

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.):** Mr. Speaker, in the past few days we have heard a lot of talk in the House about passports. I asked one of the questions last week. I want to outline one case tonight that has happened in the last couple of days. It will let the Canadian public know that we have a serious problem in this country with passports, how they are inspected and how they are used.

A gentleman by the name of Alan Winter was convicted in 1987 of sexual assault in Abbotsford, British Columbia. He was declared a dangerous sexual offender and was sentenced to 16 years on 10 counts. After having served five years he was paroled in 1992. We might wonder why he was paroled. It was a condition of his parole that he return to his native England and not return to Canada until at least the expiration of his sentence in 2003. He was granted a valid British passport and returned to England.

He has returned to Canada. A Canada-wide warrant for his apprehension was issued yesterday for breaking parole. John Denham, a British member of Parliament, said “I can’t believe that Mr. Winter was not fit to be released into Canadian society but he was fit to be released into my country. How could they have not told us?” Canada did not advise the British people that this man was convicted as a dangerous sexual offender.

We hear that Mr. Winter used a Canadian passport to get back into Canada. Where is our criminal check and record of parole conditions? This man is back on the streets of Canada, a danger to young people. He is a dangerous sexual offender.

What kinds of checks are we doing at our border with our own passports and foreign passports? I know that the RCMP in Vancouver have modern digital hand checks that they can do right away. Do we not have these checks for people? We check their passports, but again in this case something has slipped through the cracks. I hope some serious offence is not happening in Canada.

There are no conditions on these. It is a joke but a sad joke. I implore the government to sit down and look at the whole issue. The passport affair in Jordan was unfortunate, but this is an even worse situation. In our own country somebody has been let back in

either with his British passport or a Canadian passport. He is a criminal. Maybe the police will arrest him. Perhaps by talking about it tonight people will realize who he is and he will be arrested and will be off the streets and back in jail where he belongs.

**Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, I thank the hon. member for West Vancouver—Sunshine Coast for the question. I will take notice of the specific facts of the case he has raised and we will see what we can find out. If he will allow me, I will turn to the larger issue that he raised about the passports and the attack in Jordan a week ago.

● (1845)

After the passports of the two persons making the attack had been reported as being Canadian, our consular officials in Jordan were allowed by the Jordanian authorities to see the passports and they then concluded they were forgeries. We have since obtained physical possession of the passports and submitted them to forensic examination by our own Canadian experts. This scientific examination has confirmed that the passports are indeed forgeries and further that they were manufactured from materials not available in Canada.

As the prime minister and foreign minister have stated, we have registered our concerns loudly and clearly to the Israeli government. We have recalled our ambassador from Israel, and that is the most serious step in international law and diplomacy short of breaking off diplomatic relations altogether.

The Israeli foreign minister has apologized to us on behalf of his government and has undertaken to set up processes, in consultation with our government, that will ensure that Canadian passports are not again misused in violation of international law and Canadian law.

We wish to repeat what we have already said in the last several days. There has been no prior knowledge of or complicity in this whole incident on the part of the Canadian government. Any speculation to the contrary is false, and I know the hon. member is not part of this speculation. It is also thoroughly irresponsible in so far as it might endanger Canadians travelling in the Middle East at this time.

**The Acting Speaker (Mr. McClelland):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.46 p.m.)





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