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OFFICIAL REPORT
(HANSARD)

Wednesday, September 20, 2000

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, September 20, 2000

The House met at 2 p.m.

Prayers

• (1400)

[*English*]

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

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

STATEMENTS BY MEMBERS

[*English*]

ORGANIZED CRIME

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, in today's London *Free Press* and *Sun Media* there is an accurate description of the contents of a joint project between the RCMP and CSIS called sidewinder.

The contents of the report should raise very deep concerns with all Canadians. I have been contacted by a Toronto police officer who worked in the Asian crime unit for three years who said "The Canadian public have absolutely no idea what is taking place in our society insofar as the criminal activities of organized groups is concerned".

Having read the report, it shows a seamless connection between the issue of organized crime and national security, with bridges built to significant Canadian companies and political parties. The Liberal government's inaction on these issues is deplorable. It must immediately undertake a rationalization of information sharing and jurisdiction between the armed forces, foreign affairs, immigration, CSIS and the RCMP.

The threat to Canadians' personal and national security, as illustrated by the contents of sidewinder, are far too profound to Canada to continue to be ignored by the government.

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JOHN CONNOR

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I take this opportunity to pay tribute to John Connor, a constituent in my riding of Simcoe North, for his work as a volunteer with the Canadian Executive Services Organization. CESO is a non-profit, volunteer based organization which brings Canadian expertise to businesses, communities and organizations in Canada and abroad.

As a volunteer with CESO international services, Mr. Connor provided business advice to a Russian company involved in the manufacture of electric switches for auto plants. He also assisted the company in developing a business plan encompassing marketing and professional development.

On behalf of all Canadians, I wish to congratulate Mr. Connor for his commitment to share his time and expertise with emerging economies like Russia.

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[*Translation*]

HUMANITARIAN CATASTROPHES

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, this past September 14, Canada announced the creation of an international commission mandated to promote intervention by the international community in the event of humanitarian catastrophes.

Canada is creating this commission in order to be able to play a positive and constructive role in the resolution of conflicts affecting human dignity.

Canada is not alone in this crusade. It has the support of the Secretary General of the United Nations, Kofi Annan, as well as the leaders of a number of European countries.

Primarily, the new commission is to organize symposia and debates throughout the world on humanitarian catastrophes and to produce a report on its activities.

S. O. 31

This is evidence of Canada's continuing lead role in international policy.

Tony refused to ignore an injustice taking place. Why are the Liberals ignoring taking responsibility for violent crimes?

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[English]

FAG BEARINGS LIMITED

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, it is my pleasure to rise in the House today to announce that the FAG Bearings Limited of Stratford has recently opened a \$23 million, 12,000 square metre plant in Stratford, Ontario. Production lines begin moving on August 18, 2000.

FAG Bearings currently employs 215 people in the manufacturing of high quality aerospace bearings with another 10 to 15 employees to be added by the end of the year. Stratford now has the most modern aerospace bearing plant in the world. This will allow the strategically important Canadian division of FAG Bearings to continue to increase its annual sales, which have grown from \$10 million in 1995 to \$50 million in 1999, and on and on.

This new plant facility is a perfect example of the growing strength of Canada's economy, which has outpaced even the United States over the past year. This is welcome news for the expanding local economy of Stratford and the riding of Perth—Middlesex, which maintains one of the lowest unemployment rates in Canada.

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THE LATE ANTHONY THEODORUS ROOSENMAALLEN

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, I rise to commemorate the untimely passing of Anthony Theodorus Roosenmaallen. He died on 12th Street in New Westminster, British Columbia in August of this year when he bravely tried to intervene and come to the rescue of victims who were being assaulted. He tried to keep the peace in the community and, unfortunately, died as a result.

Born November 13, 1960 in Scarborough, Ontario, Tony is survived by his son Morgan, age 13, his parents Anthony and Jose, and his brothers and sister in Kingston. He was buried at Glen Abbey Memorial Gardens in Kingston.

In New Westminster there was a street candlelight vigil in Tony's memory, as this construction worker had many friends. Four males aged 16 to 21 were charged from this tragedy. My community was deeply offended. May the Minister of Justice change her ways and take notice of what is needed to defend our communities.

MAMMOGRAMS

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, once again I have concerns that the *National Post's* sensational headlines have caused a huge distortion of serious facts.

The title of today's article in the *National Post* suggested that mammograms are pointless. This could not be farther from the truth. A new study on breast screening procedures says that proper physical examinations can be a viable alternative for women who do not have access to mammograms or who fear radiation.

Dr. Cornelia Baines, deputy director of the study, explained that if women can arrange to have a good clinical breast exam, they will be looking after their breast health as well as if they were getting a mammogram, but that mammography screening of women who take no other steps to detect breast cancer does reduce the number of deaths.

Canadian Cancer Society numbers say that 19,200 women will be diagnosed with breast cancer in Canada this year alone; all the more reason why Canadian women over 50 must still be encouraged to have either a mammogram or an appointment for a proper clinical examination by a trained professional every two years.

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• (1405)

HEALTH

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, since Canada's new health care plan was signed on September 13, I have received many calls from constituents. Many of them say they are pleased that the federal Liberal government has reached an historical agreement with the first ministers.

The good news is that this health action plan will help sustain and modernize Canada's publicly funded health care system.

Canadians in general are pleased that their federal Liberal government is investing over \$21 billion over five years through the Canada health and social transfer.

Once again Canadians can feel proud of having one of the world's best medicare systems, a cornerstone of Canada's unmatched quality of life.

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[Translation]

BOMBARDIER

Mr. Maurice Dumas (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, on August 11 Bombardier made an official announce-

ment of the construction of its new plant in the Montreal foreign trade zone at Mirabel, which is in my riding.

This is excellent news, since it will create 1,700 jobs in the Mirabel region, and investments of some \$170 million. Assembly operations for the CRJ900, Bombardier's new 90-seat aircraft, and of the CRJ700, its 70-seat model, are expected to begin next spring.

Bombardier's location in Mirabel's foreign trade zone is the direct outcome of the recommendations of the Tardif Commission on the development of Mirabel airport.

I must therefore thank the government of Quebec for its involvement in this matter. It will be recalled that the foreign trade zone was created in response to the flagrant lack of action by the federal government.

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[English]

FISHERIES

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, there is leadership on Miramichi Bay. It is not with the federal government, Bob Rae or the fisheries minister. It is with commercially licensed fishermen who have been so patient these past few weeks. They are the heroes of Burnt Church because they chose to exercise restraint, even though their livelihood was being put at risk and even when conservation was being thrown out the window.

These people watched as their fish stocks were poached. And then watched our government reward the poachers, and still they exercised restraint. They heard their fisheries minister tell them he would end the illegal fishery and protect their stock. And then they saw him do nothing.

These people chose to be responsible even when their minister was not. They could teach him a thing or two. They recognize that actions have consequences and the law must be obeyed. We wish the minister had their wisdom. The official opposition salutes the commercial fishermen, the real leaders on Miramichi Bay who chose to exercise restraint.

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[Translation]

HEALTH

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, last week the federal and provincial governments reached an historic agreement.

Thanks to this agreement, the people of Canada will have quality health care because of a considerable increase in health care funding: \$21.1 billion over the next five years.

S. O. 31

Quebec is a winner with this agreement. Thanks to it, Quebec will be able to count on having nearly \$5 billion more in its coffers between now and 2005-2006.

Our government's co-operation and its concern about reaching a satisfactory agreement were recognized by the premier of Quebec.

This is a concrete result. The Liberal government is working ceaselessly to improve the quality of life of Canadians from coast to coast.

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[English]

GRAND & TOY

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am sure you have been made aware of the unfortunate circumstances at Grand & Toy.

The employer, or its American parent company, seems determined to provoke a long and hostile labour dispute with its workers, members of the United Steelworkers of America, by first locking them out when they had agreed to continue working throughout negotiations, and then using scabs, some of whom can only be described as violent people who provoke and intimidate locked out employees.

The federal government is a major client of Grand & Toy. I am asking this federal government to cease purchasing goods and services from Grand & Toy until a fair and responsible collective agreement can be reached.

• (1410)

Our continued business there will only prolong the lockout. I hope the Liberals will wake up.

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[Translation]

HOUSING

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, FRA-PRU continues its fight for those needing proper housing and reminds us that, according to the latest statistics, 833,555 renters spend half and more of their meager income on housing. This figure represents a 43% increase since 1990.

During my recent visit to community organizations in 27 ridings, I encountered over 400 bodies in the various regions of Quebec. This point is clear: Quebecers do not accept the fact that one person in five is not benefiting from the economic growth and full citizenship.

Why does the Prime Minister continue to ignore an urgent need such as that of hundreds of women, men and children to find housing?

Oral Questions

The need is known, the funds are there. What is lacking is political will to act. The federal government's reinvestment in public housing and not just affordable housing is more than a matter of choice, it is a matter of human dignity.

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[English]

THE LATE LOUIS QUILICO

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, today I would like to pay tribute to a great Canadian opera singer, the late Mr. Louis Quilico who passed away at the age of 75 last July 15 from a heart attack. Mr. Quilico was one of the most celebrated baritones of his generation.

Born in Montreal of a Quebecois mother and an Italian father, Mr. Quilico made his first foray into opera at the Opera Guild of Montreal and spent 25 years at the Metropolitan Opera in New York as well as other great stages of the world.

He is recognized for the exceptional quality of his performances and the strength of his voice.

In addition, Mr. Quilico taught music at the University of Toronto and the University of Montreal where he also taught Gino, his son, who would later play in many operas with his father.

In 1974 Mr. Quilico was named Companion of the Order of Canada. Last year he received a Governor General's award in the performing arts.

Mr. Quilico contributed in an extraordinary way to Canadian music and to opera as a whole. On behalf of the Government of Canada, I would like to thank Mr. Quilico and offer my sincere condolences to his loved ones.

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WORLD ALZHEIMER'S DAY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, tomorrow, September 21, will mark World Alzheimer's Day.

Currently there are more than 316,000 who suffer from Alzheimer's, but as our nation's population ages that statistic is expected to grow.

Researchers predict that within 30 years there will be three-quarters of a million people afflicted with this devastating disease.

Alzheimer's is a progressive and irreversible dementia that is neither a fair nor normal companion to the aging process. It takes from its victims the loving memories and associations formed through the course of a vibrant lifetime.

The scientific community continues to seek not only a cure, but also preventive measures to eliminate the threat of this heartbreaking disease.

We wish the researchers every success in their efforts and we pray that all people across the country will support the families and all those people who are out to try to cure this disease.

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HUMAN RIGHTS

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, today Action Canada on Population and Development, in collaboration with the United Nations Population Fund, launched the United Nations' State of World Population report. That report is entitled "Lives Together, Worlds Apart".

The report draws to the attention of Canadians and the international community the global problem of inequality between women and men in societies around the world.

Ending gender discrimination is an urgent human rights and development priority. Inequality between women and men limits the potential of individuals, families, communities and nations around the world.

I urge the Canadian government to work with its counterparts and take action on its commitment to the International Conference on Population and Development Program to end gender inequality.

ORAL QUESTION PERIOD

• (1415)

[English]

FUEL TAXES

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I am kind of new around here, so I am trying to get a handle on this government policy.

As I understand it now, when the government is in a position to give money back to people, it says it cannot because it has to consult. However, when it wants to take money away from people, as it did when it reduced health care to the provinces by 33%, and as it did when it raised the gas taxes in 1995, there is no consultation.

Will the Prime Minister please abandon this self-interested policy and state clearly that his government will in fact allow consumers to have a reduction in their taxes at the pump?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have replied to this question. To have a meaningful policy on that, the Minister of Finance is right to consult with the provinces otherwise it will not work.

We have many options that we are looking into, but we have to go back to the fact that the increase in the price of oil in Canada has

Oral Questions

been caused by the tripling of the price of oil around the world, including those who produce oil in Alberta.

By the way, I would like to tell the House of Commons that there was no tax on gasoline in Alberta when the Leader of the Opposition became a member of the assembly. He was the minister of finance for three years and there was a 9 cents a litre tax in Alberta.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. Leader of the Opposition.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): The Prime Minister is correct, Mr. Speaker. When I was minister of finance we had the lowest tax on gasoline in the country and lower taxes right across the board. We lowered the debt at a time when oil prices were low and global commodity prices were high. When the Prime Minister was the minister of finance, taxes went up and debt when up.

I am asking the Minister of Finance this. While he is parlaying at that palace in Prague next week and the people from P.E.I. to Penticton and Princeton continue to have their pockets picked at the pump, will he please, before he leaves, make the recommendation to lower that price?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, after imposing the tax, then at a time of rising fuel taxes in Alberta, and public discussion on whether or not the excise tax should be cut when it was at 9%, the minister said he would consider it. In his budget, he specifically rejected it. The question is, why is he recommending in opposition a course of action that he refused to accept when he was in office?

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. Leader of the Opposition.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, my record as finance minister was to continue to lower taxes at a rate unseen across the country, even when prices were low.

[*Translation*]

If the Prime Minister is sincere when he says he thinks the increase in the price of gasoline may increase the risk of a recession, why will he not support the Alliance proposal to reduce the price of gasoline by almost 5%, which would reduce the risk of a recession?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this was a risk I mentioned while discussing this problem in New York last week.

There is a danger in the western world that countries which are very dependent on oil may find themselves in a much more difficult situation than we have in Canada, because we have oil in

this country. Moreover, the level of taxation on gasoline in Canada is three times lower than what it is in England, Germany or France.

• (1420)

[*English*]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, the finance minister tells us that he is waiting for leadership. I guess leadership from the provinces when it comes to cutting taxes. He is waiting for the provinces. He is waiting for OPEC. He is waiting for the G-7. Maybe now he is waiting for Christmas to cut taxes.

His 1995 excuse was that he was waiting to end the deficit when he introduced a 1.5 cent increase in the tax on gas. Now that the deficit is gone, why are we still paying that tax on gas?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the government has made it very clear that the impact of any tax cut must be one that is significant and felt. That view is also shared by provincial governments.

That is why we have said that if we were to act in that area we would only do so in conjunction with the provinces. We are prepared to show the leadership. No single level of government can provide a large enough cut to make an impact. We do not want to see this money lost at the pumps. We want to see it go into the pockets of consumers, not into the pockets of oil companies.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, let me get this straight. The finance minister wants to take leadership, but he actually wants the provinces to lead him. I am not sure but I think that is followership.

Why does the finance minister not explain to Canadians why a 3.5 cent cut per litre at the pumps would not be real tax relief for those who are hard pressed? Why does he continue to impose a tax on tax, a double tax which his own caucus says is unfair and should be removed? Why does he not listen to his own backbenches on this issue?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is certainly right when he talks from the leadership that has come from his caucus, the member from Pickering and the others.

The government will act. One of the reasons we will act is that we have been studying this issue. There has been leadership from this caucus while that opposition sat silent.

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[*Translation*]

BUDGET SURPLUS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, last year, the Minister of Finance made fun of the Bloc

Oral Questions

Quebecois because we said that the surplus would be \$11.5 billion. He said it would be \$3 billion. Today, we see that we were right.

Will the Minister of Finance admit that his strategy of hiding the surpluses does not fool anybody and that it is just a convenient way of avoiding debate and bolstering his image on the eve of an election?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the leader of the Bloc Quebecois seems to be having a little trouble accepting the good news. A reduction of \$12.3 billion is good news. It will lower the debt.

This is \$1 billion we will save on debt servicing. It is \$1 billion we will be able to use for health, education, innovation and tax cuts. It is good news.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it was not news for us. We have known about it for a year. Even the minister knew. Even he knew, I am certain.

However, what he is not saying is that half of the surplus has come right out of workers' pockets as a result of the \$6 billion in EI cuts. This is a disgrace.

What does he have to say to all the workers who are demonstrating today in Chicoutimi, on the North Shore, in Charlevoix and in the Saguenay region? What does he have to say to them when we know that he helped himself to \$6 billion from the EI fund and that this had a direct impact on families, which are having trouble making both ends meet? What does he have to say to them? These are perhaps not people he knows very well. They are not people of his class.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what we will say is that when we took power unemployment stood at 11.5% and it is now down to 7%.

We have created more than 2 million new jobs since we took power. Real disposable income per capita is on the increase. So is growth.

What we will say is that Canada is doing just fine, and Quebecers know it.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Minister of Finance is telling us today that, a few months ago, he miscalculated budget surpluses by 300% and that he had an additional surplus of \$9 billion last year, money that comes from excess taxes paid by taxpayers.

Does the minister know that a family with two children starts paying federal tax at \$14,948 and that with these surpluses, which the minister knew about, he could have alleviated, as early as last year, the burden of low income families and all those earning less than \$30,000? Does the minister know that?

• (1425)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member should review his figures. Following our last budget, a family with two children and an income of \$30,000 will not pay any net federal income tax.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, all the figures given here are from the minister's own department.

Does the minister realize that, because of his incompetence, because of his crass electioneering strategy, about five million taxpayers who should not have paid taxes last year did pay taxes, namely those earning less than \$30,000? Does the minister realize that?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, once again, thanks to our budget, there are now 900,000 Canadians who have an income but do not pay any taxes. Four years from now, there will be 1.5 million. All I can say to the hon. member is that the department can provide him with the figures, but he must know how to read them.

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

As we now know, the government has a record surplus of \$12 billion, thanks to the tricky practices of the Minister of Finance.

We have a record number of poor, a record number of homeless, a record student debt load, and fewer people eligible for employment insurance.

The Prime Minister promised to divide the surplus fifty-fifty. Why has he gone back on his word?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member ought to be aware of certain things, for example that we signed an agreement last week with the provinces to devote more money to children in all provinces. Since we have been in government, we have established tax credits for poor families. We have put a great deal of money into improving the social situation.

Here is the situation. We have a government that is working very well, there is a great deal of optimism in Canada at the present time, and revenue is coming in faster than expected, fortunately, so we are using this surplus to pay down the debt. This means that we will not have to deal with that problem further down the road—

The Speaker: The hon. leader of the New Democratic Party.

[English]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the finance minister always lowballs the surplus so that Canadians will not have a clear picture of the truth. The truth is that the government is giving in to the bankers and the financial big shots rather than helping the people who need it most.

Oral Questions

The priorities of Canadians are the environment, education and health. Why is the Prime Minister betraying the priorities of Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, that is exactly why three-quarters of our spending has been on health care, education, the environment and innovation.

At the same time we have brought in massive tax cuts that will benefit low and modest income Canadians. At the same time we are reducing the debt so that the next generation of Canadians will not have to bear the huge cost our generation has incurred. This is a question of generational equity.

* * *

FUEL TAXES

Right Hon. Joe Clark (Kings—Hants, PC): Mr. Speaker, my question is for the Prime Minister. His finance minister has just confirmed that the government's position on fuel taxes is that there will be no help from Ottawa unless the provinces agree.

Why does the Prime Minister give the provinces a veto on cutting Ottawa's taxes on fuel?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I said in and outside the House that the government is examining various options. The government will certainly take action in that area.

I also said when I was looking at excise taxes, and according to most provincial governments, that it would be far better to act together if one is to have a price cut which will be of sufficient size to take effect at the pump, be visible and not end up in the pockets of oil companies.

• (1430)

Right Hon. Joe Clark (Kings—Hants, PC): Mr. Speaker, let me ask whoever is answering for the Prime Minister the following two questions. First, has there been a proposal to the provinces for a meeting on cutting fuel taxes? Second, does the Prime Minister rule out removing the GST on home heating fuel?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Finance has spoken very clearly on this subject. I think we have to make sure that any move, if we were to have a move, goes into the pockets of consumers and not of industry.

I would like to quote a good friend of the leader of the Conservative Party, Mr. Mike Harris, who said "We are not about to cut taxes to give oil companies more money. I can tell you that. We need a guarantee that the oil companies won't suck up the difference with higher prices".

I think that is why the Minister of Finance and the provincial governments are careful. They do not want oil companies to pick up the difference and not consumers.

* * *

FISHERIES

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, the reported deal at Burnt Church is not a deal. It is a capitulation. Illegal traps remain in the water.

Yesterday the minister said "Mediation cannot be a shield for unauthorized activity". He said that he "would not jeopardize conservation of the viability of the fishery by letting fishing continue unabated".

This deal allows fishing to continue unabated. It jeopardizes conservation. It legitimizes illegal activity. When will the minister get the illegal traps out of the water?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I am pleased to report to the House that Mr. Rae has reported and sent out a press release saying that he has a commitment from Burnt Church first nation to substantially reduce the number of traps in the Miramichi Bay.

The intent is to ensure that we have conservation as a priority. As I said in the House before, and I want to say it again, I will carry out my mandate to make sure we protect the resource for all Canadians and future generations, but we owe it to the communities to bring the communities together to make sure that we make every effort to resolve this situation in a peaceful way. That is exactly—

The Speaker: The hon. member for Delta—South Richmond.

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, last week the minister was quoted as saying that there were two thousand traps in Miramichi Bay. At a modest catch of 10 pounds of lobster per trap, per day, that is 20,000 pounds of lobster coming out of Miramichi Bay every day at a time when the bay is closed for conservation purposes.

The minister continues to jeopardize conservation. He is threatening the viability of the fishery. Why will he not get the traps out of the water now?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member has not been following what we have been doing. We have been taking enforcement action. In fact we have taken 2,700 traps out of Miramichi Bay, so there has been enforcement action.

We have always said from day one, unlike the hon. member, that it is through co-operation and dialogue. That is our first preference. That is why we were able to get 29 agreements with first nations out of 34.

Oral Questions

That is working well. We will continue to do it, but at the end of the day I will take my mandate seriously. I will protect the resource and make sure the rule of law is followed by all Canadians.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, thousands of seasonal workers in Charlevoix, the north shore, the lower St. Lawrence and Gaspé, even in the Saguenay-Lac-Saint-Jean, are worried. Next February 15, they will all end up on welfare.

I am asking the Minister of Human Resources Development whether she is going to propose transitional measures for these people who qualified for employment insurance between July 9 and September 17 and will receive only 21 weeks of benefits based on 525 hours.

• (1435)

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I met with the hon. member and constituents from his area just a few days ago on this very issue.

He knows full well that we have agreed to phase in the changes for employment insurance boundaries in his part of Quebec. As well we have offered and are very anxious to start a community group to look at expanding the employment opportunities in that part of Quebec.

The workers want to work. The workers want new opportunities. Through you, Mr. Speaker, I ask the hon. gentleman if he would join us in that undertaking to make sure that the workers get what they really want.

[Translation]

Mr. Gérard Asselin (Charlevoix, BQ): Does the minister realize that she has been given bad advice on this matter and has made a very serious mistake, for which the seasonal workers must pay, and does she realize that she needs to act promptly to remedy this mistake, which is having negative effects for workers in the regions?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we have acted quickly. We are phasing in the changes to the EI boundaries. We will be announcing a committee working right in the community to look at opportunities there. I, along with my colleague the Minister of National Revenue, will be investing and supporting that undertaking.

The real question is if that party understands that the issue of employment is about more than just employment insurance. It is

about finding new opportunities and work for the people in that region.

* * *

FISHERIES

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, the minister brags that 29 out of 34 bands in the maritimes have signed fishing agreements. He suggests that if only Burnt Church would sign on that would end the problem.

The reality is quite different. The Lennox Island Band agreement was for 20,000 pounds in Malpeque Bay. DFO sources say they have now fished more than double that and they are still fishing. Why is the minister pretending to protect the lobster resource with meaningless agreements?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member should take the time to read the 29 agreements we have signed.

For the first time we are creating real opportunity, providing not only access to the resource but providing vessels, providing training and providing mentoring so that the aboriginal community can truly be successful in the fishery as it participates more and more in the commercial fishery.

We have taken enforcement action, as I said earlier. We arrested and seized four vessels. We charged 16 people, so enforcement action has been taken. We want to make sure that every step is taken to try to resolve this issue in a peaceful and co-operative manner. However, at the end of the day, we will enforce the law and make sure we protect the resource for all Canadians.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, we cannot have two sets of rules. In Malpeque Bay the minister is legitimizing illegal fishing by calling it a deal.

Yesterday the minister said that he would not use deals as a shield for unauthorized activities, but he is and he has. How many other of the 29 deals are shams like the Malpeque Bay deal?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member should meet and talk to some of the chiefs who have signed deals and then he would have a firsthand view.

They are very reluctant to go out to talk to the aboriginal community because then they would see the good work that has been done with the 29 deals which have been signed for this year that are creating real opportunity for first nations.

This has been a big commitment by the federal government of \$160 million, to make sure that we have a plan to deal with

Marshall. It is doing well. Unfortunately one or two bands are not signing, but we are working on that. At the end of the day we will make sure we will protect the resource for all Canadians.

* * *

[Translation]

ORGANIZED CRIME

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, yesterday, a meeting was held between the deputy ministers of justice of the government of Quebec and the Government of Canada.

Quebec submitted specific proposals to the federal government. The first was to amend the criminal code in order to criminalize membership in a criminal group. The second was to submit this amendment to the supreme court immediately for validation in order to avoid lengthy appeal proceedings.

My question is as follows. Will the minister agree to act on the proposal by Quebec as quickly as possible?

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I mentioned yesterday, federal officials had very constructive discussions with their Quebec counterparts. There are a number of fronts on which we will be working. One is looking at possible legislative change. Indeed the government of Quebec has done some very good work in that regard, and we will be working with them further.

We will be consulting with the other provinces and the territories and with law enforcement authorities before we move forward, but I can assure the hon. member we are taking this matter very seriously and we will be moving forward very soon.

• (1440)

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, if the minister is sincere in her response, if she really intends to act and has the political will to do so, she has the government behind her on that.

Can she specify the timetable for adopting the amendments Quebec has proposed?

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I believe it was agreed yesterday by federal officials and Quebec officials that it would be important to consult with provincial and territorial counterparts and that it would be important to have discussions with law enforcement authorities. As soon as those discussions are completed, we will be in a position to act. However, we will not be rushed into passing a law that is not the very best that we can make to protect all Canadians from organized crime.

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Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, sidewinder was a joint RCMP and CSIS operation that looked into the influence of organized crime and foreign companies on Canadian companies and our security. I have had an opportunity to read the report and it raises very serious concerns about Canadians' personal safety, national security and foreign influence in Canada. Why did the government shut down the report?

Mr. Lynn Myers (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, as you know, the member opposite has gone on repeatedly about this project. He knows full well that the Security Intelligence Review Committee has conducted a review. I am pleased to report to the House today that review is now complete and has been submitted to the solicitor general.

There are three points in that submission that I would like to refer to all members of the House. The first is that there was no political interference as alleged in the media. The second is the draft report in fact was deeply flawed. The third is that no evidence of any substantial nature was part of that draft report. This is good news for all of us. It underscores—

The Speaker: The hon. member for Kootenay—Columbia.

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, as the House will know, we have been after this information for an extended period of time. What seemed to us to be totally incredible is that this report, with all of the findings that it had, even if we were to discount them to 50%, are still very threatening and of concern to Canadians. It raises the question of would the RCMP have actually said "This report is terrible. Look at all the evidence we are uncovering. We had better stop investigating". What does the member mean there was not any influence on this process?

Mr. Lynn Myers (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, clearly the member opposite did not listen to my answer and does not get it. The answer is quite simply that there was no political interference. CSIS, the RCMP and all involved in this matter continue to work very hard on it and will continue to do so based on the values of this country and based on the values of all Canadians.

Instead of looking for the conspiracy theory, which the member opposite always wants to do in trying to get the theory of the grassy knoll and other things, he should bear down on the facts. The facts today are evident and they are presented here in the House.

* * *

[Translation]

IMPAIRED DRIVING

Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the Minister of Justice made a commitment this summer

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to the Quebec minister of transport to propose amendments to the criminal code so that Quebec could use ignition interlock systems to fight cases of repeat offenders under the influence of alcohol.

Why has the minister not kept her promise, when Quebec obtained a favourable opinion from lawyers in other provinces and this system has already been shown to be effective?

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, indeed I have had the opportunity to write to my colleague the minister of transport in the province of Quebec indicating my willingness to pursue the suggestions that the hon. minister has made. I have instructed my deputy minister to take this up with his fellow deputy ministers at their meeting in November.

* * *

AGRICULTURE

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, my question is for the Minister of Agriculture and Agri-food.

This summer, producers in southern Alberta and Saskatchewan have faced severe drought conditions. As a result of that, many of them have had to sell some or all of their breeding stock.

Can the minister tell the House what the government of Canada can do to assist these producers who have been hit by the severe weather in Alberta and Saskatchewan?

• (1445)

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as we know, in a country this size there is great variability in weather. As the hon. member has said, in some parts of southern Alberta and Saskatchewan this year there has been a severe drought.

I am pleased to announce today that those farmers and ranchers who see fit and have to sell over 15% and maybe all of their breeding herds will now receive a one year tax deferral on income from the sale of those animals. This is another program that is in place to assist, along with the other safety net programs in Canada, farmers in situations of financial stress.

* * *

GRAIN TRANSPORTATION

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, once again the government failed western Canadian grain farmers. The grain transportation system is in a mess at the moment. While harvest is under way, the grain handlers at the seasonal port of Thunder Bay are threatening to strike.

Time and time again the government has said to just trust it, that nothing will stand in the way of grain shipments and that these will not be held hostage again.

The fact is Canadians do not trust the government's crisis management solution. They want the minister to bring in some dispute settlement mechanism that would bring the Canadian code into the 21st century. When will the minister be prepared to do that?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I categorically deny and reject the assertion of the hon. member that the grain transportation system is as he describes it.

As hon. members know, Bill C-34 was passed by the House on division. There was great co-operation by members. This is good news for western farmers because \$178 million has been put back into the system. It is very premature for the hon. member to start talking about problems that have not yet manifested themselves.

I just read a note that talks about grain shipments having increased so far this year. I think that good trend will continue.

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, perhaps the minister has not noticed that the workers have been without a contract since January and they are frustrated. Of course, the grain companies are frustrated too. The farmers have had it right up to their ears.

With low commodity prices threatening to put many grain farmers completely out of business, I would think it is about time that the minister changed the code so that there would be a dispute settlement mechanism whereby these things could be nipped in the bud before they became a crisis.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I find it very interesting that the opposition across the way does not believe in the collective bargaining process.

The collective bargaining process is in action. Let us hope that it works well. If it does not work well, then we will have to deal with it when that happens. We cannot be premature and start dictating to somebody what they should and should not do. The collective bargaining process is there. It has worked in the past and I am confident it will work now.

* * *

BUDGETARY SURPLUS

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of Finance.

The Minister of Finance put all the surplus into paying down the national debt, but he had a choice. He chose the bondholders of Bay Street before paying down the human deficit in this country. He chose the bondholders of Bay Street before putting more money

Oral Questions

into health and education. He chose Bay Street before helping the farmers and helping poor people in this country.

I want to know why the Minister of Finance chose his friends on Bay Street instead of paying down the human deficit by putting money into programs for people in this country.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, let me simply explain the balanced approach to the hon. member.

He may well remember that in the budget we put \$900 million more into the Canadian Foundation for Innovation. At the year end we put more money into western and eastern agriculture. In that same budget we put \$2.5 billion into transfers to the provinces for health care. It is that surplus which will allow us to finance the very large funding of \$21 billion to \$23 billion in transfers to the provinces in the agreement signed by the Prime Minister and the premiers two weeks ago.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question then goes to the right hon. Prime Minister.

This morning the Minister of Finance said he was advised by his friends on Bay Street as to what to do with the surplus. Of course, the surplus going to the debt would help his friends on Bay Street and that is exactly what the minister did.

I ask the Prime Minister, is this not a conflict of interest? Is it not a conflict of interest for the finance minister to give the money to an institution that would help his friends? Should the minister not resign because of that?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not like the insinuation. I think that the Minister of Finance has shown how honourable he is and how objective he has been over the last six years.

I have to tell hon. members that he recited a long list of agreements and payments that we are giving in the social field. There is the health agreement. We have invested a lot of money in the children's agenda since we have been here. We have invested in research and development, high technology for connecting all Canadians, the millennium scholarship program and I could go on and on. I will always be happy when we can pay the debt in Canada because we are paying the mortgage that the previous generation put on the children of today.

* * *

● (1450)

[Translation]

FISHERIES

Ms. Angela Vautour (Beauséjour—Petitcodiac, PC): Mr. Speaker, will the Minister of Fisheries and Oceans confirm in this House that if an agreement is reached in Burnt Church today, or

tomorrow—we hope it will be as soon as possible—that agreement will provide that commercial fishing is subject to the same season and the same rules for all fishers, so as to ensure that the conservation of the lobster fishery is a priority?

[English]

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, let me repeat what I said earlier. As the hon. member knows, Mr. Rae is the mediator who was trying to bring the communities together. He has reported that Burnt Church first nation has agreed to substantially reduce the number of traps in the water in Miramichi Bay. This is a good step. We will watch to make sure that happens. It will really be in the action and not the words. I have always said that we want to make sure that all of the traps that are out there are authorized and legal. Any that are not authorized are illegal fishing and we will take steps to make sure that we deal with unauthorized and illegal fishing.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, Mr. Rae cannot guarantee a peaceful solution to the crisis in Burnt Church. The House has a right to know if the minister has a plan *b* and if so, what is it?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, of course the government always has plans to deal with situations that do not work out. The hon. member should know because I have gone to the fisheries committee. I have laid out the direction in our response to Marshall. Obviously he is not listening.

Let me quote for him a Progressive Conservative member who said "I congratulate and support the federal fisheries minister in accepting his responsibility and exercising his powers". This was said by John Crosbie, the former fisheries minister.

* * *

NORTHERN IRELAND

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, yesterday Peter Mandelson, the British secretary of state for Northern Ireland, met with the Prime Minister, the Minister of Finance and several parliamentary groups.

Could the parliamentary secretary explain to the House the efforts that Canada has been making to the peace process in Northern Ireland, including its efforts to reform policing in that part of Ireland?

Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada has encouraged and participated in the peace process at all levels. Canada has contributed \$1 million to the international fund for Ireland.

Eminent Canadians have been actively involved in the peace process. General John De Chastelain, for example, heads the

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independent international commission on decommissioning. Secretary of State Mandelson said yesterday of General De Chastelain “John De Chastelain was head of the decommissioning body for some years. He is a man who commands great trust in Northern Ireland. He has immense authority and credibility”.

* * *

TRADE

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, the WTO drug patent ruling is yet another example of the government wasting valuable time and money on a senseless dispute before the WTO. Canada’s own negotiators involved with the TRIPS agreement said in May that this was an open and shut case. Yet the minister went ahead with an appeal that he knew would be lost when his priority should have been to inform Canadian consumers of the impact of the WTO decision. Why?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we received the answer from the WTO panel and did not particularly like it. I was disappointed with the decision. I am very relieved, however, that that particular decision will not force Canada to change substantially the overall balance of our present legislation.

* * *

● (1455)

[Translation]

IMPORTATION OF MOX

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, the Minister of Natural Resources keeps repeating that the importation of MOX does not pose any risk.

Yet Dr. Gilles Grenier, who is an expert on emergency situations relating to nuclear accidents, recently said that new confidential data at Atomic Energy of Canada Limited basically match the worse case scenarios described by those who oppose the project.

In light of this new information, does the Minister of Natural Resources still believe that there is no risk for the population?

[English]

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the gentleman to whom the hon. member refers made some comments during the open public comment process. AECL took those comments into account and responded to them during the process.

It is now in the hands of the Department of Transport as the regulator to determine whether all of the circumstances are suffi-

cient to allow the transportation to occur. I have every confidence that Transport Canada will discharge its responsibilities in the public interest.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, today, the Minister of Finance announced an unexpected surplus of \$12 billion.

Out of that \$12 billion, \$7.5 billion comes from the employment insurance fund and from those who have lost their jobs.

My question is for the Minister of Human Resources Development. Since on May 9 the House of Commons unanimously supported a review of the employment insurance program, will the minister wait until the eve of an election to make changes to the employment insurance program for the benefit of the Liberals, or will she act immediately for the benefit of Canadian workers?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the member talks about immediate action. Let me describe to him the things that we are doing in his community in the Acadian Peninsula. I was there with the Minister of Labour and together we met with employees and employers. There are very active community groups in that part of New Brunswick where the unemployment levels have been significantly high. We are getting real results.

* * *

[Translation]

HEALTH

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, bad news for the Prime Minister: thanks to his Minister of Finance, the Prime Minister has broken yet another Liberal promise, the one about the 50:50 ratio for the budget surplus. This is bad news for the Prime Minister.

The Minister of Finance is hiding future surpluses from the Prime Minister because he knows him so well. This is bad news for the Prime Minister, but that is how things are between them.

For the benefit of Canadians, could the Minister of Finance tell the House today that he will use the anticipated surpluses to hand over to the provinces the money agreed on in last week’s health agreement now?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have a plan and we are following it. Fortunately, the economy is exceptional and future generations will be the ones to benefit because the debt will go down.

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

MINISTERIAL ANNOUNCEMENTS

As for the money that will be given to provincial governments, I signed an agreement with them last Monday, and all of them were happy. Money is available starting this year for the purchase of equipment and for other parts of the program.

As for the global transfers, they will begin next year. All of the provincial governments were happy and they included representatives of all parties. The member should perhaps realize that, when there is an agreement—

The Speaker: The hon. member for Port Moody—Coquitlam—Port Coquitlam.

* * *

[*English*]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, my question is for the Secretary of State for Western Economic Diversification.

I heard a lot about the regional agencies and their role and effectiveness in the Canadian economy. Does western diversification have a valuable role to play in the western economy?

Hon. Ronald J. Duhamel (Secretary of State (Western Economic Diversification)(Francophonie), Lib.): Mr. Speaker, on behalf of the Government of Canada, my department has invested \$2.3 billion in the western economy since its inception. With its partners it has created the tools that have permitted the western economies to diversify in a significant kind of way.

Last week I was in the western provinces, particularly in British Columbia. I was told that one of the tools developed, the Community Future Development Corporations, has produced 10% of the new jobs in British Columbia over the last few years.

• (1500)

The department also comes to the aid of communities in crisis such as the west coast fisheries and the Red River flood.

Some hon. members: Oh, oh.

Hon. Ronald J. Duhamel: They really do not want to hear the good news. We are proud of the record of the western economic diversification.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (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 five petitions.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I rise on a point of order relating to today's announcement by the Minister of Finance. He made a highly publicized statement outside the House concerning the state of Canada's financial circumstances, in particular focusing on the level of the surplus.

Mr. Speaker, I know that you, as a great defender of the significance and the importance of the House, will know that we raised this issue on a number of occasions. We regret that unfortunately the House has not seen fit or the Chair has not seen fit to take a vigorous attitude toward the practices that diminish the House.

Yesterday we heard high praise from the government about the importance of public business of Canadians being conducted in the House of Commons, yet it has chosen to flout the House again. My colleagues in this party condemn the continued marginalization by the Liberal government in the House. We know that the House is being diminished by the practice of announcements being made in the press gallery as opposed to the floor of the House of Commons.

In the words of your sister speaker in the British house of commons in Westminster, I suggest that this would lend support to this point of order.

• (1505)

This statement was made on July 26 of this year from Betty Boothroyd of Westminster and she stated,

Let us make a start by remembering that the function of Parliament is to hold the Executive to account. That is the role for which history has cast the Commons. It is the core task of members—not merely to act as representatives of their constituents, important though that certainly is. It is in Parliament in the first instance that Ministers must explain and justify their policies.

She goes on to say,

I have taken action to ensure that those who advise Ministers should never overlook the primacy of Parliament. This is the chief forum of the nation—today, tomorrow and, I hope for ever.

I would suggest that there is wisdom to be found in those words and that sentiment expressed by the British speaker. I urge the Chair to follow that lead of the parliamentary model in Great Britain and remind the government of the supremacy of Parliament and the importance of speaking to Canadians through its House, this House and parliament.

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, it was interesting that the Speaker had commented about the continual practice of the government making big announce-

Points of Order

ments outside of this place, ironically again in the Charles Lynch Theatre today. There seems to be quite a bit of action down there lately.

Earlier in parliament the Speaker brought forward his concern that this not become a habit of the government to make announcements outside of this place. He said words to the effect early in this parliament that "I want to express my concern that the government is continuously or habitually making important legislative announcements outside of this place". The announcements of the magnitude that we saw again this morning, which was basically an admission that the forecasting ability of the finance minister was zilch, were made outside the place.

I would agree with the member for Pictou—Antigonish—Guysborough that it is time that the ministers came before the House, made their presentations, told the House first and then the rest of the world could follow.

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker in the absence of our House leader who is busy doing other duties at the moment, I want to add some comments to the points that have already been raised by my hon. colleagues.

We are all cognizant of the fact that Canadians are concerned about the nature of business conducted in the House. It is in the interest of all parliamentarians and the interest of Canada and the parliamentary system to conduct, as much as possible, the serious business of Canada in the House. Today when we watched television and saw the Minister of Finance talk about the surplus and the whole issue and policies surrounding the surplus, the question that came to all of us was why was he not making this now under ministers statements when there would be an opportunity for others to respond and to start this discussion in terms of how to deal with this surplus.

I appeal to not only you, Mr. Speaker, but to the government members, and particularly to the Cabinet ministers, to use this House and give it the due that it deserves. If we do not use it seriously ourselves how can we expect Canadians to take it seriously?

The Deputy Speaker: The Chair has listened to the arguments advanced by the hon. members on this point. I have to say that when this particular chair occupant was in opposition I raised the same point. I am familiar with the argument but I am also familiar, unfortunately, with Speakers' rulings on this point, so I have some bad news for the members who raised this issue.

I cite the decision of Mr. Speaker Fraser on October 4, 1989 who had raised before him a question of privilege by Mr. Ian Angus, the then hon. member for Thunder Bay—Atikokan. He complained about an important announcement made by the transportation

minister outside the House. He felt that the matter should have been raised here in the House under statements by ministers instead of at a press conference.

I quote Mr. Speaker Fraser:

The Speaker, of course, is not supposed to have any personal memory of events in this place.

I agree of course.

But I do, and it has been customary from time to time over many years for complaints to be laid before the Speaker with respect to whether or not it was appropriate for the Government to make a statement in the House, which of course, if that is done under the rules enables both opposition critics to have equal time to respond.

• (1510)

In those days there were only three parties.

It has been argued by Members that sit on both sides of this House on different occasions that that is the more appropriate way to proceed. I must advise honourable Members and the public who are listening that that is not a practice which is stipulated in any rules of this House. Of course, as the Chair always says, if the House wishes to change the rules then the Chair will certainly abide by them. There are no rules to that effect as, I say, and the honourable Member for Thunder Bay—Atikokan, in raising this point, raises a complaint.

The Government has made a response which may or may not satisfy honourable Members but it is not a point of privilege and it is not a contempt of the House. I would suggest that honourable members discuss with each other ways and means by which the practice of making statements in the House can be followed as often as possible.

I also refer the hon. member for Pictou—Antigonish—Guysborough, the House leader of the official opposition and the hon. member for Kamloops, Thompson and Highland Valleys to the new book on House of Commons procedure, page 379. I quote:

A Minister is under no obligation to make a statement in the House. The decision of a Minister to make an announcement outside of the House instead of making a statement in the House during Routine Proceedings has been raised as a question of privilege, but the Chair has consistently found there to be no grounds to support a claim that any privilege has been breached.

With regret, I must state the rules as in the precedence and advise hon. members accordingly. If members wish to change the rules, the Chair naturally would abide by those rules and apply them in the House.

TABLING OF DOCUMENT

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, I rise on a point of order. During the course of Oral Question Period, the Parliamentary Secretary to the Solicitor General referred to a report that he had in hand that was refuting my comments. It was the report given to the Solicitor General by the Security Intelligence Review Committee.

I recognize that the rules of the House would call for him to have quoted specifically from that report in order for us to order that report tabled. However I wonder if, in the goodwill extended by the

parliamentary secretary to myself in his response, he would see fit to table that report immediately so that we can have a look at it ourselves.

The Deputy Speaker: I am sure the parliamentary secretary will note the observations of the hon. member and respond in due course.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the fourth report of the Canada-China Legislative Association regarding the visit by the co-chairs to China in May 2000.

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. During the time when you called for statements by ministers I thought perhaps there would be one from the minister reporting to us.

The Deputy Speaker: Apparently not. No one stood.

* * *

INCOME TAX ACT

Hon. Jim Peterson (for the Minister of Finance, Lib.) moved for leave to introduce Bill C-43, an act to amend the Income Tax Act, the Income Tax Act Application Rules and certain acts related to the Income Tax Act.

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

* * *

PETITIONS

FUEL TAXES

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36 on behalf of a number of constituents who I am sure are concerned about the high cost of fuels, particularly in terms of transportation fuels, but also home heating fuels.

• (1515)

They question the validity of keeping the 7% GST on the price of fuel. They are concerned about the fact that the money raised by the federal excise tax on fuel is not used for the development and maintenance of highways.

They are concerned that this will result in an increase in inflation. They are asking the Parliament of Canada to do whatever it can to get the government to come to its senses on this issue.

Routine Proceedings

[Translation]

THE ELDERLY

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, under Standing Order 36, I would like to present a petition signed by 1,261 people in my riding. They ask the government to have more compassion for the elderly in Canada.

The petitioners ask parliament that the elderly, who are often poor, be exempted from taxes, the GST, the costs of medication, dental care, eye care, prostheses, therapeutic devices, ambulance, and public transit.

[English]

HEALTH CARE

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am very honoured to present a petition from hundreds of citizens of Winnipeg and Manitoba who are very concerned about the state of health care in Canada today.

The petitioners call upon the federal government to increase its share of health care funding to 25% immediately. Obviously they remain concerned that the recent deal at the first ministers level only brings the federal share up to 13%.

The petitioners also call upon the government to implement a national home care program and a national program for prescription drugs, two ideas which were promised by the government and still not acted upon.

GASOLINE ADDITIVES

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition on behalf of citizens in the Grand Bend-London-Kitchener area who urge the government to eliminate the gas additive MMT as it has negative impacts both on people's health and our ecosystem at large.

HEALTH CARE

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, pursuant to Standing Order 36, I also have a petition to present on health care with 400 names on it, not all my constituents but people from throughout Saskatchewan.

They are very disappointed in the government's record on health care. They want the government to raise its expenditure to 25% of the total expenses immediately.

The petitioners also want the government to stop Alberta's experiment with private sector clinics which are really hospitals. They petition the government to do this immediately.

FUEL TAXES

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, many thousands of Canadians have come to me asking me to present a

Routine Proceedings

petition which calls upon the government to do something to prevent the terrible gouging in fuel costs.

Specifically they request immediate action to do away with the charging of GST on home heating fuel. Most of the signatories are from British Columbia, but I am sure that most Canadians share their concern over this issue.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 71 will be answered today.

[Text]

Question No. 71—**Mr. Chuck Strahl:**

Of all Canada Mortgage and Housing Corporation loans for dwellings on Indian reserves, how many of them are in default and must be paid by the guarantor either by the band or the federal government?

Mr. Derek Lee (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): I am informed by the Canada Mortgage and Housing Corporation, CMHC, and the Department of Indian Affairs and Northern Development, DIAND, as follows:

As of November 30, 1999, 24 loans are currently in arrears. All of CMHC's activity on Indian reserves is based on a guarantee from DIAND. CMHC does not pay any claims on these accounts. Once CMHC is notified of an account in arrears, CMHC forwards this information to DIAND.

Since January 1, 1987, as guarantor, DIAND has paid for 18 CMHC loans for dwellings on Indian reserves that went in to default and for which DIAND is recovering payments from the first nations. With respect to loans taken by bands for which the band itself is guarantor, records are kept by the bands themselves.

[English]

Mr. Derek Lee: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

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MOTIONS FOR PAPERS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, would you be so kind as to call Notices of Motions for the Production of Papers No. P-11 in the name of the hon. member for Surrey Central and No. P-24 in the name of the hon. member for Yorkton—Melville?

The Deputy Speaker: Perhaps we could deal with one first and then the other. I call Notice of Motion No. P-11 in the name of the hon. member for Surrey Central.

Motion P-11

That a humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all documents, reports, minutes of meetings, notes, correspondence relating, prosecutions and issues related to extradition concerning the bombing of Air-India 182 in 1985.

Mr. Derek Lee: Mr. Speaker, I am informed as follows. There has never been a prosecution or an extradition case related to the Air India 182 bombing in 1985.

The investigation of criminal acts comes within the mandate of the Royal Canadian Mounted Police and it is not the practice of this House to require disclosure of matters under police investigation.

I would therefore ask the hon. member to withdraw his motion.

• (1520)

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, Notice of Motion No. P-24 pertaining to the production of papers relating to the Air India bombing was introduced in June 1998 and reintroduced as P-11 in the new session.

It has taken a tremendously long time. The parliamentary secretary first denied that there were documents. In the interim the House was informed that the file had been referred to the justice department. Now I am told that the document could not be provided because of the ongoing RCMP investigation.

It shows there is a lack of political will on behalf of the government to provide justice for 329 people. I request that this matter be referred to the House, transferred for debate and a free vote.

The Deputy Speaker: Accordingly Motion No. P-11 is transferred for debate.

Motion P-24

That an Order of the House do issue for copies all documents, briefing notes, memos, minutes of meeting, consulting contracts and reports concerning the total taxes paid (including but not limited to: personal income tax, corporate income tax, sales taxes, fuel taxes, user fees, property taxes, royalties. Employment Insurance premiums, Canada Pension Plan premiums, Workers Compensation premiums, etc) to the federal, provincial and municipal governments by farmers in Manitoba, Saskatchewan, Alberta and British Columbia.

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Canada Customs and Revenue Agency finds the motion unacceptable for the reasons outlined as follows.

With reference to Marleau and Montpetit's *House of Commons Procedure and Practice*, chapter 10, "Responses to Orders for the Production of Papers—Exemptions" at pages 402 and 403, the documents as requested are:

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Papers, the release of which might be detrimental to the future conduct of federal-provincial relations or the relations of provinces inter se (the release of papers received from provinces to be subject to the consent of the originating province).

Second, I refer to item 7 which says:

Papers of a voluminous character or which would require an inordinate cost or length of time to prepare.

Furthermore, the information as requested would likely be exempt from disclosure as the confidentiality provisions of section 241 of the Income Tax Act preclude the customs and revenue agency from disclosing any information concerning the income tax affairs of an individual taxpayer.

I would therefore ask the hon. member to withdraw his motion.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, I have listened to the excuses that the government has given with regard to this matter and I find them totally unacceptable. I would like to have this motion transferred for debate immediately.

The Deputy Speaker: The motion is transferred for debate.

Mr. Derek Lee: I ask, Mr. Speaker, that all Notices of Motions for the Production of Papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Bob Kilger (Stormont—Dundas—Charlottenburgh, Lib.): Mr. Speaker, I rise on a point of order. Discussions have taken place among all parties and the member for Calgary South-east concerning the taking of the division of Motion No. 160 scheduled at the conclusion of the second hour of private members' business today. I believe there would be consent for the following motion:

That at the conclusion of today's debate on M-160, all questions necessary to dispose of the said motion be deemed put, a recorded division deemed requested and deferred to Tuesday, September 26, 2000, at the expiry of the time provided for Government Orders.

The Deputy Speaker: Is there unanimous consent for the chief government whip to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

[English]

FINANCIAL CONSUMER AGENCY OF CANADA ACT

The House resumed consideration of the motion that Bill C-38, an act to establish the Financial Consumer Agency of Canada and to amend certain acts in relation to financial institutions, be read the second time and referred to a committee.

Mr. Mark Muise (West Nova, PC): Mr. Speaker, I am pleased to have been given the opportunity to rise before the House to offer my support for Bill C-38, an act establishing the financial consumer agency of Canada and to amend certain acts in relation to financial institutions.

I believe the bill has been a long time coming. The PC Party of Canada, like most people associated with the banking industry, have been waiting for years for the government to enact such legislation.

I must say it has been a long wait. We have had task forces explore ways in which Canada could assist our banking industry. There has been much consultation and various reports presented to the government which have finally led to the drafting of this important piece of legislation. Bill C-38 is the culmination of a tremendous amount of effort by many people. These individuals should be congratulated.

• (1525)

The bill provides an overhaul of federal laws governing banks and other financial institutions. Changes being proposed in the legislation are expected to promote more efficiency and growth within the banking industry. The bill will allow increased share ownership for larger banks and provide financial institutions with an opportunity to do more through holding companies while also giving them a broader range of allowed investments. These changes will help our financial institutions compete in an ever changing global environment.

At present no single shareholder can own more than 10% of a large bank. The bill will raise that limit to 20% yet still prevent the control of a large bank by any single shareholder. The legislation will allow financial institutions an opportunity to create regulated, non-operating holding companies. These changes could allow smaller institutions to come together and compete with other larger institutions. Such competition could only be beneficial to the Canadian consumer.

Financial institutions could expand their investments in the fast growing e-commerce sector. Technology is quickly changing the way consumers conduct their financial affairs. Therefore it is imperative that our financial institutions be at the forefront of this new evolution.

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[Translation]

It is very important to recognize that about 220,000 Canadians work in the banking industry in Canada. Even more impressive is the fact that more than 500,000 people work in the Canadian financial industry, a crucial industry in the Canadian economy.

[English]

Our financial services sector allows exports of nearly \$50 billion worth of services each year. That represents 5% of Canada's GDP.

Over the past number of years our financial institutions have been under increasing pressure coming from our southern neighbours. Changes to our federal laws governing banks and other financial institutions are required if they are to compete in the global economy. I know that our banking institutions in West Nova can benefit from the changes being proposed in the legislation.

If I might digress, with the ever rising, ever higher profits that the banks are receiving, it is only appropriate that I mention small banks being closed in rural Canada, more specifically in my riding of West Nova. We have a small bank in Freeport on the islands off Digby Network. That bank has been there for years and years and is very important to the businesses that operate in that area. Yet we are advised that it is being closed.

Another bank in Caledonia in the riding of my colleague from South Shore is being closed as well. That bank affects individuals who do business in my nearby riding. In these times it is very important that even though we have to look at changes to how banks operate we still have to take into account how important these small banks are to our regional economies and to the areas they serve.

Over the past number of years our financial institutions have been under increasing pressure from our southern neighbours. As I said earlier, we have to enact changes that will permit our Canadian banks to work in the global economy.

Another industry that will be affected, and I am sure the banks in West Nova will appreciate this point, is the trucking industry which is faced with high and ever increasing diesel costs. If the price of diesel fuel is not soon reduced we will see our banks experiencing defaults on loan payments and becoming used truck industries. Their parking lots will be full of used trucks that truckers will not be able to afford to put fuel in and to make the payments on.

I am concerned that the cost of fuel will have a negative impact on our local economy by increasing the cost of goods which will in turn be another hard impact on consumers. I digress, but it is important that we touch on these issues because they play a very important role in our economy.

● (1530)

Let me go back to exploring the substance of the legislation. The bill will allow banks to set up a holding structure that could separately regulate subsidiaries such as retail banks, credit card companies and insurance firms.

Coming from the insurance industry prior to my political career, I know how difficult and how bothered insurance companies are by the potential for banks to market insurance. I am glad, and I am hopeful that the committee will study that. The PC Party in no way supports the sale of insurance by banks. For that matter, we also do not support the leasing of cars. That is one of the recommendations we will be continuing to push forward at committee.

The aim of the bill is to allow banks to evolve to meet competition and, at the same time, protect consumers. I would argue, however, that due to the government's slow reaction to the changes in the financial services sector, Canada has already fallen behind our global competition.

One thing is clear. After years of uncertainty from the current government, it has finally added some clarification and stability to the banking industry. The PC Party will be supporting this bill and we feel that this is the first step in the right direction.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to participate in the debate on this important bill. We have been talking about this bill for more than seven years, and we are at least two years late in dealing with legislation on financial institutions.

First of all, I would like to congratulate my colleague, the hon. member for Saint-Hyacinthe—Bagot, on his hard work in the finance committee, his exceptional contribution, and the amendments he has moved on the legislation of banks and financial institutions.

World competition is increasingly fierce. The six major banks in Canada are small, compared to their international competitors.

When we compare our big banks to the American or the Asian banks, especially those in Japan, we find that what is needed is a legislative environment conducive to increasing the ability of our financial institutions to hold their own against international competition as well as the competition that will inevitably begin to appear within the markets of Quebec and of Canada.

The Bloc Québécois supports the spirit of the proposed legislation and several of its provisions. However, if the amendments that we will put forward are rejected by the House, we will vote against Bill C-38 for three reasons.

First, Bill C-38 grants many powers to the Minister of Finance to determine all by himself what the future of the banks in Quebec will be.

Second, Bill C-38 provides no guarantee that the minister will take into consideration the specificity of Quebec's financial system.

Third, there is no concrete measure in Bill C-38 to ensure better access to financial services for the poor.

Under Bill C-38, which was introduced on June 13, 2000, the Minister of Finance will have the power to decide on his own the future of banks in Quebec. It is unacceptable for this discretionary power to be as strong as the act itself, if not stronger.

The Bloc Québécois is concerned about the fact that a single shareholder could, with the approval of the Minister of Finance, hold a 65% interest in the National Bank, the largest Quebec-based bank.

• (1535)

There is no need for the Minister of Finance to allow this kind of excessive control to give the National Bank the flexibility it needs to continue to prosper.

How can a shareholder holding 65% of the shares of a bank give more flexibility than 65 shareholders each holding 1% of the shares? We need legislative guarantees against any negative impact these new ownership rules might have on employment of professionals, consumer services, small businesses, decision centres and the role of Montreal as an international financial centre.

The stakes are just too high to rely on only one man, the federal minister, especially since there are no legislative guarantees in the bill. Bill C-38 does nothing more than list some elements to consider that are under the sole control of the Minister of Finance.

Worse still, Bill C-38 is full of phrases like "The Minister may deem necessary" or "such and such a section of the Act will cease to apply if the minister so decides".

In other words, this bill can be made to say whatever Ottawa and the Minister of Finance want, in terms of deciding on their own the future of Quebec's banks. It is not obvious that the finance minister's bill will bring about more healthy competition on the national market. But competition is more important for our future economic development than the creation of big banks to compete on the world market. Nonetheless the Minister of Finance has decided to make a law for big banks, even if that means sacrificing Quebec banks like the National Bank, which is the institution for small businesses in Quebec.

As far as consumer protection is concerned, the Minister of Finance remains vague and the bill is more wishful thinking than

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real political action. The bill establishes the financial consumer agency, which is intended to protect the consumer, according to the minister.

The Bloc Québécois is a staunch defender of consumer rights. This is evidenced by the debate that we led regarding the privacy legislation, Bill C-54, which became Bill C-6.

We remind the government that Quebec already has legislation dealing with this issue, including the Consumer Protection Act, the Privacy Act and acts relating to insurance, trusts, credit unions and securities.

The establishment of a new agency is likely to create new regulatory overlap with the measures already taken by Quebec in an area which, after all, is a provincial jurisdiction.

The bill includes a provision called "low-fee retail deposit account" which, according to the minister, seeks to ensure access to financial services for low income people. No one, except the minister, really knows what this "low-fee retail deposit account" is. No one except the minister knows who will be able to open such an account, and no one except the minister knows whether this account will be accessible everywhere. Why? Because all these issues will be dealt with through regulations. For the time being we must be satisfied with the minister's fine rhetoric, but this is not enough of a guarantee to state that consumers will be better protected by the new legislation.

A notice by the bank is the only thing provided in Bill C-38 in the case of the closure of a bank branch or a reduction of services available to consumers. With such an unrestrictive provision, how can the Minister of Finance claim that there will be increased access to financial services? The minister is the only one convinced of that.

There are a number of problems with this bill and we intend to propose amendments at report stage. It is not an easy task, given the countless pages of the bill itself and of its schedules, all 900 pages of it. We realize that the discretionary power given to the Minister of Finance is much too great for a single individual.

• (1540)

It is like this Liberal government and its leader, the Prime Minister, who appoints all the ministers, senators, the Governor General of Canada, the lieutenant governors in all the provinces, the justices on the supreme court, and government officials, including those abroad.

Until recently, one man, the Prime Minister, had at his disposal the personal files of 34 million individuals, dead or alive, in Canada in the longitudinal file of Human Resources Development Canada. He also has a file on most journalists, concocted by the

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Canada Information Office, the official propaganda organ. And now we have the Minister of Finance going a step further and wanting to decide on his own, at his discretion, the future of Quebec's major banks. This sort of thing would make certain dictators drool.

Throughout the bill, whenever there are provisions concerning banks, insurance companies, trusts, anything to do with the financial sector, the minister always reserves the right to determine, based on criteria known to him alone, whether or not an operation is acceptable. He alone defines certain concepts such as low-fee retail deposit accounts.

Generally speaking, we would have liked more clarity regarding the decision making process and also more specifics regarding certain concepts, such as the low-fee retail deposit accounts for the poor.

We do not oppose increased consumer protection. However, we do oppose provisions that duplicate and overlap those that are already included in the Quebec consumer protection act. Consumer protection is an exclusive provincial jurisdiction. The Liberal government has a tendency to want to centralize everything. It is systematic, disgusting and often insidious.

As I said, the bill is important. It was also important that it be introduced in the House, but we oppose certain provisions and if our amendments are not approved at report stage, we will vote against this bill.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, in this business of the banks, one thing catches my attention. It is not necessarily something that surprises me. There are many things that unfortunately have stopped surprising me in the House since 1993. But this caught my attention.

There are some big banks in Canada. There are a few, not dozens, that are big. The National Bank, not to name names, is one of these big banks.

But when it comes to a bill like the one before us, the minister establishes two categories: the big banks which are bigger and the big bank which is the smallest. It happens that the latter is the National Bank. It is not surprising that it is the smallest, because it operates primarily in Quebec and Quebec represents only one quarter of the Canadian population. It is therefore not surprising that it is the smallest of the big banks, but it is still a big bank.

One might wonder why the Minister of Finance establishes two categories of big banks. This has repercussions because the big banks in the privileged category will not be able to be easily "sold" to foreign interests, while the other big bank, the smaller one, will.

If Quebec were a country, it would not have considered passing legislation that would have allowed its big bank to fall into foreign hands.

• (1545)

I can understand that Canada's Minister of Finance wants to introduce legislation so that these big banks cannot fall into foreign hands. But I wonder why he is prepared to sacrifice the smallest of the big banks, which happens to be a Quebec bank, and allow it to fall into foreign hands.

The legislation in its present form worries me. I am not the only one it worries; many others are concerned. I repeat that with this legislation the young offenders legislation and other legislation, I am tired of not yet having my own country. That day cannot come soon enough for me.

The member for Drummond could perhaps give us her view of this situation.

Mrs. Pauline Picard: Mr. Speaker, I thank my colleague for the information he just gave us to add to this debate.

I totally agree with him. One can wonder why this bill raises from 10% to 20% the percentage of shares of large banks that can be purchased by an individual.

The smallest bank, namely the National Bank, is based in Quebec. It is still a big bank, but, as my colleague explained, it operates in a smaller area since it is based in Quebec. An individual could hold 65% of the shares, which means that there is a greater risk of unfair competition.

A business person who holds a 65% interest in a bank like the National Bank could deny a loan to another business person, because this competitor could probably hurt his or her business. That is why we are saying that it could lead to unfair competition.

We cannot have one set of rules for the other big banks and another one for Quebec-based banks. What was the minister thinking when he decided to include this provision in the bill? Was it just another way of putting Quebec in its place?

Our economy is booming. Things are going well, but Quebec should not benefit from all that.

Hon. Pierre S. Pettigrew: Come on.

Mrs. Pauline Picard: The federal government, this Liberal government, has set itself the additional duty of centralizing everything.

Hon. Pierre S. Pettigrew: Things are fine in Quebec.

Mrs. Pauline Picard: I would point out to the Minister for International Trade things are not as fine as all that. He need only look at his former department, Human Resources Development.

Hon. Pierre S. Pettigrew: Things are fine in Quebec.

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Mrs. Pauline Picard: If things are going well in Quebec, it is because there are some Quebecers who have taken charge. His government is, however, still trying through every means possible to create problems for us and to centralize everything, because it wants to have all the power. There is no way we will allow that to happen.

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, Rivière des Mille-Îles is one of the most beautiful rivers in Quebec and it is located in the Montreal region. I must invite you to go down it by canoe in August. The downriver excursion is a very popular event; this year more than 4,500 people took part. My riding is along the shores of this lovely river.

Let us talk of something other than lovely rivers, even it is a whole lot more interesting to talk of Rivière des Mille-Îles than Bill C-38.

When I hear the Minister of Intergovernmental Affairs boast about how well things are going in Quebec, I realize he is not being realistic. I tell myself he is not coming to see the day-to-day situation.

• (1550)

His riding is located in the heart of Montreal, so where is the Minister for International Trade?

Yes, things are going well in Quebec. But if I were a federal government member or minister, I would not brag, because Quebecers are the ones who are doing all the work. Considering all the money that has been taken from the social transfers to the provinces since 1993, the minister should know that if we have a balanced budget in Quebec, it is not thanks to Ottawa's help. Heavens no.

Let us now deal with Bill C-38. It is true that I read it quickly, but I spent enough time on it to come to a conclusion. Upon reviewing this bill, I came to the conclusion that, in his proposed bank reform, the Minister of Finance is assuming, through Bill C-38, the right to be the only one to decide the future of banks in Quebec. If this is indeed the case, then it is truly worrisome.

If my interpretation of this bill is right, if the minister is assuming this right, then it is really scary.

My colleague, the hon. member for Drummond, delivered a brilliant speech, which shows that she came well prepared. Does she share my impression that the Minister of Finance is assuming the right to be the only one to decide the future of banks in Quebec?

Mrs. Pauline Picard: Mr. Speaker, my colleague is absolutely right. This bill is very lengthy one that runs to 900 pages. It is also very complicated.

Some of its provisions state that the minister, one person, has the final say on certain operations. When we read the bill, we notice that there are many provisions where the minister can decide arbitrarily, on a whim, when it suits him. He decides to accept or

not. Nobody knows what his criteria are. We know nothing. He does not say nothing. He is assuming the right to be the only one to decide.

That is what the government did with Bill C-20. It has ignored Quebecers and our institutions and wants to be the only one to decide the future of Quebecers.

[English]

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, I will be sharing my time with the member for Winnipeg Centre.

I am pleased as well to speak to Bill C-38 which involves financial sector reform, a bill, as has been mentioned, that is 900 pages long and certainly deserves thorough scrutiny.

It was interesting to listen to the Minister of Finance today during question period talking about generational debt. This is a man, along with our Prime Minister, who was in the House in the eighties and nineties when that huge debt was created and a large part of it is due to compound interest.

He was talking about this generation and himself as someone who was going to be a saviour. It was in fact our parents and the men and the women who were in the war and lived through the depression. They made sure their children went to school and got an education. They made sure there would be pensions, unemployment insurance benefits and housing programs. They made sure that people would have homes and that they could afford the gas and the heating fuel to keep their houses warm.

Here we have a government that has slashed and burned those programs. It was not the social programs that caused the debt. It was, as I said, compound interest that was paid to financial institutions in the eighties and nineties that caused the debt to spiral.

• (1555)

I agree that we have a debt and that it needs to be paid, but we also have a debt to the homeless and to the people who are on emergency lists at hospitals. People are dying because they are being turned away from emergency wards. Those debts are far more important than the debt to private institutions such as banks.

We have a finance minister who has been visibly taking public money and transferring it into private hands and we have no say. The big announcement of an extra \$12 billion goes right to the banks. Nobody in the House has any say over how that money will be treated, who it will go to or who it should go to. It is completely out of our hands. That is reprehensible and shocking when we have other debts besides financial debts.

These financial institutions are the most privileged, profitable and wealthy institutions in Canada but they pay very little tax compared to the profits they make. They put nothing back into their communities. The bill will not require them to reinvest in their

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communities. They will be able to pull out of communities and end banking services at will without any recourse for the communities involved.

The New Democratic Party, just on principle, does not support the bill. There are things in it that are worth supporting but not in comparison to what is not worth supporting. We do support the expanded power to credit unions. We think it is important to modernize financial institutions and make sure there is better competition for insurance companies. The bill will provide more power to the House of Commons in bank mergers.

It seems that this huge financial bill went through a screening in a backroom committee where no elected official or average Canadian could have a say. I do not know about most members of parliament but I do not know any wealthy people. Most of the people I know barely make it from month to month, paycheque to paycheque and being able to buy shoes for their kids for the start of school. Most of us do not have any access to the world of privilege or wealth.

We in the NDP do not support the bill because it abandons the wide ownership rules and it will lead to a concentration of power into a few hands. We do not need more public money going into private hands or more public power going into private hands. In a democracy we want to keep power where it belongs, in the hands of the people as much as possible.

The bill also gives far too much power to the finance minister. Why would we want to do that when he already has enormous power? Why would we want him to have that much power over the way we exchange goods or the way we make decisions? In fact, very few of us can get away from a world that depends on money. The minister will have a final say on mergers, acquisitions, regulations and ownership levels, and that is just not acceptable.

There will be no accountability between a bank and its community. As do some states in the United States, the bill will not require banks to reinvest in the communities where they have made their money. Banks make their money off our money. There will be no guarantees of rural access to banking. We cannot stop bank closures or provide no cost accounts. It reduces capital requirements for small banks and there is no control on high risk derivative products or off balance sheet liabilities.

In 1999 our Canadian banks made \$9.1 billion in profits. That kind of money seems unimaginable to the average Canadian when they pay \$2 billion in federal tax. The banks also got a 7% reduction in corporate tax in the 1999 budget.

As I said, banks are privileged but they do need to be dealt with fairly. The financial sector does have to be reformed but it should not be reformed at the expense of the individual Canadian who has a very hard time going to the bank. Small businesses struggle when

approaching banks for loans. They could at least invest in our communities.

In closing, I want to say that we in the NDP oppose on principle second reading of Bill C-38.

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POINTS OF ORDER

TABLETING OF DOCUMENT

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, I beg your indulgence. As you know, following question period I raised the issue of a report that had been referred to by the Parliamentary Secretary to the Solicitor General. I indicated that my understanding of the practice and procedures of the House was that because he did not refer specifically to the report, I could only request that it be tabled.

• (1600)

I have had an opportunity in the intervening period—and this is the first opportunity I have had, which is why I beg the indulgence of the House under this point of order—to review the blues.

The Parliamentary Secretary to the Solicitor General said “I am pleased to report to the House today that review is now complete”, referring to the SIRC review, “and has been submitted to the solicitor general”. This is important. He says “There are three points in that submission that I would like to refer to all members of the House”. He is referring to points contained in the report. He continues, saying “The first is that there was no political interference as alleged in the media. The second is the draft report in fact indicated it was deeply flawed. The third is that there is no evidence of any substantial nature that was part of that draft report”.

In his response to my supplementary question, at the conclusion of his response I refer you to the sentence where he stated “The facts today are evident and they are presented here in the House”.

I refer to the *House of Commons Procedure and Practice*, page 518, chapter 13. I would like to read a portion of a paragraph pertaining to tabling of documents and speeches.

As Speaker Glen noted in a 1941 ruling, “an honourable member is not entitled to read from communications unless prepared to place them on the Table of the House. The principle upon which this is based is that where information is given to the House, the House itself is entitled to the same information as the honourable member who may quote the document.”

Mr. Speaker, my argument is simply this. I recognize that I have not had an opportunity to call the parliamentary secretary’s office but I did want to be on the record as early as I possibly could, at the earliest possible moment, and move from making a request of the government but rather to state that the government really must

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follow parliamentary practice where clearly the solicitor general's parliamentary secretary kept referring to these documents.

At the risk of being too repetitious, I am going to read this again. He said "There are three points in that submission that I would like to refer to all members of the House". Then he elucidates on those three points.

I note that there is a House official for the government in the House today. I therefore request that he undertake to see that this SIRC review which was submitted to the solicitor general, which I have subsequently found out was submitted about a week ago, is tabled forthwith.

Mr. Bob Kilger (Stormont—Dundas—Charlottenburgh, Lib.): Mr. Speaker, respectfully, I am not totally familiar with the incident being raised by my hon. colleague from the Canadian Alliance. However, I would expect and hope that in the usual wisdom of the Chair the parliamentary secretary in question, the Parliamentary Secretary to the Solicitor General, would have an opportunity before yourself in the Chamber to give the appropriate explanation, and based upon and following a decision by the Chair, certainly appropriate action might be taken.

The Deputy Speaker: The Chair indicated when the member for Kootenay—Columbia raised this issue earlier that that is exactly what is anticipated, that the parliamentary secretary would take the matter under advisement. I presume that either he would table the document or come in with an argument as to why he should not table it. That is still the position of the Chair.

I thank hon. members for their submissions and I look forward to hearing from the parliamentary secretary in due course.

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FINANCIAL CONSUMER AGENCY OF CANADA ACT

The House resumed consideration of the motion that Bill C-38, an act to establish the Financial Consumer Agency of Canada and to amend certain acts in relation to financial institutions, be read the second time and referred to a committee.

Mr. Pat Martin: Mr. Speaker, I was wondering if it was appropriate to have questions and comments on the debate of the member for Yukon.

The Deputy Speaker: No one rose and that is why I am moving now to resuming debate. The hon. member for Winnipeg Centre has the floor.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I appreciate the opportunity to join in the debate on Bill C-38.

Not everything we do in the House is really of enormous gripping interest to every Canadian. I know that comes as a

surprise, but this bill is being followed very closely by Canadians. Most Canadians have a strong opinion on the state of the Canadian banking sector and the financial institutions that Bill C-38 seeks to regulate.

In fact most Canadians feel very strongly about Canadian banks. Most Canadians think that Canadian banks are greedy and bloated institutions that are not really serving the best interests of Canadians. That is why they anxiously awaited this legislation.

• (1605)

They waited patiently while the MacKay task force studied this country's financial institutions in great detail for over two years. That report was finally presented to the Minister of Finance. He chose to implement many of the recommendations which have now found themselves into Bill C-38.

Things that the MacKay task force dealt with covered many of the concerns that Canadians have. Many Canadians came forward and made representations to the task force. Even through their members of parliament they have come forward to complain bitterly about the inadequacies in the Canadian banking sector. They have complained bitterly about the closing of local banks, whether they are in the inner city of Winnipeg, which I represent, where services are being arbitrarily shut down, or in rural Canada. We heard the Tory member speak passionately about how frustrating it is for the people in rural Nova Scotia who see their local branches being shut down, things they came to expect from our chartered banks.

We have to remember that the chartered banks enjoy a privileged status. This is not any old business. This is not a Home Hardware that can decide to build a new store in one place and shut down another one somewhere else. That is completely its business; it is a completely private institution. The chartered banks are privileged in the sense that we guarantee them a certain amount of business and a certain amount of profit. In return they owe us a certain amount of service. That was the deal. That was the tacit agreement between the Government of Canada and the chartered banks. That is why they are chartered. But they have broken their promise time and time again.

In an era of unprecedented record windfall profits, what do they do? They shut down the local branches so that seniors and inner city people in my riding at least do not have access. In the inner city of Winnipeg over 20 branches from all of the five chartered banks were shut down. Branches were shut down arbitrarily.

The banks increased service fees. With record profits one might think they might be able to lighten up on the service fees perhaps. They have eliminated jobs. Every time a branch closes, jobs are usually eliminated. They have installed ATMs rather than personalized service, which many seniors are frustrated by, and then they

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have the audacity to charge customers every time they use the ATMs. The banks are saving a fortune in salaries by putting in those machines and then they have the unmitigated gall to charge a fee every time they are used.

These are real frustrations that Canadians have brought to the attention of members of parliament. They had hoped they would have been addressed in a document like this bill.

A number of shareholders are getting very active. Mr. Speaker, I do not know if you have ever been to a shareholders meeting of a major chartered bank, but I have. I crashed two of them last year. I say I crashed them. I borrowed some proxy votes and I visited them in the company of a wonderful man from Quebec, Mr. Yves Michaud, who is a champion of shareholder rights and of Canadians' rights in this regard. I think he is a Canadian hero and should get the Order of Canada for what he does. He goes to every one of those shareholder meetings of the chartered banks and he moves motions and amendments to try to democratize the corporate structure there and to force the banks to be more accountable to the needs of Canadians. It is kind of fun.

There were 1,200 people in the room all looking at their shoes. One would think it would be a democratic process where anybody could stand and move a motion or an amendment. Only nine motions were moved. All nine were moved by Mr. Michaud and seconded by me. That was it for the whole program of the day, believe it or not. In a room of 1,200 people one would think there would be more interest in how the banks are run but they were all as quiet as mice pretending nothing was wrong with their financial institutions.

One of the motions we moved was to limit the executive salary of the CEO to 20 times that of an ordinary teller. Frankly, that is still a whack of dough. The average CEO in Japan makes 13 times that of an average worker. The average CEO of a Canadian chartered bank makes 220 times that of an average worker. It is unbelievable. That motion failed. It did not succeed.

Another motion almost succeeded. We wanted gender parity on the board of directors. The result of that vote was 49.6 to 50.4, numbers we might recognize as they are exactly the same numbers as in the last Quebec referendum by some happy coincidence. That one failed just by a little.

• (1610)

Another motion we moved was to limit the number of boards that a director can sit on. George Cohon, the CEO of McDonald's, sits on 54 boards of directors, including the chartered banks. They meet 10 times a year. How can someone possibly attend some 550 board meetings and make intelligent rulings about how the organizations should be run? I do not think it can be done. That is why there is a paucity of ideas and accountability at the top level of the banks. Those guys just sit on the boards and they vote each other raises. I am sure of that.

We moved a motion to limit the number of boards of directors a person is allowed to sit on to no more than 10. That one did not succeed either.

It was an exciting exercise in trying to democratize the corporations. As governments lose power and lose their ability to manage the economy and the corporations take over more and more, the only way we are going to have any democratic say is if we democratize corporations. Frankly these corporations run above and beyond the dictates of truly elected parliaments like this one.

Most Canadians think that Canadian banks are not good corporate citizens. They are disappointed in the performance of Canadian banks. They do not give a hoot about mbanx. They want them to pay mtaxes. That would be better than having mbanx. How about some mtaxes from the Bank of Montreal?

One thing I will say is that John Cleghorn was a much better sport than Matthew Barrett. Matthew Barrett was really nasty about these amendments, especially the one about limiting his salary. Cleghorn at least got a chuckle out of it.

Canadians think that chartered banks do nothing but take and take and never give anything back in return. That is the image. It is the old Snidely Whiplash image with the top hat and handlebar moustache taking the mortgaged family farm at the first sign of danger. That is the image.

The banks have a big job on their hands in terms of public relations. They are spending hundreds of millions of dollars trying to convince Canadians that they are of warm, fuzzy, caring institutions that are fun to do business with. They are anything but. It is almost as absurd to watch the Liberals trying to paint themselves as the party of the centre left and the champions of health care. It is almost that absurd and that big of a stretch that Canadian banks flounder around trying to pretend that they care.

Ask any small business in Canada how much the banks care in terms of providing venture capital. They will not lend someone money unless it can be proven it is not needed. Even when they do, at the slightest hint of any trouble in the business, they just demand the loan. They call the loan, pull it right out from under it and another small business collapses.

We were hoping that Bill C-38 would have something like chapter 11 in the United States. I hate to look to the United States for ideas; it bothers me. However the United States at least has this sanctuary that a business can hide out in when the banks are trying to blow down its house. Chapter 11 is an interim stage before bankruptcy. The business calls its chapter 11 status and the banks cannot touch it, at least temporarily. We would have welcomed that.

A good example of how unbelievably and unabashedly greedy the banks have become is student loans. One of the obligations that was passed on to the banks in exchange for the exclusive privilege

to do all the credit card transactions and the billions of dollars they get from that was to handle the student loans program. They handled it for a couple of years and they were not making enough money so they tried to dump it and get out of it.

Our party believes there should not be student loans because there should be free tuition. Nobody should be paying tuition to go to university, but that is another issue. If I were in charge of a \$12 billion surplus, the first thing I would declare would be absolutely free tuition for every Canadian student. We can afford it. It would cost \$3 billion a year. It would be a great idea. We would not be putting our students at the mercy of ruthless, greedy and bloated bankers who take advantage of them. I do not think that is in anybody's best interests.

[Translation]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I would like to congratulate the member for Winnipeg Centre on his speech and thank him for his kind words about Yves Michaud. Mr. Michaud deserves to be praised because, in view of his age and his career, he could very well be enjoying a peaceful retirement and thinking only of his family and of himself.

• (1615)

However, he prefers, since he does it so well, to take the side of the small shareholders, the small investors, and vigorously defend the often difficult cause of these people with those who we might call "those financial monsters", the banks and the Canadian financial system, with increasing success. To my way of thinking, it is very encouraging to see how the challenge Mr. Michaud set for himself is evolving and to see his success.

It is a bit like the successes, in educational terms, the sovereignists have enjoyed in Quebec since the 1960s by explaining to the public the merits of the sovereignist proposal. This is what Mr. Michaud is doing with respect to the banks by racking up successes and a better understanding over the weeks, months and years.

I think this, from the member for Winnipeg Centre, is very flattering for Mr. Michaud, who certainly deserves it.

I would like to ask my colleague from Manitoba how he would react if one of the major Canadian banks were located primarily in Manitoba and doing a growing business, as is the case of the National Bank in Quebec, and he learned, as we Quebecers did, that the Minister of Finance has a particular plan in mind for Quebec's National Bank, the bank for small and medium business, by giving it distinct society status in the present instance, by opening the door and pulling out all the stops to enable any foreign company to acquire 65% of the shares of Quebec's National Bank, instead of limiting foreign ownership of it to 20%.

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How would my dear colleague react if this were a Manitoba bank?

[English]

Mr. Pat Martin: Mr. Speaker, I believe that we would react very negatively to any intrusion of that nature. The possibility of losing our economic sovereignty is only one step away from losing our sovereignty, period. I know the people of Manitoba and Canadians generally do not want to see the takeover of their institutions by foreign enterprise and foreign agencies. The 10% rule was put there specifically to stop the Chase Manhattan Bank from taking over the Toronto Dominion Bank in the 1960s. It was put there for the very specific reason of trying to shield one of our Canadian institutions from an unfriendly corporate raid by American interests.

I can honestly say to the member for Trois-Rivières that we would react very negatively if we were faced with similar circumstances as he outlined in the province of Quebec and the Banque Nationale.

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I want to congratulate my colleague from Winnipeg Centre on his speech. I could not have done better myself and I really mean that.

I also want to share with him some information which came my way this summer. It was really heart-rending to get calls from farmers who were in danger of losing their land and of having their mortgages pulled. It was very heart-rending and difficult to deal with but not nearly as difficult as what they face.

Second, the hon. member mentioned the banks walking away from the administration of student loans. I can tell him that just recently the chartered bank which had been doing that work in Saskatchewan gave notice that it will no longer do it because it is not profitable enough.

My colleague mentioned that the banks have been given many benefits. In some ways they are almost treated like an extension of the crown. However, they have a corporate and social responsibility on the other hand from which they often walk away.

I want to ask my colleague about the Community Reinvestment Act. The New Democratic Party had that in its 1997 platform because it was very clear to us that many people who really needed loans, as my colleague said, could not get them because the banks were not prepared to lend to them.

Could he elucidate and give us a bit more detail on what I believe to be the wisdom of that kind of legislation?

• (1620)

Mr. Pat Martin: Mr. Speaker, the Community Reinvestment Act is an American idea that works very well in large American

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cities. Banks are obligated to reinvest a certain amount of their profits into community enterprises or small businesses or start-up businesses that otherwise might not have qualified for a loan under a more traditional setting and certainly would not have qualified for a loan in Canada.

Sometimes they are funding non-profits or giving bank loans to groups that otherwise would not qualify. In some small way at least the banks are repaying for the privilege they enjoy as a chartered bank in this country. We are disappointed there is no reference to it in Bill C-38.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am very pleased to participate in this debate on an important piece of legislation to reform the Canadian financial system.

When dealing with the Canadian financial system, we should be aware that we are dealing with day to day operations, the savings of Canadians, the economic activity that should exist in all communities where there are institutions where we can make transactions and deposit our savings. This kind of bill is a matter of bread and butter and it concerns the economic activity.

In that sense we could perhaps take the government to task for not doing enough publicity and raising public awareness of the importance of this bill, which is the end result of a long process. It is not easy to amend the Bank Act. Extensive consultations are necessary. It seems to me more thought should have been given to raising public awareness.

Something struck me when I read the bill. I would like to bring a number of points to the attention of the House, starting with the regulatory authority the bill is giving to the finance minister.

When we talk about regulatory power, just as when we talk about the privatization of public agencies, we are talking about loss of control, the loss of the right to have a say in these matters for parliament, parliamentarians, the elected representatives that we are, and therefore a loss of control for the people, the Quebec people and the Canadian people, because things will be done mostly through regulations. That is the bureaucracy.

I believe this is a threat to democracy about which we make great claims. We are very good at telling people how to administer themselves. Canada takes great pride in doing so. In certain respects it may be right, but it seems to me it should be more concerned than it is about ensuring that the elected members of parliament do not lose their powers so systematically and regularly.

You know as well as I do—and the matter is being debated in university circles—that constitutional experts are increasingly worried about the loss of power experienced in democracies by the people and their representatives. It is indicative of a certain form of

disregard for the democratic system to which we owe our presence here.

There is another point that strikes me: this reform is taking place in a context fraught with contradictions—my colleague from the NDP alluded to this earlier—and we are asked to stand by somewhat passively. As consumers we are even more powerless and victimized. I am referring to the decrease in banking services in general, the decrease in the number of business hours and the increase in service charges, which is a contradiction in view of the decrease in services.

I am also referring to job loss. This is another contradiction since banks are raking in huge profits, record profits that are piling up year after year to the tune of several billions of dollars; and the very same month, they have the nerve to announce they are going to lay off dozens, hundreds, thousands of bank employees as a result of a streamlining effort that might be justified. This is a tragedy across the world.

• (1625)

And this brings us to another characteristic of banks, which is their symbolic value. People talk about neo-liberalism, with its internal logic, the infernal logic of modern capitalism whereby profits are never high enough and must always be boosted. It has now reached the point where if the expected profits do not materialize, it is the stock which takes the hit.

So there is a logic which is increasingly uncontrolled and which seems uncontrollable whereby life, for those who work, must be infernal, when one is subject to such pressure, always in the name of the great diktat of money, profit and profit for profit's sake.

One gets the feeling, in the development strategy of all the banks, of the entire Canadian banking system, of an attempt at rationalization which is far from being to the benefit of consumers, which is far from being to the benefit of users, which is far from being to the benefit of employees, and which is aimed solely at profit, for example, perhaps going beyond what shareholders are asking for.

Some interesting studies could be done of this because social peace, quality of life, harmony and distribution of wealth are concepts that so-called civilized societies such as ours hold dear. Some surveys are perhaps in order. They would show that the big anonymous managers of this world, with their red suspenders, would perhaps do better to develop greater sensitivity to people's real expectations, to get a better read on the aspirations of the public in general.

There is one specific area that is somewhat related to this, and to which my colleague has referred, something dear to the heart of my colleague from Hochelaga—Maisonneuve: the community aspect. There is one striking aspect, in particular in the eastern part of Montreal: branch closures. It seems that it could be demonstrated

that the poorer the population, the more bank branches are being closed, and thus the fewer tangible, physical services are being provided.

The physical accessibility of services to the public is being decreased, services to people who are already disadvantaged, who may have difficulty getting around and may not be able to afford to. Perhaps they have to take a bus or the metro to a bank that is further away because their local one has been closed, thumbing its nose at customers and their needs.

This is evidence of a management philosophy that must be deplored, a philosophy that is totally egocentric. In a sector that is totally pretentious, judging by its advertising boasting about its services to customers, while closing hundreds and hundreds of branches as is systematically happening with all the banks, I believe there are grounds for criticism and for wondering where things are headed, since once again this is all happening within a context of huge profits.

There is one other very troubling aspect to this bill: the discretionary power given to the minister to apply the legislation. When one reads something along the lines of “the minister may, if he deems necessary” and “if the minister so decides”, these are discretionary powers that are always cause for concern and always troubling. It should be made clearer. The minister’s powers should be better defined, so as to be in a better position to criticize them, to assess the decisions made and the quality of the management, by the Department of Finance and its minister, of any issue.

This is a serious criticism, because discretionary power implies arbitrary decisions. And that is much more serious. It is even harder to protect oneself against arbitrary decisions.

Another aspect—and this refers to the question that I asked the hon. member for Winnipeg Centre—concerns of course Quebec’s largest bank, which is granted special status. That bank is ranked sixth or seventh in Canada, but it does business almost exclusively in Quebec.

• (1630)

Quebec’s National Bank is a bank that does not operate on as large a territory as the other major banks, but it is nevertheless a big bank. Under the bill, a single shareholder could buy its shares and hold a 65% interest in it, while the limit is 20% for the other banks.

Hon. members will realize that, for us sovereignists, the message is very clear. Some wonder what Quebec sovereignty is all about; they wonder why we should have the status of a province when we are subjected and dominated as a people, when, in spite of his great competence, the Quebec minister of finance can only make recommendations or suggestions to his federal counterpart, who may or may not take them into account. This is what being dominated is about. This is what not being a sovereign nation is all about. By contrast, if Quebec were a sovereign state, it goes without saying

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that Quebec’s National Bank would not be at the mercy of foreign investors as it is about to be.

Hon. members will realize that there is a constitutional area and that the example I just provided is an illustration of non-sovereignty. This is what it would mean, among other things, for Quebecers who are listening to us.

There is another aspect to this issue in that the federal government is interfering in the area of consumer protection, something the Quebec government is already doing very effectively with its own legislation. Once again, the federal government is sticking its nose where it does not belong, which has become a habit.

In my opinion, this attitude fits in with the social union concept, with the new aggressive and determining role the federal government will play in the lives of Canadians in the next century. The federal government will be the real government, and the provincial governments will be nothing more than large RCMs, large regional county municipalities. That may be necessary for the good management of Canada. It is the problem of Canadians. But for Quebecers, it is a disaster.

If we stay in the federation, the Quebec government will lose some of its powers, it will become a large regional government and will have all of its legislation overruled, as it is already systematically being done and as is being done today with this bill.

The federal government is duplicating legislation that is working well, as it did yesterday with regard to endangered species, an area where Quebec has had its own legislation for years. That legislation has been very effective. The federal government has decided, without consultation, to legislate in the same area, totally ignoring everything Quebec may have done.

Therefore we must realize that this raises serious constitutional issues. The subject of the Banque Nationale is a good opportunity to talk about the Quebec model in the area of finance and venture capital.

Quebecers, as you might know and as I have come to notice when I was industry critic from 1993 to 1995, are the envy of many Canadians because of the tools we have in the area of finance. There is the Fonds de solidarité des travailleurs du Québec, the Caisse de dépôt et placement, the Société générale de financement and the wonderful Mouvement Desjardins, despite all the critics we can hear about it. Thank God it is there. If the Mouvement Desjardins did not exist, Quebec sovereignty could well be unthinkable. The Mouvement Desjardins is still a free organization, depending on Quebec resources only and we must be thankful about that. Then there is the CSN’s Fonds de développement.

Being interconnected, all these organizations offer us a galaxy of stakeholders who can reduce the risks and who invest more and more in some high risk and high technology areas. Thanks to them,

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Quebec is amongst the best in the world in certain areas. I am thinking for instance of biotechnology and aeronautics. It is important to recognize it, what with Bombardier being the largest manufacturing corporation in Canada.

Thus, when the federal government interferes in this sector, it touches a very sensitive subject where Quebec, as in many other areas, has nothing to learn from our Canadian friends.

• (1635)

In closing, I too want to pay tribute to Mr. Yves Michaud, just like my hon. colleague for Winnipeg Centre did earlier. Mr. Michaud is a great Quebecer. A former member of the national assembly, he was a career journalist. He represented Quebec in Paris with great dignity. A cultured mind and a very eloquent speaker, Mr. Michaud made us proud wherever he went. Today, he is fighting a very important and extremely worthy battle to protect small savers and consumers against a huge monster, the Canadian financial system.

He has been scoring points. He has also been lecturing the financial establishment, which is really not a bad thing to do. Earlier, my colleague from the New Democratic Party compared the compensation package of the bank directors to the wages of the bank tellers. This is a very normal thing to do. When we compare ourselves to other countries, we see how far things have gone here.

We must give the credit to Mr. Michaud, despite some rather mean news reports recently aired by the CBC. Sometimes, in Quebec, we go for attack journalism. We had a good example then of the kind of petty journalism that members are probably aware of. Fortunately, Mr. Michaud used all of his fine qualities and eloquence to set things straight.

This is all I had to say. Obviously for all these reasons, unless it undergoes major changes, the Bloc Québécois will be voting against the bill as it is and will be bringing forward amendments in due course.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank the member for Trois-Rivières for an excellent speech. I can certainly be proud to associate myself with most of his comments, but there is one thing I would like to hear him speak further on.

The results from most surveys of small and medium size businesses show that 45% of them say that if it were not for the lack of venture capital they could expand their businesses and create more jobs. In other words, the banks are not providing the venture capital that Canadian businesses need to expand.

The hon. member spoke to us about the Desjardins and Caisses populaires as being one institution that may fill those needs.

Labour leaders with vision, like the great Louis Laberge in the province of Quebec, founded the solidarity fund in that province. In our province we have what we call the Crocus Fund which is a labour sponsored investment fund using union money to reinvest in the community.

Could the hon. member tell the House a bit more about men with vision like Louis Laberge who had the foresight to put in place labour sponsored investment funds that I believe fill the need so well for venture capital? Could the member explain that process in his province a little bit more?

[Translation]

Mr. Yves Rocheleau: Mr. Speaker, I thank my colleague for his question.

I hope I am not mistaken, but when I was the critic for industry, it seems to me there was a clear difference between the situation in Canada and in Quebec as far as venture capital is concerned.

With the mechanisms we have set up in Quebec, we do not have any problem with venture capital. We have enough risk capital to finance most projects, something that would not happen in Canada.

The creation of the solidarity fund, for example, may have widened the gap even more. Since the same kind of initiative has not been taken in English-speaking Canada, differences have become even more striking, because we already have Desjardins, which is a powerful co-operative movement, whereas the credit unions in Canada are far from being as important.

• (1640)

The solidarity fund alone is as big as everything similar that could be found in the rest of Canada.

The venture capital problem is not the same. I do not think it is a real problem in Quebec, but, as the hon. member said, it is apparently a problem in the rest of Canada for 45% of business people.

[English]

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I also thank the member for Trois-Rivières for his incisive remarks.

There really are some similarities between places like Saskatchewan, where I am from, and many of the areas in Quebec. One similarity would be that there are many small towns in rural areas where if a bank closed down there would be a serious problem. Another similarity is that we share a strong credit union movement and it is very good that we have credit unions.

The member talked about bank closures in small communities, of which, as I have indicated, there are many in Quebec. Does he

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see anything effective in this legislation that would stop bank closures? We do not see it. I wonder if, from his reading of the bill, there is anything in the bill that would prevent the banks in any way or strongly hinder them from closing small branches at will.

[*Translation*]

Mr. Yves Rocheleau: No, Mr. Speaker. The reason this is one of the focuses of our criticism is that the bill provides only that the banks must give notice of a branch closure. In Quebec, if you lay off more than 10 employees, you must give notice. So there is nothing new under the sun.

In view of the need, the quasi essential role of the banks—we need banking services in our civilized society—under a sort of laissez-faire approach the banks manage this at their discretion. The situation is all the more unpleasant because this takes place in a context of huge profits, with staff being laid off all at once and services cut. So, if we put that all together, we come up with a rather unpleasant business.

We have a golden opportunity here to limit that, to make it more civilized. The law is made to civilize things a bit, but the government is missing the boat completely, because it says that the bank will simply have to give notice to those concerned, no doubt the Minister of Labour, in Quebec at least, when a branch with more than 10 employees not transferred elsewhere by the employer is involved.

So it is totally weak and rather hypocritical, because there is a problem. There are hundreds and hundreds of persons who have lost their jobs in the banking sector in Quebec, and the government is doing nothing to establish constraints to make the situation a little fairer.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to rise today to speak to Bill C-38, which deals with the reform of the financial system.

For the benefit of our listeners, that means the reform of the whole banking network and the whole system of financial institutions in Canada. A review of the act takes place every 10 years or so. I have been a member of parliament for seven years, and the act is now being reviewed. This is probably the only time it will be while I am a member of parliament.

This legislation is very important as it governs every financial transaction, not only our small deposits at the bank, but also any transfer of funds across Canada.

Moreover this is happening at a time when globalization is changing all the mechanisms that govern how trade is conducted between various countries around the world, which will have an impact on the way financial services are structured.

Therefore, we must take a serious look at the whole thing and see if indeed the reorganization under way is interesting, satisfactory and good for the future of the financial system in Canada and more specifically in Quebec.

When reading Bill C-38 one notices that it gives the Minister of Finance total control over the future of Quebec banks. Moreover, it does not give any guarantee the minister will take into consideration the specific nature of Quebec's financial system.

• (1645)

A case in point, to which we will get back later on, is the way the bill deals with the possible acquisition of the National Bank of Canada, the type of ownership that might apply to this bank compared to other major banks in the rest of Canada.

It is the kind of double standard we in the Bloc Québécois find totally unacceptable. It is also unacceptable to the Quebec government. The minister of finance of Quebec said so in a letter to the Minister of Finance of Canada, dated June 7, 2000, clearly stating that there are four main criteria to determine what constitutes public interest, and these are not included in the legislation. As far as I am concerned they should be.

The first criterion is the effect of change on present activities in these banks, including the services available. It must therefore be ensured that this bill has a proper administrative framework and is not merely dependent on the good will of the Minister of Finance.

The second effect is the effect the change will have on employment, both at head office and in the branches, including professional positions and those requiring specialized expertise. In other words, we do not want to see a change that would make banks into empty shells, which would for instance make the National Bank a kind of foreign entity in Quebec. At the end of the day, this would mean we would not longer have any control over the bank itself. There would just be an empty shell, and all the specialized jobs, all the jobs with particular, strategic importance, might disappear, particularly from head office, and end up elsewhere. Thus we would lose the control developed over the years.

The minister of finance of Quebec also wishes to see taken into account the effect of the change on the economy of Quebec and its technological development.

The entire banking sector is one that is heavily impacted by technological change, but it is also one with a domino effect on business. When, for example, there is a decision to lend money to businesses to enable them to conform to new technological requirements, in order to be in a competitive position, the lenders must be in place and prepared to take actions that reflect the particular context of Quebec. To that end, we feel it is important to follow up on the recommendation by the Quebec minister of finance.

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The last characteristic, the last condition set by the Quebec minister of finance is the effect of change in the financial sector of Quebec and the role of Montreal as a financial centre, particularly as far as keeping final decision making centres in Montreal.

I believe these are four important criteria which the federal government must take into account and which are absent from this bill at the present time.

As I said at the start, this is an important bill. Changes will not be made overnight. Once passed, it will set the framework for financial institutions in Canada for many years to come. It seems important to me that Quebec's distinctiveness be taken into account and treated along the lines of the interests of Quebec as opposed to those of the Minister of Finance of Canada, which are very different.

I would also like to emphasize another point made by the minister of finance of Quebec, who wrote:

We think that the legislation should include mechanisms to ensure that measures are enforced to safeguard against the adverse effects of allowing an individual to hold more than 20% of the voting shares of a bank in aforementioned areas.

So, through its finance minister, the Quebec government clearly cautioned that major changes must be made to the legislation. The Bloc Québécois is opposed to this bill and will eventually vote against it, if these amendments are not incorporated into the bill *per se*.

As we know, bills have been put forward, including one by the hon. member for Hochelaga—Maisonneuve, dealing with community reinvestment, inspired by a practice existing in the United States, whereby banks are required to have some sort of social mandate.

As the hon. member for Trois-Rivières was saying earlier, and this is true as well in all the regions of Quebec and probably all the regions of Canada, concentration in the banking system today has the following consequence: if there were no credit unions in several regions of Quebec, a local banking system would simply no longer exist. This is because, in the past, banking operations were based solely on economic and financial criteria, without any concern for the social implications of these operations.

I think we had an ideal opportunity to include in this bill some major elements of the bill on community reinvestment introduced by the hon. member for Hochelaga—Maisonneuve.

• (1650)

I think we could have taken a page from the American experience and applied it to the Canadian system. In a few years, we would have realized that, instead of seeing our regions abandoned by the banks, as we have seen in the last couple years, perhaps they

would have come back to this market in accordance with the requirements of the act.

This bill is the result of major technical work. With this bill, some cleaning up is being done, but there are still major points that need to be corrected, and not enough is being done.

Indeed, the Bloc Québécois considers that no concrete measures have been taken to give the poor greater access to financial services, as I was saying when I spoke about community investment.

The Minister of Finance has chosen to unilaterally decide the future of Quebec banks. Figures have come out lately and we have seen what is being done with the surpluses in Canada. Last year, the Minister of Finance announced a \$3 billion surplus, which will actually reach \$12 billion. This was well known from the beginning. But to avoid a debate on the way this surplus should be used, the budget forecasts were fudged.

With this new law, the Minister of Finance will have even greater powers, and I find this dangerous. For instance, the bill is full of expressions like "the Minister may, if he deems it necessary" or certain clauses could be applied "if the Minister so decides". In other words, this bill can be made to say whatever the federal government and the Minister of Finance want, in terms of deciding on their own the future of Quebec's banks, among other things. This is unacceptable.

The main point is that, under the bill, in a bank like the National Bank, a single shareholder could, with the approval of the Minister of Finance, hold a 65% interest in the National Bank, the largest Quebec-based bank.

The Minister of Finance does not need to allow this kind of excessive control to give the National Bank the flexibility it requires to continue to prosper. Why would a situation where a shareholder owns 65% allow more flexibility than one where a shareholder owns 1%?

In the future, this could prove to be very dangerous. The Minister of Finance has not thought this through. Some legislative guarantees are needed to prevent any negative impact these new ownership rules might have on employment of professionals, consumer services, small businesses, decision making centres, and the role played by Montreal as an international financial centre.

It is not obvious that this bill will bring about healthier competition on the national market. But competition is more important for our future economic development than the creation of big banks to compete on the world market.

The Minister of Finance has decided to draft legislation benefiting the major banks. However, if that means sacrificing Quebec

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banks like the National Bank, which is the institution for small businesses in Quebec, he is surely aware that if he does not amend his law he will not have adequately met the needs of Quebecers or their desire to have a financial system that works for them, instead of the financial system.

Let us go back in time. Before 1960, Quebec had few experts who could see and understand the importance of all that. Since 1960, since people like Jacques Parizeau helped create the Caisse de dépôt et placement du Québec, since Quebec acquired such instruments as the Fonds de solidarité des travailleurs, and the Fonds d'actions de la CSN, many management tools have been developed. We are now aware of the power of money. We now know that we can get tools that would help us make the best possible decisions in the interests of Quebec.

The bill before us is something we are quite familiar with. There are in the House sovereignists who want Quebec to have at its disposal the best possible tools to build its future. The day Quebec becomes sovereign, we will inherit a lot of federal statutes during the transition period and this will be one of the most significant. We might as well pass good legislation that is in the interests of Quebec and would allow Quebecers to get down to business the day after the referendum is won, without having to correct too many mistakes made under the federal system.

• (1655)

This is why we carry out our duties in the House. We will criticize this bill and come up with some amendments so that we end up with a bill that is much more acceptable for Quebec and for the rest of Canada, one that would give us the tools we need.

I also want to take this opportunity, at second reading, to talk about consumer protection. The Minister of Finance remains quite vague on this issue. In my mind, what he says sounds more like wishful thinking than a strong political will.

It would be in everyone's interests for us to consider this bill in detail and bring forward appropriate amendments. This bill establishes the Financial Consumer Agency of Canada, the objective of which, according to the minister, is to protect consumers.

The Bloc Québécois has long been recognized as a champion of people's rights. We have had important debates on these issues, including on the Privacy Act, where was shown that the federal government had passed legislation that would not meet its objectives and that would have to be reviewed before long to ensure proper management of personal information. We have seen the results of such a piece of legislation.

Internal management of information networks within the government is totally inadequate. I received at home some information from the Department of Human Resources Development. In its big brother database I am registered as working in the processing industry in Ontario. A lot of the information sent to me was false.

So I had to send it back to the government saying that the information was false and had to be corrected. But that information had been going around for years. It was used in studies, and we did not even know what kind of information the federal government had about us.

This same government that is unable to manage its information properly brought in Bill C-56, which became Bill C-6 regarding the protection of personal information, and it did not go nearly as far as Quebec went in its own legislation in that area.

That is why we have our doubts about the finance minister's desire to really protect consumers. The financial consumer agency will create numerous regulatory overlaps with measures already taken by Quebec in this area. In any event, it is a sector which comes under the jurisdiction of the provinces, of Quebec.

This same bill makes provision for a low-fee retail deposit account, which the Minister of Finance says will ensure those with low incomes accessibility to financial services.

No one knows exactly what this low-fee retail deposit account is, except for the minister. We have not been able to get a good definition of it. No one knows who would be entitled to such an account, except for the minister, and no one knows whether this account will be available everywhere, except for the minister. It would be nice if we knew a bit more.

This bill gives the minister considerable discretionary power. What is more, in a definition that is important for those with low incomes, we do not know exactly how it will be managed. Since the legislation is revised only once every ten years, it would have been good to have this spelled out off the bat.

Why is this not known? Because everything will be defined by regulation. For the moment, we must be satisfied with what the minister has told us since we are unable to get at the meat of it.

In conclusion, if the proposed legislation is to be acceptable to Quebec, it will need to contain important legislative guarantees not now present. The most flagrant example is what will become of the National Bank if the present wording of the bill is not changed. The minister is given far too much discretion, considering the guarantees he has given us in the past.

Quebec must not find itself at the mercy of Canada's finance minister. I think that major amendments should be moved and accepted by the Liberal majority, so that in the end we will have legislation on reform of the financial system that meets a number of conditions, both for Quebec and for Canada.

I suggest that members read what the president of the National Bank had to say. He thought it could be a bit higher than 20%—say even more than 40% or something like 49%—but this all has to be discussed.

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• (1700)

As far as the 65% is concerned, I think that control of anything more than 50% of the National Bank, as provided for by this bill, is a bad thing. The bill will have to be amended within two, three or four years or it will put undue pressure on the finance minister.

The current finance minister will certainly not be around until the end of this century. Two, three, five or ten years from now, we may have another finance minister. Other Canadian governments will make other choices, and we might not necessarily be able to trust the finance minister fully.

I believe the current minister has already shown us that, as far as surplus management is concerned, we should not trust him. Nor can we assume that his successors will be any better. It is essential that Quebec's Banque Nationale be provided with legislative protection.

This is an important bill, legislation that will not be reviewed for several years. This bill proposes many significant changes. There are constructive ideas on the table. The government of Quebec gave us advice and warnings regarding the conditions required.

I hope that the federal government will act responsibly, that it will take the time to study these amendments, that it will agree with our arguments and that it will make some changes so that Canada's financial system will be well accepted by all sectors. It is important to be able to trust our financial system and, consequently, that this system reflect a consensus. We have not reached that consensus yet. Such a consensus would enable us to have the financial tools that would help us face globalization and the challenges that lie ahead of us.

It is important that we give these tools to every family and every person working in our regions.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am pleased to speak to Bill C-38, a bill on the reform of financial institutions and banks.

This is a bill that has been talked about for a long time. Much has been written, much uproar has ensued. It has triggered much action and reaction, and one could say we are late in doing something, because globalization and the inevitable competition between major partners are among the challenges in the world context which is about to become ours, if it is not already.

On a number of occasions, the Bloc Québécois has intervened in this regard. But here we are now faced with the bill as a fait accompli, and the government seems to be a rush to get it passed, so we are taking part in the debate.

I have not come with the bill in hand, since it is 900 pages long. It is not something everyone will read, but it is a bill that creates rights we find insufficient. We therefore wish to put on the record that, if the corrections we will be proposing at the report stage do not get through, we will be forced to vote against the bill. I do,

however, wish to state right off that this bill contains a number of improvements with which we agree.

We note, for example, that the Minister of Finance has incorporated the recommendation made by Henri-Paul Rousseau that the financial institutions, insurance companies and various institutions be allowed to join together against foreign competition. He has added this to his bill, and we acknowledge that it was not in the original.

• (1705)

Let us now look at what is wrong, totally wrong, with this bill. First, I must say that, generally speaking, the powers given to the minister in the bill are way too broad and pervasive. Because of this discretionary power, there are still many provisions whose meaning remain unclear, since the minister may, on his own initiative, change what they appear to mean.

Generally speaking—and once again, the Bloc will propose amendments—we would like more clarity regarding the processes and also more specifics regarding certain concepts, such as the low-fee retail deposit accounts for the poor.

This issue of discretionary power is very important to us, especially since it will touch upon what is at the heart of our opposition, that is the transformation of the ownership rules for the National Bank, in Quebec.

Another aspect shocked us. The hon. members will understand that, having been my party's critic on Bill C-54 concerning the protection of personal information—which is, in fact, a provincial jurisdiction—I am extremely sensitive to the fact that this bill is again creating overlapping by directing how consumers should be protected. It is not that we do not want consumers to be protected when they deal with financial institutions, but we know that they are better protected by Quebec laws.

And there are many in this area. There are the Privacy Act, the Act respecting Insurance, the Act respecting Trust Companies, the Quebec Savings Banks Act and the Credit and Securities Act, to name a few. There is also the privacy bill, which is undergoing radical change in order to take into account the impact of electronic commerce. This is a very interesting bill.

Why oppose a bill supposedly intended to protect consumers? For an extraordinarily simple reason: because consumer protection legislation has to be simple and easy to understand and to enforce. It must be easy and simple for consumers to understand what their rights are and how they can ensure they will be upheld.

Quebec's privacy law is cited all over the world for its clarity, for the ease with which the citizens can win their case, and for its ongoing implementation in Quebec.

When a citizen has a problem and wonders "Under which act am I protected? What are my rights? Are these rights provided under

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the Credit and Securities Act or under the Privacy Act?”, there is a problem. This grey area, which could even make it possible to make a complaint under both acts, but also to miss deadlines at one point or another, is not a good way to protect consumers. The Bloc Québécois will certainly follow this situation very closely.

• (1710)

I would be remiss if I did not talk about the whole issue of community investment. As my colleagues said before me, the hon. member for Hochelaga—Maisonneuve has conducted a remarkable campaign on the necessity for the banks to assume greater responsibilities in depressed communities and in isolated areas experiencing economic difficulties.

In fact, banks should systematically invest in communities, because they do benefit from regulatory protection. They should therefore agree to assume responsibility for the impacts of their activities on consumers, constituencies, regions, the environment and this, of course, in each of the provinces.

Our colleague argued that banks have an unfortunate tendency to avoid depressed communities and to prefer economically healthy areas. When they choose to stay in a depressed community because there are profits to be made, there is generally no correlation between the amounts of the deposits they take in and the amounts they give out in loans and cash advances.

Our colleague’s system is based on American legislation passed in 1970, which completely changed the relationship between the banks and the citizens namely by forcing representatives of the citizens and of the banks to sit together and look at how they could help improve the situation of the most disadvantaged in the community.

We know that the first thing to do to help those persons is to allow them to open a bank account. That is the very first step. The bill provides for a low-fee deposit account.

However, since the application of this provision and its real content are not known, we say that until we know we are concerned, because I think everyone was made aware by the campaign, and at that time, not just by our colleague from Hochelaga—Maisonneuve, by the need to ensure that everyone can at least open a bank account.

All members know that this is far from being a sure thing and that the reasons given or not given have to do with income, length of employment, credit cards, which we can or cannot show, to prove our solvency.

It is an issue we consider very important, and we think that the bill would be vastly improved if it contained a provision that would permit something similar to what is done in the States—when the States has good things to offer, we should use them—that would permit dialogue as is the case with other businesses and other

representatives of the public to ensure that these financial players help the poor.

The ombudsman is a step in the right direction, but it is far from enough. I note that up to now, the ombudsman has been appointed by the banks. When I sat on the Standing Committee on Industry, I heard the banks regularly defending their record on loans to SMBs. I myself bore witness to the fact that the ombudsman had good intentions, but lacked authority because he was appointed by the banks.

The points causing the greatest difficulty are extremely important for the Bloc Québécois.

• (1715)

Since the majority of Quebec members are from the Bloc Québécois, we can argue that we are talking on behalf of Quebec. We can question the change this bill makes to the ownership rule for the big banks. But where the ownership of the only big bank in Quebec, the National Bank, is concerned, we cannot support the change the Minister of Finance is proposing in this bill. We said so loud and clear and we will come back to this issue.

For the benefit of our fellow citizens watching the debate I would like to mention that up until now, the Bank Act provided for the splitting of the shares by prohibiting any single individual from owning more than 10% of the shares and having control over the banking industry, which could have been risky for businesses as well as for the economy and consumers.

Because of pressures exerted upon him and changes in the world economy, the minister has decided that a single shareholder can now own 20% as opposed to only 10% previously. You can rest assured that we will discuss and question this decision. That change affects the big Canadian banks only.

But why allow a single shareholder to own up to 65% of the shares of the only big bank in Quebec, the National Bank? When we think about all the risks this reform would involve, we do not understand.

Looking at history, we can see that Quebec has experienced serious problems over the years in exercising relative control over its economy. One of the main reasons for that, at the beginning of the century and before that, was the lack of capital. The popular phrase then was “French Canadian” or “controlled by French Canadians”.

According to historians, the collapse of Quebec-owned businesses after World War I was due to the fact that, because of the change and because of insufficient funding, all those businesses were bought by British or American capital.

Many economists—and I am thinking of the *École des hautes études commerciales* where so many economists and businessmen have received their training—began to understand that Quebec needed its own capital. Jacques Parizeau, distinguished professor at the *École des hautes études commerciales*, is among those who

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were taught by François-Albert Auger and others. So it is a good thing that we now have the National Bank and the Caisse de dépôt et placement, as well as the Fonds de solidarité and the Fonds d'actions, which came later.

We know that venture capital is now available in Quebec. The National Bank is one important element of this trilogy and we will not let it become vulnerable to foreign control, which could even lead to its dismantling. It could be taken over just to create competition. I will add that one extremely important characteristic of the National Bank is the fact that it caters to the needs of small and medium size businesses.

• (1720)

Of course other banks do get involved, but it is the small and medium size businesses' bank. We know to what extent they are part of the Quebec economy and its distinct nature. For this reason, we must protect the National Bank against being owned by one individual, which could result in a change in its original, main vocation, and worse yet in its being taken over by foreign interests.

We will fight tooth and nail to avoid this, and I believe Quebec and Quebecers will be behind us to oppose others who might favour interests other than those of the small and medium size businesses and their ability to access capital and use it through a bank such as the National Bank.

I could mention other elements of the legislation, but my colleagues and I wanted to stress the essential. The members of our party who sit on the Standing Committee on Finance will work very hard, as usual, but I wanted to say that they will have the strong support of all the members of the Bloc Québécois and also, we are convinced, of Quebecers.

I might add that the Quebec government, through Mr. Landry, was very clear and suggested adding to the minister's discretionary criteria four other criteria that would be more definite and that would stress the link between the economic situation, employment and services. It is surprising that these criteria are not included in the basic criteria the finance minister is looking at in his bill.

Mr. Speaker, I thank you for your attention. It is always a help for us members of parliament, when we need to be convincing, to be able to address not the Chair, but the Speaker himself, who might even enjoy from time to time the fact that we are really addressing our remarks to him.

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I notice that every time I rise in the House, you make an effort to remember the full name of my riding. I hope everyone will remember. You do so in French and your French is constantly improving.

After this bit of humour, I want to remind Quebecers who are listening to us—it is suppertime and some people like to play with the remote control—to make sure, before they eat their dessert, that they know what we are debating here today.

The bill before us will allow the federal Minister of Finance to decide the future of federally chartered banks in Quebec. What does this mean? My colleague, the hon. member for Mercier, explained it very well. The National Bank which, for most Quebecers, is the bank for small and medium size businesses, could come under foreign control. This means that its head office could be moved. These things could happen.

Those who are listening to us, in particular people in the Gaspé Peninsula, always want their member of parliament to come back home as often as possible, so as to keep informed of their problems. If, some day, I were to retire from the House and always stay away, how could I be aware of the needs of the constituents whom I represent? I realize that it is not quite the same thing for banks, but it is important to be close to one's customers. I am sure my colleague can comment further.

How could I, as a legislator, as the representative of the constituents of Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, give a blank check—the expression is appropriate since we are talking about an act amending the Bank Act—to the Minister of Finance, when his bill is full of expressions such as “the Minister may, if he deems it necessary”?

• (1725)

He can do as he pleases, for Quebec and for the Gaspé. He can decide to do the right thing, but in six months we might suddenly have a different minister. Everyone is talking about elections. What would happen if there were someone else in the portfolio?

I do not want to ascribe bad intentions to the present minister, although sorely tempted, but if we change ministers, then what? If people want to make amendments, according to how they see things, and knowing their way of operating and how the electoral system works today, I would dearly love to see what contributions will end up being made to the campaign expenses of future ministers of finance. I will keep a list of them.

The banking system has influence. If we as legislators make the decision immediately, and leave as little as possible to the discretion of a Minister of Finance, which is I believe what the banks and small and medium business want, then we will have some very clear rules to go by. I do not think that this bill as it stands is clear.

I will leave my colleague from Mercier to comment on this statement, but in my opinion it is not, at this time, worth the paper it is printed on.

Mrs. Francine Lalonde: Mr. Speaker, as usual, the member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok has a way of putting things.

I think that we are going to hear this description again. No, we cannot give a blank cheque to the Minister of Finance when it comes to the future of the National Bank.

I repeat, the National Bank is the only Quebec-based bank. It is a mid-sized bank. It is smaller than the major Canadian banks. But it is Quebecers' major bank and it is the bank that finances small and medium size businesses.

I have been on the Standing Committee on Industry long enough to know that these businesses have tremendous difficulty getting financing from the other banks. The other banks prefer to make loans to the rich. The Bible warned us about this. We see it regularly.

So we must ensure that this bank remains in Quebec's hands, that it is not controlled by one person. Such a person could be from another country and could break it up and take it in a completely different direction, but he could also be a big industrialist who would want to change the rules of competition so that he would not have to make loans to small and medium size businesses that were not to his liking.

In no way can we agree to what this bill is proposing, for the economic health of Quebec, for the ability to retain control over the important part of the economy that these businesses represent, and we know that they are much more important in the economy in Quebec than anywhere else in North America.

Why does the minister not say that what is good for the National Bank would be good for Canadian banks? Why have departmental officials said that they are worried about control? If they are worried about control of the major Canadian banks if they increase the percentage of shares that may be held by one individual from 10% to 20%, it only makes sense to be even more worried about control if one person is allowed to hold 65% of the shares in the National Bank.

It is clearly unacceptable. We cannot even consider this proposal. It is ridiculous.

I say, like my colleague, that the Minister of Finance's intentions may be good. I saw a press release that said he wanted to help us. That kind of help we do not need. What we want is a rule that will guarantee us that control will remain in Quebec.

• (1730)

[English]

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

Private Members' Business

PRIVATE MEMBERS' BUSINESS

[Translation]

INCOME TAX ACT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ) moved that Bill C-211, an act to amend the Income Tax Act (travel expenses for a motor vehicle used by a forestry worker) be read the second time and sent to committee.

He said: Mr. Speaker, the name of the bill is a bit unprepossessing, but I would like to summarize its intent.

Basically, it serves to allow forestry workers like those who work in my region—in the Basques, Saint-Jean-de-Dieu, Saint-Médard regions and throughout the Gaspé—who, in earning their living, have to go and work in Abitibi or on the North Shore and have to provide their own equipment, such as a pick-up, skidders, gasoline or a chain saw, to enjoy certain deductions.

The bill came out of a meeting with a forestry worker from Saint-Jean-de-Dieu and a meeting with several forestry workers, who work in this way.

The situation at the moment is that, with the partial deduction the law currently provides, they cannot make enough profit to make it worth their while working.

Right now, tax legislation discourages people from going to work elsewhere, and yet this is the only sort of job available. They would like a more appropriate tax deduction.

How can I say that the current legislation does not fully satisfy them? First, I wrote to the Minister of National Revenue on May 18, 1999 to ask for an interpretation of the law that allegedly permitted an appropriate tax rebate, a large enough tax credit to enable these people to get a tax deduction for travel costs. The law as it stands contains no such provision. The Minister of National Revenue confirmed this in his response to my letter of May 18.

I received a reply three months later and I wrote to the Minister of Finance on August 13, 1999, to tell him, since he is responsible for this issue, that a change to the act was absolutely necessary to allow these workers to have a decent income, to continue to work. Indeed, our tax laws must be an incentive to work, not a disincentive.

The Minister of Finance replied to me on September 30, 1999. Let me read two paragraphs from his letter:

In your letter, you ask if it is possible to consider these expenses as employment expenses, since there are some benefits related to working on a specific site or in a remote area that may be excluded from a worker's income, as long as they are reasonable.

Private Members' Business

The letter then explains that this somewhat changes taxation practices, but adds:

Even if the costs associated with transportation between a person's residence and place of work are not generally deductible, I submitted your concerns to the attention of my staff.

• (1735)

Today, I am very pleased that my bill can be debated in the House. This allows me to provide the Department of Finance with valid arguments to enable it to reach a conclusion.

On February 22, 2000, a few days before the budget, I asked the minister whether his staff had finally done the studies and reached a conclusion. Again, I got a reply from the Minister of Finance, but only in June 2000. That reply is still positive. The Minister of Finance says:

What constitutes a reasonable level of expenses for motor vehicles is a complex issue that requires a thorough study.

That thorough study sure is taking a long time.

The review of this issue and of other components of the tax system concerning motor vehicles is still going on. We will inform you of the results as soon as it is completed.

They have been looking at this proposal for a year and a half. I find it quite interesting that the Minister of finance has told me twice that this proposal has some merit and that it is worth exploring.

Indeed, on the basic principle that would give a tax deduction to workers who have to travel long distances to go to work and are forced to use their car, I think it is justifiable. This would help reduce unemployment in regions like ours and would promote economic activity.

When a forestry worker comes back to his family after two weeks on the job, he has a pay cheque, he can support his family, he can spend a little money to make sure that he has all the tools that he needs to go back to work. There is some economic activity there.

If the finance minister asks for detailed figures, he will find out that it is much better to help these people who have to drive far to go to work by giving them an appropriate tax deduction than to close the door on them, to entice them to stay at home, to push them into not going to work and becoming a burden on society, thus adding to the unemployment rate in a region that is already badly affected.

For all these good reasons, and because I think it would be worthwhile for these workers to persevere in pushing for this bill, I urge the government, the Liberal majority in this House, to consider passing this bill.

Recently we voted on a bill aimed at lightening the tax burden of mechanics, a bill introduced by the hon. member for Beauport—

Montmorency—Côte-de-Beaupré—Île-d'Orléans, which was put to a vote in this House as a private member's bill and has gone on to the next stage. It has somewhat the same objective: to provide a proper tax deduction for the tools all mechanics must supply for their job.

This one deals with forestry workers, and in this case it is not a box of tools but a truck and all the equipment required for work in the bush. The two bills have the same underlying principle. I would like to get the same open-minded attitude from the Liberal majority and from all members of this House.

I am also taking advantage of the fact that we are in the prebudget consultation phase. A letter has come from the member heading the standing finance committee indicating that there is a prebudget consultation exercise to be carried out this year again, in order to ensure that the people of Canada may receive the best possible services from their government and the encouragement to accomplish things and take their place within society.

This is a concrete example on which a quick decision could be reached on behalf of people who are very hard-working, who do not have easy lives, who do not get to go home every night, who often have to do what we call down our way "two week runs". They work away from home and have to sleep in camps where conditions are not always ideal, they have to put up with difficult conditions. Sometimes they pretty well have to sleep in their trucks.

I believe they deserve respect and deserve to be protected from personal bankruptcy. When people buy a pickup truck that can easily cost \$25,000 if they want something decent, they do not buy them for their cool looks but because they are needed for getting to work. This is what they need to do their job properly.

• (1740)

I think our forestry workers deserve the recognition of the House. There are all kinds of tax deductions. In the case of businesses being allowed a deduction for season tickets for hockey or other professional sports, the deduction can be justified because it helps maintain jobs. A similar deduction costing a lot less would allow forestry workers to earn a living, to feel the dignity of being workers, to travel to their place of work, not to make fabulous profits but to earn enough income to keep on working. I think the government should consider doing this for these workers.

It is not a very complicated bill. Basically, it requires only a little sense of fairness on the part of those who would pass it. If it needs a little polishing in committee, we will be listening to see if some changes can be made, but it is obvious that the current legislation does not allow these needs to be met.

We made all the necessary representations to the appropriate officials and we came up against the fact that, under the current legislation, they cannot grant an adequate and satisfactory tax

deduction that really takes into account the need for pick-up trucks and related material.

The legislators must take their responsibilities. Our forestry workers deserve our attention.

Over the last few years, we saw that we wanted workers to have jobs. They would like to turn seasonal workers into machines and ship them all over Canada to work. These workers are often willing to drive 200, 300, 400 or 500 kilometres a week just to get to their workplace.

I believe they deserve our attention and this tax benefit. It would only be fair and respectful of the work they do. This would also be an opportunity for rural communities to get enough extra income.

It is all very well to say that rural communities must look to new technologies, but the fact remains that primary natural resources are one of the important components of the economy both in Quebec and Canada. We must ensure proper management of these components. Forest use must be maximized.

Forestry workers have developed an expertise in a given area. If they are not allowed to go to work far from their home and to make a decent living, their expertise will be lost altogether, they will exit the labour market and will not find work in other sectors, thus becoming a burden for society. This is unacceptable.

Therefore I call on the members of this House to consider my proposals. At the end of today's debate, I will have the opportunity to rise again. I hope I will be able to say that I have the agreement of everybody in the House in order to move toward tangible results.

I hope we will be able to say to the finance minister "You have studied the matter, you say that you have not yet completed your review, but the stakeholders and the members of this House want a practical solution, that is giving forestry workers in Canada a proper tax rebate". I believe forestry workers deserve nothing less.

[English]

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the number of private members' bills that are coming forward are very creative, imaginative and are keeping the Department of Finance, the Minister of Finance and his parliamentary secretary very busy.

I hope I am not the bad cop today.

[Translation]

I have some sympathy for the member's bill. Before I was elected in 1996, I worked for 20 years in the forestry sector. The workers in this sector are very professional. They are people with whom I have done a lot of work.

Private Members' Business

[English]

As I understand it, the intention of this private member's bill is to amend the Income Tax Act to permit, in certain circumstances, forestry workers to deduct for tax purposes motor vehicle expenses related to travel between their residences and places of work. Deductible costs would include not only the day to day out of pocket expenses required to operate the vehicle, such as gasoline, repairs and maintenance costs, insurance and licence fees, but also capital cost allowances. That is the depreciation on the original cost of the vehicle and interest costs associated with any loan taken out to acquire the vehicle.

• (1745)

[Translation]

This bill raises a number of issues that need to be examined carefully. In examining these issues, a number of policy principles must be considered.

[English]

One of the most important tax policy considerations is that of fairness. That is that the tax change be fair, not only to the taxpayers directly affected by the change, but also to all other Canadians.

A second important tax policy consideration is that of simplicity. Can taxpayers understand and comply with the tax change and can the proposed tax change be readily administered and enforced by the Canada Customs and Revenue Agency? Another consideration is how the proposed tax change impacts on the fiscal resources of the government.

This bill proposes to permit forestry workers to deduct employment income motor vehicle expenses related to travel between their residence and their place of work. Permitting such a deduction would represent a major departure from a well-established tax policy which has been in place for many years. The cost of driving to and from one's place of employment is considered to be personal driving. As such, costs associated with personal driving are considered to be personal and therefore not deductible.

Before I was first elected in 1996, I spent a number of years in the forestry sector. Even with that predisposition I cannot think of any rationale that would justify providing this benefit to forestry workers but not to workers in other sectors. I agree that forestry workers often have to work far from their home in relatively remote locations whether it is doing silviculture work, tree planting, thinning or spacing or whatever the case may be. However, forestry workers are not unique in this regard. Most employees have to commute to work and incur costs in doing so. Some employees may have to travel relatively long distances, like forestry workers, to remote work locations. However, it would be difficult to justify providing a tax deduction solely for forestry workers, as this private member's bill proposes, at the exclusion of other individuals.

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[Translation]

In fact, the issue that this bill raises relates to the much broader issue of the deductibility of employment related expenditures more generally.

Most workers incur costs connected, in one way or another, to their employment. In addition to the cost of commuting to and from their work location, in the past, taxpayers and their representatives have sought tax relief for work related expenditures such as personal computers; professional journals; skills upgrading; business and construction safety clothing; and home office expenses.

Providing tax relief to employees in all of these situations would be a major shift in policy and would result in a significant fiscal cost.

[English]

As I mentioned, a second issue that must be carefully considered in examining this bill is that of simplicity. Can taxpayers understand and comply with the tax change and can the proposed tax change be readily administered and enforced by the Canada Customs and Revenue Agency?

We already have extensive provisions that permit the deduction of automobile expenses from business and employment income in certain circumstances and within certain limits. These rather extensive provisions are intended to ensure that all taxpayers are treated in a fair and consistent manner. However, taxpayers often express concern about the complexity of these provisions. This bill would only increase the number and length of the provisions devoted to automobiles by providing a unique tax benefit to forestry workers that other employees are not entitled to. By confining this benefit to forestry workers, the bill requires the crafting of a definition of forestry workers eligible for this tax benefit. However, developing an appropriate definition broad enough to include a variety of work situations yet narrow enough to focus the benefit to those taxpayers for which it is intended would be extremely difficult and could lead to increased uncertainty for taxpayers and increased administrative and enforcement concerns for the Canada Customs and Revenue Agency.

• (1750)

[Translation]

I agree that there is a need to reduce the tax burden of Canadians. However, providing focused tax relief to employees in specific sectors is not the way to go. Rather, as outlined by the government in its last three budgets, it is better to provide broad-based tax relief to all Canadians.

[English]

In the 2000 budget alone, the government proposed that federal personal income taxes be reduced by an average of at least 15%

over the next five years. The proposed budget measures will ultimately benefit each and every Canadian taxpayer by retroactively restoring full indexation of the personal income tax system effective January 1, 2000.

In addition, the budget proposes to: first, reduce the middle income tax rate to 23% from 26%; second, increase the amount of income that Canadians can earn tax free to \$8,000; three, raise the income amounts where middle and upper tax rates begin to apply to at least \$35,000 and \$70,000 respectively; and finally, eliminate the 5% deficit reduction surtax for people with incomes up to \$85,000 effective July 2000 and completely phase it out over the following five years.

The budget also provided further support to Canadian families by the expansion of the Canada child tax benefit by \$2.5 billion a year to more than \$9 billion annually.

The personal income tax cuts proposed are even larger when combined with actions taken in the budgets of 1997, 1998 and 1999. The combined effect is that federal personal income taxes will be cut by an average of 22% over all, 26% for low and middle income Canadians and 30% for families with children by the year 2004-05.

It is important to note that the personal tax cuts outlined in the 2000 budget reflect the least, not the most, that the government will do and we will accelerate those tax measures, I am quite confident, in budget 2001.

I could not agree more that the forestry sector plays an important role in the Canadian economy. I have met and worked with many of these professionals. This sector contributes significantly to our gross domestic product and the large volume of exports contribute significantly to our balance of trade.

This industry provides work to many hard working Canadians. However, for the reasons I mentioned, I hope the members here would support the position I outlined. To create this provision for forestry workers alone, to restrict it and not allow it for other workers in other sectors and to create a precedent with respect to the deductibility of travel expenses from home to the workplace would create an unnecessary and costly precedent. I urge members to vote against the bill.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I rise today to speak to the Bloc member's private member's bill, Bill C-211, on tax reductions for forestry workers.

First, I want to say that I fully support the issue that all workers in the country are crying out for tax deductions. There is absolutely no question with respect to that. I want to talk a bit about that.

Bill C-211 is specifically targeted at forestry workers who want another tax deduction. I want to focus on the larger picture which is the taxation levels in the country.

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• (1755)

Today we watched the Prime Minister. Ironically, he announced a \$12.3 billion surplus. To his credit, he did put it on the debt. However, I have some concerns. Only months ago that he was forecasting a \$3 billion surplus. I question who is doing the accounting for the government. We have a 400% increase in the amount of the surplus and one has to question exactly how this happened. Is it happening because there will be election weeks or months away? We know we are within a six month election cycle and all of a sudden we have a \$12 billion surplus. We saw this type of what I call bean counting in British Columbia where months before an election there was great surpluses and months after the election there were great deficits.

Mr. Hec Clouthier: That was the NDP.

Mr. Gary Lunn: That is exactly right, as the member yelled across to me. That was the NDP but again, we are seeing exactly the same scenario here.

We want to see how they arrive at these numbers. In the first quarter of this year alone the surplus reported by the Department of Finance was \$11.4 billion. There is only one way that the government gets money and we all know that is from our back pockets. The government collects money from taxes. That is one source of revenue. Clearly we have to look at what has been going on.

The Canadian Alliance believes it is time for real tax cuts for working Canadians. They need these tax cuts. There is all kinds of evidence to substantiate this. We can look at the standard of living of Canadians. It has been dropping dramatically over the last 10 years. Today the worker's purchasing power is much less than it was 10 years ago. There are all kinds of reports and statistics to back that up.

We have to get taxes down. Since 1993, the Liberal government has raised taxes over 60 times. It claims it has deducted taxes. I challenge Liberals to go to the working people in their ridings and ask them to pull out their paycheques from today and compare it to two years or four years ago. Working people have less money to take home. There is only one reason for that. The current government has raised and raised taxes. What are they left with?

The Department of Finance reported a \$12 billion surplus. The government has put that on the debt but I am a little curious to see what kind of numbers we will get after the election. Maybe we can go back and look in *Hansard* when the government comes back.

Again, to back this up, our standard of living has gone down. Let me give a couple of quotes. This comes from the OECD: "One of the most important determinants of the standard of living is productivity which is a measure that attempts to capture the efficiency and productive inputs and technical progress".

Mr. Roy Cullen: This has to do with forestry workers.

Mr. Gary Lunn: Mr. Speaker, the member is yelling this has to do with forestry workers. The issue here is taxation levels. The private member's bill is specifically trying to reduce the taxes of forestry workers. He has brought back a private member's bill to bring in more tax deductions for the workers in his riding. I fully support the need for tax reductions.

I agree with the member across that it would not be fair to give tax deductions to just the forestry sector. We cannot just provide tax reductions to forestry workers, or as the government would probably like it to members of parliament. In fact, we need to bring in tax deductions for all Canadians.

Let me continue on. These are statistics from Canada. The OECD went on to state: "While productivity growth appears to be better in Canada than anticipated, there continues to be a wide gap in the productivity level compared with the United States, Canada's most important economic partner. This gap is reflected in a substantially lower standard of living in Canada".

If we go out and talk to the people in our ridings, they will tell us that they are struggling, that there is no money for extras and that there is less every month to pay the bills. That is strictly because we have seen one increase after another by the government. It is reaching into people's back pockets and we have to change that.

• (1800)

I am proud to say that the Canadian Alliance is committed to reducing people's personal taxes with meaningful tax relief, not punishing people who are successful. These are the people who power the economic engine. We are saying that we want to provide tax relief to all Canadians.

I have people in my riding who are earning less than \$20,000 and should not be paying any taxes. We would take them right off the tax rolls, yet the government continues to tax them.

I struggled with whether I wanted to run for parliament back in 1997. One of the passions to which I was committed was that the aspirations and dreams of my generation were being shattered strictly through taxation.

We often hear of and talk about the brain drain. It is one of my greatest frustrations. It is not the significant number of people who are leaving Canada, but it is the very best, the very brightest, the economic engine of the country in 15 or 20 years. It is the entrepreneurs, the people who will create jobs in Canada for other people. They are flocking to the states. Why? It is because of the tax levels in this country. It is time for meaningful tax relief which they will feel.

The \$12 billion is not the Minister of Finance's, the Prime Minister's or the government's money. It is taxpayer money. We

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need a plan where we can give taxpayers real, meaningful tax relief. We are committed to doing that.

It is a laudable goal by the member from the Bloc who brought this issue forward. I too have worked in the forest industry. I spent five years working at Crestbrook Forest Industries. I have a lot of friends in the forest industry. It would be very easy for me to stand here and say that we should provide tax relief just to one sector, the forest sector which is huge in British Columbia, but we have to look at reality. We cannot start providing tax relief targeted specifically to one occupation or one sector of society.

We need tax relief for all Canadians. We in the Canadian Alliance are 100% committed to doing that. Jurisdictions all over the globe such as Hong Kong and Ireland have brought in meaningful tax relief, and what has happened? We have seen those economies flourish.

What happens is that it attracts the best and the brightest. Economies flourish and the wealth created by the private sector, not by the government, allows us to have the social programs that are dear to our hearts. We can put the money into health care.

Bill C-211 is asking for a tax deduction for one sector. It is obviously not doable. It needs to extend to all Canadians. I am very proud that the Canadian Alliance is committed to providing meaningful tax relief to every Canadian. Their standard of living would increase. It would allow our best and our brightest young people to stay in the country. It would turn around the tax increases we have seen year after year after year by this government. I can count over 60 sneaky, hidden tax increases. We can turn those around and start putting money back in the hands of the taxpayer, not in the hands of the government.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am pleased to speak to Bill C-211, an act to amend the Income Tax Act, relating to travel expenses for a motor vehicle used by a forestry worker.

The bill introduced by the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques is an initiative that I also feel strongly about. The bill would allow forestry workers, who have to travel long distances in a motor vehicle between their place of residence and their workplace, to benefit from a reasonable tax deduction, which, in this case, I find adequate.

• (1805)

In summary, Bill C-211 would allow a forestry worker, under certain conditions, to deduct from his income the interest paid on money borrowed to acquire the motor vehicle.

Also, a forestry worker would be able to deduct from his income expenses related to the wear and tear of the motor vehicle. This bill means a lot to forestry workers.

Currently, Revenue Canada considers the use of such a motor vehicle as a use for personal reasons by forestry workers who have to travel long distances to get to their workplace. Consequently, these workers cannot claim travel expenses from their residence to the logging area. What this means is that Revenue Canada does not consider that these workers need to travel to work.

If we look at forestry workers, and this is where I disagree with my colleague from the Alliance, there is a major difference, and that is what my colleague from the Bloc Québécois is trying to point out with his bill.

Forestry workers do not work all year round, they are seasonal workers. When spring comes around, they have to contract loans. I think it is one of the only Canadian industries where people have to buy their own tools, such as chain saws, that cost \$850 plus tax.

Each year, the forestry worker, the logger who goes off to the logging area has to buy a new saw. That costs money. Unlike other workers, he does not work all year round. The seasonal worker, the logger has to survive on employment insurance for part of the year, at least six months. He has to make do with 50% of his income because of the cuts Liberals made in 1996. EI benefits have been slashed by half. These workers are punished left, right and center.

That is why I feel I have to support the bill introduced by my colleague from the Bloc, because these workers deserve a break. Each spring, these workers have to fork out a lot of money after spending the winter on employment insurance, because they cannot log all winter long. They end up with debts after spending the winter on employment insurance.

That is why I am going to support this bill. It is all well and good for the Canadian Alliance to say that all Canadians must be treated equally, but in the meantime, we must take into account the plight of our forestry workers. According to Alliance members, Canadians should not have to pay any taxes or everyone will want to move to the United States. I will say one thing. I would rather live here, in Canada, the best country in the world, than in the United States, where they have a two tier health care system. They may pay less taxes, but going to the hospital can easily cost \$10,000. In my opinion, that is a form of taxation.

In my riding of Acadie—Bathurst, the forest industry is important. Nearly half the people are seasonal workers, either in fisheries or forestry. These jobs are important for our region.

As I said, and I will repeat it because apparently before people get it into their heads, it must be repeated 28 times: in my riding, the forestry worker who is lucky to work 15 or 20 weeks ends up unemployed the rest of the year, because there are no jobs. He is not a seasonal worker, but he works in a seasonal sector. He ends up

with half an income for the rest of the season and in the spring, he must buy a chain saw even if he would appreciate getting a little tax break then. With the little tax break that he gets, which is a tax refund, he has to buy a chain saw in order to go to work.

• (1810)

The purpose of this bill is to help this industry and its workers, because they are unique. We need those forestry workers. People living in big cities, whether it is Montreal, Ottawa, Toronto or Vancouver, are happy to get 2x4s from my region, from Kamouraska, Rivière-du-Loup, the Gaspé Peninsula, northern Ontario and northern British Columbia.

I am sure that the hon. member opposite remembers the visit we made to loggers in the Prince George area. This is not an easy job, because we cannot bring the forest into the city. Loggers have to go into the forest, miles away from home; they have to travel and leave their family behind for weeks. When they come back on Friday night for the weekend, they are exhausted. They are home Saturday, and on Sunday, they go back to the logging camp. That is what loggers do.

I think that the government could recognize their work by giving them some tax relief, such as the one proposed by my hon. colleague in his private bill. I think this is the best thing to do.

The Alliance members come from a region where there are many loggers, but they are not prepared to give a break to a specific group like this one. However, they want to have a tax, what they call the flat tax, to give a break to all the millionaires in this country and all the people who make over \$100,000 a year, giving them a tax cut, so that they do not have to pay as much tax.

But they are not prepared to do anything in support of the forestry workers, not prepared to treat them as special workers. Yet these workers are special, because they are the ones who go out in the woods to cut down our natural resources, which provide the whole country with wood, with 2x4s, with paper and what have you. The piece of paper I am holding starts in the forest. The forestry workers are the ones who cut down the raw material that it is made from.

The only thing they are asking for is recognition. Very often people say "Oh, he's just a forestry worker, that's all". As if these workers were not part of society. That is how they feel sometimes.

It is not enough that many of their jobs in the bush have been lost to mechanization, now gas costs are making it extremely expensive to get to their jobs.

In my opinion it would be just the honourable thing to do if parliament were to say "Now we are finally paying attention to our forestry workers".

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Most of the members of this House have such workers within their ridings, or their fathers or brothers were forestry workers. I think giving them a little hand up is nothing more than the fair and honourable thing to do.

Before closing, I will just quickly repeat a few points. We must keep in mind that the forestry workers cannot control wood quotas. They are therefore forced to be seasonal workers. For a large chunk of the year, six months I would say, they are forced onto employment insurance, at 50% of what they were earning.

I strongly recommend that the government members vote in favour of Bill C-211 in order to give our forestry workers the opportunity to purchase chainsaws and get to work providing our country with a resource.

[English]

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I pleased to speak to Bill C-211. My colleague from the Bloc has put forward a pretty interesting proposal. However, when we look at the forest worker separated from a lot of others in the same categories, I have some concerns.

• (1815)

I look at the proposal that a low paid seasonal worker is asking to reclaim some of his expenses through the income tax source. The other interesting part is that he would be able to claim his vehicle or the costs of his travel back and forth, including the cost of the interest on his loan to purchase his vehicle. I wonder if we are just talking about cars and trucks here. As the hon. member knows, some people travel by Sea-Doo. Maybe they should be able to claim them also.

Unfortunately a dual economy is developing. There are areas that are flourishing. Employment rates are extremely high mainly around our urban centres and people are doing very well. In many of the rural regions people are trying to eke out a living. Forestry workers, fishery workers and construction workers are some of those groups.

Because of the way the present government has operated and because of the CHST cutbacks over the last number of years, most of the provinces have put the meagre income they have into health care more than anything else. In most provinces, except for the two or three more affluent ones, there is a lack of construction work. Many construction workers who worked on our highways, municipal projects and water and sewer projects now have to travel all over the place to get enough hours of work just to qualify for EI benefits during the long hard winters.

The hon. member who presented the bill has an issue. He is on to something but he needs to broaden the base considerably.

There has been a lot of discussion tonight on the methods of taxing people. Alliance members talked about their proposals, the

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flat tax. Let me tell them that many seasonal workers certainly would not benefit from the flat tax. They would just be flattened a little bit more by the flat tax.

Some might say that the government's proposals are going to be generous. Let me say to them that again, the rich will become richer and the poor will become poorer. We are seeing this more and more. When I use the word poorer, I am not talking about poor in the sense of resources, but poor simply because they have been duntrodden by the Liberal government over the last 10 years to the point where they cannot gain from the development of the great resources they have.

There is no greater example than my own province of Newfoundland and Labrador. We are an extremely rich province with a tremendous amount to offer, but because of the policies of the government, we are not gaining at all from the development of our resources. We see some employment in the urban centres, but the employment levels in the rural centres are going down.

We see among our fishery workers what the hon. member sees among his forestry workers. In order to gain meagre employment, they have to travel miles and miles. Before, many of our communities had large fish plants where the local fishermen came into their own wharf. People in the area worked in the processing plant and did very well.

Because of the depletion of our resources and in particular the mismanagement by the government, there is absolutely no scientific research involved in order to dictate how we should handle our resource. We see the decimation of the fishery. Fewer people are fishing.

● (1820)

Fisher persons themselves have to travel further and further to get to the wharf that they use and to the place where they now must store their boat. Many of them have to go from the smaller boats to the bigger boats to travel further afield to catch the meagre resource. Fish plant workers who work practically next door travel in excess of 100 miles a day in order to get enough work to qualify for EI benefits.

I have a lot of sympathy for what the hon. member is saying. Construction workers day in and day out travel over 100 miles to get to a place where they have a few weeks of work.

When we look at changing the tax structure, instead of looking at across the board cuts that the members opposite say will benefit everybody, perhaps we should look at adjustments within the system that will benefit those who really need the tax breaks.

When the federal government cuts taxes by 5%, 10% or whatever, it brags about it. Everybody gets a break. But for the people in Newfoundland who pay 69% of the federal rate in their personal

income taxes, it does not mean a thing. It means that the provincial government is taking in fewer dollars. It means absolutely nothing in the sense of attracting investment because the playing field is not level. Again, the rich benefit more. They can offer more incentives to people to invest. The poorer provinces such as the Atlantic provinces in particular cannot compete with the more lucrative ones because they cannot offer the same tax incentives.

Across the board cuts and made in Ottawa solutions might be looked upon as being equal, but they are certainly not fair for many regions. Not only are rich, poor and some in between regions developing, the same thing is happening in sectors within our provinces.

People in the rural areas of Quebec, New Brunswick, Nova Scotia and Newfoundland in particular are finding it more and more difficult to find employment. The expense of going to their job and the expense of being involved in the workforce are getting so great that people need some kind of a break.

I support in principle what the hon. member is proposing. I hope we will use this as a catalyst to help other sectors, not just the forestry workers. Their case might be unique in certain areas of Quebec, but the fishery workers in Newfoundland are just as unique. The construction workers in Atlantic Canada and Quebec are just as unique. Perhaps it is time that we looked at developing tax policies that benefit those who need help.

Members opposite brag about the \$12 billion, \$14 billion or \$15 billion surplus. They should be on their knees thanking the Tories for their initiatives. Back in the early nineties when they brought in free trade, the members opposite said no, that it would destroy the country. What happened after the election? The Liberals went along with free trade and today they see the benefits. Every night they should give thanks that Prime Minister Mulroney had the fortitude to do what the Liberals did not have the fortitude to do.

The other great income generator is the GST. Once again those hon. members said that we could not have this terrible tax. What happened? They had the terrible tax. We can go back to the government of the hon. leader of our party which was defeated when it increased the gas tax. When the members opposite came into power, they doubled it right off the bat.

● (1825)

The Liberals can brag about the surplus for two other reasons. It is not only because of good Tory policies but they have also shafted the people on health care and have held back billions of dollars that should be going to the sick and the poor. People are suffering because of seasonal employment. The government has cut their legs out from under them with the EI benefits. This has helped fill the government coffers and it is nothing to brag about.

Maybe it is time for the government to change its mind and support the hon. member's bill and help the people who really need the help.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I thank the members who took part in this debate.

Even those who did not support the idea, I felt, considered a debate on tax incentives needed to get people to work relevant.

The forestry workers we are talking about here have to go elsewhere to work, are forced to sleep elsewhere and need their vehicles for their work. So they are not using them on a whim. They need them to get to work.

The government already partially acknowledges this, because there is a partial deduction for it. The problem is that the present deduction is inadequate, because it does not take into account the relevance of using this type of vehicle for these purposes. In a little square box, in a department somewhere, they defined this vehicle as being used for tourism or personal uses, and this is not the case. This point needs to be changed.

I invite all members who said something special could not be created for a given sector to debate my bill so that we may look at similar situations and examine this issue in committee. I invite them as well to not close their eyes to the facts. Under the existing tax system, all sorts of specific deductions are permitted for all sorts of people. We are among these people who have a significant sum that is tax exempt so we can do our job.

Some people get tax deductions to pay for season tickets to the hockey games in big cities like Toronto, Montreal or Vancouver, and people in my region cannot benefit in any way from such deductions. It is absolutely impossible to obtain a season ticket and to benefit from it.

We have to weigh things carefully. The system is not balanced in that regard. In this case, I think we have what is needed to reach a practical solution.

I ask for the unanimous consent of the House to make this bill a votable item and for us to vote on it after the vote on Motion M-160, which is the next item and for which division will be deferred. I ask for the unanimous consent of the House for my bill to be declared a votable item so that members can take a stand and so that we can examine it in committee and amend it, if necessary, to do justice to forestry workers, not only those in my region and in Quebec, but forestry workers all over Canada who need their vehicle for their work.

The Deputy Speaker: Is there unanimous consent of the House to make the bill a votable item?

Some hon. members: Agreed.

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Some hon. members: No.

The Deputy Speaker: The hour provided for the consideration of this motion within private members' business has now expired. This item is dropped from the order paper.

* * *

[*English*]

1911 CENSUS RECORDS

The House resumed from April 10 consideration of the motion.

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, it is a pleasure to speak to Motion No. 160 on behalf of my colleague from Calgary.

• (1830)

To many, this issue of sealing the 1911 census information forever does not seem like a very important issue and think that maybe the House should spend its time in other areas, but it does raise a concern for a number of people and several of my constituents who have contacted me.

A number of individuals in our society take great delight in seeking information about their family history and look forward to the time when this information will be available to them so they can have a better understanding of their roots in Canada. It was because of an individual who was very concerned in 1906 and again in 1918 that this information could be used for purposes that were not necessarily considered to be good purposes, that they felt for privacy they needed to seal the records.

At that time it probably made sense but that was 85 years ago. Many of the laws on our books have now become redundant. The concern for privacy and respecting the privacy of an individual is a good one and should be considered, but when this information becomes of an age and is no longer current that need for privacy disappears.

Most of the people who would have this information in the 1911 census would be 75 years or older. Many of them are probably not even alive. The question of securing or protecting their privacy becomes less of an issue, if an issue at all.

The intent of the motion is to make an allowance and to perhaps put a timeframe on when this information would be made available, but certainly not to have all the census information from the 1911 census lost forever. That certainly was the concern of some of my constituents who contacted me on this issue. Their concern was that that information, even if they had to wait another 20 years, should be available to the families for historical purposes.

When other countries had to deal with this issue they set a year beyond which the person probably would not be living, although with today's technology it may be hard to put that to the number of

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years. In Australia and France the census data is released after 100 years. Denmark is saying that 65 years is adequate. The United Kingdom is making efforts to release its data after 100 years.

The precedents are being set internationally that maybe 100 years would be an adequate period of time that any information on an individual, if they lived beyond 100 years, which is very unlikely, at least for most of us, could not be used and harm that person.

With all due respect to an individual's privacy, there is a good cause for Motion No. 160 and for the concern that historians and people who are researching their family histories have, that we set a timeframe, perhaps 100 years. This law is actually 88 years old. Maybe that is time enough and we should say that as of the year 2000 this information will be made available.

Nevertheless, the indication is, from other countries that have dealt with this issue, that 100 years is adequate. In one case 65 years was considered adequate. I think Canada would be justified in putting the timeframe at 90 or 100 years, or whatever, into this legislation and then to redraft it.

• (1835)

We do have a number of statutes in our country that need to be overhauled. I think this certainly is one that has to be looked at and changed.

I think my hon. colleague is looking to all members of the House to support this motion, which states:

That, in the opinion of this House, the government should take all necessary steps to release the 1911 census records once they have been deposited in the National Archives in 2003.

I certainly, on his behalf, request that members of the House support his motion.

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I am pleased to address the motion raised by the member for Calgary Southeast with respect to the release of the 1911 census records.

The transfer of census records to the National Archives for public access is a fairly complex issue. The competing interests at issue here are both legitimate and important.

I would like to assure my colleagues that the minister responsible for Statistics Canada is well aware of both sides of this debate. Although he recognizes the importance of historical and genealogical research, the minister must also take into account the privacy concerns of all Canadians.

In fact, my own private member's bill, Bill C-312, an act to amend the National Archives of Canada Act and the Statistics Act, is an attempt to resolve this issue with a fair and balanced approach.

It is for that reason that the minister took immediate steps and appointed an expert panel to examine the legal, privacy and archival implications of providing access to historical census records. The panel was asked to recommend an approach which balances the need to protect personal privacy with the demand of genealogists and historians for access to historical census records.

The panel submitted its report to the minister on June 30, 2000. The minister is now reviewing the recommendations made by the panel and will be making the panel's report public in the near future.

I am therefore encouraged by the minister's genuine interest and commitment to find a balanced resolution. While he must carefully consider all sides of this issue, any decision taken must respond to the concerns and desires of Canadians to research their personal and community roots. The minister is working toward a resolution of the issue of public access to historical census records.

Canada's census records up to and including the 1901 census are available to the public through the National Archives. Statistics Canada continues to hold all individual returns of census questionnaires collected between 1906 and 1996. Up to 1991 these records are on microfilm and are available only to individual respondents who need to confirm birth dates for pension purposes, passports or any other related issues.

I believe that the members of the House understand the need for access to census records while at the same time they are sensitive to the privacy concerns of Canadians.

In the spirit of co-operation, I would like to propose an amendment that would support the work of all those involved reaching a workable solution to this issue. I therefore propose to amend the motion and emphasize that the government should consider taking the necessary steps to release the census records.

I think the member for Calgary Southeast will agree that this small change to his motion will allow an opportunity to look at both sides of this issue. It also provides parliament with an opportunity to vote in support of the motion.

• (1840)

Therefore, I move:

That the motion be amended by deleting the word "take" after the word "should" and by substituting therefor, the words "consider taking".

The Deputy Speaker: The question is on the amendment.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, it is my pleasure to speak today to Motion No. 60 put forward by the member for Calgary Southeast. The motion reads:

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That, in the opinion of this House, the government should take all necessary steps to release the 1911 census records once they have been deposited in the National Archives in 2003.

I am actually a bit surprised at the brevity of the debate on the motion before us tonight, and I am more than a bit surprised that the person who actually proposed the motion has chosen not to speak to it at this time. I understand that he may be here for the five minute wrap up, but when one puts a private member's bill forward, hopefully one would be a little more serious about it than the five minute wrap up.

The motion addresses an issue that is very important to many Canadians. Many of us understand it because we have been contacted by constituents, historians and genealogists.

While I understand surveys have shown that this issue is not one of which the general public is aware, there is certainly a vocal outcry from many segments of Canadian society who understand the implications of this motion and the problem it attempts to resolve.

Let me outline what exactly it is that needs to be addressed and what this motion we are debating here today contemplates.

Statistics Canada conducts a census every five years, polling Canadians about such things as their name, address, marital status, income, education and activities.

In the 2001 census, additional questions will be asked on languages spoken at home and at work, birthplace of parents and religion. This information is considered confidential and is not made available to other government departments, including the Canada Customs and Revenue Agency.

The problem is that until 1906 census information collected by Statistics Canada was kept confidential for 92 years, after which time the information was provided to the National Archives of Canada and available for public searches. This enabled family descendants, historians, genealogists and any other interested persons to access records from censuses that were collected at least 92 years previously.

In 1906, however, changes were made to the Privacy Act which stated that where other acts provide specific protection to personal records, those acts must prevail. Since the Statistics Act makes reference to the confidentiality of census information supplied by the individual completing the census, legal opinion indicates that any census following 1901 cannot be released to anyone other than the specified individual in the census. Moreover, no time limitation was ever stipulated.

Hon. members can see the bind in which the government finds itself. What I find more surprising, though, is the real lack of

activity by the government to do anything about that bind because there are certainly a couple of avenues that the government can take.

To go back to the 1911 census, which would have been made public in 2003 under the regulations in place prior to 1906, it is now considered private and confidential in perpetuity. Only with a change to legislation can this regulation be changed and access provided to historians, genealogists and descendants of people who filled out those original censuses.

• (1845)

The motion we are addressing today proposes such a change. It asks the government to take the necessary steps to amend the regulations and allow the former practice of transferring census information to the national archives following a period of 92 years. The federal government is aware of this problem as there has been a concerted effort by genealogists to have this matter brought to the attention of the public to facilitate the changes that would allow continued access to these records.

Genealogists across the country like Muriel Davidson and historical societies have been in contact with my office. There is a huge file on this issue. The need for it is obvious. If the government has a bill in waiting it should have put it out first. This is something that we should no longer continue to ignore.

The government responded to efforts made by individuals, historians and genealogists by establishing in November 1999 the expert panel on access to historical census records chaired by the president of Carleton University, Dr. Richard Van Loon. This panel was mandated to examine the problem from the perspective of both historians and the general populace, to review options and to report its findings by May 2000. May has come and gone. The panel subsequently requested an extension, expecting to report by the early part of this summer. The early part of this summer has come and gone.

Statistics Canada is now saying that the minister has the final report to review and it will be released at his discretion. Those of us who are interested in the findings of the expert panel will have to wait until the minister chooses to release its recommendations.

Certainly all of us would benefit from knowing the results of the panel's interpretation of release of historical census information, particularly given the important discussion tonight on this matter.

As part of the review of this topic the panel was asked to examine a couple of options regarding possible remedies to allow access to census records. One option would see the 2001 census and any future census transferred to the national archives after an established period of 92 years. The second option would see a similar change made retroactively to allow access to the 1911

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census after 92 years. This second option entails breaking the promise of confidentiality made by the government of the day to the people who completed the censuses since 1906.

I understand a number of concerns with respect to this matter, both from the perspective of privacy and confidentiality and the need for historical access to information. As the past president of the local New Ross Historical Society in Nova Scotia, I am fully aware of the usefulness of census records when exploring and tracing family ties and compiling historical snapshots of any particular moment of time.

It is interesting, and I think important, to look at the history of census taking in Canada. According to a publication by Statistics Canada, Intendant Jean Talon ordered the first census in 1666 in New France. The basis of the door to door enumeration was to better prepare for the development of the colony. The 3,215 colonists in the areas of Montreal, Trois-Rivières, Cap-de-la-Madeleine and Quebec participated. Until 1739 there were 36 censuses conducted under French rule.

With British occupation censuses became more intermittent until the British North America Act of 1867. That act established the need for more regular, dependable data collection, which was particularly important for regional population counts as the British North America Act set out democratic representation based on population, a system still in place today.

As a Nova Scotian I also found it interesting to note that it was the 1767 census of Nova Scotia that introduced questions on religion and origin.

The PC Party recognizes and supports the release of census information to the general public. Not only does this information assist historians and genealogists but also everyday Canadians can find out information about Canada's past.

Sure, there are other options available for historical searches but to cut off this important avenue would be to ignore the past, and we all know that when we ignore the past we are unprepared for the future.

A survey was conducted as part of the expert panel's review of access to historical censuses.

● (1850)

The survey found that Canadians agree with having access to past census records particularly to enable families to trace their backgrounds. When the questions emphasized the fact that government would have to break its promise to keep the censuses confidential from 1906 onward there was less support.

However, if we think about why census records are useful and informative, it would be difficult to accept that although census taking began in Canada in 1666 there would be a complete void for

a period of 92 years from 1911 to 2003. There would be no census information available.

It makes sense to allow access to the historical censuses on the contingency basis that only after 92 years have passed will records be publicly available through the national archives.

As I mentioned at the beginning of my speech, I have been contacted by a number of people concerned with the availability of census records. I have talked to constituents about this matter and publicly stated my support for initiatives to allow access to historical census records. I continue to advocate the position. The Progressive Conservative Party supports the motion before us today.

Mr. Jason Kenney: Mr. Speaker, I rise on a point of order. I understand that the hon. member for South Shore who just spoke referred to the absence of a certain member from the House. I believe that was out of order.

The Deputy Speaker: No, I was listening very carefully. The member for South Shore indicated that a certain hon. member had not participated in the debate today, but he made no reference to the presence or absence of the member. I was quite attentive to the fact that this was the tone of the discussion.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, it is a pleasure to speak to this motion. More than a year ago, the president of the historical and genealogical society of my area, Mrs. Ouellet, made some representations to ensure that this information would be made public.

I have asked myself some questions about the protection of personal information. I am particularly sensitive to this whole issue since the Department of Human Resources Development accidentally sent me some incorrect information about myself. I think there is a distinction to be made between historical information collected through the 1911 census and protected ever since then and the privacy issue.

I believe the motion put forward will help us reach a greater consensus in the House to let the government know how important it is to make a decision as soon as possible and to take into account all the various points of view.

From what I gather from the arguments I have heard in support of this motion, it seems that the report submitted to the minister was quite favourable. I hope this means that the government is considering providing access to this information in an appropriate way.

The Minister of Industry, who is responsible for this issue, will have to complete his work quickly, because he has had this report in hand for some time now. He can make it public at the same time that he announces the government's position.

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As for the House, it would be interesting to say to all those history buffs, to all our historians, to all those who would find it useful, such as genealogists, that, yes, they can use the information collected via this census.

Some said that in other countries, the data remain unavailable for 90 or 100 years. In the present case, it is close to 90 years. I believe we have all the arguments in favour of public access to this information, so that it can be used for historical purposes and so that this anomaly be corrected. In the subsequent censuses, there were no provisions concerning the period after which the information would be made available.

• (1855)

I would be very happy if we could allow people in our historical and genealogical societies to do their job so that they can respond to requests made to them in that regard and if we could settle this issue once and for all.

I have been was in favour of the motion from the start. This is my personal position, and I will probably support the amendment as well because I think it will create a larger consensus in the House to send a clear message to the government. The time has come for the government to act responsibly, make up its mind and state its position.

[*English*]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I am pleased to rise to debate the amendment to what is actually my motion. This motion seeks to have the government release the results of the 1911 census and by implication every census thereafter. I have spoken to the principle of the motion in the first hour of debate and will not reiterate. Rather I will address briefly the amendment brought before us by the hon. member for Ottawa Centre.

I note with some dismay the remarks of my itinerate colleague from South Shore who for some reason apparently supports the motion but saw some reason to criticize its mover for not having participated in the debate. I am here tonight to participate in the debate. I was here during the first hour and I was here at every stage in this debate. I think in private members' hour that kind of apparently petty partisanship is uncalled for. I am as partisan as anyone when it is called for, but certainly not when we are discussing matters of this nature. I found that regrettable.

The hon. member for Ottawa Centre seeks to amend this motion by changing the words "the government should take" to "the government should consider taking". I object strenuously.

Millions of Canadians have an interest in this matter although they may not yet realize it. Certainly tens of thousands have a very acute interest in the passage of the motion. Genealogists, archivists, librarians, researchers and historians through many personal

and organized representations to their representatives and to this place have asked for the government to release the 1911 archives for the census of that year.

It was principally as a result of those representations that I brought forward the motion. I thought these archivists, genealogists and so on had made a very reasonable case that the release of these documents would be well within what would be very conventional and would not violate privacy rights or undertakings on the part of the government.

I brought a motion which would suggest that the government should take this action. Let us be honest and frank about it. This is how it works. Government members have been deluged with mail on the issue like all other members from people concerned about the issue asking for the release of these documents. It has become a political concern for them.

I suspect that many of these members have received dozens of letters and communications asking for their support of this motion or action of this nature to be taken. It has become a small but not insignificant political concern for them. Undoubtedly many of these members intended to vote in favour of my motion that the government should take this action and release these census documents.

I am sure this is what happened. The Minister of Industry is responsible for the oversight of Statistics Canada and the archives. Undoubtedly his office realized that the motion could be somewhat embarrassing for the government because he clearly had no intention of taking decisive action on the matter.

Rather, the Minister of Industry appointed a committee to delay, a panel of experts, which is a typical government procedure, to study the issue into the ground probably at least until after the election so that my hon. colleagues opposite could tell all the genealogists and local historians in their ridings not to worry in that the government was considering the matter and in the fullness of time and at the earliest opportunity would release the archived documents.

• (1900)

No doubt they were planning to do that with the committee to delay. This motion comes along and suddenly forces them, heaven forbid, to actually confront the issue, especially because it has been deemed votable.

The minister says that the government has to come up with some way to water this thing down so that it is not obliged to take any sort of action at all, but instead can continue to delay the release of these census documents and denude this as a political issue for the backbench government members. That is exactly what has happened. Let us be grown-ups about this.

I strenuously object to the motion which would require that the government consider taking action. The government can consider

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taking action on anything, anytime. This amendment renders this motion meaningless.

I want to clearly put on the record that this will not serve as an adequate loincloth, if you will, for government members who hope to go back to their ridings and tell their constituents interested in access to this important historical information that they voted in favour of this motion, that they voted in favour of the release of these census documents. That is not true.

This is an disingenuous motion designed to cloud the issue for those with an interest in obtaining these records. It is a somewhat underhanded effort on the part of the government to prevent the House from actually reflecting the interests and concerns of their constituents. It is a very simple matter, but the government and the minister want to maintain a stranglehold on this information. He does not want the House, its members or, heaven forbid, his own members representing their constituents deciding that this archival information should be released from the 1911 census. He wants his department and his bureaucrats to be able to make this decision. That is why this amendment has come forward from a government member tonight.

I just say to my colleagues opposite and everyone else that this completely dilutes the meaningfulness of the motion. I would ask members to please vote against the amendment and support the original motion which has stronger language and which creates at least a strong sense of the House. Even if my motion passes unamended, it will not force the government to take action. It will merely give a strong sense of the will of the House. That is what private members' motions are intended for. Let us use that procedure properly. We get very few votable private members' motions. Let us use this one to actually represent our constituents in a non-partisan fashion. Instead of protecting the minister's hide and his committee to delay, let us vote against the amendment and support the original motion, as no doubt most members would be inclined to do.

* * *

BUSINESS OF THE HOUSE

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I rise on a point of order. I would like to move:

That any requested recorded divisions pertaining to the Business of Supply of Thursday 21 September, 2000 be deferred to the end of Government Orders, on Tuesday 26 September, 2000.

The Deputy Speaker: Does the hon. member for Calgary Southeast have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

* * *

1911 CENSUS RECORDS

The House resumed consideration of the motion and of the amendment.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, it gives me pleasure to speak to this subject matter after the mover of the original motion. It does not give me great pleasure that we now have an amendment which basically guts the motion. However, it allows me to speak to this subject again. I previously spoke to it on April 10 and it would have nullified my ability to speak tonight if that amendment had not occurred.

As explained by the hon. member for Calgary Southeast, the mover of the original motion, essentially what we have here is a circumstance where it is obvious that the Minister of Industry, who is responsible for the census data and the Statistics Canada operations, does not want to release this information for his own purposes.

• (1905)

There is much fuzziness around the issue and it has been exploited to the government's advantage because of that. We are one of the jurisdictions in the western world without clear statutory rules for when census information shall be released.

The most critical period of time in terms of mass emigration particularly from Europe to Canada is the period 1910 to 1930. That is very important historical information for us. It is also very important information for the country to the south of us, the United States.

Our set-up is diametrically different from the standpoint that the U.S. is getting ready to release its 1930 census data next year. It has a 70 year rule. The motion does not propose a 70 year rule. It proposes that the 1911 census data be released in 2003, which is 92 years. We can argue all day about what is an appropriate length of time but we need clear statutory rules as to when Canada will do that. The current situation is open to political manipulation.

The minister asked Statistics Canada to produce a report on what it thought about the whole situation. The Statistics Canada report essentially stated that there was an everlasting promise to keep the material secret. It has been able to make that statement without any documentation.

A review of all the statutes, proclamations, the *Canada Gazette* and newspaper clippings of the day would indicate quite the

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contrary. The more one thinks about why Statistics Canada would take such a position, the more one is led to the conclusion that Statistics Canada is actually in a conflict of interest situation on this matter.

Very pervasive, invasive questions have been asked recently by Statistics Canada. There are members of the public, including myself, who do not believe that the level of inquiry is appropriate for census material. By using coercion, the threat of penalty and other measures, we are told that we have to respond to the questions.

That accumulated data becomes a saleable commodity by Statistics Canada. It is in business with this data. It does not want to threaten its ability to coerce the public into responding to those questions. Therefore it has to hold out this guarantee, or at least favour that end of the spectrum.

I do not believe we should be giving any plausible credibility to its report. The motion is clear in stating that nationally we have a vested interest in actually releasing our census data. We will lose too much of our history if we do not do so. We will be out of step with other parts of the western world. We will leave an unsatisfactory circumstance to be cleaned up later.

• (1910)

There is no better time than this year to clarify what the rules of census data collection are because we are going into a census year next year. Let us deal with more than the 1911 census. Let us deal with the 1911 census and subsequent ones, as well as the 2001 census.

This motion deals with the most immediate priority, the 1911 census. I urge everyone to reject the amendment and to vote for the motion.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Pursuant to order made earlier this day, all questions necessary to dispose of the motion are deemed put and a recorded division deemed demanded and deferred until Tuesday, September 26, 2000 at the expiry of the time provided for Government Orders.

It being 7.12 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.12 p.m.)

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