

REPRINT



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(HANSARD)

Thursday, September 24, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, September 24, 1998

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

• (1400)

[*English*]

CANADIAN EXECUTIVE SERVICES ORGANIZATION

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, before I begin my statement may I say that you said it well this morning on behalf of us all. Surely Nelson Mandela will take his place among the greats of the 20th century.

I rise in the House to recognize two of my constituents who have made their contributions to the 20th century. These two individuals, Stan Judd and John Mackillop, have made contributions through the Canadian Executive Services Organization.

Stan Judd spent a month in Panama to help a company engaged in the purchasing, classification and distribution of specialty grains. Among other things, Mr. Judd designed a better cleaning and classifying process, developed a new faster cooking grain and designed effective packaging. Because of Mr. Judd, this company expects to increase production, reduce costs and improve product quality.

Mr. Mackillop went on assignment to Sri Lanka to assist in the production of artificial limbs. He helped prepare study material and training for a company.

Stan Judd and John Mackillop are to be commended for their efforts.

* * *

THE FAMILY

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, Canadians are becoming increasingly aware that one of the keys for a strong society is not more costly government programs but respect and encouragement for the millions of committed parents who are raising our next generation.

Not surprisingly, the studies show what we already intrinsically know: a stable and loving family is a child's best hope. For example, recent studies confirm that children raised by birth parents in a stable relationship are significantly more likely to graduate from high school and less likely to have behavioural problems.

Increasingly though, academics, bureaucrats and social do-gooders present themselves as the champions of the best interests of children. What they seem to forget is that parents have a natural authority.

Respecting the authority that both parents have and tangibly encouraging the work that they do is one of the best long term investments we can make.

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NATIONAL DEFENCE

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, over the past two days national defence headquarters has been celebrating the 75th anniversary of the department and the 30th anniversary of headquarters.

As a member of the Standing Committee on National Defence and Veterans Affairs, I am delighted that the public has had this opportunity to learn more about the department and the men and women who serve there.

Over the summer I had the distinct pleasure of being a guest speaker at the annual meeting of the Ontario Regiment Veterans. I was presented with a poem written by Charles Province that I would like to share as a reminder of the supreme sacrifice made by so many:

It is the soldier, not the reporter, who has given us freedom of the press.

It is the soldier, not the poet, who has given us freedom of speech.

It is the soldier, not the campus organizer, who has given us freedom to demonstrate.

It is the soldier, not the lawyer, who has given us the right to a fair trial.

It is the soldier who salutes the flag, who serves under the flag, and whose coffin is draped by the flag, who allows the protester to burn the flag.

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[*Translation*]

CULTURAL DIVERSITY

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, at the invitation of the Minister of Canadian Heritage, the

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ministers of culture of 19 countries met in Ottawa on June 29 and 30 to take part in a forum on the importance of supporting national culture at this time of globalization and of promoting co-operation to this end.

Among other things the meeting led to the formation of an international ministerial network to promote and protect cultural diversity and the establishment of a co-ordinating group comprising Sweden, Mexico, Greece and Canada.

The 10 initiatives approved include one requesting the leaders in broadcasting to promote television's cultural diversity and co-operation with the Organization of American States in order to develop a cultural plan.

The Canadian Conference on the Arts held a parallel forum on culture and co-operation, with over 60 organizations in the arts, culture and development sector participating. This shows clearly—

The Speaker: The member for Etobicoke—Lakeshore.

* * *

• (1405)

[*English*]

PRESIDENT NELSON MANDELA

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I am honoured and delighted to welcome a great man to our nation's capital today, the President of South Africa, the Hon. Nelson Mandela.

President Mandela is a living symbol of the power of the human spirit and a true modern day hero. Nelson Mandela has fought and stood by his strong beliefs in fundamental human rights, the right to dignity, freedom and equality that we all cherish as Canadians.

His courage to challenge the injustices of the oppressive system of apartheid in South Africa cannot be understated. Like many Canadians such as Sherona Hall and other ANC supporters, I spent my youthful years in anti-apartheid support activities.

Today we are all bursting with pride as under President Mandela's leadership South Africa is making a peaceful transition into a democratic society that respects the rights of all its citizens.

Nelson Mandela will go down in history as one of the stalwarts of the 20th century.

Mr. Mandela, thank you for making South Africa and the world a better place. Canadians are proud that today you walked among us.

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PRESIDENT NELSON MANDELA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, on behalf of the Canadian official opposition I ask the members of the House of

Commons and all Canadians from sea to sea to pay tribute to the President of South Africa, Mr. Nelson Mandela.

Canadians supported Mr. Mandela's struggle against oppression because Canadians believe in the equality of all people. We believe in justice and accountability and we believe in the fundamental freedoms for all people.

Now Canadians cheer on and support a renewed South Africa, a South Africa that works to achieve the ideals of democracy, equality and freedom, a South Africa that is a model for other states in and beyond Africa. Canadians also support South Africa as it reinvigorates its domestic democracy, as it reforms its institutions of government and moves into the 21st century.

In short, Canada and South Africa have been close in the past and will remain friends in the future. Today it is a great honour to welcome Nelson Mandela and his wife and celebrate a victory for freedom over oppression.

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PRESIDENT NELSON MANDELA

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, it is my pleasure today to be among those Canadians who welcome Nelson Mandela here to our parliament. President Mandela's visit gives us an opportunity to honour a remarkable man for his lifetime struggle against racism and apartheid.

He has fathered a peaceful revolution, guided by his gentleness, wisdom and strength. This remarkable legacy continues through his dedication to helping the children and youth of South Africa.

The Government of Canada is proud to be a sponsor of the "Mandela and the Children" event at the Skydome tomorrow. Nelson Mandela will reach out to our young people and give them an awareness of Canada's activities in South Africa.

This event will connect young people of Canada with the South African youth in a common cause: the elimination of racism and the promotion of human rights.

The struggle of this great leader encourages us all to reaffirm our commitment to tolerance, equality and social justice.

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[*Translation*]

PRESIDENT OF SOUTH AFRICA

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, I would like to join with my colleagues in recognizing the official visit of the President of South Africa, Nelson Mandela.

On the eve of the celebration of the 50th anniversary of the Universal Declaration of Human Rights, we are honoured by the presence of a true defender of human rights.

Nelson Mandela's actions, his very life, have marked not only Africa, but indeed the entire world. Through personal sacrifice, Mr. Mandela stands out as a true statesman and as a beloved and respected political leader. He will remain forever an example of a freedom fighter.

As others continue the fight for democracy, Mr. Mandela's exemplary tenacity should give cause for reflection to those who think that repression can silence people who, like President Mandela himself, embody the courageous battle for fundamental rights.

President Mandela, on behalf of the members of the Bloc Québécois and of all the people of Quebec, I thank you.

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PRESIDENT OF SOUTH AFRICA

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, I invite all my colleagues to applaud the government's initiative to support President Mandela in his efforts to fight racial discrimination in his country and internationally.

As we know, President Mandela is one of the most credible and most respected world leaders in terms of the advancement of social justice, and our country has recognized this yesterday by making him a Companion of the Order of Canada.

• (1410)

The Canadian government's support of the "Nelson Mandela Children's Fund" campaign naturally fits in with our country's tradition, a country that has been championing the cause of peace and human rights around the world for years.

Our contribution to this initiative also gives an international dimension to the annual national campaign against racism and discrimination that the government and many Canadians have been leading for the past nine years: the March 21 campaign.

[English]

As we move into the 21st century, we must work even more diligently with the inspiration and spirit of one of the great heroes of our history, Mr. Mandela, to eradicate all forms of racism and discrimination in Canada and around the world.

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NATIONAL CAPITAL COMMISSION

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, a secretive organization of the government is making decisions behind closed doors without public scrutiny.

The unelected National Capital Commission proposes to spend some \$5 billion on a questionable project affecting the city's tax base.

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Now we have learned that unelected NCC chairman Marcel Beaudry pressured elected Ottawa city councillor Elisabeth Arnold. Mr. Beaudry asked Councillor Arnold to withhold two recommendations from a city draft report. The recommendations strongly object to the destruction of the heritage buildings and the shrinkage of downtown development the NCC's Metcalfe Street proposal would cause.

We have advice for the National Capital Commission. Be transparent and be accountable.

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[Translation]

BLOC QUÉBÉCOIS

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, the marriage of the sovereignists and the Reform Party has been a rocky one, to say the least. Despite their vows, the honeymoon does not seem to have lasted very long!

Now the Bloc is linking up with Mike Harris, while the Reform Party is flirting with the likes of former PQ minister Rodrigue Biron.

As well, there is division among the sovereignists on the holding of a referendum. As recently as yesterday, Jacques Parizeau again demonstrated that the Parti Québécois did not have the courage to be frank with Quebeckers as to whether or not there will be a referendum.

The people of Quebec are nobody's fools; they are calling for practical solutions to their problems and, as always, refuse to swallow any old story the Bloc and the sovereignists try to sell them.

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[English]

SYDNEY TAR PONDS

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, it is with both anger and sadness I address this House today.

A study released in Sydney found that the cancer rates there were 16% higher than the national average and that numerous other serious diseases and health problems are alarmingly high. These results, shocking as they are, come as no surprise to the people of my community. We have lived with them for a generation.

The people of Cape Breton mined the coal and made the steel that built the railways that brought this nation together. Steel from Sydney helped Canada and our allies in the second world war and the first world war.

The people of my riding have paid a terrible price for their nation. They have sacrificed both their lives and their health.

In return we are asking that this government take real and immediate action and commit to the funding needed to clean up

Oral Questions

the Sydney tar ponds before another generation of Cape Bretoners suffers the same fate as the last. I ask this not only as a representative of my people but as a Canadian.

* * *

BUSINESS MISSION

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, this past summer I had the privilege of leading a business mission to the People's Republic of China. Included were representatives from many sectors including waste management, trade consulting, textiles, computers and local government.

We travelled to promote industry in my riding of Oak Ridges. With a significant Asian population, we have an advantage in dealing with the Chinese market. I was pleased to help businesses from my riding to establish firm ties with one of our largest trading partners.

On behalf of the mission, I would like to thank the member for York West, the Minister for International Trade, for his assistance.

Let me say that I was proud to follow up on the Prime Minister's example and lead my own mini team Canada.

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[Translation]

PRESIDENT OF SOUTH AFRICA

Mr. Mark Muise (West Nova, PC): Mr. Speaker, today we have welcomed a true statesman among us. President Mandela is the very incarnation of the word statesman. With his great vision, integrity, and sense of what a state is all about.

The Progressive Conservative members are particularly delighted with the visit of President Mandela.

• (1415)

While they were in office, Prime Minister Mulroney and Minister of External Affairs Joe Clark fought hard within the G-7 countries and the Commonwealth to put an end to apartheid in South Africa.

They were strongly determined to put an end to human rights violations on the international level, and under their direction the Progressive Conservative government remained faithful to the reputation Canada has gained for standing up to oppressive regimes.

The visit by President Mandela bears witness to the strength of that tradition.

ORAL QUESTION PERIOD

[English]

APEC SUMMIT

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Prime Minister is stonewalling Canadians with respect to his actions at the APEC summit. Police notes continue to connect the Prime Minister with the suppression of student protesters. Now an eye witness, who was the Prime Minister's guest, claims that she saw him personally involved in directing security activities. Canadians want the truth.

Will the government now revise its position that the Prime Minister was never personally involved in police actions at the APEC summit?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the allegations referred to by the Leader of the Opposition were made by a guest, Ms. Sparrow, who admitted that she could not hear what the Prime Minister was saying.

The Prime Minister categorically denied the allegations of Ms. Sparrow, so I think that should end that aspect of this matter.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, whatever happened to the concept of ministerial accountability? Whatever happened to the concept of prime ministerial acceptance of responsibility?

The Prime Minister passes the buck to the police. He passes the buck to his staff. He blames the protesters and now his spin doctors are smearing a witness.

Why does the Prime Minister continue to refuse to tell Canadians what he told the RCMP and his staff to do?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Prime Minister has been in the House every day until today answering questions over and over again.

I might add that the student protesters themselves asked the RCMP Public Complaints Commission, an arm's length civilian body, to look into their concerns. The complaints commission is proceeding to do this.

Why is the Leader of the Opposition trying to undermine the work of this reputable body set up by parliament?

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the RCMP Internal Complaints Commission is the only commission looking into the APEC summit event right now. That inquiry cannot investigate politicians. It cannot investigate bureaucrats. Even if the commission subpoenas documents from the Prime Minister he can withhold them if he so chooses. The commission is toothless as long as the Prime Minister continues to stonewall its activities.

Oral Questions

Will the government commit today to personally have the Prime Minister co-operate with the commission, including the provision of all documents and appearing as a witness if called?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the government is providing material to the commission. The commission has not asked the Prime Minister to appear, so that is perfectly hypothetical at this point.

I again say to the Leader of the Opposition that he should not be undermining the work of the arm's length civilian commission which has been asked by the student protesters themselves to look into the matter.

Why is he trying to prevent the commission from doing the work the protesters themselves are seeking if he is on their side? He is not acting on their side. He is not acting for human rights. He is just making a lot of noise.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, this government says "Let the Public Complaints Commission work. We will get out the truth". Let me tell members—

Some hon. members: Hear, hear.

Mr. John Reynolds: Mr. Speaker, they love it now, but they hated it in 1986 when the bill was introduced.

The present minister of heritage said in 1986 "The only reason you like the Public Complaints Commission now is that your government is in trouble", and that was the government of the day.

The reason this government likes the Public Complaints Commission now is that it is in trouble and it is the government of the day.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I have to thank the hon. member for reminding us that when he was a Conservative supporting the Mulroney government that government brought this measure to this House. It was adopted by this parliament. His contradiction at this time of what he was supporting then shows that the attack on the commission is totally unwarranted.

• (1420)

He should give the commission the support now that he gave it then because it is ready to do the job for the protesters that the protesters themselves want to see done.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, the Acting Prime Minister should realize that I was not there then. I was not a member of the Mulroney government.

I want to quote for him again what the present heritage minister said about that bill in debate. She said that the commission would be hamstrung and only be allowed to have internal investigations

and review evidence, but would not be allowed conduct its own investigation.

Members of this government in opposition did not like this bill. They did not like the aspect that it is not independent and it cannot investigate the government. Why have they changed their minds?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I want to apologize to the hon. member for not recalling exactly when he left. I guess his aura hung over the government at the time this bill—

The Speaker: We all heard the question and I know we would like to hear the answer. The hon. Deputy Prime Minister.

Hon. Herb Gray: Mr. Speaker, I think the best thing to do is to let the commission do its work. Once it makes its report, if there are valid complaints to be made, then they can be brought up and dealt with at that time.

Right now the words of the statute give the commission the powers to look into complaints, to investigate, to hear evidence and to make public reports.

Let the commission do its work. That is what the student protesters are asking. Why is the opposition trying to undermine the concerns of the student protesters instead of letting them have the process they themselves have asked for?

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, to date, the Prime Minister has denied all involvement in the APEC affair.

However, we learn that a witness saw him becoming personally and directly involved in security matters at the opening of the summit.

How should we interpret the behaviour of the Prime Minister, who was still saying at the start of the week that he knew nothing, as more and more testimony and facts incriminate him?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Prime Minister has categorically denied the testimony of this so called witness.

The witness claims not to have heard what the Prime Minister was actually saying at the time. Therefore the allegations made by the leader of the third party are totally erroneous.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we know what a denial from the Prime Minister is worth; he said he would abolish the GST. His denial is no reassurance.

In the light of the latest facts and given that we know the Prime Minister was personally involved at the heart of the action, given that he "clennetted" a demonstrator across the river, and that he was the one giving the RCMP orders, how much credibility can the

Oral Questions

RCMP investigation have if the Prime Minister is refusing to testify?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the commission did not ask the Prime Minister to testify. Second, the commission established by this Parliament works at arm's length from the government and the RCMP.

So let us let the commission do its work. This is the request of the students who submitted their complaints to this commission.

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, yesterday the Prime Minister said, and I quote: "I am a populist and I can even defend myself on occasion".

Unfortunately, the Prime Minister has lost control of himself more than once.

Is it not a bit of a concern to Canadians to have a Prime Minister who completely loses control of himself in tense situations?

• (1425)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it is the Bloc Québécois that has completely lost control, with its misguided questions today.

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, does the Prime Minister realize that, by engaging in conduct so inappropriate to his office, he brings discredit on all Canadians, purely for the purpose of keeping a paranoid dictator happy?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I wonder who prepared that question. Was it Mr. Landry or Mr. Parizeau?

[English]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Prime Minister and the Solicitor General keep dodging our questions by hiding behind the Public Complaints Commission.

But how can the commission do its job and get at the truth if the Prime Minister is not to appear and if the PMO has destroyed crucial documents? Why the cover-up?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Leader of the NDP is making an allegation which, as far as I am aware, is not founded on fact. Second, the commission has not asked the Prime Minister to appear. Third, the commission was set up by this Parliament. It was given powers by this Parliament. There has been no indication in any way that it will not do the job expected of it by this Parliament and, more important, the job expected of it by the student protesters who have lodged their complaints before that commission.

Ms. Alexa McDonough (Halifax, NDP): Student protesters, Mr. Speaker, who are not going to get any legal representation.

Yesterday the Prime Minister refused to answer questions about the destruction of APEC documents. Today we learned that former operations director, Jean Carle, has admitted to destroying documents pertaining to Spray-PEC.

What is the PMO hiding? Who are they trying to protect?

Hon. Herb Gray (Deputy Prime Minister, Lib.): The first thing I have to do, Mr. Speaker, is to look into the accuracy of the hon. member's assertions and innuendo. After I check into them either I myself or the Prime Minister will reply more fully.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, ministerial permits to allow a general and six of Suharto's commandos into Canada were issued the same day that Indonesians applied for them, November 19, 1997. These permits were issued after the Indonesians asked the RCMP if it was okay to shoot Canadian protesters, and a week before the APEC summit.

Could the Minister of Immigration tell us when or if her officials informed the RCMP that she issued these permits and will she table any documents related to these permits in this House?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the question of security around the APEC summit falls within the mandate of the RCMP. Therefore it is the subject of a Public Complaints Commission investigation. We have to protect the integrity of that investigation to get to the truth, despite the fact that many would have that integrity questioned here in the House.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the minister responsible for issuing permits into Canada, not the Solicitor General, and it is not about the Public Complaints Commission.

We know that permits to let Suharto's commandos into Canada were issued. Under the law only the Minister of Immigration can issue them.

These permits were issued after the RCMP were asked by the Indonesians if it was okay to shoot Canadians.

On what basis did the Minister of Immigration issue the permits? Did the Prime Minister's office ask her to issue them? Did her office immediately inform the RCMP that the permits had been issued?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I have said this week many times, the reality is that security questions fall within the purview of the RCMP. Since the RCMP is the subject of a public complaints commission inquiry, which was asked for by the protesters themselves, it would be

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imprudent, in fact inappropriate, for me to do anything that might influence politically the outcome of that investigation.

• (1430)

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, quoting from today's *Vancouver Sun*, an article by Peter O'Neil says "the commissioner of the Public Complaints Commission says he is still trying to obtain documents from the Prime Minister's Office, the Privy Council and the Department of Foreign Affairs".

We remember Somalia. We remember the Krever inquiry. We remember the destruction of documents, and we did not receive an assurance from the Prime Minister or the solicitor general yesterday that there would be no destruction of documents.

Will we have that assurance today? Yes or no.

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the hon. member has my assurance that at this point there has been no indication of any problems in that regard.

In fact the council for the commission very specifically said there have been no problems getting access to any information requested.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, that is a pretty cute answer coming from the solicitor general. It speaks to the whole issue of the level of the inquiry that is going on.

There is no level of inquiry. It is under the Public Complaints Commission, and I quote from the RCMP Act "They only may look into any member or any other person employed under the authority of this act".

That is what the Public Complaints Commission can look into. It is strictly a snow job that the solicitor general is doing the cover-up for this—

The Speaker: The hon. solicitor general.

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, this inquiry has exactly the same powers as the kind of inquiry the hon. member was demanding, very specifically the powers of a board of inquiry.

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[Translation]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, it seems that the Minister of Finance this week proposed to his cabinet colleagues that they circumvent the Employment Insurance Act in order to be able to use the huge annual surpluses of \$6 billion for purposes other than employment insurance.

In so doing, is the Minister of Finance not simply seeking to legalize the misappropriation of employment insurance surplus funds in which he has been involved for several years now?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member ought to look at the government's record for the past several years.

When the previous government came in, its intention was to raise the employment insurance contribution rate to \$3.30. We froze it at \$3.07. Every year since then, we have decreased employment insurance contributions. Last year, we brought them down 20 cents. As well, we did away with employment insurance contributions for those under the age of 25.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, can the minister deny that the siphoning-off operation he has been involved in for a number of years, and which he plans to continue, will have to be considered illegal, if he does not soon make a quite substantial cut to EI premiums?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I know that the government has choices to make, and make them we will.

The choice of the Bloc Québécois is to decrease taxes and increase spending, or in other words to ensure that Canada will again fall into a deficit position. That is not our choice.

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[English]

CANADA PENSION PLAN

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, yesterday the finance minister said Bernard Dussault was fired over "management issues". This is a public servant with an impeccable record as Canada's chief actuary for the last seven years.

I have a question for the minister. Was the decision to fire him now related in any way to his forthcoming report on the solvency of the Canada pension plan?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Superintendent of Financial Institutions has already answered that question. He has said that the answer to that question was no.

Let us be very clear. The Minister of Finance was not involved in the decision and did not make the decision.

I would simply ask: Is the Reform Party saying that the Minister of Finance ought to hire and ought to fire the chief actuary? Is it saying that we ought to have the politicization of the finest public servants in the world?

I hope that is not the case, because that is not what the government would do.

Oral Questions

• (1435)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the finance minister is accountable to the House for the Canada pension plan. He is in charge, not Mr. Palmer.

We want to know what the finance minister knew about this. He said already that he knew ahead of time that there were management problems. Surely he does not expect us to believe that he did not bother to inquire as to the nature of those problems, and we now need to know what the nature of those problems were. If he does not know then what is he doing in that chair?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, of course I knew that there were management difficulties between the superintendent and the chief actuary. It is within the Department of Finance but I was not involved in the decision.

The whole world knows that there is chaos and management difficulties within the Reform caucus, but I am not going to deal with it.

* * *

[Translation]

SCRAPIE

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, my question is for the Minister of Agriculture and Agri-food.

The minister has already ordered the slaughtering of 11,000 sheep in Quebec, in an effort to eliminate scrapie, and it appears that thousands more will be destroyed without any further assessment.

Should the Minister of Agriculture not suspend the slaughtering and assess the situation, along with the producers and the Quebec Minister of Agriculture, before taking any further action?

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as I said the other day and as I will continue to say, we are certainly not pleased that we have to do what we are doing in order to move to the eradication of a reportable disease in our livestock herd.

It is a reportable disease in the world and it is important that we eliminate it from our livestock herd. When we do so, we compensate the producers for the loss of the animal and we pay for the disposal of the animal.

We are working with the industry to make this as easy as possible for producers. I again ask for the co-operation of the Quebec government in doing so.

[Translation]

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, does the minister realize that, if Quebec's best sheep producers are facing such a serious situation, it is because their flocks were infected by animals from the federal experimental farm, in Lennoxville?

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I correct the hon. member. There has been no proof of the statement she just made.

I also remind her that in the last three years the government has given the province of Quebec \$200 million to assist in the farm safety net income program in Quebec. Had it used that in the same manner as other provinces have used theirs, it would have been able to assist its producers in Quebec.

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EMPLOYMENT INSURANCE

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the EI commission is about to force the government to lower EI premiums.

It appears the Minister of Finance does not want to let his golden goose get killed quite yet. He is planning on changing the law to allow him to keep fleecing the multi-billion dollar EI surplus.

The finance minister talks about choices. I ask him to make the right choice today and say that he will not change the law, that he will comply with the EI commission and that he will lower EI premiums? Will he do it today?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as I said in response to an early question, the government has reduced the premiums each and every year since we took office. Not only that. In the last budget we eliminated the premiums for companies that were to hire young Canadians. It is important to understand that is the principle the government has followed and will continue to follow.

• (1440)

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the finance minister knows very well that there is about \$6 billion over the allowed surplus which he can make a decision today to put toward lowering EI premiums. Incidentally that will spur the economy, will create jobs and will make Canadian workers and businesses a lot happier. Let us make the right choice today.

Does the finance minister intend to comply with the directive of the EI commission to use that surplus to once again lower EI premiums? Yes or no.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, from the very beginning when the country had its back to the wall we eliminated the deficit by following a balanced approach. That

balanced approach involved the reduction of EI premiums, the lowering of taxes, spending in areas which were important for the country's future, and the lowering of debt.

That is a program that has worked and will continue to work. We will stay the course.

* * *

[Translation]

CANADIAN ECONOMY

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, we just went through three consecutive months of economic slowdown. The composite index shows a zero rate of growth for August. Companies' backlogs of orders are dwindling. Bankruptcies are on the rise. Employment in commercial services is down. Forecasts for 1999 are being revised downward.

How many more indicators of this type does the Minister of Finance need to get his head out of the sand and to quickly table a special budget providing for tax cuts and an increase in social transfers to the provinces?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in response to the hon. member's question, I think that we should simply consult the experts. Allow me to quote one of them: "To state things clearly, we must not panic but maintain the discipline that we worked so hard to acquire in recent years. Otherwise, we would very quickly find ourselves with an even weaker currency, higher interest rates, lower investments and higher unemployment." That is what Ken Curtis, the chief economist of the Deutsche Bank, said. The hon. member is suggesting we go back to a deficit position. But that is not our intention.

* * *

[English]

AGRICULTURE

Mr. Rey D. Pagtakhan (Winnipeg North—St. Paul, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

Canadian trucks carrying appropriately traded agricultural products continue to encounter unwarranted inspection and delay at some U.S. state borders.

What action is the minister prepared to take to put a stop to this situation and stop it now?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, this morning the secretary of agriculture for the United States debriefed our ambassador on last evening's special cabinet session in Washington. Regrettably the response was simply not good enough.

As a result, in consultation with the minister of agriculture as well as the minister responsible for the wheat board, and effective at 2 p.m., Canada has given official notice to both the United States

Oral Questions

and to the WTO that we will be seeking remedy as a first step through NAFTA and the WTO, and that we have every expectation to resolve this issue once and for all.

* * *

THE SENATE

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, for days now we have been asking the justice minister about the Alberta Senate election but she just lies still and lets the Prime Minister attack Alberta. If she sits so idly by while he is attacking us in public, I can only guess how she is selling Albertans short in private.

I would like to ask the justice minister today, if she is allowed to answer, just what is it under section 24 of the Constitution that she is objecting to that she will not support and respect the Alberta Senate election.

Some hon. members: Oh, oh.

The Speaker: Colleagues, I know we have been away for a little while so we may have forgotten that questions are actually posed to the government and anyone on the government benches may answer them.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member has been in the House for some time. She must know that it is not proper to ask the Minister of Justice to provide a legal opinion. That is why obviously she is declining to answer the hon. member's question and she does not have to answer it.

• (1445)

In any event, I do not know why in the name of democracy, the hon. member is asking for approval of undemocratic conduct, electing somebody for life without any accountability, without any need to return to the people and see whether the so-called elected senator is to be returned.

Why does the hon. member not take a stand for democracy rather than supporting this truly undemocratic process if we look at it right to the bottom?

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, frankly I had never guessed that an election might be undemocratic. Forgive me.

I would like to ask the government again about how it always resorts to section 24 of the constitution. There is absolutely nothing in section 24 of the constitution which does not support an election. There is nothing either that says that the prime minister has to be directly involved.

I would like to ask the justice minister who is from Alberta why she will not stand up and support and represent Alberta in our Senate election, which is legal, on October 19.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I think it has been well established that ministers do not answer

Oral Questions

with respect to any regional responsibilities. They answer with respect to departmental responsibilities.

The hon. member should know that because she has been here quite a while. Why does she want somebody to be elected for life without any recourse of the people originally carrying out the election to get somebody else if they do not like the way the job is done? That is not democratic.

In spite of what she says here, she and her party had a chance to have an elected Senate had they supported Charlottetown. They rejected Charlottetown. They have to live with the results of their irresponsibility.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, this might surprise you. I am not quite prepared for this question.

I would like to ask the justice minister, once again who is from Alberta, just why is it that she will not stand up and answer the questions put—

The Speaker: The hon. member for Vancouver East.

* * *

APEC SUMMIT

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is for the Deputy Prime Minister. Today we heard how Canada brought honour to itself as a leader in the battle to end apartheid, a system deplored for its violent contempt of human rights. But at APEC the Prime Minister brought dishonour when he trampled on the rights of Canadian students to welcome a dictator deplored for his contempt of both human rights and human life.

Will the government come clean on APEC and reassure the young people of Canada that we are a defender, not an abuser, of human rights?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I have to reject the premise of the hon. member's question. The Prime Minister is a vigorous spokesman for human rights. He was the chief protagonist of the charter of rights and freedoms. This should be recognized and the Prime Minister should be praised for his continuous defence of human rights in Canada and around the world.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, for a Prime Minister who talks so much about human rights, his actions in Vancouver speak louder than words. Students opposed to APEC were detained without cause, violently attacked and are expected to defend themselves with neither funding nor support against a battalion of backroom government lawyers.

Will the Prime Minister and the government do the right thing and provide the legal representation for students attacked at APEC?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, it is because we respect due process that we would like to

see it work and let the public complaints commission do its job as the students have requested.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, the Prime Minister says it is more effective to engage dictators than to isolate them. The whole idea with engagement is that by engaging dictators in a dialogue, we can teach them something about human rights. My question for the Prime Minister is did Suharto learn about human rights while he was in Canada or did the Prime Minister take lessons from Suharto in systematic abuse of power and oppression?

• (1450)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I reject the unwarranted premise of the hon. member's question.

I know it has been publicly reported that both the Prime Minister and the Minister of Foreign Affairs raised the human rights issue with Suharto in Indonesia itself. That took a lot of guts. They should be praised for that and their continued defence of human rights in Canada and around the world.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, yesterday in the House the finance minister said we have separated politics from the administration of the public service. Yet when the Ontario ministry of finance requested information about the CPP from Bernard Dussault, the former chief watchdog of the CPP, Bernard Dussault wrote a letter saying he could not provide that information because it had to be vetted through a new committee of the department of finance which would review the information for its political sensitivity.

Will the minister tell us why his department gagged Bernard Dussault, or is this simply another abuse of power?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, that is one supplementary question.

The fact is I am not aware of correspondence that Mr. Dussault may have had with the Government of Ontario. I will look at it.

* * *

[Translation]

ICE STORM

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, several municipalities in my riding as well as in our region are complaining about not receiving payment for their ice storm damage claims.

Could the President of the Treasury Board tell this House where the money went?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, under the disaster assistance arrangement, the provinces are responsible for both managing the situation and paying municipalities, individuals and organizations for the losses suffered. The role

Oral Questions

of the federal government is to reimburse the province afterwards, based on a set formula.

What happened in this case, is that the PQ government refused to pay the municipalities the amounts they may be entitled to, claiming this is a provincial jurisdiction. And the provincial government cannot hide anything because we are not paying—

The Speaker: The leader of the official opposition.

* * *

[*English*]

TRADE

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, every day that the violations of the free trade agreement by the U.S. border states continue it hurts our farmers.

We welcome the decision by the government to take the first step toward ending this dispute through submitting it to NAFTA arbitration.

Will the minister tell the House what is the earliest possible date that a formal dispute settling panel can be set up and will he tell Canadian farmers what they are to do in the interim?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, in response to my colleague's earlier question, I mentioned very clearly that going to NAFTA and WTO is but a first step. Clearly we will be seeing the American response and acting accordingly.

To the specifics of the hon. member's question, within NAFTA the first meeting must be held within 15 days. At the WTO it is within 10.

* * *

[*Translation*]

CANADIAN ECONOMY

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the minister of Finance makes all sorts of smart aleck remarks, but he failed to mention earlier that, in light of the increase in interest rates by the Bank of Canada and the latest figures on the downturn, financial analysts are the ones currently demanding that the minister take action to stabilize the economy.

Will the Minister of Finance still be a smart aleck when, in a few months, we are facing a full-blown recession because of him and thousands of jobs are lost because he failed to listen to economic indicators today?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member must know that short to mid term interest rates are

lower now than they were two months ago, and even last month. In fact, they are almost at an all time low for stimulating the economy.

Once again, perhaps the hon. member does not believe me, but "we believe the Canadian economy is strong and sound, not threatened".

Some hon. members: Oh, oh.

Hon. Paul Martin: This was said by Lucien Bouchard, the premier of Quebec, in August.

The Speaker: The hon. member for Oxford.

* * *

• (1455)

[*English*]

OCEANS

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, this is the international year of the oceans. Since our country is bordered by the Atlantic, Pacific and Arctic Oceans I ask the minister of fisheries what this government is doing to improve the health of our oceans.

Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the government recognized early in its mandate the importance of oceans. As a result, we introduced into law, effective January 1, 1998, the Oceans Act.

There have been many events taking place across Canada over this summer to celebrate the international year of the oceans. We do have an oceans strategy and we are working on that more thoroughly.

Recently two pilot marine protection projects were established in British Columbia and there are considerations for projects in the Atlantic and the Arctic as well.

* * *

CANADA PENSION PLAN

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, let us see if we have this straight with regard to the firing of the chief actuary of the Canada pension plan.

We understand that the Minister of Finance is informed by the superintendent of financial institutions that there are serious problems with the highly respected chief actuary. The chief actuary is widely known as a man of integrity and competence.

The minister would have us believe that he did not even bother to ask about the nature of the problems. That is absolutely incredible.

Is this really the minister's position? Does he expect the Canadian public to believe this line?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I go back to the point. The hon. member simply does not understand

Business of the House

how the Canadian system works. Mr. Dussault reports to the superintendent of financial institutions. We have separated politics from the administration of the public service.

Consider carefully what Reformers are saying. They are suggesting that politicians should influence the choice of senior level public servants. They are suggesting that we should politicize the public service.

That would be the death knell of the finest public service in this country, and the Reform Party ought to understand that.

* * *

AGRICULTURE

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, the minister of agriculture will be aware that the U.S. Congress appears almost certain to introduce a significant farm aid program this fall amounting to several billion dollars.

The American government is responding to some of the lowest commodity prices in memory by promising help to its farmers.

Disastrously low prices exist on our side of the 49th parallel as well. Would the minister of agriculture please inform the House today what disaster relief assistance is being planned by his department for Canadian farmers?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the disaster relief program and the farm safety net program for Canadian farmers are already in place and have been in place, therefore we do not have to consider and will not consider ad hoc programs that the Americans are now considering.

As a matter of fact, they are looking at our system and want to know how they can copy it. We have our crop insurance. We have our net income stabilization account, for example. In that account alone Canadian farmers have \$2.5 billion that they can draw on in the unfortunate situations like we have this year of low commodity prices around the world.

* * *

[Translation]

MONTREAL CONVENTION CENTRE

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, during nine months of discussions with the federal government regarding the planned expansion of the Montreal Convention Centre, never once did the secretary of state for regional development mention the infrastructure program as a means of funding.

Why does the secretary of state for regional development suddenly trot this out, unless he feels he cannot deliver the goods and convince the Minister of Industry?

Hon. Martin Cauchon (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, the plan to expand the Montreal Convention Centre goes back at least as far as 1996 and was even designated as a priority by the Government of Quebec at the Montreal socio-economic summit. The Government of Canada was not present at that summit, it will be recalled, having been excluded by the Government of Quebec.

If the Government of Quebec had given priority to Montreal following that decision, we would have used the infrastructure program. Unfortunately, unlike the Canadian government, it does not give priority to Montreal.

Despite the lack of a vehicle, we are continuing to—

The Speaker: I am sorry, but the hon. member for Compton—Standstead now has the floor.

* * *

• (1500)

APEC SUMMIT

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. In order to enter Canada, Suharto's soldiers first had to obtain the minister's permission. They had her blessing.

Will the minister continue to state in the House that there was no abuse of power, when it was she who, under the Prime Minister's authority, gave known criminals a licence to kill on Canadian soil? What is the truth?

[English]

The Speaker: I think we are starting to reach a little bit much in our questions. I would like to give you as much room as I can but I think we are getting to the end.

If there is an answer from the solicitor general, we will hear it.

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I can only repeat that the security arrangements around APEC were the responsibility of the RCMP. Canadians have a system at play right now to get to the truth of these incidents.

I wish hon. members would let us get to the truth through the instrument that was designed by this House out of respect for this House.

* * *

BUSINESS OF THE HOUSE

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, given the state of our dollar and the economic conditions of our country, Canadians would like to know the nature of the business of the House next week and also for the remainder of this week from the government House leader.

Routine Proceedings

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, notwithstanding any preamble thereof, I am pleased to respond to the question asked by my colleague the opposition House leader.

[*Translation*]

This afternoon, we are going to look at Bill S-16, a 1998 act to implement various tax conventions. Tomorrow, we will open debate on Bill C-35 on imports and, time permitting, Bill C-51, an act to amend the Criminal Code.

Tomorrow, however, by prior agreement, we will hear only from the government and from the official opposition critic regarding Bill C-51. All these bills are at the second reading stage.

[*English*]

On Monday we shall consider second reading of the Small Business Loans Act amendment introduced yesterday. I believe this bill bears number C-53.

On Tuesday we shall resume third reading debate on Bill C-3 respecting DNA which unfortunately is subject to a hoist motion right now. This will be followed, time permitting, by Bill C-42, the tobacco legislation.

On Wednesday we would hope to complete Bill C-51 and any of the aforementioned measures not previously completed.

On Thursday we would hope to begin consideration of Bill C-43 respecting the revenue agency.

ROUTINE PROCEEDINGS

• (1505)

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table in both official languages a number of order in council appointments made recently by the government.

Pursuant to the provisions of Standing Order 110(1) these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in

both official languages, the government's response to seven petitions.

* * *

[*English*]

OBSERVANCE OF TWO MINUTES OF SILENCE ON REMEMBRANCE DAY ACT

Mr. Jason Kenney (Calgary Southeast, Ref.) moved for leave to introduce Bill C-434, an act to promote the observance of two minutes of silence on Remembrance Day.

He said: Mr. Speaker, I rise, seconded by the hon. member for Edmonton East, to move first reading of an act to promote the observance of two minutes of silence on Remembrance Day. This is a variation of an earlier bill I introduced in this parliament which was substantially to the same effect.

The bill calls upon all Canadians to observe a more fulsome commemoration of the traditional two minutes of silence on Armistice Day or Remembrance Day, a tradition which was once thoroughly held and kept throughout Canada and the rest of the British Commonwealth. Unfortunately in recent years it has been on the wane.

The bill has been modelled upon a similar private members' bill introduced and passed in the Ontario provincial legislature, and indeed one in the British Westminster parliament. It is supported by the Royal Canadian Legion and many other veterans organizations.

I hope that this bill will be drawn and that we will have an opportunity as we approach Remembrance Day this November to debate this important subject.

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

* * *

[*Translation*]

BANK OF CANADA ACT

Mr. Richard Marceau (Charlesbourg, BQ) moved for leave to introduce Bill C-435, an Act to amend the Bank of Canada Act (withdrawal of the thousand dollar note).

He said: Mr. Speaker, I am pleased introduce, with the support of my hon. colleague for Rosemont, Bill C-435, an Act to amend the Bank of Canada Act (withdrawal of the thousand dollar note).

The purpose of this bill is to provide Canada's police forces with a more effective weapon against money laundering and organized crime. It is a measure that has long been called for by Canadian, Quebec and Montreal police forces.

Canada is one of the few countries to have such a high denomination in its currency. After the bill becomes law, the thousand dollar notes will be legal tender for another three months.

Routine Proceedings

People will therefore be able to exchange them at their local caisse populaire or bank for those three months.

After that, they will have to deal with the Bank of Canada here in Ottawa to change their thousand dollar notes. After six months, thousand dollar notes will no longer be legal tender in Canada, in keeping with the wishes of a number of the country's police forces.

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

* * *

[English]

PETITIONS

NUCLEAR WEAPONS

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I have a petition that is signed by many of my constituents calling on this House to support the immediate initiation and conclusion by the year 2000 of an international convention which would set out a binding timetable for the abolition of all nuclear weapons all over the world.

• (1510)

YOUNG OFFENDERS ACT

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, I have the honour to present two petitions today.

The first is a petition signed by approximately 200 citizens requesting parliament to amend the Young Offenders Act by lowering the age limit, by providing for the automatic transfer of violent offenders to adult court and by providing for the publication of names of violent offenders.

AGE OF CONSENT

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, I have a second petition signed by approximately 800 citizens requesting parliament to amend the Criminal Code to raise the age of consent for sexual activity between a young person and an adult from 14 years to 16 years.

REFUGEES

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I have three petitions to present today.

The first one calls upon the government to re-evaluate its policy with respect to undocumented convention refugees in the Canada class and to consider the implementation of a recommendation to the Standing Committee on Citizenship and Immigration which reads that the waiting period before which a recognized refugee may become considered a convention refugee would be reduced from five years to three years.

HIGHWAYS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the second petition I wish to present on behalf of constituents reads "We the undersigned draw attention to the fact that the"—

The Deputy Speaker: I am sorry. The hon. member I am sure knows that he cannot read a petition. He is invited to give a summary of the petition in his presentation but I would urge him to comply with the rules and not read the petition.

Mr. Pat Martin: Mr. Speaker, it is the first time I have done this so I was not aware of that frankly.

This petition calls for the national highway system to be upgraded and updated in the interests of job creation and our transportation industry and so on.

NUCLEAR WEAPONS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the third and last petition I would like to present is with regard to the abolition of nuclear weapons. The many people who have signed this petition are calling for the abolition of nuclear weapons, I believe much like what another hon. member just presented, by the year 2000 and the creation of an international convention which will set out a binding timetable for the eradication of nuclear weapons.

MARRIAGE

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I have two petitions to table in the House today both dealing with the same issue.

The petitioners ask that parliament enact Bill C-225, and act to amend the Marriage (Prohibited Degrees) Act and the Interpretation Act, so as to define in statute that a marriage can only be entered into between a single male and a single female.

GUN CONTROL

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, I have two petitions to present today from the constituents of New Westminster—Coquitlam—Burnaby.

In the first petition the petitioners believe that stricter gun control laws are not a solution to crime. Therefore they call upon parliament to repeal Bill C-68 and redirect hundreds of millions of dollars to programs that will actually improve public safety.

MARRIAGE

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, in the second petition 102 petitioners believe that it is the duty of parliament to ensure that marriage as it has always been known and understood in Canada be preserved and protected. They pray that parliament will enact Bill C-225 to define

in statute that a marriage can only be entered into between a single male and a single female.

CRTC

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I have a petition to present today signed by over 200 of the constituents of Prince George—Peace River. They note that on the same day that the Canadian Radio Television-Telecommunications Commission refused to license four religious broadcasters it did indeed license the pornographic Playboy channel television service.

The petitioners believe that Canadians have a constitutional right to freedom of religion, conscience and expression. Therefore they call upon parliament to review the mandate of CRTC and direct the CRTC to administer a new policy which will encourage the licensing of religious broadcasters.

YOUNG OFFENDERS ACT

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, I have a number of petitions today.

The first petition has to do with lowering the age in the Young Offenders Act from the age of 12 to 10 and also some other changes to the Young Offenders Act, increasing the penalty for first degree murder from a maximum of 10 years to 15 and ensuring parental responsibility.

• (1515)

MARRIAGE

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, I also have a petition from constituents which has to do with the issue of marriage. The petitioners ask that Bill C-225, an act to amend the Marriage Act and the Interpretation Act so as to define in statute that a marriage can only be entered into between a single male and a single female, be implemented.

I am presenting this petition on behalf of my constituents. I would remind my hon. colleagues that it is my duty as a member to present my constituents' wishes.

I have another petition that I will table at another time.

The Deputy Speaker: We will all look forward to that.

* * *

[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 ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Government Orders

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

INCOME TAX CONVENTIONS IMPLEMENTATION ACT, 1998

Hon. Allan Rock (for the Minister of Finance) moved that Bill S-16, an act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, be read the second time and referred to a committee.

Mr. Randy White: Mr. Speaker, I believe you will find the unanimous consent of the House to split the 40 minute speaking time allocated to the official opposition into four 10 minute speeches. There are no questions and comments associated with that.

The Deputy Speaker: Does the House give its consent to the suggestion of the hon. House Leader for the official opposition?

Some hon. members: Agreed.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I appreciate the opportunity to speak today at second reading of Bill S-16.

This legislation will implement the income tax conventions that Canada recently signed with Vietnam, Croatia and Chile. Bill S-16 is important as it is part of an ongoing effort to update Canada's network of income tax conventions.

Tax treaties are directly related to international trade and thus have a subsequent impact on Canada's domestic economic performance. Their benefits are therefore significant. Witness the almost 40% of Canada's annual economic wealth that depends on exports, commerce abroad and direct foreign investment.

Canada has been updating its network of tax treaties regularly since 1971 when our income tax system was overhauled. One of the outcomes of this overhaul was the expansion of our network of tax treaties. Canada now has income tax treaties with 64 countries.

Canada has two main objectives in mind when signing tax conventions with other countries. One is the avoidance of double taxation. The other is the prevention of income tax evasion. New tax treatments are, for the most part, similar to others already concluded by Canada. However, by necessity they do vary from one country to another.

Government Orders

Bill S-16 guarantees that our income tax rules are integrated to ensure that our agreements with Vietnam, Croatia and Chile have full force and effect.

Before I discuss some of the specifics in the bill I want to highlight three major benefits that will result from the bill.

First, taxpayers will know that a rate of tax limited under any of these agreements cannot be increased without substantial advance notice of any changes.

Second, Canadian taxpayers with business interests or investments in Vietnam, Croatia or Chile will operate under a reduced compliance burden as the rules of the game will become clearer.

Third, taxpayers involved in international transactions where double taxation occasionally occurs will see this problem largely eliminated.

In a world where people and capital are increasingly mobile, double taxation treaties are crucial because they ensure that returns will not be taxed twice. Canada has 64 treaties, including our conventions with Vietnam, Croatia and Chile, which eliminate double taxation in one of two ways.

• (1520)

They assign exclusive taxing rights to only the taxpayer's country of residence or the source country of the income. Or they require the country of residence to give credit for the tax paid to the source country if the income is taxable in both countries.

Double taxation treaties often encourage the exchange of information between revenue authorities to prevent tax evasion, the second objective in signing these treaties, and Bill S-16 is certainly no different.

Withholding taxes are another major issue addressed in this particular bill. A taxpayer's country of residence can usually withhold tax at a rate of 5%, 10% or 15% on dividends and branch profits, and 10% on interest and royalties. In some cases royalties on copyright, computer software, patent and know-how are exempt at source.

Under the agreement with Vietnam, there will be a reduced dividend rate of 5% for a Canadian company with at least 70% of the Vietnam company's voting power, 10% for a company controlling between 25% and 70% of voting power, and 15% in all other cases.

In addition, there will be a reduced branch tax rate of 5%, a reduced 10% rate on interest and royalties and a 7.5% on technical service fees.

For Vietnam there is no immediate exemption for royalties on copyright, computer software, patents and know-how. However, if Vietnam agrees to any future exemptions with other OECD coun-

tries, Canada and Canadians will automatically obtain the benefit of that same exemption.

Under the treaty with Croatia, the reduced dividend rate will be 5% for a company controlling at least 10% of the voting power, or holding at least 25% of the capital, and 15% in all other cases. The rates on branch taxes and interest and royalties will be 5% and 10% respectively. Again, there is no exemption for interest or royalties on copyright, computer software, patents and know-how.

In the convention with Chile, the reduced dividend rate will be 10% for a company owning at least 25% of the voting power and 15% in all other cases. A 10% branch tax rate will apply, and if Chile agrees to a 5% rate with another OECD country, this lower rate will automatically apply to Canada.

There will also be a 15% rate on interest and royalties, but no exemption for interest or royalties on copyright, computer software, patents and know-how.

Another measure I would like to discuss concerns non-resident pensions. Bill S-16 respects Canada's right to tax pensions and annuities paid to non-residents. Under the agreements with Vietnam and Croatia, pension payments can be taxed in both countries, with the source country collecting no more than 15% of the total payment. Social security benefits will be taxable only by the country that pays those benefits. With respect to Canada and Chile, pension and social security payments will be taxable by the country from which the payments are made.

Hon. members may be interested to know that capital gains on the sale of real property, business assets and shares in real estate companies, or interest in real estate partnerships or trusts will remain taxable by the country in which the property is situated.

In conclusion, there are some very real benefits for Canadians in this bill. With no tax treaty presently in force with Vietnam, Croatia or Chile, these agreements will definitely help Canadian corporations and individuals with operations and investments there. Along with promoting international trade and investment, and helping to secure Canada's position in the increasingly competitive world of trade and investment, their existence will also foster an atmosphere of certainty and stability for investors and traders that will only enhance Canada's economic relationship with each country. At the same time these agreements will help to ensure that Canadian tax policy remains consistent internationally.

I also point out that there will be no revenue losses to any of the countries affected by this bill.

• (1525)

Tax treaties are part of the normal apparatus of international relations for a modern economy and their expansion is part of the ongoing operations of a responsible government. This is important and non-controversial legislation and I encourage hon. members to grant its speedy passage.

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Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, at the outset I would like to remind the House that, pursuant to unanimous consent, I will be splitting the official opposition's 40 minute allocation between myself, the hon. member for Langley—Abbotsford, the member for Medicine Hat and the member for New Westminster—Coquitlam—Burnaby, in that order.

The official opposition supports Bill S-16, an act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

We, as a party for free enterprise, strongly support measures of this nature which can remove barriers to commerce and make efficient financial flows between trading jurisdictions such as Canada and the three countries stipulated in this bill.

We have reviewed this bill in detail and find that it is substantively in keeping with the model for international tax conventions proposed by the Organization for Economic Cooperation and Development.

I would second the substantive remarks of the hon. Parliamentary Secretary to the Minister of Finance who just detailed for us some of the elements of this bill.

I would, however, make reference to one concern that I have, which is with respect to an element of this bill which confirms a tax convention with the Socialist Republic of Vietnam. While in principle I think it is a good thing for Canada to establish firmer trade links leading to greater prosperity between ourselves and international jurisdictions, I think this gives us pause to reflect on the general foreign and economic policies of the current government vis-à-vis tyrannical regimes overseas.

We have seen a recent example of this kind of cosy, pillow fluffing, red carpet treatment that Canada provides to foreign jurisdictions, such as the Socialist Republic of Vietnam and Indonesian, a country we have been talking about in this House recently.

While I do not oppose the effort to establish a tax convention of this nature with Vietnam, I do wish that it were tied more clearly to a more vigorous articulation on the part of the Canadian government of the need for the respect of human, religious and civil rights in communist tyrannies such as the Socialist Republic of Vietnam.

Simply opening up trade and more efficient means of financial balances such as these tax conventions without a concomitant effort to press the need for human rights and political reforms is, in my view, insufficient and is a black mark on the record of this government and of this country.

Having said that, let me say that I and my colleagues object most strenuously to the process by which we find ourselves addressing this bill as S-16. For those not familiar with parliamentary procedure, it is coded as S-16 because it is a bill that was introduced in the Senate in May of this year.

Why was this bill introduced in the Senate? Conventionally in this Parliament, right from its beginning, bills, and particularly meaningful government bills, have been introduced in the lower chamber, the House of Commons, reviewed, debated, passed and then submitted to the upper chamber in the other place.

However, in this case we have before us one instance of the growing and troubling pattern on the part of this government to introduce legislation such as Bill S-16 in the Senate, to pass it there and then to bring it before us here in the Commons. We submit this is a contravention of a long established parliamentary convention whereby we respect the de facto supremacy of the lower Chamber, the elected Chamber, the democratically legitimate Chamber over the appointed patronage haven we call the Senate to introduce and discuss bills here first.

● (1530)

Bills ought to be introduced and debated, deliberated on and passed here and then considered by the Senate as a de facto rubber stamp rather than the other way around. Instead we find ourselves, through introducing this and other bills at the Senate, increasing the legitimacy of what is in actual fact an increasingly illegitimate body in the eyes of the Canadian people and the official opposition. We find this very troubling indeed.

We have asked the government in our negotiations with its House leadership and in public statements here and elsewhere to respect the long established parliamentary convention of introducing legislation of this nature, government bills, in the Commons for consideration by the duly elected representatives of the people before proceeding to the Senate and not the other way around. But the government has decided to refuse to respect that convention and to refuse to assert the democratic authority of this place over the Senate.

This is very unfortunate, particularly in light of the fact that this government has virtually no substantive legislative agenda. Here we are in Canada with an economy that is slowing down, with a nearly \$600 billion debt, with the highest personal income tax rates in the G-7, with a dollar that has just this summer reached historic all time lows. Here we are with enormous problems to deal with in terms of the livelihoods of Canadians and what does this government have on its legislative agenda? Very little except for little technical bills of this nature.

So there is no compelling reason for the government to have introduced this bill or similar bills in the Senate for its consideration before the consideration of the Commons. There is no compelling reason except for the government's decision to try to

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legitimize the upper chamber at a time when in the eyes of Canadians it is increasingly an illegitimate body.

I say this about Bill S-16, an act to implement an agreement between Canada and the republics of Vietnam, Croatia and Chile, because we have before us in this place a rare historic opportunity. That is an opportunity provided to us by the duly elected government of the province of Alberta. The Alberta legislature has decided to convene and hold an election for senators in that province, an election that will be held on October 19. This election is not being held as some symbolic frivolous effort by a political gesture on the part of the people of Alberta.

Rather, the Government of Alberta wants the people of Alberta to choose its next senators to begin the long, arduous but critically important process of fundamental Senate reform so that one day we can reach a situation where the upper chamber is elected and is accountable, so it can exercise effective powers hopefully with equitable if not equal representation from the provinces and regions so that it can consider bills like Bill S-16, so that it can even talk about technical government legislation such as tax conventions with a modicum of democratic legitimacy. Until that day arrives we assert the prerogative of this House, the democratic assembly of this parliament, to consider bills of this nature first before they go to the patronage haven down the road.

Today we heard the Deputy Prime Minister say that the Senate elections in Alberta are undemocratic. Undemocratic elections? Let me get this straight. In this strange twisted Orwellian world of the government opposite it is undemocratic to have elections but it is democratic to appoint people to an upper chamber to decide how tax dollars are spent and to use the enormous and sometimes coercive power of the state. I fail to grasp the twisted logic of the Deputy Prime Minister and the government in introducing bills like this and in attacking a legitimate effort to push the agenda of democratic reform in parliament. The Liberal Party of Canada and the Right Hon. Prime Minister say they favour reform of the Senate. I then invite them to demonstrate that support by introducing bills like this in the lower Chamber first.

• (1535)

Before my time expires I would like to move—

The Deputy Speaker: The hon. member's time has expired.

Mr. Jason Kenney: Mr. Speaker, I rise on a point of order. I move, seconded by the member for Langley—Abbotsford—

The Deputy Speaker: The hon. member cannot move a motion on a point of order. I suggest that given the circumstances he pass

it on to one of his colleagues, whoever is going to speak next. I believe it will be the hon. member for Langley—Abbotsford.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, you can count on this being a very pleasant speech because I want to talk about Bill S-16, an act to implement an agreement between Canada and the republics of Vietnam, Croatia and Chile.

From my perspective Reform has always supported measures that might in any way lower the tax burden of Canadians. I am sure support will be found for the bill.

However, I do have, as my colleague has just talked very briefly about, some concern about how Bill S-16 came before us. I stood in the House a number of times on points of privilege and points of order. The privilege I spoke about is the privilege that is being denied members of the House to look at such bills first, have first reading, second reading, have them go to committee, perhaps have the committee go across the country if it is that important to discuss with people, have the bills go to third reading and then off to the Senate for its review.

I am really at a loss once again why we find Bill S-16, yet another bill, coming from the Senate first into the House. The problem I have is I guess we have to look at what makes the House of Commons effective first of all. I think what makes the House of Commons effective is open debate on any issue, dialogue across and the accountability, of course. If we stand up and vote for or against a particular bill in the House and the public does not like it there is accountability. There is accountability at the polls. If we look for feedback from our people it is democratic and bills get the right filtration they need throughout the country.

On the other hand, I guess one could look at what would hamper that in the House. What would hamper that is a debate after the fact, a bill going to the Senate first through unelected, unaccountable individuals, and then coming to the House seeking some form of rubber stamp after it has already been discussed by the Senate. I guess we would be hampered if the individuals who bring these sorts of bills to the House from the Senate were not elected, which they are not, and were not accountable to people in this country, which they are not, given that they are patronage appointments. I do not understand for a moment why a government time after time in the House purports to have some form of democratic process going on when bills are coming into the House from the Senate and are not debated first in the House of Commons. There is something wrong with that undying philosophy that my friends and buddies have a better process for making legislation than individually elected members of parliament.

• (1540)

My colleague from Calgary Southeast talked about the implications of Senate patronage appointments on the current elections in

Alberta. Just what does this government hope to gain by flying in the face of Senate elections in Alberta and appointing someone to the Senate from Alberta? What does it hope to achieve by that?

I will tell members what it is going to achieve. It is going to probably achieve no seats in the next election, but then it does not have many seats in Alberta anyway. I guess the arrogance of it all is starting to show. Maybe that's it.

When is this going to stop in this House? When is this government going to come to the realization that the House of Commons was built as an institution that legislates the affairs of Canadians. When is it going to understand that the buddies, the hacks, all those friends who have been appointed to the Senate are really not accountable for these issues, they really should not be initiating bills and sending them to the House? They really should not be looking after the clean-up of issues the government does not want to initiate in this House in the first place.

This issue of the Senate is not going to go away. I can assure members of that. It really does not matter to me what the content of the bill is coming from the House of Commons. The fact is all those bills should be initiated in this House first.

To the government it may seem that the other place, the Senate, is accountable, it can do all the work there and save the government some time. But that is not in the eyes of Canadians what this is about. If we are going to legislate then we must be accountable for our actions. We cannot toss it off to this group over on the other side that is unaccountable.

If the Liberals think for a minute that this is not going to be a major issue until such time as they initiate change to the Senate, they are kidding themselves. I think the arrogance of it all is bad enough but the overconfidence is going to get this government. This is by no means a small issue across this country. This happens to be a very large issue where I come from.

Canadians want a Senate that is accountable, that is elected, that is effective and they are going to get it. If they cannot get it through the other side they will get it through another party and another government.

Let us stop talking about Bill S-16 being so important that we have to get it through the Senate first. If it is so darn important then put it through the House first. My colleague is absolutely correct about the government's agenda. Here we are with young people looking for jobs, a dollar that is lower than it has ever been historically, taxes that are far too high, debt that is far too much and what do we have in front of us? Bill S-16 from the Senate. There is a minister here. Go back and tell the cabinet that Bill S-16 from the Senate does not address the issues of getting our kids back to work.

Now for my amendment. I move:

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That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

Bill S-16, an act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, be not now read a second time, but that the order for the second reading be discharged and a message sent to the Senate to acquaint their honours that this House will no longer accept legislation introduced by the Senate until the Senate agrees to lift the ban on senators' attendance records.

• (1545)

The Deputy Speaker: The Chair will take the amendment moved by the hon. member under advisement before it decides whether the amendment is in order and will get back to the House as soon as possible.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure to rise to speak to Bill S-16. This is my first time up in the House since we resumed. Like my colleagues I am extraordinarily disappointed with the line-up that we are seeing in the House this early in the session.

I start by pointing out that my friend is absolutely right when he suggests that we have a huge unemployment problem in Canada today, and here we are dealing with a bill that is, shall we say, a bit insignificant.

We have a problem today with our dollar. In case members opposite have not noticed, it hit 10 new historic lows in the month of August alone.

An hon. member: How many?

Mr. Monte Solberg: Ten new historic lows, unbelievably, and what are we talking about? A reciprocal taxation agreement with Chile, Croatia and the Socialist Republic of Vietnam.

We are concerned about taxation on this side, specifically about the issue of double taxation which the bill purports to deal with. However I would like to ask the government opposite why it is not concerned about double taxation in Canada. For crying out loud, we have GST on provincial sales taxes and we have GST on fuel taxes in this country. Why does the government not move a bill that would remove that type of double taxation? No. It is only good when it involves countries outside Canada. It is a disgrace that it has such a skimpy agenda.

My friends opposite have pointed to other issues. I will point to one as well. We have the social union that is being considered by the provinces right now. We have the federal government balking at dealing with the provinces. They are bringing forward for the first time in a long time a unified proposal. We should see the federal government embracing some of the things that are being brought

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forward by the provinces. Instead we are dealing with Bill S-16. It is absolutely unbelievable.

I point to an issue that has been heating up all summer and actually deals specifically with the bill but not in the way the government was proposing. I am talking about the Senate elections in Alberta.

Here we have a bill initiated in the Senate, a bill that, granted, is not a big important bill. However it deals with taxation. If a bill begins in a place where there are not elected people but actually patronage appointments, it is fair to say that essentially what we have here is a case of a taxation bill being drawn without representation. I am extraordinarily concerned that we are allowing this to continue to happen in this place. We have pointed this out before.

People in the lower house are elected; people in the upper house are appointed. They are friends of the Prime Minister and previous prime ministers. They are great hockey players in some cases but they are not people who were elected. They do not necessarily bring any expertise to these issues. I am disappointed that we have to lecture the government once again on what democracy is all about.

Today we had a great democrat speak in this place, Nelson Mandela. He spoke about democracy and I thought how ironic that we have Nelson Mandela in this place speaking about democracy and the government balks at allowing democracy to happen in Alberta.

In Alberta today we are trying to hold a Senate election. We had 600,000 people vote in the previous Senate election in Alberta and we actually elected a senator. Finally Brian Mulroney was forced because of tremendous public pressure to put Stan Waters, a Reformer, into the Senate, the first really truly accountable senator who has ever sat in that place.

• (1550)

Now we are proposing to do the same thing again, and what do we get from the Prime Minister? He says the Senate election is a joke. That is what he thinks of Albertans. I will tell the House what is a joke. I think the joke is the government's approach to the people of Alberta and to democracy. It is ridiculous that the Liberals will sit there day after day and say that we rejected a Senate of an elected nature under the Charlottetown accord. Therefore they will not give us any chance to elect senators at all.

The Prime Minister knows that is absolutely untrue. We rejected many aspects of the Charlottetown accord. We rejected specific things about the Senate proposal in the accord but we really rejected it because it would not lead to a triple E Senate, something that Albertans believe in very strongly.

The other day one of my colleagues asked the Prime Minister what he had done in the last five years since he had been in office to promote a triple E Senate, to promote an elected Senate. He could not answer. He has not done one thing in five years despite the fact that this is the most important constitutional issue, and even non-constitutional unity issue, for Albertans.

Despite that fact, the Prime Minister could not name one thing his government had done to push the issue of Senate reform. Now the Government of Alberta and Reformers have taken matters into their own hands. Hopefully they will embarrass the government a bit by showing it how democracy is supposed to work.

On October 19 four candidates for the position of senator will be on the ballot when Albertans go to the polls during their municipal elections. Two of those people will be selected and will ultimately be suggested to the Prime Minister when the next Senate vacancy comes up in Alberta. We certainly hope that this time around the Prime Minister will heed the wishes of Albertans who frankly were quite insulted the other day when the Prime Minister went ahead, even during a Senate election, and chose to put a patronage appointee back into the Senate. It is absolutely disgusting.

I will wrap up my remarks by saying that this is not an issue that Albertans will soon forget. We point out that we have been working on this matter for a number of years. One of my new colleagues, Bert Brown, who was nominated by Reformers the other day, has been working on the Senate issue for 16 years. His colleague, Ted Morton, who was also chosen by Reformers as a nominee for the Senate election, is a political scientist who has been working hard to push the issue of Senate reform for a long time.

We will not leave this issue alone. We will continue to pound away at the government on that issue and on the issues the government should be dealing with today such as lower taxes, not reciprocal tax agreements with other countries around the world. We will pound away on the issue of debt.

We want to know why there is not a bill before us today legislating debt paydown. We want to know why there is not legislation today dealing with some of the issues the provinces have raised in their recent discussions in Saskatoon. We want to know those things and we will continue to pound away.

We are putting the government on notice that we are prepared to bring these issues to this place, even if the government has become so disconnected from Canadians that the best it can do in its first week back is to bring in a bill dealing with reciprocal tax treaties with other countries around the world.

We think it is shameful and we are putting the government on notice that we will continue to bring these issues to the government, irrespective of the trashy legislation it has brought before us.

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The Deputy Speaker: The Chair is ready to rule on the admissibility of the amendment moved by the hon. member for Langley—Abbotsford.

I may say the Chair has very serious concerns that the amendment is out of order. I refer hon. members to citation 568 of Beauchesne's sixth edition wherein it states:

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

● (1555)

The amendment that is proposed by the hon. member for Langley—Abbotsford is relevant to the bill in its first part, but in its second part it would tend to lead to debate on the question of attendance records of the Senate, which, while possibly of interest to many hon. members, is not relevant to Bill S-16 that is currently before the House.

I also draw the hon. member's attention to citation 666 of Beauchesne's sixth edition—and I know that the whip of the official opposition is familiar with this citation—which states:

There are three types of amendments that may be proposed at the second reading stage of a bill. These are:

1. the hoist (eg. three months, six months).
2. the reasoned amendment.
3. the referral of the subject-matter to a committee.

The amendment proposed by the hon. member for Langley—Abbotsford fails to meet any one of those requirements. Accordingly I must rule the amendment out of order.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, I am thankful to be able to raise my voice on Bill S-16.

The Reform caucus supports the content of Bill S-16. The bill is technical in nature and addresses some tax discrepancies between Canada, Vietnam, Croatia and Chile, along with agreements that Canada has with 64 countries.

The bill is part of the thousands of similar mutual agreements that increasingly are being made between countries and organizations. It reflects the growing realization that co-operation and friendly competition under the same set of rules in the long run benefits all the players. When enlightened peoples learn to play fair economically by established rules, all of the world societies can be lifted up.

It is the direct opposite approach from the historical methods of socialism and in a partial way the tendencies of NDP governments in Canada. The politics of envy, exclusion and special rules for some and of quotas, exclusive regulation and a host of many other

measures that limit basic freedoms in the marketplace are the hallmarks of that kind of thinking. Unfortunately those kinds of hurtful ideas are still rampant in the academic community of the country and in too much of the reasoning from some of the NDP sympathizers.

Although the social goals may be the same as mine, the ideas about what is wise concerning methods of getting there makes all the difference. It goes much beyond belief. It goes to the hard evidence of what it shown over time to work and what is shown not to work.

When I travelled to Moscow last year to meet with Russian parliamentarians I was saddened by the similarity in the underlying concepts of the arguments I heard in their Duma about their resentments requiring economic penalty solutions such as disincentive taxes.

The politics of barriers rather than agreements seem to carry the day. It is no wonder that average Russians will likely always be poor. It comes from the ideas they carry about how to get to a better world and those ideas actually destroy any hope of ever getting there.

We have had the same historical problems in this country to a lesser degree. We even still see remnants of those hurtful ideas in the budgets of the present finance minister. Since my election to parliament in 1993 fortunately we have seen the government reluctantly move toward better economic fundamentals, openness, and move away from socialist tendencies. There is hope that we can become fully a freedom loving country where every member of society has a chance to participate in the economy and have the opportunity to take responsibility for their welfare.

The more we get our national economic fundamentals right, the more we as a society will be able to help those who cannot help themselves.

There are agreements of mutual benefit among nations, provincial economic zones, markets and labour zones. All these must continue to be opened up with fairness, avoiding discrimination.

The bill makes an agreement with three countries. Yet we still have a way to go to get it done, to make agreements within our country among provinces to enhance the overall economic welfare of Canadians. If Canada then can set the highest of standards for the regulation of a self-renewing economy, other nations can follow.

For example, when ethical fundamentals were violated in the Asian economy the consequences eventually came to us all in the world. It hurt us all. However the bill represents the possibility of the opposite trend where we can get our economic fundamentals right and the whole world community can be elevated to fulfil its human potential.

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• (1600)

Mutual agreement in fairness is the goal. How we get there in the process is also important. That is why I am concerned about the precedent this bill sets by being first tendered by the government in the Senate.

We do not agree that the bill should come from the other place. Did the Minister of National Revenue or the Minister of Finance feel that the House was too busy to handle this bill from the beginning? Or did the government think that it needed to give the other place a bit of work?

Reform truly believes that bills may sometimes come from the other place, however only if the other place is elected, effective and equal. So far, none of these traits generally characterize the other place.

This week was the first week for a few new senators. Senator Mahovlich put on his new suit on Tuesday, which we know from reading the full page ad in the *Globe and Mail* was picked out by his personal shopper at Harry Rosen. Off he went probably thinking to himself that he had it made, no coaches yelling at him, no penalty box and lots and lots of vacation time. Who can blame any senator for feeling that way? Senator Thompson took good advantage, as have many others.

If I had an attendance record like some of today's senators, I would have to begin looking for a new job. My constituents would give me the boot pretty fast. But senators do not have constituents. They may say they do but it has become more of a figure of speech. I would propose that if one randomly asked 10 people in Ontario to name one senator from Ontario, most would be very hard pressed to do so. Most would probably say Alexei Yashin and although he is a senator, he is not from the other place.

I do not stand here today to criticize everything that is wrong about the other place. In fact, it could very well be quite effective. It definitely has the potential, if it was reformed. Senator Ghitter may have said it best when he said "We do not need to abolish the Senate. We need to change it. It is either that or maintaining the status quo which means more and more downward slide of the Senate".

Throughout this past year I served on the Special Joint Committee on Child Custody and Access. The committee was made up of senators and members of the House of Commons of all political stripes. Our goal was and is to suggest changes to the unbalanced Divorce Act. I can honestly say that the work performed by senators was excellent.

Many know already that the attendance record in the other place of Senator Cools is very good. Her attendance and her work ethic in the committee was also very good. I know that Senator Cools was also appointed. I also know that the senator takes her job very

seriously. She has been a tremendous advocate for the disadvantaged who have been shafted by the judicial system.

Senator DeWare is also another member of the committee who not only had a good attendance record but provided a great deal of knowledge and compassion to the issue.

Unfortunately, these two senators seem to be exceptions to the rule of the other place. We know full well of the exploits of Senator Thompson and his abysmal record. We also know of Senator Lucier who attends less than half of all sitting days.

The Deputy Speaker: Order, please. I know that the hon. member would like to go into Senate attendance. I suggest to the hon. member that first, it is not relevant to the discussion we are engaged in today on Bill S-16. Second, I must advise him that it is out of order to speak disrespectfully of the other place. I know he knows that is the rule of this House. It is in the standing orders of this House.

He will want to be very careful in the words he uses. I have allowed him to go on about attendance a bit because he was being so praiseworthy of certain hon. senators. He knows that like us, they are members of the houses of parliament and he must avoid speaking disrespectfully of the other place.

I invite him to refrain from getting into anything that would touch on a personal attack on any hon. senator or that would speak in any way disrespectfully of the other house of parliament.

Mr. Paul Forseth: Mr. Speaker, last week the Prime Minister appointed Senator Roche to the other place. For all we know this senator may end up displaying excellent attendance records. He may even become valuable when bills need that sober second thought.

That is not the point I am trying to make. The point is that the Prime Minister had every opportunity to wait until the Alberta Senate elections on October 19 and then appoint a winner. Senator Roche had the opportunity to throw his hat in the ring. In recent days he said that he agrees with Senate reform. He has also had the opportunity to honour his words.

As for the Prime Minister, by not waiting until the election, he has told Albertans that they simply do not count. In one easy sweep the Prime Minister has thrown Alberta mud on democracy.

• (1605)

Even former Prime Minister Brian Mulroney honoured the wishes of Albertans in 1989 when he appointed elected Senator Stan Waters. The Prime Minister may have protested at first but in the end he respected the wishes of Albertans.

The key word is respect. It is a word that Canada's Prime Minister must comprehend. The Prime Minister may believe the

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other place is working just fine, but it is unfortunate that he does not believe in listening to what Canadians think about it. He may even want to listen to the words of those in the other place because they too believe that changes should take place.

Reformers are committed to moving ahead, to making democracy better and to bringing more accountability. To the dissatisfaction of so many, the Liberals are keen on holding on to the status quo. Canadians are not willing to accept that status quo however. They believe in a strong Canada and believe in democracy. They do not believe in the old top down approach preserved by the Liberals.

It is time that the Prime Minister let go of his gigantic ego and did what is right for the country. If the ego means too much and if the pride is too deep to change, then perhaps it is time to call it quits and let a more creative leader and maybe even a better party step in and make Canada a place of pride where all can more fully participate.

I would like to move:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

This House declines to give second reading to Bill S-16, an act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia, and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, since the principle of bill does not address the issue of an elected Senate introducing legislation which this House finds unacceptable in today's political environment and, in particular, this House finds it offensive that an Alberta senator has been recently appointed by the Prime Minister before the people of Alberta vote to fill the said position in the upcoming Senate elections in October.

The Deputy Speaker: The hon. member for New Westminster—Coquitlam—Burnaby has proposed an amendment to the House. Once again I draw the hon. member's attention to citation 568 of Beauchesne's which states "It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed".

With reluctance, the Chair finds that the amendment proposed by the hon. member is irrelevant to the principles of this bill which deals with taxation matters and not with an amendment of the constitution with respect to the Senate of Canada. Accordingly, I must rule the amendment out of order.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, it is my pleasure to speak to the bill on tax conventions. But first, I would like to make a digression similar to that of my Reform colleague earlier. I do not want to take away from this bill, which I consider very important. Tax conventions are always important, as are their provisions.

However, the precipitous drop in the value of the Canadian dollar, its effects on the economy, the three consecutive months of slower economic growth, the declining orders with businesses, all the composite indexes, including those released yesterday by Statistics Canada for the month of August, indicate that we are in a period of economic slowdown. However, the Minister of Finance keeps producing fantastic surpluses every month off the backs of the unemployed, the sick, the provinces, everywhere except his own back.

Instead of using these surpluses to stimulate economic growth, he most unwisely prefers to pay off part of the debt, whereas he should be setting up reserves and using them right now to stabilize the economy. I would like this to have been debated in this House.

• (1610)

It seems to me important that we do not find ourselves in ten months facing the delayed effects of a recession, in a full recession with the loss of thousands of jobs, because the Minister of Finance failed to carry out his responsibilities and failed to use tax revenues wisely to stimulate economic growth, create jobs and reverse the trend we have seen in recent months.

That said, I would have liked such a debate, but I would like to devote the next few minutes to Bill S-16, which I consider very important. It is aimed at implementing three tax conventions, which I will explain later and which were signed between Canada and three countries: Croatia, Chile and Vietnam.

What are these tax conventions? They are agreements Canada has signed with the countries I just mentioned to prevent Canadian companies, for instance, that have branches in Croatia, Chile or Vietnam from having the revenues, capital or profits from their branches abroad taxed twice when these revenues are brought back into Canada.

The opposite is also true. Chilean companies also have branches in Canada. These tax conventions ensure that the same revenues are not taxed twice. This would not make any sense and would be both unfair and devastating at the economic level and in terms of job creation in Canada as well as in Croatia, Vietnam and Chile.

Tax conventions are based on a very good principle. This practice has been in effect in Canada and throughout the world for many years now. Canada has signed dozens of tax treaties with various countries, and that is all very fine.

The problem with the tax treaties or tax conventions we sign with other countries arises when the tax rates in these countries are very different than our own. The difference may be so great that, if revenues are taxed in the other country and not in Canada, there is a terrible fiscal distortion. Also, Revenue Canada stands to lose a lot of money in tax revenue.

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Let us take as an example a country like Barbados. Barbados is considered a tax haven, just like Bermuda, Liberia, and other countries. In these countries, the rate of taxation is so low that it is almost non-existent. In Barbados, the maximum corporate income tax rate is 2.5%. For your information, the maximum tax rate in Canada for businesses is about 40%. The tax rate ranges from 25% to 40% depending on the nature of the industry and the tax expenditures applicable to each business.

Therefore, when Canada signs a tax treaty with Barbados, it means that a Canadian company with a branch in that country will pay only 2.5% tax on its profits there and can bring the rest into Canada without having to pay a cent to Revenue Canada. This makes no sense at all. The gap is too wide between the taxation rates in these two countries.

For the Bahamas, it is even worse: the taxation rate is zero. If Canada signs a tax treaty with the Bahamas, Canadian companies that have a branch in that country will pay almost zero tax on their profits there. They will then bring that money into Canada. Since the profits will have already been taxed in the Bahamas, no tax will have to be paid in Canada by the parent company. This creates a substantial imbalance.

That is why, when Canada signs a tax treaty with another country, we have to make sure that the tax rates are comparable, that Revenue Canada will not lose tax revenues and that this tax treaty will not encourage companies to open bogus or even legitimate branches in countries considered to be tax havens simply because tax rates there are very low and because there is a tax treaty. The Canadian company pays tax in that foreign country and does not have to pay tax in Canada, which means a loss of tax revenues for Revenue Canada.

• (1615)

Those who are watching us today should know that it is the people of Quebec and Canada who have to foot the bill for this loss of tax revenues, for those taxes that are not paid in Canada by Canadian companies because of these kinds of tax treaties with countries that are considered to be tax havens. It is the people of Quebec and Canada who have to pay the taxes that these businesses avoid paying through the existence of reciprocal taxation agreements also known as tax treaties.

That is why we have to avoid signing such agreements with countries that have taxation rates that are very different from ours.

Ever since the Bloc Québécois was elected to this place five years ago, every time a bill to implement a tax convention has been introduced in the House, we have taken these conventions very seriously, as they could ultimately result in tax losses for Canada, which would have to be covered by individual and corporate taxpayers in Quebec and Canada.

Every time, we have carefully considered the conventions on a case-by-case basis to determine whether the countries entering into a tax agreement with Canada had comparable tax rates.

In this particular case, when we checked in the International Tax Summaries, 1998, at first glance, based on the analysis contained in this document and our own analysis of the situation, comparing tax rates with tax expenditures, supply, etc., tax rates in Croatia, Chile and Vietnam seemed to be relatively the same as in Canada.

Personal income tax rates varied between 20% and 35%. As such, a maximum tax rate of 35% is fairly similar to what we find in this country. The maximum corporate tax rate was also 35%. Canada and Croatia basically have comparable rates.

Turning to Chile, again, the maximum tax rate was 35%. So, it is really comparable to Canadian rates. There is no big difference.

In Vietnam, tax rates vary between 0% and 60%. Compared to our 35% to 40%, a maximum rate of 60% may be making this convention slightly unfavourable to Vietnam, as far as individual taxpayers are concerned at least. It all depends on the type of relationship and the subsidiaries that will be established in Vietnam by Canadian interests and vice versa. All in all, as a basis for assessing comparative tax rates, let us say we do not see any problem with this tax convention and we will support the bill.

Since April 1994, when the Bloc Québécois first intervened with respect to a tax convention bill, we have been asking the Minister of Finance and the government to tidy up some long-standing tax conventions with countries whose tax rates differ radically from Canadian tax rates and, if need be, to set them aside because they create imbalances in fiscal exchanges between Canada and the parties to these conventions, which are considered tax havens.

We have asked the Minister of Finance on countless occasions to update these conventions. As I mentioned earlier, the tax rates in conventions signed with Liberia, Barbados and Bermuda are so low that there is a real shortfall for Revenue Canada. When Canadian companies with branches in these countries realize profits that are taxed at anywhere from 0% to 2.5%, instead of the 25% to 40% they would be taxed at here, depending on the nature of the tax, there is a substantial imbalance.

• (1620)

Distortions are created and there is also a shortfall that can be substantial for individuals and for Quebec and Canadian companies. They must make up this shortfall.

Every time we asked the Minister of Finance to do something about this, we received a completely detached and unconcerned reply, just as each time we asked him to really reform taxation he

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told us that we had done a good job, that our analysis was correct, but completely side-stepped the fundamental changes that should have been introduced in 1993 after the election. Behind a veneer of equity and fiscal fairness, the Liberal Party talked about overhauling taxation. Once this government was elected, what happened to its concern for tax fairness, for tax equity, and what happened to the promised reform of the Canadian tax system, which is still full of loopholes? Our tax system still includes tax conventions with countries with which we should not have such treaties, because it is very costly for Canada.

Whenever we ask the Minister of Finance to review these conventions with countries considered to be tax havens, he tells us that it is not an urgent matter. He also tells us that, over time, the government will make a few minor reforms here and there.

Yet, it would have been so simple—as we suggested to the finance minister back then and have kept suggesting every year, whenever we have had the opportunity to do so when dealing with other bills involving tax conventions—to correct the situation. A few years ago, the United States and the European countries were quick to react and make adjustments, in light of these imbalances.

Let us say, for example, that Canada has signed a tax convention with a country that has a 2.5% tax rate, as is the case for Barbados, or where taxes are practically non-existent, as in the Bahamas. But let us assume a 2.5% tax rate.

The United States solved the issue by providing a tax credit to companies that have already paid some taxes on profits made by subsidiaries in countries such as Barbados. So, a tax credit is given to American businesses that have already paid a 2.5% tax on their profits. These companies are given a credit equivalent to what they have already paid in taxes to Barbados, but they have to pay regular taxes to the American government.

In other words, if you paid \$10 in taxes to Barbados and would normally have to pay \$40 in the United States, you now owe \$30 in taxes on your corporate profits. The amount already paid in the foreign country is taken into account. This makes it possible to continue to have tax conventions with countries whose tax rates are much lower than ours. A tax credit is granted to companies that have subsidiaries in countries considered to be tax havens, for the portion—however small—of taxes already paid abroad. These companies then pay to the American government the full amount of taxes that they would normally have to pay.

This is not hard to understand. It is logical and it is fair. That is called tax fairness, tax equity, which involves the payment of the money owed, no more, no less, to the government by individuals and businesses.

If a business owes the government money, but through a subsidiary in a country considered to be a tax haven it does not pay

its fair share, it is the responsibility of the Minister of Finance and of the Liberal government to recover this money. It does not mean threatening the survival of a business, it means ensuring that all businesses receive the same treatment.

A Canadian business operating on Canadian soil without a subsidiary in a tax haven pays its share of taxation at a rate varying between 25% and 40%. Why then would a business with a subsidiary in a tax haven be required to pay only 2.5% or even 0%? It makes no sense.

There are distortions. There are major injustices. Representatives of business ask us why the Minister of Finance has failed to act in this matter up to now.

• (1625)

The Department of Finance provides little information. It keeps no record of financial losses that occur as a result of these tax conventions. Nor does it keep a record of the number of businesses set up each year so very carefully in countries considered to be tax havens. However, the information we have indicates that nothing has changed. Quite the contrary, the situation has worsened.

Let us look just at the six major Canadian banks. A number of criticisms may be levelled at them, but this one is well founded. The six major Canadian banks have 119 branches abroad, including 57 in the Caribbean, where tax havens abound. There are not a lot of people, and there is not a lot of wealth. What are the 57 branches of the six major Canadian banks doing there? Banking, no doubt, but enough to justify maintaining 57 branches in the West Indies? We need some hard answers.

Earlier I explained how tax havens worked. The tax rate is very low. Revenues and tax losses are allowed to circulate between head office and the subsidiaries abroad. There are tricks to saving taxes and perhaps the banks use them in the West Indies. Of the 119 branches abroad, 57 are in the West Indies. Now that is really something.

On the Cayman Islands, a typical example, the situation has not changed, it has worsened. Around the mid 1990s, in 1994-95, there were 28,000 companies on the Cayman Islands, a tax haven par excellence, for a population of 30,000. That is just about one company per inhabitant. We can see it makes no sense. However, these are the countries we have relations, this sort of tax convention, with. It makes no sense at all.

This is why we keep asking to have things cleared up and a simple rule applied, as the Americans did recently. There should be a tax to be paid in Canada, the usual business tax, and a credit given for the tax already paid abroad—whether it is 15%, 20% or 25%—and the tax payable less the credit comes to something close to zero. That is the way it should be. This way we could say there

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was no problem for countries we have tax conventions with, if their tax rate is the same.

The credit amounts to the tax they paid there, and the tax payable here comes to zero on calculation. However, when really ridiculously low tax rates are involved, there should be an amount payable covering the difference in tax rates with Canada's higher rate so these businesses do not rob us. I repeat. What they do not pay, the taxpayers pay for them. This is indirect robbery by means of a tax convention that is legal and has the approval of the Minister of Finance.

I have often asked myself why we have a Minister of Finance if he does nothing, if he does not review taxes, if he does not plug tax loopholes and review tax conventions as we ask and if he allows hundreds of millions out of the country as the auditor general pointed out in 1992. Why do we pay him? Why is he there?

My second question was this: Why is he doing nothing? I had my answer less than one year ago. We already knew this, but since it came from sources other than the Bloc Québécois, we were not going to let it slip by. Why does the Minister of Finance do nothing about tax havens, given the discrepancies I have just mentioned? The simple answer is that, since 1981 when he acquired Canada Steamship Lines, he has opened ten subsidiaries of that company in other countries. These ten subsidiaries are located in Bermuda, Liberia and Barbados, three so-called tax havens.

• (1630)

Prior to 1981, before the Minister of Finance took possession of Canada Steamship Lines, these subsidiaries did not exist. He organized his international shipping activities—because everyone knows he is involved in shipping, it is public knowledge—by opening subsidiaries in tax havens, with preferential tax rates, with great flexibility regarding environmental policies, for instance. In some of these countries, very little is respected. There was also quite a bit of give in the labour policies. These are not necessarily countries with stringent labour laws.

The Minister of Finance himself, who is involved in shipping, is at the helm, has subsidiaries of Canada Steamship Lines in so-called tax havens. Is he both judge and jury here? One might well wonder. The public also has a right to wonder why hundreds of millions of dollars are allowed to float away to so-called tax havens, why this is allowed to hang fire—for that is what is happening—, why tax conventions are maintained with countries with tax rates ridiculously close to zero. We are the ones who foot the bill for taxes not paid by Canadian subsidiaries in other countries. We are probably footing the bill for Canada Steamship Lines as well.

This is unfair. It is inequitable. There is something about it that bothers me and that greatly bothers the public. On December 10, 1997, a bill was introduced: Bill C-28. I can tell you that we will not drop this matter. We asked that special committee be struck to look into Bill C-28.

Perhaps I should remind those who have forgotten what Bill C-28 was about that its provisions supplemented somewhat tax treaties between Canada and countries considered as tax havens.

Bill C-28 is a big, massive bill. When it was introduced at first reading on December 10, it went almost unnoticed. At second reading, however, when it was first debated in the House, on February 2, 1998, the Bloc Québécois went over this bill several hundred pages long with a fine-tooth comb. We dissected the bill and, toward the end, we found this rather short passage—three little paragraphs, 12 lines altogether over more than 400 pages of legislation—which proposed a tax change with respect to taxes paid by steamship holding companies. The Minister of Finance owns such a company.

What was the purpose of this change? It provided for holdings involved in international shipping operations in countries like Liberia, Bermuda and the Bahamas, where the finance minister's ships and companies operate, to be exempt from paying taxes to Revenue Canada. And no action would be taken against any of the international shipping companies involved. There are only five such companies in Canada, and the Minister of Finance owns one of them. Revenue Canada cannot retroactively prosecute these companies for unpaid taxes.

When we pointed that out at second reading, we were told we were wrong, that it was not the case, that it was not true. The Minister of Finance tore up his shirt. For example, when he left the House, he had a hard time providing an explanation for five minutes. He was stuttering, which is unusual for him. You have seen him during oral question period. He is so confident, he is so sure of himself that he gives us the short shrift. Even though every economic indicator points to a downturn in the economy, even though all the experts are talking about a major slowdown, and even though an increasing number of them talk about a recession in a year from now, as far as the minister is concerned, there is no problem. Things are just fine.

In the last two days, he has been using old quotes from the experts, and from the Quebec premier, Mr. Bouchard, during oral question period. These quotes are old ones dating back to the Saskatoon meeting, a month ago. The minister uses old quotes from experts that date back to last month, when the Bloc Québécois raised the alarm by saying "be careful about the dollar free falling". The Prime Minister and the Minister of Finance are wrong to take this lightly, to play golf and to continue to say there is no problem, that there is no adverse effect on the economy".

• (1635)

There is a risk of a slowdown in the economy. The number of jobs could decrease. We pointed that out in early August, and they made fun of us. Now, all the indicators point to a downward trend. For the past three months the economy has been slowing down, the growth rate and the GDP have been decreasing, and the Minister of

Finance is still quoting what the experts said when we raised the alarm.

The situation has changed since then. The experts now agree with the Bloc Québécois. They have asked the minister to use the surpluses generated at everyone's expense to, first, reduce taxes, second, increase social transfers and, third, lower employment insurance contributions, so as to give businesses and workers a break. But no, everything is just fine, said the minister with assurance, no problem.

On February 2, when this apparent conflict of interest was brought out—one that still exists—the Minister of Finance left the House, and his assurance left him as well. He did not have much in the way of explanations to offer, since he was the sponsor of a bill which offered tax advantages and protection against any recourse by Revenue Canada for payment of income and other taxes by his shipping subsidiaries located in countries considered to be tax havens. He was stuttering.

He referred us to Len Farber—and I recall it as if it were yesterday—his main man for tax policy, but also what I would call his main man for shady dealings. That same Len Farber who told us there was no problem with the family trusts condemned by the Bloc Québécois as well as by the auditor general two and a half years ago.

Members will recall the two family trusts that moved from Canada to the United States. Two family trusts with total capital evaluated at \$2 billion, transferred over to the U.S. without a cent of tax deducted. That same Len Farber, the great tax expert and organizer of shady dealings for the Minister of Finance, told us there was no problem, that everything had been done in accordance with the taxation rules, even if the decision at midnight to let these two trusts go without any problem had been made on December 23, 1990. At the end of the debate, Mr. Farber was taken down a peg because the Minister of Finance had been obliged to table a bill to block the loopholes that had allowed this near-illegal transfer of two two-billion dollar trusts to the United States.

That same Len Farber is given us as a reference by the Minister of Finance for an explanation of why there is no problem with Bill C-28. I met with him personally, along with one other person, in my office on the fifth floor, and it was explained to us that there might be a problem one day.

A minister introduces a bill which has an impact on a business in an area in which he works on the international level. Then a person referred by him tells us there could be a problem, a potential conflict of interest, that we need to be careful. We therefore began to wonder, and the fact is that the appearance of conflict of interest remains.

The minister then referred us to his ethics counsellor, who testified before the Standing Committee on Finance. Not only did

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he say there might be an appearance of conflict of interest, but he put it in writing. It was repeated time after time that a public inquiry was necessary for the sake of the Minister of Finance, that all appearance of conflict of interest needed to be taken away, because it made no sense to maintain the situation as it was. The minister always maintained that there was no problem, despite all the arguments to the contrary that were put forward.

Not often have we seen all four opposition parties present a united front. However, on this issue, members of the Bloc Québécois, the Reform Party, the New Democratic Party and the Progressive Conservative Party held a joint press conference to demand an inquiry because of the appearance of a conflict of interest.

Not only was their request turned down, but when motions were tabled at the Standing Committee on Finance to call witnesses to shed light on the impact of Bill C-28 on the Minister of Finance's shipping companies, all Liberal members on the committee voted against these motions.

The minister and the government keep arguing that there is no conflict of interest or even the appearance of a conflict of interest. Yet, the Minister of Finance, who is sponsoring a bill dealing with international shipping, is the sole owner of an international shipping company that operates in tax havens.

• (1640)

How can you expect changes to the tax system? How can you expect the people opposite to be willing to review those tax conventions signed with countries whose tax rates are much lower than ours, and where tax evasion is possible?

I think we know the answer to that question. There is no willingness on the part of the government. The people opposite may be acting as judge and jury. We will not know for sure—and there is still some doubt in my mind—until we shed some light on Bill C-28, its impact and the appearance of a conflict of interest involving the Minister of Finance.

Is it any wonder the minister is unwilling to review the tax system? For five years now, we have been asking him to review the whole tax system in order to make it fairer. But he knew that the tax rates of shipping companies and our relationship with tax havens would fall under the scope of such an extensive reform, which is why he did not seem too eager to carry it out.

When we realized what was happening, we, in the Bloc Québécois, decided to release starting in November 1996 two series of studies, some 350 pages, including very serious analyses and recommendations. In our studies, we suggested several changes to the personal income tax system to make it fairer and to give a tax break to middle-income Canadians who, need I remind you, have paid most of the \$20 billion in new taxes the Minister of Finance has imposed since he was appointed in 1994. A large part of this

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\$20 billion was paid by middle-income Canadians. Businesses in Quebec and Canada absorbed the other \$17 billion in tax increases.

We presented a document on personal taxes which included critical analyses as well as recommendations. When we presented this document, the Minister of Finance praised us in the House. He said: "I praise the opposition for the serious work it has done on personal taxes and for its approach to this issue. I recognize there are problems and I recognize this document contains some good solutions". He then took the document and put it at the bottom of his desk. When his desk was cleaned at the end of the summer, the document was put away in the circular file. We got no tax reform proposal from him.

Then we presented another document on corporate tax expenditures in Canada. It was an analysis of the main tax loopholes used by large businesses in Canada. Our analysis showed that some of these were outdated but cost billions of dollars a year to the Canadian treasury, and they still do, with the people of Quebec and Canada having to pay the difference in personal income tax.

We proposed abolishing certain tax expenditures and transferring these savings to small businesses to encourage job creation: for example, reduced payroll taxes and tax breaks for businesses that create jobs year after year.

The Minister of Finance said: "Another serious exercise". Right. We can do without his praise. What we want is tax reform, and we never got it.

The Minister of Finance was so embarrassed about not doing anything that he decided to establish the Mintz group, a working group presided by Mr. Mintz, a highly competent tax expert. This group produced a large document. It took them a year as the deadline kept being postponed.

Some recommendations are worthwhile. Others are absolutely worthless. But to ease his conscience, the Minister of Finance asked the Mintz group to produce an analysis of tax reform. The group submitted its report last year. The Minister of Finance probably put that report on a shelf or in his desk. It did the same with it as it did with our two analytical studies on personal and corporate taxes.

There is no political will on the other side of the House to reform our tax system for the reasons I stated earlier. I see what the minister has done over the last five years. If there is anyone who follows him closely, it is me.

• (1645)

I see that the minister was coasting. Business was good, so he surfed, he rode the crest of economic growth. Money was coming in—corporations and individuals have paid \$37 billion in taxes into

the federal coffers over the past four and a half years—and he collected it. He also took in surplus after surplus in the employment insurance fund, to the tune of \$6 billion a year, during three and a half years.

He is still collecting and wants it to be legal. He will ask his fellow ministers to be his accomplices in robbing the EI fund. He has cut assistance to the poor and the sick. He has cut billions from transfer payments to the provinces; by 2003, he will have cut \$42 billion from transfers for social assistance, higher education and health.

He pocketed the money. Everyone—the sick, the disadvantages, seniors, students—tightened their belts while he collected. A real money machine. Favourable economic conditions, combined with cuts imposed on the poorest of the poor and cuts to health transfers, that is what he calls sound management of our public finances.

He could have taken positive steps instead of achieving the exact same result through decline management. He could have reviewed the whole tax system five years ago, when we asked him to; it was in fact part of our platform. He could have plugged the loopholes in the tax system with respect to tax havens. He could have reviewed the reciprocal treaties, that is, the tax conventions with countries considered tax havens. He could have avoided voting in favour of bills promoting international shipping, where he has some involvement. He could have done a whole lot of positive things for employment, equity and tax fairness.

But no, the Minister of Finance took advantage of the economic situation. Money was coming in and everything was fine. He looked like a good manager, but he is one of the worst we have ever had. In the past, the economy was not so kind to finance ministers. We have had Ministers of Finance who were less draconian than this one. They would not have dared take money from the sick, the unemployed, those on welfare, students and the less fortunate. There was respect at that point, which the Minister of Finance no longer has for anyone.

Bill S-16 is a good bill, because the countries involved have comparable tax rates. But it has given us an opportunity—and we will seize it whenever we can—to criticize the inertia and the lies of this government along with the measures it has not taken but ought to have to improve the lives of people in Quebec and Canada. These measures could still be taken, because the surpluses generated could be used properly instead of to repay part of the debt in a context that is very uncertain at the moment.

I remind you that we do not oppose repayment of the debt. When things are more sure, we will be the first to advocate using a large part of the surplus to repay the debt. At the moment, however, we have had three consecutive months of economic slowdown. The Statistics Canada composite index tells us there was no growth in

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August, something we have not seen for two years. Businesses' orders are down and jobs are beginning to stagnate in the area of trade.

It seems to me that all this together with the fact that the Bank of Canada stupidly raised interest rates by one whole percentage point on August 27 sent considerable shock waves through the economy, which was already weakened after three consecutive months of reductions in the rate of GDP growth. We thus have all the ingredients for a major economic slowdown in the months to come. Let us not forget that such a downturn means fewer jobs created, a loss of wealth and less tax revenues for the government. In short, it means hardship.

The Minister of Finance now has surpluses he should use to stimulate economic growth. He should at least do that good deed, given that he has not done any in the past five years. Let us give him the honour and ask him to take our request for a special budget seriously. He should consider using the surpluses to stimulate domestic economic growth by reducing taxes for middle-income people—who have been paying a lot in the past four years—and by reducing EI premiums, so as to give a break to businesses and workers, who have contributed more than their fair share in the past few years.

• (1650)

The minister should listen to the unanimous plea made by the premiers. They are asking him to reinvest what he shamelessly took from federal transfers to the provinces, and to use that money to fund social assistance, higher education and health. That is all we are asking him to do.

Having said that, we will support Bill S-16.

[*English*]

The Deputy Speaker: Before recognizing the hon. member for Palliser, it is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for New Brunswick Southwest—Hepatitis C.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, it is a pleasure to be back in the House and to follow my learned colleague from the Bloc. I listened with great interest to his speech and his recommendations. I commend it to the finance minister and to government members opposite.

I also want to associate myself with most of the other speakers who have been up on the bill to talk about the relative unimportance of Bill S-16 in comparison with the important financial, fiscal and other needs we think we should be discussing in the House.

Probably like many other members of parliament I conducted some accountability sessions recently before returning to parlia-

ment to find out what was on the minds of the constituents in Palliser. We talked about a number of things.

We talked about the low dollar, the crisis in agriculture, how any surplus the federal government has will be apportioned, the lack of a national transportation system, the fact that Canada is virtually the only country in the OECD that does not have a national transportation system, the recent hike in interest rates, the lack of national funding for medicare, what to do with the EI surplus and the Tobin toll. I assure the House that nobody talked to me at all about tax treaties between Canada and the Socialist Republic of Vietnam, the Republic of Croatia and the Republic of Chile.

The bill is very thin gruel by comparison to what Canadians would like to be talking about here this afternoon. I know it is up to the government to propose legislation. I will give it the benefit of the doubt and suggest that this is perhaps a bit of housekeeping that needs to be tidied from last June. We in this caucus would certainly hope that the government moves forward in a speedy fashion to bring in more substantive pieces of legislation.

This caucus will be supporting Bill S-16. It is a tax treaty bill that we do support on its merit to avoid double taxation and to prevent fiscal evasion. The taxation rules of the treaties need to be passed by an act of parliament in order to give them precedence over domestic legislation, and the conventions follow OECD models on double taxation conventions.

The bill is quite similar to several tax treaties introduced in parliament in past years, for example Bill S-9 and Bill C-10. Fortunately Bill S-9 is that infamous piece of legislation passed in the 35th Parliament that was embraced, supported and promoted by both the government and the Reform Party that offers substantial tax breaks for Canadians who make donations to American charities and American universities.

While it is reciprocal it is not terribly because we have about 25,000 Canadian students in the United States compared to only a very few thousand Americans who come north for their post-secondary education. It is a huge tax break for the wealthy in this country. Added to it was the U.S. estate property taxes dating all the way back to 1987, paid for not by the Americans but by the Canadian government. This is just a reminder about the very significant shortcomings of Bill S-9. Bill S-16 was studied by the Senate foreign affairs committee and returned to the Senate without amendment.

As I said before, the tax treaties are between Canada and the Republic of Vietnam, the Republic of Croatia and the Republic of Chile. Currently we do not have tax treaties with these three countries.

• (1655)

The government's rationale for the legislation is that it is necessary because the provisions of the respective agreements are sometimes different from the provisions of the Income Tax Act and

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it is necessary to ensure that as much tax reporting as possible be allowed. These agreements will override the Income Tax Act.

In addition we note the tax treaties are necessary to avoid double taxation and to prevent fiscal evasion. They also provide tax certainties to individuals and companies carrying on businesses abroad, foreigners carrying on business in Canada, and individuals receiving income from Canada who are living abroad.

Pension payments between the respective countries are treated in the following way: Vietnam and Croatia apply withholding tax rates limited to 15%, while Chile allows all pension payments to be taxed only in the country where they are paid out.

Social security payments under the tax treaty provisions are taxable only in the country in which they originate and in accordance with domestic legislation.

In order to avoid double taxation each of the treaties also contains specific rules which in the case of Canada refers to an exemption for certain dividends received from foreign affiliates and for credit in other cases. One exception is the treaty with Vietnam which contains a rule referred to as the tax sparing provision, ensuring that the most developed countries will not tax away some incentives provided under the domestic legislation of less developed countries. This is apparently to be a short term provision.

These treaties provide for an exchange of tax information between the revenue authorities of countries to assist them in the fight against tax fraud and evasion. The problem, however, is that the treaties only say that information may be exchanged and do not say it must be exchanged or is required to be exchanged. For example, individuals and companies which may want to play around with the tax system run a risk of tax authorities obtaining tax information but no guarantee.

While supporting this initiative to create better checks and balances on taxation information matters between these countries, however, we should encourage the same government to look further to the concerns about large flows of investments that go unrecorded and the level of fiscal evasion that these unrecorded investments represent.

While I am on my feet it is important to make reference to the Tobin tax on foreign exchange transactions which can be used in this area. Indeed there are areas of the international economy that require active supervision and control. That is our strong contention. International trade and investment grow best during the careful process of long term planning and prediction. Uncertainty such as the current turbulence in today's financial markets and their effects on domestic interest rates and dollar values are too costly.

The biggest challenge we have is to regulate the financial markets so that their speed is slowed and their powers reduced somewhat.

There has been a fair amount of talk about the Tobin tax or the Tobin toll. I will take a few minutes during this intervention to comment on it. The Tobin tax derives its name from James Tobin, a Nobel prize winning economist who first proposed the idea of a tax on foreign exchange transactions that would be applied uniformly by all major countries. I believe he was talking about a small amount, less than .5%, to be levied on all foreign currency exchange transactions to deter speculation on currency fluctuations.

While the rate would be low enough not to have a significant effect on longer term investment where yield is higher, it would cut into the yields of speculators moving massive amounts of currency around the globe as they seek to profit from minute differentials in currency fluctuation.

We might ask why the support is growing for such a tax. The interest has grown rapidly in such a mechanism as the place of foreign exchange transactions and financial deregulation has accelerated significantly over the past decade. We believe that today about \$1.5 trillion U.S. is traded every day on unregulated markets and less than 5% of this activity is related to trade in goods and services. The remaining 95% is simply speculative activity as traders take advantage of exchange rate fluctuations and international interest rate differentials.

● (1700)

This kind of financial speculation plays havoc with national budgets, as we have seen this summer in our own country, economic planning and the allocation of resources.

Governments and citizens are becoming increasingly frustrated by the whimsical and often irrational activities in global financial markets that have such an influence over national economies and are seeking some means to curb damaging and unproductive speculative activities.

A uniform tax on foreign exchange transactions would deter speculation by imposing a small tax on such activities. This would reduce the volatility of exchange rate fluctuations and provide exporters, importers and long term investors a more stable exchange rate in return for paying the tax.

The tax would give more autonomy to governments to set national fiscal and monetary policies by making possible greater differences between short term interest rates in different currencies. Such a tax would also reinvigorate the capacity of central banks to alter exchange rate trends by intervening in currency markets. By cutting down on the overall volume of foreign exchange transactions, central banks would not need as much financial clout in order to intervene in the market.

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This tax would raise revenue. By all estimates there would be significant sums and receipts. Assumptions vary about the actual rate of the tax, the decline in volume of trade, the amount of trade circumventing the tax and which transactions would be exempt; however, for illustration, assuming a conservative tax rate of 0.2% and an effective tax base of \$75 trillion U.S. annually, the tax would yield about \$150 billion annually in receipts. Given the declining commitments to bilateral development assistance around the world, the tax should generate important resources to support sustainable human development.

There are two key political issues involved with putting such a tax into place. First, it would be necessary to forge agreement amongst the major countries to implement a uniform tax. Second, there would have to be agreement on the collection and distribution of the tax revenue.

Developing countries have always been much more vulnerable to exchange rate volatility, but there is for the first time a convergence of interest between industrialized and developing countries as they all seek stronger government autonomy and more effective central bank intervention.

Pressure is building on national governments, including this one, and international institutions to support a Tobin tax from coalitions of non-governmental organizations representing labour, church, environment, women, youth, seniors and poverty groups as they seek to restore some measure of democratic control of their national economies.

Perhaps more significant is the fact that many governments face large deficits and strong anti-tax populism among the electorate and are looking for new sources of tax revenue that are not politically suicidal. Such a minimal tax will not hit main street in this case, but rather Bay and Wall Streets.

The promise of a new source of revenue will likely be the primary motivation for reaching agreement to implement the tax.

Collection and distribution of the tax revenue is a much trickier question. The tax rate would have to be applied worldwide at the same rate in all markets. There would also have to be agreement on precisely which transactions would be subjected to the tax. Compliance would depend on the banking and market institutions. Tracking the activity would certainly be possible as the financial industry has the sophisticated technology required to do this, but enforcement would rest with the major economic powers and the international financial institutions.

There would certainly be some strong resistance from members of the financial sectors, some of whom have already begun to speak out against this proposal. That is not surprising. It is possible that some members of the financial community might support the tax; however, the pace and volumes traded in the markets has added a level of risk to doing business, for as much as great profits can

result from speculation, so can great losses such as the Barings Bank fiasco of a couple of years ago.

Some experienced business people may see the value of the limited risk of more stable markets suggesting, if not the Tobin proposal, other strategies to limit the volatility of the current global money system.

What we are supporting and recommending is a tax to curb speculation in foreign currency exchange as an innovative and fair proposal that will contribute to restoring democratic control over our national economies and generate substantial revenues to build a sustainable future.

Governments around the world, the UN, the International Monetary Fund and the World Bank should take the steps necessary to implement a tax to curb currency speculation as quickly as possible.

• (1705)

Finally, the tax should be administered by an accountable democratic structure, such as could be found within the United Nations, with the revenue collected used for genuine social development.

With that I will take my seat and, in so doing, indicate that our caucus is in full support of Bill S-16.

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, it is with pleasure that I rise today to speak to Bill S-16, passed by the Senate on June 2, 1998.

The purpose of Bill S-16 is to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and Croatia, and a convention between Canada and the Republic of Chile for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

As my Bloc Québécois colleague mentioned, our party will not oppose the tax conventions signed between Canada and the three countries I have just named, in so far as the purpose of these agreements is to ensure fair and equitable tax treatment of persons, and to encourage trade and investments between the countries. I would point out that the term "person" includes private individuals, corporations, trusts and any other group of individuals.

Since the countries concerned in this bill have a rate of taxation that is almost the same as Canada's, I will not speak against the bill. But, while we are on the topic, I would like to use the time I have to speak about tax conventions in force between Canada and certain countries.

Although tax conventions avoid double taxation, they are in many cases a source of problems and tax evasion. Care must therefore be taken that these treaties do not open the door to tax

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evasion. To that end, tax conventions must be limited to countries with a tax rate comparable to Canada's.

If the tax conventions avoid double taxation on people's incomes, in certain cases they are a source of problems and encourage serious tax evasion. Although the most recent treaties, which are based the OECD model, are relatively standard, Canada does have some older ones with countries considered tax havens because their individual and corporate tax rates are low, or non-existent.

In this connection, let us keep in mind that the Auditor General of Canada has raised this matter on more than one occasion. I would like to quote to you what he wrote in his 1992 report.

A Netherlands Antilles subsidiary of a Canadian company had assets of \$865 million and income of \$92 million not subject to the FAPI rules.

Although the income of the foreign subsidiary has not been taxed at a rate that approximates Canadian rates, it can be transferred to the Canadian parent as tax-free dividends.

The auditor continues:

The offshore income is not taxed on entering Canada, but it carries with it federal and provincial tax credits on dividends paid out to Canadian shareholders.

• (1710)

And he concluded:

The Canadian parent incurred the financing costs for its investment in the subsidiary and reported a tax loss in Canada of \$29 million.

This is shameful. I could talk about many other similar instances, in the case of the government, but it would fall on deaf ears.

There is another danger in certain tax treaties, namely that of being able to change tax rules in favour of friends of the government or in favour of people in the government. I am referring here to Bill C-28. Members will recall that the Minister of Finance is both judge and jury in this bill and that, should this bill become law, it will bring millions of dollars to his company, Canada Steamship Lines.

That outrageous stunt was discovered by my colleague from Saint-Hyacinthe—Bagot. Members will also recall that all opposition parties supported the Bloc in this matter.

The Minister of Finance should protect the interests of Canadian taxpayers the same way he protects his own interests.

Tax treaties and the manipulation of legislation cost billions of dollars to taxpayers. These are billions of dollars in tax revenues that are lost to the detriment of Canadians.

Any serious and responsible government, however, would spend a lot of resources to assess, adjust and renegotiate the tax treaties that cause problems, especially those most likely to cost Canada a lot of tax money.

But guess how many public servants in the finance department are working on these tax treaties: 100, 25, 12? No, in fact, the finance department has only one employee working on tax treaties, but fortunately, he works full time.

We do not question the competence and seriousness of this public servant. Our only regret is that, in Canada, we only have one public servant to oversee some 60 tax treaties and work on 30 more to come, when there are hundreds of millions, if not billions of dollars, at stake.

What we have here is a government turning a blind eye to the potential exodus of hundreds of millions of dollars in unpaid taxes.

This is a very serious issue because it undermines the overall integrity of our tax system. With all these holes in our system, Canada's reputation is also tarnished. It is very troublesome.

Given the billions of dollars the Minister of Finance has cut in transfers to the provinces for hospitals, schools and social assistance, the honest citizens of our country, who pay their taxes to Ottawa, want their government to at least ensure that everyone pays his fair share.

One good thing is that, in some cases, tax conventions apply to our performers and all Canadian and Quebec artists who perform abroad, even our athletes, like our hockey players and all the others who are earning a living abroad.

On the other hand, we know that tax agreements are nothing new. They have always existed and will always exist, and will even increase in numbers with globalization.

Tax agreements establish what we call reciprocal taxation, insofar as Canada's corporate tax rates and those of the countries with which Canada signed these agreements are equivalent or comparable.

• (1715)

In closing, I repeat that the Bloc Québécois is in favour of tax agreements signed between Canada and other countries when these treaties are aimed at ensuring fair and equitable taxation of residents and non-residents, thus encouraging trade and investments between countries.

But make no mistake: these treaties should not open the door to excessive tax evasion.

[English]

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, this bill lets Canada ratify income tax treaties with Vietnam, Croatia and

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Chile. It is all part of a very important process that is consistent with our position as a nation in embracing the global opportunities that we have. It also addresses the challenges we have dealing with a world whereby globalization and the forces of international trade are making national borders less and less relevant in terms of economic matters.

In many ways, it is extraordinarily important that we move quickly to ratify these types of tax conventions to ensure that we are not allowing companies, particularly in a global context, to escape paying fair taxes and by the same token that we are not duplicating taxes. In light of the declining role of the nation-state in terms of its ability in many ways to effect taxes, this type of treaty is very important.

As a background on the whole issue of trade, many of the people in the House today will remember that in 1988 our party, the Progressive Conservative Party and the government of Brian Mulroney spearheaded the free trade efforts in Canada and fought a general election openly with the Canadian public. We engaged in a dialogue with the Canadian public in the most open sense. That battle was won by the Progressive Conservatives. Canada has won since then by engaging in open trading relationships with countries around the world.

We cannot as a fairly small country in terms of our population which numbers fewer than 30 million people, prosper and grow our economy and employ more Canadians unless we are willing to embrace the opportunities of free and unfettered trade. It is that path I am proud to say our party put Canada on. As such, we are supportive of Bill S-16.

I would also like to reference the fact that this bill was introduced in the other place. I know there has been significant discussion on that issue in that the other place is introducing legislation like Bill S-16.

I would like to commend the other place and recognize the tremendous pool of talent that we have in the other place, particularly on the extremely technical tax treaty type of legislation. Frankly, it would be an affront to the Canadian taxpayer if we were not to utilize the other place by engaging them in the very important work they are capable of. In the Senate we have a significant pool of talent and abilities that it would be absolutely wrong for us not to utilize.

As a trading nation, our exports last year totalled some \$344 billion and our imports totalled some \$329 billion. The majority of our trade is with the United States. Naturally, it is very important that we continue our focus on improving our trading relationships with our largest partner, the U.S. That being the case, it is extraordinarily important that we continue to work and build relationships with other countries, Vietnam, Croatia and Chile.

• (1720)

It is interesting that we now have more trade barriers within Canada due to interprovincial trade barriers between Newfoundland and Nova Scotia than we do between Nova Scotia and Chile. This points out the fundamental flaw of the whole policy of interprovincial trade barriers which again serve to deny Canadians an opportunity to build a comparative advantage right here at home, but that is another issue.

The issue of trade has been a significant one as of late particularly in light of the global currency markets and the tumult that the currency markets have seen recently. It has been very convenient for the government to blame commodity prices and the "Asian crisis" for the weakness of the Canadian dollar but it is far greater than that.

We have to recognize that there has been a secular decline in the Canadian dollar for the past 30 years and that structural issues need to be addressed within Canada. These include productivity related issues like the interprovincial trade barriers, like the fact that we have the highest rate of income taxes of the G-7 countries, like the fact that we have a regulatory burden that exceeds that of many of our largest trading partners.

Those types of issues will become more and more relevant in the future. As we sign tax conventions in the future it will be important to recognize not only that we should sign tax conventions but that our rates of taxes within Canada not exceed the rates of taxation of our partners. We are handcuffing Canadian producers and Canadian companies and individuals. We are preventing them from producing and performing to their utmost ability in competing globally, and that is not right.

In 1988 the Progressive Conservative government opened up the world to Canadians when it opened up global opportunities to Canadians. That courageous policy leap was followed by structural changes in the Canadian economy which included the elimination of the manufacturers sales tax and the deregulation of financial services and transportation industries. Those were the types of structural changes we needed then and which have proven to be successful now. I call upon the government to continue to make these structural changes, to hearken back to some of the courageous policy initiatives of the previous government and to continue on the path Canadians need to follow.

It is not enough that we open up global opportunities to Canadians. We need to ensure that our domestic economic policies provide the type of economy that produces the entrepreneurial expertise and excellence that are necessary not only to compete but to succeed in a global environment. We need to ensure domestically in terms of tax issues that both our corporate taxes and our personal taxes become fairer and flatter.

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The Mintz report on business taxation which was introduced some months ago was an extraordinarily well written document. It dealt with the complex issue of corporate taxation in a holistic and rational way. I hope the government will give a significant amount of attention to the Mintz report and will move to simplify and reduce both corporate and personal income taxes within Canada.

Canadians cannot compete and succeed if we handcuff them to the past, if we handcuff them to high rates of taxation, regulatory burden, interprovincial trade barriers and an interventionist economy that is simply not realistic or sustainable in a modern global context. We need to continue to ensure that Canadians pay their taxes and that foreign companies doing business in Canada pay their taxes. We have to ensure those taxes are fair and not so convoluted and complex that Canadians and Canadian companies have to hire accountants simply to deal with their own government.

• (1725)

We will continue to push for increased access to global markets from this party. I recognize members of the Liberal government have become born again free traders. Many of the members opposite fought vociferously against free trade agreements in 1988. However I do commend them for having learned so much from us at that juncture and in having come so far in embracing sound economic policies.

I would ask them again at this juncture to do what they have done very well over the past several years which is to take policies from Conservatives and move forward into the 21st century with the type of economically realistic and economically necessary policies that some believe only the Conservative Party can introduce.

That is why it is important periodically that a Conservative government be elected, such that those types of policies be introduced, even if they are adopted by the government after. The only thing worse than their having taken our policies so blatantly and shamelessly would have been for them not to have taken our policies because they would have substituted some of their own which would have been far worse. In fact, the Liberal government opposite has been a government of sound and original ideas but unfortunately its original ideas are seldom sound and its sound ideas are never original.

It is encouraging to see that the government has come so far, even in terms of the deficit reduction issue. That was an issue we addressed very clearly by reducing the deficit as a percentage of GDP by half during the period of time that our government was in power and by reducing program spending growth from 15% to zero.

That was the kind of courage the previous Conservative government demonstrated before fiscal responsibility became cool. Back

in 1979 Joe Clark introduced a budget that was defeated because it was too fiscally responsible for the time. Today even the New Democrats talk fiscal responsibility. It has become a buzzword.

In any case, we have no problem with Bill S-16 and will be supporting it today. We just hope that in the future we will continue to see not only income tax convention legislation but also the types of structural changes made in the Canadian domestic economy that allow Canadians to compete successfully abroad and to not just compete but to succeed and to prosper in the 21st century.

Mr. Bob Kilger: Mr. Speaker, I rise on a point of order.

There have been some discussions among all the parties and with everyone's co-operation, the member for Esquimalt—Juan de Fuca would be the last speaker on this bill and in fact would conclude his remarks no later than 5.35 p.m. If that is reasonable to all members here, then we would proceed with the debate and we would ask that the question be put at that time.

The Deputy Speaker: As a clarification, I assume that the question will be put on the motion and it is understood that there would be no questions or comments at the conclusion of the remarks by the hon. member for Esquimalt—Juan de Fuca.

Is it agreed that we proceed as outlined by the chief government whip?

Some hon. members: Agreed.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure today to speak on Bill S-16 which deals with double taxation with the countries of Vietnam, Croatia and Chile. This is very important.

Double taxation has often been seen as a real hamstring to our private sector. The removal of double taxation also enables developing countries in particular to develop a stronger economy in the future. It also enables companies in other countries to work effectively.

The end effect of the removal of double taxation actually lowers the taxation levels for the private sector so the private sector can engage effectively in these countries. We should strive to ensure that taxation occurs only in one country rather than two.

• (1730)

In the case of South Africa, the removal of double taxation which took place a few years ago was very effective and helped to stimulate investment in that country in a very effective way. It all boils down to a way of improving development in developing countries. It also helps the neediest people in those countries.

The government needs to address the aspect of taxation within our country. As we know, the taxation levels here are probably the greatest barrier to the ability of our private sector to be competitive. In comparing our situation to that of the United States,

couples with two incomes are actually earning 44% more take-home pay than an equivalent couple in Canada.

Businesses are labouring under a tax level that is at least 13% greater in Canada. It hamstring the ability of our private sector to be competitive with countries down south and, as a result, has contributed to brain drain and the inability of our private sector to be as aggressive as it could be.

I would ask the government to look at the egregious rules and regulations that hamstring our private sector. We continue to put rule after rule after regulation on the books without taking a step back and looking at whether the rules and regulations are necessary. It would be wonderful if the finance committee created a subcommittee and utilized the private sector and its experience to look at the rules and regulations that exist on the books and remove the ones that are ineffective. By doing this we would greatly improve the nimbleness and efficiency of the private sector and, by doing so, enable the private sector to hire more individuals and be increasingly competitive in the global economy.

We need to look more carefully at research and development. Research and development is a cornerstone and a pillar of our economy. Right now we are at the bottom of the barrel of all OECD nations.

Education needs to be spruced up. We need to look at how education can better reflect the needs of our economy in the future. I would ask the government to work with its provincial counterparts in developing a think tank to ensure that our post-secondary institutions and students can better understand the needs of the future and thereby get skills.

There is also room for looking at the European experience in non-post-secondary university type settings where people can get the technical skills that are going to be required in the future. This does not require a university education. The technical skills are desperately needed in our country today and will be needed in the future. The government can certainly take a leadership role along with its provincial counterparts in creating institutions which will teach technical skills to our youth.

This bill comes from the Senate. Our party has spoken at length about the Senate and the desire of many members of the House, as well as many others, to have a democratic Senate. Senators have recently been appointed by the Prime Minister. If the hallmark of democracy is the ability of the people to vote for their representatives in this House, the Senate fails.

There are many good people in the Senate, but there are some who are not pulling their weight. It would benefit all members of the Senate, the good ones in particular, if we were to have an elected Senate. If we had an elected Senate people from all across

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the country, the best and the brightest, could become candidates. The Canadian people could then decide. We would have a much more vigorous Senate. It would truly be a House of sober second thought which could more effectively work with members of parliament to provide the best legislation to Canadians.

In closing, I would like to move an amendment, seconded by the hon. member for Surrey North, which reads:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House declines to give second reading to Bill S-16, an act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, since the principle of the bill which was proposed by the unelected Senate fails to address the matter of the Prime Minister's refusal to respect the democratic rights of Albertans when he appointed a former Tory MP to the Senate."

• (1735)

The Deputy Speaker: I can give the hon. member for Esquimalt—Juan de Fuca and his colleagues high marks for persistence, but I am afraid this motion falls under the rulings that I have given twice previously today in respect of its admissibility. I refer the hon. member, in case he missed the earlier reference, to citation 568 of Beauchesne's, which states:

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

I am afraid that the amendment moved by the hon. member does not deal with the substance of this bill. It is not relevant to taxation matters. It appears to be relevant to the origins of the bill which, in the opinion of the Chair, are irrelevant in accordance with the dicta contained in Beauchesne's citation. Accordingly, I rule the amendment out of order.

Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the second time and referred to a committee)

PRIVATE MEMBERS' BUSINESS

[English]

CRIMINAL CODE

The House resumed from May 1 consideration of the motion that Bill C-251, an act to amend the Criminal Code and the Corrections

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and Conditional Release Act (cumulative sentences), be read the second time and referred to a committee.

The Deputy Speaker: Before I call for the resuming of debate and in view of the widespread interest that members have expressed in wishing to speak on this bill, perhaps the Chair could assist the House by indicating the order in which the Chair intends to call hon. members in the debate today. This in no way prejudices those who might come later. If there are problems with this list and members wish to speak to the Chair about changing it, I will certainly entertain discussion on it.

I propose to call the hon. member for Whitby—Ajax, the hon. member for Berthier—Montcalm, the hon. member for Lambton—Kent—Middlesex, the hon. member for Surrey North, the hon. member for Pickering—Ajax—Uxbridge, the hon. member for West Nova, and the Parliamentary Secretary to the Solicitor General, in that order.

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, I am very pleased to offer my strong support to my colleague, the hon. member for Mississauga East.

This is the third time my colleague has brought the present system of concurrent sentencing forward to the House dealing with serial predators and their sentencing. She should be congratulated for her perseverance and dedication to this issue. It is time for us to deal with this issue now and to delay no longer.

My colleague was successful because of the efforts of 166 members of this parliament, from all parties, who signed this bill and made it a votable item. They should be congratulated for taking such a very strong stand.

Bill C-251, entitled "An act to amend the Criminal Code and the Corrections and Conditional Release Act (cumulative sentences)", provides for the imposition of consecutive sentences where a person commits multiple serial offences.

• (1740)

This bill is about making our streets safer for all Canadians. This bill is about punishing serious offenders in such a way that their sentence accurately reflects the gravity of their offence.

This bill is about restoring public confidence in our criminal justice system. There is a very popular saying that goes something like this "In order for justice to be done, it must be seen to be done". When a serial murderer or rapist is sentenced as though only one crime was committed, justice has not been seen to have been done and therefore it has not been done.

When a system that is designed to protect the public falls into such disrepute and loses the respect and confidence of the public, action must be taken. This bill is about showing the proper respect to victims and showing the proper respect to their families, whose suffering is so often underestimated.

I believe that the primary function of our criminal justice system is the prevention of crime and the protection of society. Unfortunately the system cannot protect everyone all the time. People do get hurt. They are wronged. They are victimized. But once an offender is apprehended and convicted, sentencing is required.

There are different views with respect to the purpose of a criminal sentence. The prevailing opinion among justice and correctional officials is, in my view, appropriately focused on rehabilitating the offender and ensuring that he or she does not commit another offence upon their release from prison. We cannot lock up everyone and throw away the key. However, I believe the focus is so single-minded that it neglects other critical aspects. Very seldom do we hear the word punish.

In the case of repeat murderers and rapists I would think most Canadians are not interested in rehabilitation. They do not want to see these people on the streets again. I agree with them.

Canadians must be permitted to express their outrage at and condemnation of such brutal acts of violence. Our current system of sentencing repeat offenders does not serve this need.

Concurrent sentencing provides one sentence for multiple crimes. What is left to deter criminals from committing further atrocities once they have committed their first?

To put the current situation bluntly, we offer volume discounts for rapists and murderers in Canada. The current sentencing regime cheapens life. Virtually no regard is given to the lives of the individual victims.

Much of what I am saying has been said before in this House, but it needs repeating. The pain and suffering and the death of a second, third or eleventh victim is of no consequence to the court. The minimum penalty always applies, even for the most prolific killers.

The majority of murderers and serial sex offenders are returned to neighbourhoods, often without publicity or warning. Trials and convictions attract public attention and the public is usually lulled into the hoax that a life sentence means life. They have read it in the morning paper.

But a life sentence is not a life sentence. Ten years later they actually hear the truth. The parole board has short-changed justice, written off the victims as if yesterday's news, just to free up a bunk for the next serial killer.

But Canadians are gradually catching on to this deception of life imprisonment. Half of those convicted of second degree murder are sentenced to life and are released in less than 12 years. For first degree murder the median has historically been 14 years. Life only means life for the murder victim who is not there to protest his or her sentence and is never eligible for parole.

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My own family knows too well about the loss of a loved one, knowing that the perpetrator of the crime, the fellow who took the life of a young officer in the prime of his life, who left a wife and three children, is eligible for parole within the next year. Kitty and her children will never have Vernon back. Life was life for Vernon.

The predator has dealt a life sentence to the victim's family. For them the comforting illusion of safety in our streets has been shattered. They have to live with the stark truth that the only law that protects them is the law of averages, the chance that none of the predators roaming our communities will get around to them again.

• (1745)

The sad truth is that judges already have the power to sentence consecutively but they simply are not doing it. I say this is very sad because although judges are charged with applying the law in a fair and impartial manner they should also reflect community interests and values in doing so. Judges claim to be doing this when dealing with issues of public nudity and obscenity. Why when it comes to sentencing serial rapists and murderers do they not apply the same?

It is up to parliamentarians and lawmakers to send a message that the courts are not. It is that predators will be punished and punished severely. There are no mitigating circumstances for a predator. There is no need to rehabilitate a predator. No predator is a safe addition to any neighbourhood, no matter what therapists say. Predators belong in prison permanently.

Some will argue that consecutive sentencing serves no purpose other than revenge. If a predator knows that he is going to jail for the rest of his life, that he will never have a chance at parole, that he will die in prison, he may think twice. If the prospect of consecutive sentence does not act as a deterrent in a specific case, it will serve to express more genuinely the revulsion, horror and outrage of the Canadian people. It will also serve to show the family and friends of the victim that their government cares about them.

These two reasons together or individually are sufficient to justify consecutive sentencing. Our institutions are very responsive to lawyers, lobbyists, inmates and advocates. Criminals can rely on the system that orphaned the victims. The murder victim has no representative, has no lobbyist, has no lawyer because the victim is dead. The only argument we will hear about the victim's lost rights will come from the family and from people who recognize the injustice and the obscenity of the current system.

Why are we offering a Wal-Mart two for one sale for criminals committing serial crimes? Commit one, get another one free, a third one, a fourth one. This has to stop. Each life is valuable. Sentencing must reflect the value of each individual life. Currently the second victim means nothing. Very simply, we are offering a

bulk rate deal to murderers and rapists. One 25 year so-called life sentence is a penalty for premeditated murder no matter how many victims. A mere seven years in prison is the maximum parole ineligibility for a rapist no matter how many victims.

I am proud to support Bill C-251 and I urge other members of the Liberal caucus and members from the other side to support it.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I am pleased to speak to the bill brought forward by the member for Mississauga East.

To start with, I too would like to congratulate her on her bill since it opens up a part of the Criminal Code. It is important to review it, check a few things and eventually perhaps go along with the member.

I want to say right away that I am in favor of the bill and its being scrutinized by the committee to see—I will go into it in more detail later—whether the bill is in keeping with the Criminal Code, the case law, the Canadian way and especially the Quebec way.

I will remind listeners that the bill provides for the imposition of consecutive sentences where a person commits sexual assault and another offence arising out of the same events or where a person is already serving another sentence at the time.

Moreover, the bill amends the Corrections and Conditional Release Act. This amendment provides that a person sentenced to life imprisonment for first degree or second degree murder is not eligible for parole until the person has served, in addition to the portion of sentence that the person must serve for murder, one third or a maximum of seven years of any other sentence imposed on the person in respect of an offence arising out of the same events. The mandatory portion of each life sentence imposed on a person who is convicted of a second murder must be served consecutively before the person is eligible for parole.

This is all very technical, but those who are somewhat familiar with the Criminal Code will have understood what I said. I will try to shed some light on this during my allotted time.

• (1750)

The seriousness of the offence is one element I take into account when I look at a bill, especially a private member's bill. I try to see what exactly is the intent. This bill deals with the most heinous crimes. Therefore every member of the House should pay close attention to it.

If murder has as a consequence the taking of a life, sexual assault defiles the victim forever. One must look at this offence with a very careful eye and try to see the parallel that exists between various criminal offences.

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Sentences given for those crimes must reflect the seriousness of the offence, in light of the circumstances. Imposing a fair and adequate sentence is difficult in that we have to make sure it takes into account the characteristics of the offender, protects the interests of the community, which largely depend on the values it cherishes in a given period, and meets the victim's need for protection and reparation.

The sentencing judge must make sure the sentence is proportionate to the seriousness of the crime and the degree of responsibility of the offender. Bill C-251 raises a fundamental question: Does Canadian criminal law deal adequately with murders and sexual offences, given the seriousness of these crimes? This is an extremely important question, and it deserves an answer.

Incidentally, I would like to tell the House that I am currently working on a bill similar to the one introduced by the hon. member, because I am also of the opinion that sexual offences are very serious. I hope she will return the favour and support my own bill. My goal is to allow judges to take the psychological damage inflicted on victims into consideration in sentencing.

Having said that, I think we could indeed improve the situation now prevailing as far as sentencing for sexual offences goes, because these offences are very serious.

But the Criminal Code already allows judges to impose sentences to be served consecutively. This is in section 718.3(4) of the Criminal Code. This provision deals with sentences for offences in general and not sexual offences specifically. That is probably why the hon. member felt she had to introduce Bill C-251.

She is probably right, and we should add this special provision relating to sexual offences so that judges not only may but are in fact required to impose sentences to be served consecutively. When I say we should see whether that provision is compatible with the Criminal Code or with Canada's case law and way of doing things, I mean that we should see whether this bill deprives judges of a degree of discretion they now have.

At first glance, I honestly and sincerely think "sexual assault" should be added, to send a signal to the public to show that we are taking sexual offences seriously, given that such offences are committed every day, are serious and all too often involve children, who are scared for life by such vicious crimes. In the end, it is society that pays for this at the psychological, medical and other levels.

This clause could include specific provisions on sexual assault, so as to force judges to impose consecutive rather than concurrent sentences as they sometimes do. However, this would take away some of the discretionary power of the courts.

• (1755)

I have some concerns in this respect. I am in favour of the bill. I would like the committee to give very serious consideration to the bill as a whole to determine if the changes proposed by the hon. member would not in fact hinder the smooth operation of the judiciary and infringe on the discretionary powers currently enjoyed by judges.

If we look at how sexual assault and sexual offences against children, women or minors are dealt with by the courts across Canada, in Quebec, Ontario and the other provinces, I think judges do not take this kind of offence seriously enough. There are cases where certain comments made by a judge lead us to question the sentence imposed by that judge.

With this amendment, when there is more than one offence, the judge would have to impose consecutive sentences and we would then be sure that the accused would serve all his time.

The Bloc Québécois believes that offences against the person must not be taken lightly. Our criminal justice system must consider the seriousness of offences such as sexual assault and murder. We also believe that the establishment of a rule with regard to consecutive sentences for sexual assault should be studied by the Standing Committee on Justice in light of our concern not to unduly limit the discretionary powers of the courts.

The courts are still in the best position to analyze individual cases, but I think that sometimes we have to force the hand of justice. We do it from time to time in certain pieces of legislation. As legislators, it is our duty to do so.

The Bloc Québécois still wants to issue a word of caution—and it is not necessarily the member but rather the Reform Party that has a tendency to do that—to those who could be tempted to legislate on the basis of an exceptional case such as the tragic case of Clifford Olson. The justice system as a whole must not be judged on the basis of a few exceptional cases.

Again, if we look at the Canadian justice system as a whole, it is a good system. It works well. Naturally, we can try to improve it and I think Bill C-251 is a step in the right direction.

That is why I will co-operate in committee to see to it that this bill is adopted or even to improve it if necessary.

[English]

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, it is a privilege to rise this afternoon to speak in full and complete support of Bill C-251 and to salute the efforts of our hon. colleague, the member for Mississauga East. I believe the member has done Canadians a great service with the bill and I am pleased that it has been deemed a votable item.

Our colleague's sincerity and dedication when it comes to issues of justice, sentencing and working with victims of crime are recognized and appreciated, for perseverance and raising awareness of this issue and her devotion and commitment to helping victims of crime are qualities for every Canadian to admire.

Bill C-251, as members will know, provides for the imposition of a consecutive sentence where a person commits sexual assault and another offence arising out of the same event or where the person is already serving another sentence at the time.

The bill's summary clearly states:

—a person sentenced to life in prison for first degree murder or second degree murder is not eligible for parole until the person has served, in addition to the portion of sentence that the person must serve for murder, one-third or a maximum of seven years or any other sentence imposed—in respect of an offence arising out of the same events or that person is already serving. The mandatory portion of each life sentence imposed on a person who is convicted of a second murder must be served consecutively before the person is eligible for parole.

• (1800)

As I see it, you do the time if you do the crime. It is important to point out that both victims groups and the Canadian Police Association support the bill.

As a citizen of Canada and as a member of parliament, I am fully aware of the tremendous service men and women in law enforcement provide us as they discharge their responsibility to protect and defend our lives, liberty and property. We honour them and offer encouragement.

Law enforcement officers are the most unselfish and dedicated public servants in society. We have all heard over and over again that each day as they go about discharging their responsibilities law enforcement officers place their lives on the line.

People should not just pay lip service to this statement. The citizens whom they protect should be conscious that many times law enforcement officers experience a tremendous amount of frustration. They are required to work within a criminal justice system which at times is too inefficient and too technical to handle the various examples of crime in society. Regrettably on terrible occasions they make the supreme sacrifice for the people they serve. They know that Bill C-251 would help keep hardened criminals off the streets. In my capacity as an elected member of parliament I want to be able to give them the tools to work with and within.

Each day we are reminded with vivid reality that we live in an imperfect world, one beset with many problems such as poverty, injustice, disease, war and most assuredly crime.

Some who are skeptical would say that this is nothing new, that these problems are part of the human condition and will be with us

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as long as men and women remain on earth. They will get caught up in the magnitude of the world's dilemmas and with fatalistic acquiescence. They will sit and do nothing, justifying this inactivity with the platitude "I am just one person. I can't change the world".

The member for Mississauga East is doing her part, and I may add doing it well. Without individual action by citizens the problems may continue to worsen as more people become victims of crime. There is no greater satisfaction than that which comes from the feeling that one has contributed something good to society, that one has given in the support of others. The profession that gives an opportunity to achieve this is law enforcement work.

Bill C-251 will give Canadians and victims of crime perhaps some additional peace of mind than otherwise would occur. It will correct a shameful volume discounts to rapists and murderers through concurrent sentencing. The bill is about reasonable and required change that every major victims group is demanding.

Bill C-251 has three important objectives: to reduce inhumanities to families of victims, to restore some truth in sentencing and to stop gambling lives away on the chance that a multiple murderer or serial murderer will not attack again.

What is punishment? Punishment is a detriment imposed for committing a crime. The four widely accepted purposes of punishment are deterrence, retribution, incapacitation and rehabilitation.

During the last 20 years many American states have shifted away from indeterminate sentencing. The Canadian Sentencing Commission issued a 592-page report in 1987 that found abundant evidence of unwarranted disparities in sentences as judges took different approaches to similar cases.

• (1805)

The bill is important due to the shift away from indeterminate sentencing. It seems to reflect a reduction in confidence in rehabilitation as a purpose of punishment and a reduction in confidence of parole boards in deciding when an offender should be released.

When sentencing an offender for multiple offences in Canada the primary focus is on the global sentence that results from the judge's discretion. Some offences, most notably prison escapes and breach of conditional sentence, require mandatory consecutive sentences under subsection 718.3(5) of the Criminal Code of Canada. However throughout the focus remains on the global sentence to be imposed.

Bill C-251 would change that for the better. As my colleague from Mississauga East stated during debate on June 4, 1996:

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Concurrent sentencing cheapens life. The lives of individual victims are erased from the sentencing equation. The suffering, the pain and the death of the second, third or eleventh victim is of no consequence to the courts.

I wonder if we could apply that kind of sentencing if we had a parking ticket. If we got one or ten, would the court see fit to only charge us for one?

As well, families must continue to attend parole hearings, reliving and rehashing pain, anguish and grief over the loss of a loved one. Let us support victims of crime. Let us support our law enforcement officers. We as members of parliament have an important role to play with this unique privilege we have been bestowed by our electorate.

Changing and improving legislation is a vital part of that role, and each of us take it very seriously. That is why private members' hour is crucial to our effectiveness as members of the House. Individual members have the opportunity, free from party constraints, to express their views and concerns on behalf of their constituents, their conscience and their genuine interest in trying to make some positive changes.

It is with that spirit that I urge all hon. members to support Bill C-251 and the exceptional work on this issue by our colleague from Mississauga East.

Mr. Chuck Cadman (Surrey North, Ref.): Madam Speaker, I am very pleased to speak to Bill C-251, an act to amend the Criminal Code and the Corrections and Conditional Release Act.

I admire the hon. member for Mississauga East for her tenacity toward this legislation. This is the third time she has attempted to bring this legislation to fruition. She has indicated that she has the support of 166 members of the House, including support from all parties. That would appear to be sufficient to reach a majority, but I will not be holding my breath. We have seen how government members soon forsake conscience and common sense once they receive the marching orders from the front benches.

In 1993 the Liberals campaigned on a promise to give backbenchers more weight in the government by providing MPs with a greater role in drafting legislation. More free votes were to be allowed. Now, almost five years later, we still do not have successful private members' legislation in the area of criminal justice. The House can appreciate my scepticism.

The House may also appreciate my concern over the inconsistencies of the hon. member for Mississauga East and many of her colleagues on that side of the House. In Bill C-41 in 1995, when they voted in favour of conditional sentencing, one must assume they did what the former minister of justice instructed them to do.

Just last week I note another sexual offender received absolutely no jail time for sexual assault and forcible confinement. This example is but just one of the most recent. There have been many other cases where sexual offenders have received the benefit of the Liberal Bill C-41 get out of jail free legislation.

On the one hand the proposer of the bill before us seeks increased sentencing for sexual offenders, but on the other hand she appears to say that it is okay for sexual offenders to serve their time at home. No wonder Canadians have lost faith in their politicians.

When this legislation was last debated in this place the then parliamentary secretary to solicitor general clearly put the writing on the wall for government members. He stated:

I am concerned that Bill C-251, an act to amend the Criminal Code and the Corrections and Conditional Release Act, may take away flexibility and discretionary power from our courts and add to the already heavy burden of correctional bodies, when it comes to administering sentences.

• (1810)

He appears concerned about the administrative cost of keeping violent offenders in prison. We could only wish the Minister of Finance would express the same concern over the cost of administering the GST.

Later the then parliamentary secretary stated:

The proposed amendments, however, invoke punitive measures that far exceed the restrictions now set out in the Criminal Code and Corrections and Conditional Release Act as well as threaten freedoms defended by the Charter, as I mentioned.

I suggest the word freedoms has no place in any discussion of sanctions for criminal activity. Here again we have an example of the Liberals' paralyzing fear of the charter.

Later on in his speech he added:

—the proposals now before us do not at this time reflect the best interests of the Canadian public.

That was a typical Liberal response that government knows best and the Canadian public is too stupid to decide for itself.

The parliamentary secretary was speaking for the front bench of the government. In this place there is little in the way of free votes for the government side. There is little likelihood of a substantive role in drafting necessary legislation by any backbencher, even those on the government side.

The parliamentary secretary once again used the charter as a reason for failing to respect the desires and needs of Canadians. It was noteworthy that he failed to explain just how the charter protects our most heinous criminals from receiving consecutive sentences. It was also noteworthy when he stated that these proposals did not reflect the best interests of the Canadian public.

Bill C-251 proposes to ensure that those offenders who commit sexual assault and another offence receive consecutive sentences. It

ensures that murderers are not eligible for parole until they have served the sentence for the murder plus a stated minimum for any other sentence imposed.

The parliamentary secretary talked about the best interests of Canadians. I think he may only be thinking of the best interests of our criminals. He is certainly not thinking about the victims of those crimes and he is not thinking about the safety of our communities.

Just this past week another university study into sexual violence severely criticized our criminal justice system for not seriously dealing with this issue. It is more concerned with the interests of criminals than it is with the needs of victims or public safety. The study found that only 13% of child molesters and 30% of sexual assaults of adults result in sentences of more than two years. This was compared to robbers who in 53% of cases receive more than two years. Children and women are most often the victims of sexual offences but the government is doing little to address this anomaly. Perhaps this private member's bill will help to correct that failure.

Consecutive sentencing would provide incentive for our justice system to pursue a complete record of our offenders. Too often crown prosecutors proceed only with one or two charges against the accused. There is usually only one cumulative sentence so there is nothing to be gained from proceeding with multiple offences, but this results in a major travesty and injustice at the time of parole.

Parole is based strictly on convictions. For example, Larry Takahashi was granted day passes even though he had admitted to sexually assaulting up to 30 women and police believed he was responsible for up to 100 sexual assaults. As far as the parole system was concerned he was responsible for 11 sexual assaults on seven women. When it came time to review his record for day parole purposes, only the convictions were considered.

Consecutive sentencing would bring about truth in sentencing. Multiple offenders would be distinguished from the one-time offender. There would be more honesty in sentencing. Presently our judges impose, for example, a one year sentence for a sexual assault. The victims and the public are deceived into believing the offender actually serves one year in custody, but as we all know parole takes place for every offence.

Offenders such as in this example often get out in a few days or a few months. The judges say they do their job by applying an appropriate sentence for the crime, but then the parole system gets involved and officials have the responsibility to get the prisoner out of incarceration at the earliest legislated opportunity.

The parole system states that they are just doing their job of following the rules toward release, but there is no truth in sentencing. Few if any actually serve the full court imposed sentence of incarceration. Even our most heinous murderers get reviews of

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their life sentences at 15 years pursuant to section 745. A notorious child killer whose name I will not say in this place murdered 11 children but was sentenced as though he had killed but one.

As we speak, a section 745 hearing is in progress in Vancouver for a man who killed three bar patrons and then drove to an RCMP detachment where he murdered the constable behind the counter. He too was sentenced as though he had taken but one life.

• (1815)

If I might add, in that case the killer allegedly shot another constable in the police detachment but was never prosecuted for that because there was no reason for it as there would be no difference in the sentence. The message to the criminal: kill as often as you wish, only the first one counts, the rest are freebies. The message to the victims: only the first life is important, the rest are inconsequential.

As to the specifics of Bill C-251, I wonder why the hon. member restricted her bill to section 271, the sexual assault offence. If her bill is successful I can only wonder how things will work when we have an offender who commits a sexual assault with a weapon pursuant to section 272 plus other offences. Will the crown proceed with the lesser offence of mere sexual assault with the hope that the sentence will be added to those for the other crimes or will the crown proceed with section 272 and hope that its sentence alone will meet society's objective? It appears as though our crowns may become professional gamblers in our courts.

I also wonder why the hon. member proposing this bill restricts it to sexual assault and murder. She does not include manslaughter, instances of use of a firearm in the commission of an offence and she does not include aggravated assault.

To sum up, I will support this member's initiative but I seriously question whether her own party members will have the fortitude to support their conscience rather than meekly following the orders from the front bench.

I support this bill as a start. It is certainly a long way from providing sufficient protection within our communities. It is a long way from being totally honest with our citizens. It is also a long way from attending to the interests of victims. However, I urge all members of the House to support this bill.

[Translation]

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Madam Speaker, I am pleased to rise today in the House in support of this worthwhile bill, a bill the member for Mississauga East has been pushing for years and which is needed in today's society.

[English]

I know this member has tried on now three occasions to see that this legislation gets passed or at least recognized and thoroughly treated by parliament. It is an honour to know this member of

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parliament who subscribes to the view that if at first you don't succeed, try, try again.

It is with that that I am here today to once again speak to an issue that I believe seems to have a consensus developing in the House, at least making sure that this issue gets thoroughly debated not only in the House but in the justice committee .

I ask hon. members to consider that this is not really a partisan issue. We can play the usual jousting between both sides of the House. We all have different philosophies and we certainly have different dynamics within our constituencies. However, one thing we can agree on is the value of a human life.

This bill addresses very squarely, whether it be in the area of criminal justice or social understanding of humankind, the need to respect and to not denigrate the value of every human being.

My previous colleagues, including my colleague from Whitby—Ajax, spoke at length about the problems inherent with the system that gives volume discounts for serial murderers.

[*Translation*]

I am pleased to see that the Bloc critic has taken a stand on criminal offences of a sexual nature. I totally agree with him and I hope this will result in a piece of legislation the House can proud of and which we will be able to review together in order to come up with a better criminal justice system.

• (1820)

[*English*]

This summer the men and women who represent our front lines were assembled in at least three locations across the country to commemorate the passing of one of their own. In my riding of Pickering—Ajax—Uxbridge we mourned the tragic loss of Det. William Hancox.

I do not know whether we have had an opportunity to recognize that but I would like to take the time now to make sure the House of Commons hears his name and the great effort he made on behalf of keeping this nation a secure nation.

I know there are people in the gallery today representing our finest in this country. They are not here to simply hear about the outcome of this bill but to understand that there is a relationship between the need for public safety, the security of the person and the whole definition of a social contract on which this whole issue seems to rest.

It is for those reasons that I applaud the attempts of my hon. colleague from Mississauga East. I applaud the efforts of so many of the victims rights groups in the country who have been crying

out for a voice and who ask above all that we not play this simple game of politics, of divide and conquer, or to hide behind certain laws, customs or traditions.

Common sense dictates that this House today consider the impact it has on the security of the individual and the value of life. The status quo is clearly not acceptable and it is in that regard that the wisdom of the subcommittee on private members' business chose wisely for the first time to make this bill votable.

This bill is certainly deserving of an opportunity to be treated by the justice committee. I have some difficulty with the interpretation of where this could go and I would probably want to ask for a clarification of a statement that was made by the Chair a little earlier, that this bill be referred to the finance committee. I seek unanimous consent of the House, seconded by the member for Huron—Bruce, to amend the direction of this bill from the finance committee to the justice committee.

The Acting Speaker (Ms. Thibeault): For the information of the member, the bill is going to the justice committee, not to the finance committee, as the member thought.

Mr. Dan McTeague: Thank you for that clarification. I know this bill is very important and we want to make sure there is absolutely no equivocation and that this bill does proceed in the direction it so clearly deserves to go in.

I do not think this bill is about vengeance. I do not think this bill is about retribution. I do not believe this bill was born out of some idea of vindictiveness. I believe rather that this bill has everything to do with the value we in this House and we as Canadians place on human life.

The bill itself, as I suggested earlier, comes from an evolution of a number of thoughts that have been brought forth. It is easy to talk about the Clifford Olsons of this world, the Paul Bernardos, the Denis Lorties, but I think we need to look at something a little more substantial about the role of the victim in terms of the system that currently exists.

As I indicated earlier, the status quo is not acceptable. My hon. colleague from Whitby—Ajax indicated that second degree murderers sentenced to life are released after less than 12 years. The median for first degree murderers is only 14 years.

I do not believe anybody in their right state of mind would accept that a human life is only worth such a trivial time behind bars. It is for this reason that I believe there is an opportunity for us as members of parliament to recognize the great gulf that exists between common sense, the view of the public, the view of so many legalists who have pronounced themselves on this.

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• (1825)

In terms of ensuring that we have a sentencing system that reflects the seriousness of the crimes that are committed, it seems only reasonable that if you commit one murder, one rape, one assault you should serve the time for each.

It is not a question of simply the trite statement if you can't do the time, don't do the crime. It is rather a question of ensuring that an offence against an innocent human being is treated adequately and appropriately. In that context there is no need to talk about tying the hands of judges. I saw in Burnaby, B.C. last year with the hon. member and so many other members in the House the spectacle as a result of 745 of Clifford Olson being allowed to manipulate the system. The judge did not have in his mind the desire to make sure this individual would never see the light of day and that he would spend his time behind bars.

This is not about revisiting capital punishment. It is rather an important step ahead in recognizing and in modernizing our justice system to reflect accurately the angst of victims, the sensibility of their families and the reasonability of all Canadians.

[Translation]

I am very proud to be here today. As I said the last time I spoke to Bill C-274, moved by the member for Mississauga East, this issue will brought back to the House as long as it is not willing to acquiesce to it.

[English]

I assure members it is a good bill. It deserves our support. Let us support the bill. Let us get the bill to committee and let us protect Canadians.

Mr. Chuck Cadman: Madam Speaker, on a point of order, may I just correct the last speaker. He referred to Burnaby. I would like to correct that to Surrey. Surrey is my town and I cannot let that go.

Mr. Mark Muise (West Nova, PC): Madam Speaker, I am pleased to rise today on Bill C-251, an act to amend the Criminal Code and the Corrections and Conditional Release Act.

This is an extremely important piece of legislation and I salute the hon. member for Mississauga East for bringing forward the bill despite the opposition from her own government. We need more initiative and free thinking from both Liberals and Reform instead of their respective leadership constantly cracking the whip.

Let us hope the hon. member for Mississauga East will not face the same wrath from the Liberal leadership as the hon. members for North Vancouver and Nanaimo—Alberni had to face in September at Banff.

With respect to Bill C-251 this is very timely when one looks at how the Liberal government has responded to the various justice issues this week in the House. Yesterday we witnessed the Parliamentary Secretary to the Minister of Justice defend the faint

hope clause by proclaiming I am proud to be a bleeding heart Liberal.

On Tuesday we witnessed Liberal after Liberal stand up to defend Bill C-68, the false hope law, by criticizing law abiding gun owners as being part of some vast right wing conspiracy. I am nonetheless encouraged to see a member from the Liberal benches stand up for what she believes in with this bill. I know she has been working very hard over the past number of years to bring this matter forward in the form of a votable motion. She has stated in the past that Bill C-251 is based on three simple principles: inhumanity and how to avoid it, improving humanity toward victims, and certainly to protect us against those who offend.

My colleagues in the Progressive Conservative caucus and I share the deep concern of the hon. member for how difficult it is for victims of crime to face the justice system and how far too easy it is for them to lose faith. Our party's justice and solicitor general critic, the hon. member for Pictou—Antigonish—Guysborough, has proposed a number of solid initiatives to ensure that our laws better reflect the needs of victims and their families.

• (1830)

Parliamentarians now have an opportunity to support this important piece of legislation to help improve our justice system, to help restore the confidence of Canadians in the system and more important, to improve the protection of society from violent offenders. These are very positive suggestions the hon. member has made.

Bill C-251 provides for truth in sentencing, something we must see. It is a very brief, straightforward and easy to understand amendment to the Criminal Code. This is something which all members of this House should encourage.

When it comes to the issue of sexual assault and section 271 of the Criminal Code, there is a strong need for this amendment. There is a need that sentences which are imposed by judges be served consecutively so that the punishment reflects the gravity of the offence.

At the present time there is the ability for these types of sentences to be served concurrently. That is, if there is more than one offence or the offence of a sexual assault occurs at the same time as other offences such as break and enter, theft or simple assault, the sentences are served at the same time. In simple terms this would be similar to having loans from three different institutions and only having to pay back one.

The principles of sentencing are set out in the Criminal Code of Canada. Section 718 of the code sets out what legislators in the past have tried to do and tried to reflect in the sentencing principles.

Section 718.1 states "A sentence must be proportionate to the gravity of the offence and the degree of responsibility of the offender". It goes further in setting out what these principles are and it speaks of the need for reformation and rehabilitation to be

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balanced against the more important principle, the protection of society.

The Criminal Code further states "Where consecutive sentences are imposed, the combined sentence should not be unduly long or harsh". Try explaining that to a victim of a violent crime. Try explaining that to those who have lost their loved ones or had their loved ones attacked, beaten or killed.

We must revisit the principles of sentencing. The suggestion by the hon. member does just that in a positive way.

Bill C-251 would expand the ability of judges to impose a fair sentence. No one should be getting a free ride in our justice system. Sadly this is precisely what happens far too often. We permit sexual offenders and other offenders who commit two, three or more crimes to serve one sentence at one time. It is absolutely absurd.

[Translation]

The name Clifford Olson is heard much too often in this House and the mere mention of this name makes me shiver. This individual killed 11 children and received only one life sentence. He should be serving 11 life sentences.

The manipulative and self-serving testimony he gave at his section 745 hearing was simply outrageous and an embarrassment to all of Canada, and particularly to our justice system.

No sentence could be harsh enough considering the horrible crimes committed by that scum. The details of some of them would be enough to turn anybody into an alarmist and a reactionary. However, we must look at sentencing carefully. Common sense must always prevail.

In the case of individuals like Olson and Bernardo, it is absolutely ridiculous to pretend that a sentence ranging from 15 years to life is an acceptable punishment.

[English]

That is why my colleague the justice critic for the PC party continues to fight for the repeal of section 745, the faint hope clause. That is why we support the efforts of other members of this House, such as the member from British Columbia yesterday, to repeal the faint hope clause.

• (1835)

I call on all members from the member for Mississauga East to the members from the Bloc and the NDP to join with us in our fight to get rid of this ill-advised section of the Criminal Code.

The principles that underscore this bill are completely useless as long as we continue to have section 745 in the Criminal Code. It is

my belief that each of the innocent lives that were taken at least deserve the validation of having a consecutive sentence to represent their lives. A person who commits multiple crimes should be given an appropriate sentence to reflect each and every one of those offences, if committed at a different time with different circumstances. This principle reflects the views of most of my constituents and most Canadians.

Bill C-251 addresses this principle in a common sense manner. Therefore I support the member for Mississauga East and I support her bill.

[Translation]

I am extremely proud to support it. I recognize the importance of consistent sentencing. I personally think that the justice system should not weaken the ability of our society to protect itself and to show its abhorrence of violent crime.

[English]

The second clause of Bill C-251 amends section 120 of the Corrections and Conditional Release Act. It requires offenders sentenced for first and second degree murder to serve their full parole ineligibility period on the sentence plus one-third of a maximum of seven years, whichever is less.

As with the first clause of Bill C-251, it is an innovative way to ensure that there is some truth in sentencing. There are times and factual circumstances when the judge should impose a sentence that would really reflect what the crime represents. If a judge says 25 years, it should be 25 years. That should be the end of it. That would give the offender and society faith in their justice system. Cumulative sentences play a very important role when it comes to parole eligibility.

Bill C-251 would be the best way to address cases of double murders. The victim's family of the second murder are forced to face the fact that their victim is not being addressed by the justice system when the sentence has to be served concurrently.

On behalf of the Progressive Conservative Party, I support this bill and hope that all members support the efforts of the member for Mississauga East.

[Translation]

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Madam Speaker, given what little time is left, it will be extremely hard for me to get into the details of the presentation I have prepared. However, I still want to speak briefly of Bill C-251.

Before addressing the issue, I want to mention all the respect I have for the work my hon. colleague has done on this bill. She gave a lot of thought to this issue and the results of her work deserve a lot of respect.

Adjournment Debate

Obviously, for both my colleague and I, the safety of the people is always foremost in our minds. Canadians feel safe at home and that is the most important factor to take into consideration.

I would like to briefly point out some statistics the International Centre for the Prevention of Crime included in its latest report. It said that, asked to choose among several factors those that best described what it is to be Canadian, 88% of respondents ranked the feeling of belonging to a safe society among the nine most significant factors.

I cannot support this bill for reasons I had hoped to have more time to explain in detail, but which I will get into briefly.

First of all, I think there is in Canada a myth about what is called a life sentence.

• (1840)

[*English*]

What does it mean? In the case of first degree murder or repeat second degree murder, the mandatory sentence is life without parole eligibility for 25 years. What does it mean? It means that the offender will be subject to the control and supervision of correctional authorities for the rest of his life. It means that a multiple murderer is ineligible for judicial review for the reduction of parole ineligibility. It means that that eligibility for parole after 25 years does not mean automatic release from a penitentiary.

[*Translation*]

I understand time has run out. I hope I have an opportunity to elaborate.

The Acting Speaker (Ms. Thibeault): To reassure the parliamentary secretary right off, the next time this bill is considered in the House, he will have seven minutes to start the debate, if he so wishes.

The hour provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

HEPATITIS C

Mr. Greg Thompson (New Brunswick Southwest, PC): Madam Speaker, I am on my feet to go back after the health minister in

regard to a question I put to him in June prior to the House recessing for the summer regarding the hepatitis C victims.

A majority of Canadians are very upset by the government's determination that it would only compensate those victims from 1986 to 1990. We feel that is fundamentally wrong. We feel that it is wrong for a number of reasons but primarily the victims we are talking about prior to 1986 and certainly some even after 1990 are all innocent victims of a tainted blood scandal.

I go back to Justice Krever's recommendation that all victims should be compensated because there was wrongdoing on many levels. I just want to give a couple of examples of that.

One is that we actually brought blood into this country that came out of the U.S. prison system. Think about it. Sick Canadians were given blood given by U.S. prisoners. I think we know what goes on in prisons. We will not go into detail. Some Canadians contracted hepatitis C because of that very error and all the other difficulties surrounding this issue.

The government holds fast on its position that we will not compensate those innocent victims outside of the convenient timeframe of 1986 to 1990. The only reason the minister can give is because those years 1986 to 1990 are the years that we most likely could not defend ourselves if it did go to the courts. In other words it would be very difficult for the government to defend its position in those years.

A victim who contracted hepatitis C on December 31, 1985 would not be compensated but a victim who contracted hepatitis C a day later on January 1, 1986 would be compensated. This is absolutely bizarre and it is absolutely wrong. We are going to continue to fight on this side of the House along with a lot of other Canadians to make sure there is fairness in this compensation package. All victims should be compensated.

We often blame the health minister. I am going to be fairly generous to him and say he has most likely tried as hard as he could in cabinet to get compensation for those victims. At the end of the day it falls at the doorstep of the government, the leader of the government, the Prime Minister.

The Prime Minister conveniently falls into the role of the little humble man from Shawinigan. Water just runs off his back. Talk about being coated in Teflon. This Prime Minister is absolutely and totally coated with Teflon from top to bottom.

• (1845)

Can the Prime Minister not step back a little from this issue and look at it for its seriousness? Actually the human compassion and the need to compensate all victims—

The Acting Speaker (Ms. Thibeault): I am afraid the hon. member's time has expired.

Adjournment Debate

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, as I reply to the member I would point out that his question on June 10 related to the testing of plasma donors.

I would also point out to him that I think everyone in the House and across the country feels very badly when anyone who they know gets an illness through no fault of their own, whether that illness is cancer, heart disease, multiple sclerosis or diabetes.

It is important we all understand that when people across the country get sick, the values embodied in the Canada Health Act are that we offer those people care and access to treatment, which hopefully will give them a good health outcome. That is what the Canada Health Act is about.

I wanted to address the member's question on June 10 with regard to the hepatitis C testing of plasma donors between the period of 1990 to 1993. I wanted to point out to him that a critical

distinction needs to be made at the outset of this issue and discussion. That is the distinction between the testing of blood donors who are donating blood which will be transferred directly into persons needing a blood transfusion as contrasted with the testing of donors of plasma which is then sent to a manufacturing operation to be fractionated into plasma derivatives such as coagulation factors, immune globulins and albumin.

In 1990 there was clear scientific evidence that testing of donors of fresh blood for transfusion—

The Acting Speaker (Ms. Thibeault): I apologize to the parliamentary secretary but the time has expired.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:48 p.m.)

APPENDIX

Address

of

Mr. Nelson Mandela,

President of the Republic of South Africa

to

both Houses of Parliament

in the

House of Commons Chamber, Ottawa

on

Thursday, September 24, 1998

• (1040)

ADDRESS
of
Mr. Nelson Mandela,
President of the Republic of South Africa
to
both Houses of Parliament
in the
House of Commons Chamber, Ottawa
on
Thursday, September 24, 1998

Mr. Nelson Mandela and Madame Graca Machel were welcomed by the Right Honourable Jean Chrétien, Prime Minister of Canada, by the Honourable Gildas L. Molgat, Speaker of the Senate and by the Honourable Gilbert Parent, Speaker of the House of Commons.

Hon. Gilbert Parent (Speaker of the House of Commons): Colleagues from the House, colleagues from the Senate, distinguished visitors, the Right Honourable Prime Minister of Canada, Mr. Jean Chrétien.

[Translation]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker of the House of Commons, Mr. Speaker of the Senate, colleagues, ladies and gentlemen, mesdames et messieurs.

[English]

It is an honour to welcome the President of the Republic of South Africa, Mr. Nelson Mandela, and Madame Graca Machel to Canada and to this Parliament.

Mr. President, eight years ago when you first addressed this Parliament you had only recently been released from 27 years in prison. Apartheid was still the law of South Africa and your country was an outcast from the community of nations. Fresh from prison, you were in the midst of a heroic and still uncertain struggle to dismantle the apartheid state and end a shameful legacy of racial exclusion, minority domination and institutionalized injustice.

Today all that is changed. A new non-racial constitution with an entrenched bill of rights is in place. Public policy is vigorously debated in 11 official languages, not only in the national parliament in Cape Town, but in the nine provincial capitals as well. A united and democratic South Africa has rejoined the family of nations and under your leadership is playing a respected and vital role on the international stage.

We in Canada are proud to have been associated with the anti-apartheid struggle and to have assisted in your democratic transition. The fight against apartheid was a cause which crossed political lines and moved all my predecessors, from the stand of Prime Minister John Diefenbaker at the Commonwealth Conference in 1961, which resulted in South Africa's withdrawal from

that body, through the governments of Prime Ministers Pearson, Trudeau and my predecessor Brian Mulroney.

In this our governments were reflecting the views of the people of Canada. Canadians of all walks supported the anti-apartheid movement individually and through their churches, their trades unions, professional associations and non-governmental organizations.

[Translation]

Your return to Canada after eight eventful years gives the people of Canada, who shared your vision of a free, non-racial and democratic society, the opportunity to celebrate the profound and irreversible changes that have taken place in your country. And, just as important, it is an opportunity to pay tribute to your own decisive role in engineering a remarkable, peaceful and harmonious transformation.

On behalf of all Canadians, I want to express our admiration for the profound and peaceful reshaping of your country, and for the spirit of tolerance and reconciliation which has guided that transformation.

[English]

In setting South Africa free you have also unleashed your country's immense potential to be a force for peace and stability on the world stage. In the few short years since you have become President, South Africa has resumed its rightful place at the UN, the OAU and the World Trade Organization.

• (1045)

It has become a vital partner in fashioning a safer and more secure world. And it is fitting, very fitting, that the Commonwealth, which closed its doors to the old South Africa, will hold its next leaders' meeting in the new South Africa under your chairmanship.

In the same spirit in which we supported your historic struggle, today our two countries are working together to bring greater peace and justice to the world on establishing an international criminal court, on eliminating child labour, on extending the non-proliferation treaty and of course as partners from the very beginning in the Ottawa process and the international ban on land mines.

Just as Canadians worked to help end the apartheid system, we are also working to help build the new South Africa. We are providing assistance in areas such as improving the accessibility and quality of education, in helping to rebuild the justice system, in linking our SchoolNet with young South Africans using information technology to its fullest potential and in increasing the trade and commercial links between our countries which are so important to South Africa's economic development. The fact that you are accompanied by an impressive commercial delegation and the key business meetings you are holding here in Canada are proof of the importance of that area.

[*Translation*]

Mr. President, the fact is that we in Canada care about South Africa. Not just because of our attachment to the struggles of the past, but because of our hopes for the future—the future of humanity.

We believe that, at the end of a century of conflict and genocide, the only hope for the world is to learn to live together in understanding and tolerance. In South Africa, you are working to build such a society. You are rejecting separation based on race or language or religion. You are tearing down old walls of hate. And building new bridges of understanding. A new society for a new millennium. A multilingual society. A multi-ethnic society. A society that finds its strength in its diversity. And its soul and inspiration in a common sense of humanity.

In Canada, in our own modest way, we have tried to do the same. But we have not had the burden of history that has weighed so heavily on your country for so much of this century. While our goals and values are the same, our experiences have not been.

If, after decades of hate and oppression, you can succeed in building a new society, our hopes for this battered world as it enters a new millennium can be just a little bit brighter.

[*English*]

Certainly, Mr. President, this is the inspiration of South Africa to the world today. Just as important, it is the inspiration that you provided to the world.

It is often said that there are too few heroes in the world today. That may be. But today we are in the presence of a real hero. Few people in our time, or from any century, have so symbolized the spirit of freedom that lives within every human being as you have.

• (1050)

Your struggle was an inspiration to freedom-loving men and women everywhere. But, in a sense, the courage, optimism and generosity of spirit you have shown since your struggle have been even more of an inspiration. Suffering does not only lead to bitterness and disillusion, it can lead to wisdom and compassion, and to a better world.

Ladies and gentlemen, it is a great honour for me to present to you the leader of his nation, the statesman of his continent and a hero for the world, President Nelson Mandela.

Mr. Nelson Mandela (President of the Republic of South Africa): Mr. Speaker, honourable Prime Minister, Your Excellencies, ladies and gentlemen, yesterday I had the honour to address the Congress of the United States of America. Because of the warmth of the reception I received, I felt I should share a secret with members of the Congress.

I said that one of my fondest dreams was to become the heavyweight boxing champion of the world. As a result of the warm reception I received, I said that I was in a position to challenge the reigning world champion, Evander Holyfield. I am

compelled today to repeat that statement because the warmth I have received here is no less than that I received yesterday.

I know that it is a rare privilege for anyone from another country to be invited to address this hallowed institution of Canadian democracy which includes in its roll of honour leaders of world renown.

That I should be granted that distinction twice in eight years is something that can only be understood as a tribute to the people of South Africa by the Canadian people, to whom we owe so much, and an expression of the partnership between us.

When I stood before you in 1990, it was as a freedom fighter still denied citizenship in my own country, seeking your support to ensure an irreversible transition to democracy.

• (1055)

Today I stand before you as the elected representative of the South African people to thank you once again for helping us end our oppression, for assisting us through our transition and now for your partnership in the building of a better life for all South Africans. We will forever be indebted to you.

Although we still have a long way to go before we realize our vision of a better life for all, there has been a great transformation in South Africa since 1990 and solid foundations have been laid.

The experience of all peoples has taught that our democracy would remain secure and stable only if we could unite those who were once locked in conflict and if our new freedoms brought material improvement in the lives of our people.

On this day, 24 September, South Africa marks one of our most important national days. Heritage Day is dedicated to the celebration of the rich diversity of our people. As I speak, representatives of all the language, cultural and linguistic communities are gathered at a conference discussing how to give institutional form to the commitment in our constitution to the promotion and respect of the rights of communities.

In order that the memory of historical injustice and violations of human rights should not remain as a continuing obstacle to national unity, our Truth and Reconciliation Commission has helped us confront our terrible past. Painful and imperfect as the process has been, it has taken us further than anyone expected toward a common understanding of our history.

If we lay stress on uniting the different sections of our society, it is because unity and the partnership of all the structures of our society are critical to the reconstruction and development of our society in order to eradicate apartheid's legacy of poverty and inequality.

Though there are differences among us, as is natural in any democratic society, in particular one in transition from a past such as ours, they play themselves out within an allegiance to our new democracy and within a broad support for the government's policies.

We have therefore been able to make a good start in bringing basic amenities to millions of people for the first time in their lives: electricity, clean water, health care facilities, housing and schooling.

Our economic policies have turned years of stagnation into sustained growth since 1994, along with improved productivity and exports as we gear our economy for success in a competitive global environment.

We do face major challenges and problems. What is important is that we are confronting them and we are confident that we will overcome them.

For example, though our policies are creating new jobs, the number falls short of what we need. In response government, labour and business are therefore joining forces in preparation for a presidential jobs summit next month in order to work out together a strategy for sustained job creation.

• (1100)

As we democratize our society, setting up new institutions or transforming old ones, we are also dealing with corruption. The institutions of the new democratic order are dealing with the corruption in our society. Among other things, we have appointed a powerful commission headed by a judge to expose and root out corruption in the public service and recover the proceeds.

Crime is still at an unacceptably high level but we have turned the tide through the adoption of a comprehensive national strategy that includes the reshaping of a police force whose former function was merely the protection of minority interests and the suppression of resistance.

And though we have made mistakes in government due to lack of experience, it is also true that we have achieved much more for our people than was ever done under the previous government.

We are all too aware of the great deal that remains to be done. What is important is that we are united as a nation as never before and determined to succeed, and that we have friends like Canada who are working with us as partners.

Canada is an important presence in much of what we have achieved and in what we are building.

Since our democratic elections, our relationship with Canada has entered a new and vibrant phase, one that is growing from strength to strength. In drawing up our new democratic constitution we drew deeply on Canadian experience.

I would like to take this opportunity to thank the Government of Canada for the technical assistance provided through the Canadian International Development Agency and the International Development Research Centre. Critical areas affecting transformation have benefited, including science and technology, places of learning, our

labour laws and our courts. We look forward to the continuation of this assistance.

One of the critical measures of the growing relationship between our countries is the threefold increase since 1994 in trade to a level close to 1 billion Canadian dollars per year. We expect this expansion to continue. We have brought on this trip people from the private sector and government concerned with the economy. We look forward to a reciprocal Canadian team in South Africa soon.

Also with me are government representatives and officials concerned with safety and security who have come to seek support for the implementation of our crime prevention strategy, as well as others concerned with health care.

In all these ways we are benefiting from not only financial assistance and from your expertise and experience, but as well as the affinities and shared aspirations which join us.

• (1105)

Mr. Speaker, on my way here today I had the honour of unveiling, at your human rights monument, a plaque dedicated to John Humphrey, author of the first draft of the Universal Declaration of Human Rights. I would like, if I may, to pay tribute to his contribution to the central philosophy of your country and his dedication to the cause of human rights worldwide.

This is an area in which your country and mine march hand in hand in practical action to make a living reality of the rights to which we subscribe.

In this regard we think of Canada's hard work together with other countries to bring to fruition the anti-land mine convention. We were very proud in December last year to be the third country, after Canada and Norway, to sign that convention here in Ottawa.

Canada and South Africa also together played a part in the recent establishment of the International Criminal Court.

South Africa is increasingly being called upon to play a role in peacekeeping, in southern Africa and in Africa as a whole. Our approach is that we will play whatever part we can within our limited means and within a multilateral framework, whether it be the United Nations, the Commonwealth, the Non-Aligned Movement, the Organization of African Unity, and the Southern African Development Community.

Essential to our vision of a new and more humane international order is the belief that inevitable as differences may be, they need not and should not be resolved by the force of arms. We look to peaceful resolution of differences because this is the only way in which humanity can prosper.

It is in this context that South Africa has in recent days found itself called upon to contribute its forces to a joint regional security initiative aimed at assisting, at its own request, the democratically

elected government of a neighbour by securing a measure of peace and stability.

Here too we look to Canada as a partner. We recognize Lester Pearson as the founder of modern peacekeeping because of his innovative intervention in the Suez crisis.

By the same token, we salute Canada's distinguished service over many years in Cyprus, Bosnia, Somalia and more recently in the disarmament process in Northern Ireland.

Mr. Speaker, Canada's internationalist record gives us confidence to know that you understand and share our vision of an African Renaissance. If history has decreed that our continent at the end of the 20th century should be marginalized in world affairs, we know that our destiny lies in our own hands. Yet we also know that we cannot bring about our Renaissance solely by our own efforts, since the problems we face are rooted in conditions beyond the power of any one nation to determine.

• (1110)

Indeed, the turmoil in far off economies that we have had to weather has, we know, affected Canada too. In the interdependent world in which we now live, rich and poor, strong and weak are bound in a common destiny that decrees that none shall enjoy lasting prosperity and stability unless others do too.

These harsh lessons of our global economy were the focus of attention at the summit at the Non-Aligned Movement held in Durban in our country earlier this month. They have forced themselves upon the attention of the world international community. A debate about the global trade and financial system that has been too long in the making has now been joined.

We urge you to join with us in seeking to redirect the system and its institutions so as to cater for the needs of development and the interests of the poor.

In so doing we would be affirming a fundamental principle of all human society, namely that the existence and the well-being of each of us is dependent on that of our fellows. In a globalized world, that is as true of nations as it is of individual men and women.

Mr. Speaker, ladies and gentlemen, this occasion marks something of a farewell. I am deeply grateful that it has been possible, before my retirement from public life, to make this second visit to a people that has made our aspirations their own. You insisted that the rights which the world declares to be universal should also be the rights of all South Africans.

But though it is a personal farewell and in some sense an ending, I do know that it is also a beginning, marking the start of a new and more profound relationship between our peoples.

Mr. Speaker, hon. Prime Minister, ladies and gentlemen, I thank you from the bottom of my heart.

Some hon. members: Hear, hear.

• (1115)

Hon. Gildas Molgat (Speaker of the Senate): Mr. President and Mrs. Machel, Mr. Prime Minister and Madam Chrétien, Mr. Chief Justice and Madam, Mr. Speaker, my colleagues in parliament, and ladies and gentlemen.

Mr. President, no words of mine can ever convey the depth of feeling of Canadians toward you better than the applause that you heard here this morning.

On behalf of the members of the Senate of Canada I want to thank you, Your Excellency, for returning to Canada once again and addressing a joint assembly of our parliament.

Just over eight years ago, on June 18, 1990, you spoke to us as the Deputy President of the African National Congress. Just newly liberated from a South African jail, you came to seek our continued support in the final stages of that great struggle of your people and yourself against apartheid and all other forms of racism and discrimination. As you said at the time, the message you brought was indeed simple: South Africa should be transformed into a united, democratic and non-racial country.

[*Translation*]

Canada has some knowledge of how difficult it is to remain "a united, democratic and non-racial country". It is because of your skilful statesmanship and the wisdom and moderation of the inhabitants and chiefs of South Africa whom you represent that you have made such tremendous progress towards the goal you and your compatriots have set yourselves. Perhaps you would favour us with some advice?

[*English*]

A decade ago it seemed inevitable that the struggle against institutionalized racism would lead to a violent and bitter civil upheaval that would tear South Africa apart and leave the country bitterly divided, prostrate, and in the hands of anti-democratic regimes. This unfortunately has proven to be the fate of too many countries, and at a terrible cost they have freed themselves from the rule of one oppressive regime, only to fall victim of another often more radical tyranny.

Eight years ago your address to our parliament gave us hope that South Africa might avoid that fate. It indicated that your long 27 years in prison had not led to bitterness. Rather, it had led to wisdom and the determination to use your immense personal prestige in South Africa, in the African National Congress and throughout the world to bring about a united, democratic and non-racial South Africa through mediation and negotiation.

The theme of healing, of reconciliation and of building featured largely at your inauguration as President of South Africa. At that

time you entered into a covenant to build, and, Mr. President, I quote your very words:

—a society in which all South Africans, both black and white, will be able to walk tall, without any fear in their hearts, assured of their inalienable right to human dignity—a rainbow nation at peace with itself and the world.

• (1120)

Those were stirring words, Mr. President.

[*Translation*]

In the years that followed your election to office, the government you lead held fast to this noble ideal, although it was not always easy. The challenge was a formidable one.

[*English*]

It has not been easy; changing a racially based, repressive, democratically limited political structure in which the internal power is in the hands of a privileged few has been a major, major challenge.

Furthermore, revolutionary political change gives rise to exaggerated hopes of immediate, wide-ranging social and economic improvement. Such expectations are difficult to meet. Yet, with time, with deep personal commitment by yourself and like-minded colleagues, and with broad support from your people, you are bringing about long-lasting and deep-seated changes in living conditions and social structure.

You are doing more than making dramatic progress in domestic affairs. You are showing the world what can be done. You are exercising a moderating influence on the world stage.

Under your leadership South Africa has become a continental force of stability and peace. On behalf of the Senate of Canada I thank you for sharing with us your knowledge about the progress South Africa is making and your views of the world situation.

Canadians welcome the return of South Africa to active participation in the work of the Commonwealth, the United Nations and other international organizations, and we value very highly the increasingly close relations between our two countries symbolized this morning by your wonderful address.

[*Translation*]

Thank you for coming to Canada.

[*English*]

Mr. President, be assured that here you are among friends.

Some hon. members: Hear, hear.

Mr. Speaker Parent: Mr. President, Madam Machel, Madam Chrétiën, my colleagues of the House of Commons and our brothers and sisters of the Senate, distinguished guests.

[*Translation*]

On behalf of all members of the House of Commons and those they represent, I thank you for your speech and welcome you and your compatriots to the heart of Canadian democracy.

Whatever their age and occupation, Canadians have always had a great affinity with South Africa and its inhabitants.

[*English*]

Mr. President, you have said:

I cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if need be, it is an ideal for which I am prepared to die.

Neither the hardships of decades of imprisonment nor the trappings of more recent power have caused you to lose sight of this ideal.

• (1125)

Young South Africans were the first to honour you with their idealism, their support and their willingness to sacrifice themselves in the cause. Soon however your reputation spread abroad and young people all over the world honoured you by electing you honorary president of their university and college students unions.

[*Translation*]

Many other honours were to follow, not the least of them the Nobel Peace Prize.

But what has earned our greatest admiration, Your Excellency, is that you have never turned away from the ideal you espoused.

[*English*]

Mr. President, you could have preached and practised the politics of vengeance and retribution, but instead you, sir, have devoted your energies and influence to the process of healing and reconciliation.

You, sir, have chosen the path that uses political change as a means of bringing about peaceful change in the hearts and minds of individuals, as well as in society. That was the message that you brought to the Canadian Parliament eight years ago, and that was the commitment you made when you became the President of South Africa. Sir, you have kept your word.

I choose my words carefully. You honour us who are here today. You honour the Canadian people. You honour this place, this House of Commons.

When historians write of the 20th century, beside the names of giants who have advanced the causes of peace and democracy, giants such as Mahatma Ghandi and Martin Luther King Jr., the name of Nelson Mandela will be inscribed.

All of us thank God for you having been with us in this world. You have made it, sir, a better place and we thank you.

Some hon. members: Hear, hear.

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