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OFFICIAL REPORT
(HANSARD)

Thursday, March 22, 2001

Speaker: The Honourable Peter Milliken

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OFFICIAL REPORT

At page 1993 of *Hansard*, March 21, in the right-hand column under the heading “Modernization of House of Commons Procedure”, the following should have appeared:

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.) moved:

That a special committee of the House be appointed to consider and make recommendations on the modernization and improvement of the procedures of the House of Commons;

That the Members of the committee shall be the Deputy Speaker and the House Leaders of each of the officially recognized parties, provided that substitutions may be made from time to time, if required, in the manner provided for in Standing Order 114(2);

That, notwithstanding any Standing Order, the Chair of the committee shall be the Deputy Speaker and the Vice-Chairs shall be the Leader of the Government in the House of Commons and the House Leader of the Official Opposition;

That the committee shall have all of the powers granted to Standing Committees in Standing Order 108;

That the committee shall not adopt any report without the unanimous agreement of all the Members of the committee;

That the committee may recommend to the House texts of new or amended Standing Orders;

That the committee may make recommendations for changes to relevant statutes and, if it does so, such recommendations shall be deemed to have been made pursuant to an Order adopted pursuant to Standing Order 68(4); and

That the committee shall present its final report no later than Friday, June 1, 2001.

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HOUSE OF COMMONS

Thursday, March 22, 2001

The House met at 10.00 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*English*]

CANADIAN LANDMINE FUND

Hon. Rey Pagtakhan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, with leave of the House, I take this opportunity under Standing Order 32(2) to table, in both official languages, the 1999-2000 report on the Canadian Landmine Fund entitled “Measured Steps”.

This report illustrates that our efforts to eradicate anti-personnel landmines and to assist communities affected by these weapons are making a concrete difference. The use, production and trade of anti-personnel mines are declining, victim rates are falling and over 22 million stockpiled mines have been destroyed in recent years by more than 50 countries in the world.

Canada continues to provide global leadership on the landmine issue. In 1999-2000 we supported mine action programs in more than 20 countries and continue to work with other states and civil society organizations to—

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. secretary of state but this is the tabling of documents and not debate nor statements.

Hon. Rey Pagtakhan: Mr. Speaker, I am tabling a document.

The Acting Speaker (Mr. Bélair): The hon. member is supposed to simply table the document and not make a statement.

For the hon. secretary of state’s knowledge, tabling of documents is simply to table a document with a very short explanation. If the secretary of state wants to add anything, he could use statements by ministers to state what he has to say.

TREATIES

Hon. Rey Pagtakhan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, with the leave of the House, I take this opportunity under Standing Order 32(2) to table, in both official languages, 49 treaties that were entered into force for Canada in 1999, as well as the acts of the 1989 Washington conference and the 1994 Seoul Congress of the Universal Postal Union, which entered into force for Canada in 1991 and 1997 respectively.

• (1010)

In keeping with recent practice, I am also tabling CD-ROMs that contain the text of these treaties in an electronic format. The CD-ROMs have reduced paper burden, while at the same time providing wide accessibility to the treaties through the Library of Parliament.

* * *

ORDER IN COUNCIL APPOINTMENTS

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

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

* * *

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 two petitions.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the eighth report of the Standing

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Committee on Procedure and House Affairs regarding the membership of the Standing Joint Committee on Official Languages.

If the House gives its consent, I intend to move concurrence in this eighth report later this day.

FINANCE

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Finance regarding its order of reference of Tuesday, February 13, in relation to Bill C-8, an act to establish the Financial Consumer Agency of Canada. The bill is the result of many years of study and consultation by a number of committees and task forces.

On behalf of the committee, I thank members of parliament, committee staff, departmental officials, witnesses and stakeholders for their work. As a result of their hard work, we have produced a very important piece of legislation for the Canadian financial services sector and Canadian consumers.

The committee has considered Bill C-8 and reports the bill with amendments.

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent, I move that the eighth report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to)

* * *

PETITIONS

FUEL PRICING

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, under Standing Order 36, I have three separate petitions to introduce and table.

The first petition was signed by a group of Winnipeg people who call upon government to intervene and do something in the matter of spiralling, out of control energy costs. This group of Canadians is calling upon government to set up an energy price commission that would hold the oil companies accountable for the energy prices that they charge.

HEALTH CARE

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the second petition I would like to introduce is a very thick one. Literally thousands of Canadians have signed this petition which calls on the federal government to increase the amount they pay into health care.

They point out that currently the federal government only pays 13.5% of the total health care costs and the provinces have to deal

with the rest. These people feel that this opens the door to a two tier, American style, privatized health care. They plead that the government stops that possible trend and direction.

CANADA POST

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the third and final petition that I would like to table today is from a group of residents of various communities throughout British Columbia who are calling upon government to change the relationship or to change the law that pertains to rural route mail couriers. This is the only group of workers in the country who are specifically denied the right to free collective bargaining.

These people feel very strongly that the 5,500 rural route mail couriers across the country would benefit from repealing section 13(5) of the Canada Post Corporations Act.

• (1015)

THE ENVIRONMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present another petition on behalf of thousands of citizens of Peterborough who believe that a Via Rail link between Toronto and Peterborough should be re-established.

They point out that Canada signed the Kyoto protocol and that Canada has undertaken to reduce greenhouse emissions. They suggest that developing sustainable transportation, such as commuter rail services, is one way of meeting those objectives.

The petitioners believe a commuter rail service between Toronto and Peterborough would be environmentally most acceptable. They call upon parliament to re-establish the VIA service between Peterborough and the city of Toronto.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a second petition to present on behalf of people who suffer from end-stage renal disease, their relatives and those who support them.

They call upon parliament to encourage the Canadian institutes for health research to explicitly include kidney research as one of the institutes in its system to be named the institute of kidney and urinary tract diseases.

VIA RAIL

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my third petition is yet another petition from citizens of Peterborough who are interested in re-establishing the VIA Rail route.

The petitioners point out that there are dramatic cost savings in terms of highway costs as compared with rail costs if there were a commuter service in the greater Toronto area between Peterborough and Toronto, that it would be economically beneficial by enhancing employment mobility for Peterborough area residents

Routine Proceedings

and by making the greater Peterborough area more accessible as a tourist and educational destination.

These petitioners call upon parliament to authorize the re-establishment of VIA service between Toronto and Peterborough.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[English]

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, I rise with regard to questions on the order paper. I put a number of questions on the order paper, two of them a year ago. They will be celebrating their first birthday within 30 days of the House. This is two parliaments without answers to those questions.

On a personal basis, I know the parliamentary secretary is trying but the government refuses to answer very important questions put there.

I refer to Erskine May and Marleau and Montpetit in terms of order and substance of those questions. It has been confirmed by the table and the clerk that they meet all the rules and procedures of the House.

The question is, what is the government trying to hide? This is very important because it relates to the sale of military equipment to other nations, 40 helicopters and 10 Challenger jets. It is important that we know the answers to those questions. Again, what is the government trying to hide? Why does it not answer those questions?

It is an abuse of parliament. I should be up on a question of privilege. I have four questions on the order paper. All members, regardless of party affiliation, can only put four questions on the order paper. It is a contempt of parliament in the sense that members who do have their roster filled on the order paper with four questions are then restricted and cannot put any further questions on the order paper. That is not right. Technically, it silences members of parliament.

Would the government tell me why those questions after one year have yet to be answered? Is there any logical reason why members are not entitled to answers to which the Canadian public is demanding answers? It is as simple as that. When will the government cough up the answers to those very important questions?

Mr. Derek Lee: Mr. Speaker, I am sure all members will agree that we consider written questions very important. The member opposite's characterizations of what has gone on here are perhaps a little inaccurate, and I think he is being overly dramatic.

• (1020)

In any event, the procedure followed here is not materially different from the procedure ordinarily followed for written questions. I explained yesterday and on previous occasions that we are working to develop the answers that would be most suited to the hon. member. That customization and extra effort, which I have asked the government to put forward, will probably serve the member and all the members in the House if he could just allow the customary few days.

Mr. Greg Thompson: Mr. Speaker, that is not an exaggeration. Those questions are there and, in terms of form and substance, they have been approved by the Clerk of the House. They have been sitting on the order paper for one year. We are demanding answers to those questions.

Again, what is the government trying to hide in terms of selling military equipment to rogue nations and maybe terrorists groups? We do not know. We are entitled to answers to those questions. It is as fundamental as that. We are following the rules of the House. We want answers to questions.

The Acting Speaker (Mr. Bélair): We are getting into debate here. I can still give the floor to the hon. parliamentary secretary if he wishes to address the issue briefly.

Mr. Derek Lee: Mr. Speaker, this is a routine proceeding. I think you have been overly generous with the hon. member. He has made his point. He is waiting for answers to his written questions and I have indicated that those answers will be forthcoming.

The hon. member suggests that there has been a year of a collection of time here. I just want to point out to the House that this parliament has been in existence for only a couple of months. This is a new parliament. The member may wish to look back into a previous parliament and at another procedure, but what we are dealing with here is a relatively new parliament. In good faith, I have indicated to the member that his answers will be coming in due course in the appropriate procedure.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, further on that point, I feel very strongly as well that the hon. member has a very valid point. One year is an absolutely unacceptable period of time. It not only spans one year, but it spans two parliaments.

The other point raised actually affects me personally. Frankly, my questions are not languishing in some question limbo or in some government pool of unanswerable questions. What bothers me and affects me as a member of parliament is that we are limited to only four questions. We cannot ask a fifth. We have now

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rendered this particular member of parliament impotent, if we will, in the matter of putting questions on the order paper.

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member, but I have been advised by the table that those questions that were asked during the last parliament cannot be carried over into this parliament. Rules and procedure tell us that if hon. members do want their questions answered, they have to resubmit the same questions to the government. I hope this explanation serves.

Mr. Greg Thompson: Mr. Speaker, I rise on a point of clarity. I appreciate the member for Winnipeg Centre helping me out on this, but in terms of the clarity of this issue, those questions were resubmitted. We have gone through two parliaments. They were put on the order paper last June. Following the election, they were re-entered into the system and deemed to be in order by the Clerk of the House. The parliamentary secretary—

The Acting Speaker (Mr. Bélair): I can understand the hon. member's frustration, but technically those questions die at the same time as the writ is issued. I will repeat that if the hon. member wants to resubmit those questions, he can submit those questions again to the government. In the end, the two interventions that I have heard will certainly pass on the message that if the government needs to be more effective, it will be.

• (1025)

Mr. Pat Martin: Mr. Speaker, for my own information and so that all members here know what the rules really are, the hon. member for New Brunswick Southwest already pointed out that he did resubmit the questions since the election to this new parliament.

What I understand from the Speaker right now is that if the member is serious about getting his questions answered, he should resubmit his questions. Have the rules changed to such a point where if we really want a question answered, we have to keep resubmitting it over and over again? How many times can we ask the same question or resubmit it?

Just for the information of the members here, in a situation like this, once we have submitted the question and we are not getting an answer, is the only way to get an answer to resubmit the question?

The Acting Speaker (Mr. Bélair): As I see the situation, the questions have been resubmitted and of course they are then subject to a timetable. Like I said, the member's message is quite clear and I take it that the government will make the effort to respond timely to those questions.

Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

Hon. Lawrence MacAulay (for the Minister of Finance) moved that Bill C-18, an act to amend the Federal-Provincial Fiscal Arrangements Act, be read the second time and referred to a committee.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I appreciate the opportunity to speak today at second reading of Bill C-18 which amends the Federal-Provincial Fiscal Arrangements Act with respect to the equalization program.

[Translation]

This legislation stems from the landmark agreements reached by Canada's first ministers on September 11, 2000 on a plan to renew health care, improve support for early childhood development, and strengthen other social programs.

[English]

In support of these agreements, the federal government is making the largest contribution ever to health, higher learning and social services: a new investment of \$23.4 billion over the next five years.

Most of this funding, \$21.1 billion, was legislated in Bill C-45 last fall and is being provided through the Canada Health and social transfer, CHST, which I will discuss in a moment.

At the first ministers' meeting, the issue of equalization was also raised.

The bill before us today fulfils the commitment made by the Prime Minister at that time to lift the ceiling on the equalization program for the 1999-2000 fiscal year.

[Translation]

The Prime Minister also asked the Minister of Finance to consult with provincial and territorial finance ministers on how best to follow through on this commitment. The finance minister has recently completed his consultations.

[English]

Before discussing Bill C-18, let me take a moment to set the legislation in context. I want to briefly explain how the federal system of transfer payments works and the importance of the equalization program itself.

The federal government, in partnership with the provinces and territories, plays a key role in supporting the Canadian health system and other social programs. The provinces and territories deliver their own health care, education and social services, while

the federal government provides them with financial assistance through transfer payments.

Today the federal government transfers approximately \$40 billion to the provinces and territories. It does this through three major programs: the CHST, equalization and the territorial formula financing.

Because of transfers, all Canadians can expect: equal access to public health care; a safety net to support those most in need; the freedom to move throughout the country to seek work; higher education and training available to all who qualify; and reasonably comparable services wherever one lives.

• (1030)

I will take a moment to look at each of these federal transfer programs individually because there has been some confusion and misinformation in the Canadian public.

First, I will speak to the Canadian health and social transfer. The CHST upholds the five medicare principles of the Canada Health Act: universality, comprehensiveness, accessibility, portability and public administration. It also ensures that no minimum residency period is required to receive social assistance.

This block fund is provided on an equal per capita basis to provinces and territories in the form of cash and tax transfers for health care, post-secondary education, early childhood development and social programs.

[Translation]

The new funding legislated last fall is the fifth enhancement in the CHST since 1995. CHST cash transfers to the provinces and territories will now rise to \$18.3 billion in 2001-02, \$19.1 billion in 2002-03, and \$21 billion in 2005-06—at which time CHST cash will be 35% above its current level of \$15.5 billion.

[English]

I will speak briefly about tax transfers. This is one of the least understood aspects of the CHST despite the fact that tax transfers are fundamental to how the program functions.

In 1977 under established programs financing, one of the CHST's predecessor programs, the federal government transferred tax points to the provinces. The federal government decreased its personal income tax by 13.5% and its corporate income tax by 1% so that the provinces could raise taxes by an equivalent amount.

The net impact of tax points on taxpayers was zero. It was totally transparent. However the impact on the federal and provincial governments was very real. Indeed, tax point transfers represent increased revenues to the provinces and foregone revenues for the federal government. It was done so the provinces and territories would have direct access to revenues to fund health care, post-secondary education and social programs.

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In 2001-02 the value of transferred tax points will account for nearly \$16 billion, about half the total amount provided to provinces under the CHST. That point is often forgotten by members opposite.

The second federal transfer program, equalization, provides extra funds to less prosperous provinces to enable them to offer comparable programs and services to their residents. Payments are unconditional and provinces can spend them as they see fit. In 2000-01 seven provinces are projected to receive equalization payments totalling \$10.8 billion.

Territorial formula financing or TFF, the third transfer program, recognizes the higher costs of providing public services in the north. In 2000-01 payments provided under this program are forecast to be \$1.4 billion.

These are the federal government's three major transfer programs and, as I mentioned, they provide approximately \$40 billion annually to the provinces and territories.

Bill C-18 specifically deals with equalization, a program that in many ways expresses the generous spirit of Canada. Equalization has been in existence since 1957 and has played an important role in defining the Canadian federation. It is unique among federal transfers in that its purpose was entrenched in the Canadian constitution in 1982.

[Translation]

As stated in the Constitution, "Parliament and the Government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation".

[English]

Phrased another way, its purpose is to ensure that less prosperous provinces can provide reasonably comparable public services without their taxes being out of line with those of more affluent provinces.

• (1035)

At present, seven provinces qualify for federal support under equalization: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan. Ontario, Alberta and British Columbia are not eligible.

The fact that equalization was one of the few programs exempted from restraint measures during the mid-1990s illustrates the importance the government attaches to it. The government clearly understands what equalization means to receiving provinces.

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Equalization has increased faster than anticipated. It has grown by 33%, or \$2.7 billion, since our government took office. Equalization estimates are updated twice a year as newer data become available regarding economic developments and their impacts on provincial revenues.

Estimates show that equalization is at its highest level ever. The latest official estimates released by the finance minister in February show that payments to receiving provinces will be about \$1.8 billion higher than estimated last October.

[*Translation*]

These higher figures are not due to the poor economic performance of receiving provinces. On the contrary, payments are increasing immediately by an estimated \$1 billion due in large part to the exceptionally strong economic growth in Ontario over the last two years.

[*English*]

Of this amount, \$52 million is for 1999-2000 and \$955 million is for 2000-01. The other \$800 million is the additional funding that will be provided to receiving provinces through passage of the bill.

Allow me a moment to explain how the equalization program operates. It is quite technical and misunderstood. Equalization is the most important federal program for reducing differences in the abilities of provincial governments to raise revenues. Federal and provincial officials review the program on an ongoing basis to make sure the differences are measured as accurately as possible.

In addition, the legislation is reviewed every five years. The last renewal was in 1999. Payments are calculated according to a formula set out in federal legislation, and adjust automatically in response to economic developments in the provinces.

When a province's economy is booming relative to other provinces, its equalization payments automatically decline under the formula in proportion to the increased wealth of the province. Conversely, when a qualifying province's fiscal capacity declines due to a slowdown in its economy, its equalization transfer automatically increases.

[*Translation*]

In this way, the program acts as an automatic stabilizer of provincial government revenues. Equalization payments are subject to "ceiling" and "floor" provisions.

[*English*]

The ceiling provision provides protection to the federal government against unexpected increases in equalization payments. In other words, the ceiling prevents changing economic circumstances from driving equalization payments through the roof. The ceiling thus ensures the program remains sustainable in the long run.

The floor provision is the other side of the coin. It provides protection to provincial governments against sudden large decreases in equalization payments.

The ceiling for 1999-2000 was set at \$10 billion and, except for the provisions in this bill, will grow at a rate equal to the growth of GDP in subsequent years.

I now turn specifically to Bill C-18, which lifts the equalization ceiling only for the 1999-2000 fiscal year. As I explained earlier, lifting the ceiling fulfils a commitment made by the Prime Minister last September at the first ministers meeting.

[*Translation*]

The communiqué issued at the end of the meeting clearly states that "the Prime Minister agreed to take the necessary steps to ensure that no ceiling will apply to the 1999-2000 fiscal year. Thereafter, the established Equalization formula will apply, which allows the program to grow up to the rate of growth of GDP".

[*English*]

While the final cost of removing the ceiling will not be known until the fall of 2002 when the final estimates for 1999-2000 become available, the cost is projected to be \$792 million.

• (1040)

That amount will be allocated among the seven eligible provinces on an equal per capita basis. Each will receive the same amount of money per person because the ceiling affects all provinces in the same way. Removing the ceiling for 1999-2000 means that each receiving province will receive \$67 per person.

The total breakdown per province is as follows: Newfoundland will receive \$36 million. Prince Edward Island will be eligible for \$10 million. Nova Scotia will qualify for \$62 million. New Brunswick will receive \$50 million. Quebec will get \$489 million. Manitoba's payment will be \$76 million, and Saskatchewan will receive \$69 million.

I want to clarify an issue relating to the new equalization estimates released in February. The recent announcement of an additional \$1.8 billion in equalization payments has generated reaction among some people. Some see the funds as a slap in the face if their own province's allocation is small, or they complain of favouritism if the allocation to other provinces is large.

Equalization payments are based on a formula that measures the relative performance of provincial economies. That formula is applied the same way to all provinces.

[*Translation*]

All provinces that have a revenue-raising capacity below the standard receive payments from the federal government. Why? Because the federal government is committed to the idea that all

provinces should be able to provide comparable levels of service to their residents.

[*English*]

Provinces do not receive the same amount of equalization because they do not have the same economic circumstances. This year Saskatchewan needs \$230 per person to be brought up to standard, while Newfoundland needs \$2,000 per person. Per capita figures are multiplied by the total population of a province to arrive at the total equalization payment.

Quebec, despite the second lowest per capita equalization entitlement, generally receives the highest total payment because of its large population. At the other extreme, P.E.I., with its second highest per capita entitlement, generally receives the lowest total payment because of its small population. I hope these explanations will help clarify the issue for my hon. colleagues.

I will review a few points. All parts of the country cannot generate the same revenues to finance public services. Federal transfers, therefore, help ensure that important programs are adequately funded. Transfers also help ensure that all Canadians receive reasonably comparable levels of public services no matter where they live in Canada.

The result is that we all benefit from knowing we live in a country where health care, education and basic public services are provided at roughly comparable levels of quality in all provinces.

In considering the legislation I urge all hon. members to keep in mind that federal transfers have increased significantly in the last few years. Over \$35 billion has been added to the CHST. Equalization entitlements are up \$2 billion annually since 1995-96 and are expected to increase. Removing the equalization ceiling for 1999-2000 will add almost \$800 million to transfers alone for that year.

[*Translation*]

I want to impress upon this House that, through this bill, we are fulfilling the Prime Minister's commitment to lift the equalization ceiling for 1999-2000, which means more money for the receiving provinces. Bill C-18 underscores the priority the government places on equalization and helps ensure that the receiving provinces continue to have resources to provide the services their people need and want.

[*English*]

I will conclude with a quote from the finance minister. After his meeting with the Atlantic finance ministers a few weeks ago, he said:

The federal government in the end always has to act in the national interest, and part of that acting in the national interest is ensuring that every single province is treated fairly.

This is exactly what Bill C-18 does. It continues the tradition of fairness with which equalization has been delivered for over 40

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years. I urge all hon. members to pass this legislation without delay.

• (1045)

[*Translation*]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):
Mr. Speaker, I am pleased to rise today to speak to Bill C-18.

The official opposition, the Canadian Alliance, supports the principle of equalization payments, but we do have certain concerns relating to this particular bill.

[*English*]

The official opposition does support in principle the constitutional obligation of equalization but has particular concerns with respect to the bill.

We just heard a fairly comprehensive overview of this legislation from the Parliamentary Secretary to the Minister of Finance. We also heard him set it within the larger context of federal fiscal transfers to the provinces. However, the bill is quite narrow in its scope, much narrower than my hon. colleague's comments would suggest. It is strictly limited to increasing or lifting for one particular fiscal year the ceiling for equalization payments. It does so for the fiscal year 1999-2000, now nearly two years past.

At the outset, my colleagues and I are bound by the democratically approved policy of our party to support the principle of equalization. Our manifesto states:

We recognize that different provinces and regions of Canada have different levels of wealth but all wish to provide similar services to their residents. Therefore we are committed to the constitutional principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide the residents with reasonably comparable levels of basic services at reasonably comparable levels of taxation.

We do support the notion that in a large and complex federation with fairly significant disparities in wealth, income and standards of living the federal government ought to play some function to equalize access to core public services at reasonably comparable levels of taxation.

Having said that, we do believe that the current formula and structure of equalization should be open for serious debate and review. Most provinces have called for such debate. We in the official opposition would like to be on the record as embracing that. We believe there are many problems with the current system, many unintended consequences that have the effect of both penalizing those provinces that are successful in terms of economic development and growth and penalizing taxpayers in the so-called have provinces.

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It is often observed that in a country as wealthy as Canada it is inappropriate to suggest that we have seven provinces out of ten that are perpetual have not provinces. The mentality of the current equalization system perpetuates an attitude among some which is contrary to economic development.

One point we in the opposition have raised and hope to explore is the idea of opening negotiations to look at allowing provinces that are now bringing on stream certain non-renewable resource revenues to not be penalized in their equalization payments from the federal government for those new revenues for at least a period of time.

As the system is currently designed, there is what many economists refer to as a welfare trap phenomenon, where earning incremental income, or in this case developing incremental revenues to the provincial treasury, results in a proportionate reduction in federal transfers to the equalization program. This is a perverse incentive against domestic economic development among the so-called have not provinces. That is one of the many areas that ought to be explored.

• (1050)

We ought to explore whether indeed the formulae are applied or calculated on a fair and equitable basis and whether all provinces rather than some provinces should be included in the calculation of the equalization formula, as some provinces have suggested. We ought to take a hard and close look at the application of both the floor and the ceiling of equalization. We should see whether this program is really working to equalize access to core public services across the country at comparable levels of taxation.

It has been observed by academic economists including, for instance, those at the C.D. Howe Institute, that perhaps a better way of equalizing access to quality public services across this broad nation is through income sensitive transfers to persons as opposed to insensitive transfers from one government to another.

These economists have asked us to reflect as policy makers on the paradox, for instance, that there are members of, say, my constituency, a western riding in Alberta that is the largest contributor to equalization, who earn below average incomes. They are from modest families with modest means who are nevertheless obliged to pay a very large share of federal taxes. A portion of their taxes goes to finance the equalization program.

Most of my constituents would not object to the general principle of sharing opportunity and wealth across the nation. However, these economists ask us to reflect on how efficient this transfer of wealth is from government to government and from taxpayer to taxpayer in a way that is not sensitive to income. When the lower middle income family in my riding pays more taxes to finance equalization, it may have the impact of improving the road system,

or the health care system which, for instance, is used by, among others, higher than average income people in other provinces.

Some economists have suggested that the current way the program is designed is perhaps not the best way to maximize the equalization of opportunities across the country. They suggest that instead the best way to do that is to redistribute wealth from higher income people, wherever they live and in whichever province they happen to reside, to lower income people, the working poor, who need a hand up. That is an interesting observation by academic economists, which I think ought to be included in the broader and more thorough review of the principle of equalization and its application.

I also think that this larger debate unfortunately has not been engaged by the government. Instead, the government tends to approach the issue of equalization on an ad hoc basis and in the crucible of very political negotiations with the provinces. That is not necessarily the best way to make good public policy.

I would point out, for instance, that the bill brings to us an amendment that lifts the ceiling on equalization payments for the fiscal year 1999-2000, pursuant to an agreement struck between the Prime Minister and his provincial counterparts on September 11 of last year.

Hon. members will no doubt recall that the date, September 11, 2000, was about a month before a federal election was called. Certainly the Prime Minister had the electoral timeline in mind. All of the premiers and public commentators were certainly aware of the very distinct possibility of a federal election on the horizon. It was in that very politicized context that this agreement was reached.

• (1055)

Some commentators have said that what we have before us today, this lifting of the ceiling, was a political demand put on the table in a horse trading session with the premiers and that the Prime Minister agreed to lift the ceiling for at least one year. That is not exactly how we ought to make serious, sober public policy decisions regarding hundreds of millions of taxpayer dollars, in this instance increasing equalization payments by some \$792 million.

The ceiling is there for a reason: to protect the federal government from unforeseen increases in these payments. It is matched by a floor as well so that provinces are protected from an unforeseen reduction in equalization payments. For some 20 years now, I think, we have had this system that precludes wild variations or aberrations in the payments, either too much or too little, to the provinces. For the Prime Minister to simply politicize this very important part of the equalization structure in the crucible of an election campaign shows that he is not really committed to a

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serious, sober review of equalization and its application. That is something we would call on the government to engage in.

I am pleased to say that my hon. colleague from Portage—Lisgar, who is the official opposition critic for regional equity, will be speaking to the bill later today and will perhaps outline some of the principles he thinks should be included in a general review of equalization and the federal-provincial transfer arrangements.

Our party did support certain elements of the accord reached between the premiers and the Prime Minister in September of last year, particularly with respect to the restoration of funds stripped out of the Canada health and social transfer fund since the 1995 Liberal budget. I know I do not need to remind this place that in that budget and since that budget, the federal government removed some \$23 billion in real hard cash dollars that were designated to the provinces to finance the highest priority program areas of Canadians, namely health care, higher education and other social priorities.

In poll after poll Canadians register health care as their single highest public spending priority. Yet when the government was given an opportunity to demonstrate its fiscal priorities, what did it choose? It chose to slash, gut and eviscerate health care funding to the provinces, a decision that had a very clear and tangible impact on the delivery of care to Canadians in need of health care. My colleagues and I for several years now have been consistent in saying that this was the wrong choice to make, a choice which the Prime Minister sought to undo in the September accord of last year, from which this bill derives.

It was the wrong choice to make because it reflected the wrong priorities. Between 1993 and 1999 the deficit was eliminated. About two-thirds of that deficit elimination came about through increased revenues to the federal government, in part because of higher tax rates imposed by it and in part because of automatic tax increases through the then deindexation of the tax code and various other revenue measures. Basically because Canadians were working harder and working longer hours, they were paying more to the federal government.

• (1100)

About two-thirds of the so-called deficit elimination is attributable to higher taxes which are now at the highest level in Canadian history as a percentage of our gross domestic product. It leaves us with the highest income tax burden relative to GDP in the G-8 and, further, the highest corporate income taxes in the OECD, the 23 principal industrialized economies of the world. That is the legacy of the fiscal policy of tax increases over the past decade.

The other third of the deficit reduction can be traced to the so-called spending restraint. It is the government's worst spending cuts. Three-quarters of the spending cuts involved in the deficit

elimination exercise came about in the \$23 billion reduction in transfers for health care to the provinces. Another very large chunk came about through gutting the capacity of the Department of National Defence to provide the resources for our men and women to defend our sovereignty and meet our international obligations.

If we take out national defence and the CHST, the rest of the federal government averaged a spending cut of only 3%. That reflects the fiscal priorities of the government. It was willing to cut health care transfers by one-third, by about 33%, and to virtually gut the capacity of our defence forces; but when it came to the myriad of other wasteful Ottawa bureaucratic spending programs they remained virtually untouched.

I will give some examples of wasteful programs: the Minister of Canadian Heritage with free flag giveaways, multimillion dollar handouts, grants to Liberal special interest groups, subsidies to bloated crown corporations, and the Minister of Industry with billions of dollars wasted on corporate welfare.

Then there is the general waste of mismanagement, duplication and misadministration of the federal public sector. It was virtually left untouched because the easier choice for the government was to pass the buck on to the provinces rather than fixing its own problems in its own backyard. They in turn had to pass the buck on to health care consumers. That is a synopsis of the fiscal choices of the government during the past several years.

Bill C-18 has come before us as part of a package. It was a sweetener to have the provinces accept less than a full loaf in terms of restoration of the CHST transfers to 1993 levels. In the September accord last year the governments agreed to increase those health transfers to only \$21.1 billion. The money taken out since 1993 was at least \$23 billion. The government was still about \$2 billion short on its CHST cut in the accord that it negotiated with the provinces last September. In order to make up for this continued shortfall in critically needed health care funding, it offered to raise the ceiling on equalization. That is why the bill is before us today.

I would like Canadians and my colleagues to understand the political and fiscal context of the bill. In other words, had the government not made the wrong choice to slash health transfers by a third in 1995, had it not stubbornly stuck by that, and had it instead made different choices and reduced wasteful spending in Ottawa programs that do not affect real people, we would not have Bill C-18 before us today. The provinces would not have been so short of revenue that the poor ones would have demanded this aberrant lifting of the ceiling on equalization.

• (1105)

In its frantic pre-election effort to cover up the enormous mistake it made in terms of slashing the health care transfers, the

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government decided to make a change in the pre-existing, long-standing arrangements with the provinces with respect to equalization.

I do not quibble for one moment with certain provincial governments and premiers for seeking any way they possibly could to get more federal transfers into their provincial treasuries to reinvest in the health care and other social spending which had been stripped by the CHST. I do not object at all to their principled and effective advocacy on behalf of provincial taxpayers and health care consumers in this respect.

I am sure all my colleagues would agree that it would be in the best interests of the administration to have predictability and stability in the application of equalization agreements. We ought to try to play by the rules. Surely we could all agree that it is good public policy not to make exceptions from year to year. However the reason the government made the exception it did in the bill before us today with respect to the ceiling on equalization was to cover up for its own political mistake, its enormous policy blunder in its 33% cut in health transfers to the provinces since 1995.

We do not feel the government has much moral authority to come before us and say that it has decided out of the kindness of its heart for one particular fiscal year to raise the ceiling on equalization payments to the provinces to account for unexpected economic events two fiscal years ago. That is nonsense.

The Parliamentary Secretary to the Minister of Finance knows as well as I do that bureaucrats in the Department of Finance are no doubt rolling their eyes today as they watch the debate go forward. They know this is undermining the overall integrity of their program. In a way it, politically it had to happen in order to reinvest the money that had been taken out of the health transfer which the government refused to put back in.

Without a doubt the bureaucrats are standing there knowing that it may be good politics but it is awfully bad public policy. I would just say that we see over and over again this pattern of misplaced priorities leading to bad policy outcomes and then the government trying to wiggle its way out. That is what it is doing with the bill today.

Let me also say, lest the government try to paint itself as the great dispensary of Liberal generosity to the provinces, that this is a one time, one year deal. It does not intend to continue lifting the ceiling in perpetuity. If I had an opportunity to ask the finance minister's parliamentary secretary, I am sure he would be opposed to lifting the ceiling in perpetuity.

He would probably argue that it would contravene the rules set out in the agreements and that if we lift the ceiling, we should lift the floor and so on and so forth. I am sure he would make that argument, but somehow he avoided that question. He avoided

mentioning why exactly this deal happened and why it applies to one year and one year only.

Another point I would like to add is that the practice of retroactive legislation in general is not a good one for parliament to pursue. When we consider fiscal matters, estimates, spending authorizations, ways and means motions, authorizing tax measures or any form of legislation, a principle of parliament ought to be that it ought not to try to go back and change history, as it seeks to do in this bill. We should make things right the first time.

• (1110)

Later today we will be considering Bill C-17, another example of the ham-fistedness with which the government administers its legislative program. We will be making so-called housekeeping amendments to correct mistakes that were made in the bill some time ago.

An enormous amount of parliament's time is consumed with correcting the mistakes the government makes in its legislation. Today we are seeking to change an agreement with the provinces from two fiscal years ago to help save the Prime Minister's hide. It was a deal he made at the last minute before a federal election to make up for his callous and irresponsible 33% cuts in health care transfers.

On that point I express my disappointment with the government for the manner in which it has handled its fiscal relationships with the provinces over the past number of years. I express my hope, although not my expectation, that it will begin to get things right in terms of long term stable and predictable cash transfers, tax points and equalization to the provinces so that we do not have these last minute deals and we do not need this kind of retroactive corrective remedy in legislation.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am pleased to join the debate on behalf of our finance critic and on behalf of the other members of the NDP caucus to share our views.

I am one of the many Canadians who believes that the redistribution of wealth through the federal transfer payments and through the federal equalization payments is probably the single greatest achievement of the Canadian federal state. It is a concept that finds its origins in a generosity of spirit and what is a very real belief that most Canadians share.

They believe that even though all regions of the country are not equal we should be striving for equal treatment in all areas. We should be guaranteeing at least some constant minimum standards in social programs throughout the country no matter what the economic situation of the region.

I should make it abundantly clear that the NDP has always supported the many incarnations of transfer payments and equal-

ization payments throughout history. It is interesting to note that the change in the distribution programs indicates a fundamental policy shift on behalf of government.

Many years ago we had the EPF, the established programs financing. It was equal 50:50 funding for established programs within the various provinces. My political party always believed in a widely shared view that there was a far greater ability for the federal government to control and to implement some national standards when the funding formula was 50:50. It was simple. If one of the provinces chose not to comply with the national standards put in place they were jeopardized in that 50:50 funding formula.

The established programs financing worked very well. We then saw the CAP, Canada assistance plan, come in, followed by the cap on CAP. Then came the CHST. Now we are seeing a removal of the cap of the new ceiling imposed in a temporary way. I will deal with that in greater detail later.

Let me say at the outset for those whose interest I will probably lose in the next few minutes that we are very critical of the bill. Speaking on behalf of many of the provincial finance ministers, even though the cap is to be lifted for one year, when the cap is reinstated one year from now it will be at a lower level than most of the finance ministers understood it to be.

The provincial finance ministers thought that they had an agreement on a certain set of circumstances. They are now finding that what is being announced today, the newly imposed ceiling, will be lower than what they thought they agreed to on September 11, 2000. That is a problem.

It is certainly a problem in the province that I come from. I have spoken about established programs financing and the history of the CAP, the cap on CAP and the CHST.

• (1115)

I am glad that previous speakers have pointed out the devastating impact of the CHST on social programs in the country. It should be stated clearly and abundantly by the opposition members, so that the public hears it over and over again, that the government stripped 33% of the funding out of the federal social transfers with the CHST. I believe the total figure since 1995 has been \$23 billion or \$24 billion. The government went from \$19.1 billion to \$11 billion in social transfers. Slowly it has been inching it back up. It went to \$12.5 billion to \$14.5 billion.

In these figures, and from what sense I can make of them, we will be at \$15.5 billion. With some other features the amount will be close to \$18 billion. It is still below what it was in 1995, in spite of all that has occurred since then, including greater revenues and a surplus for the government. We are not getting any government

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largesse, we are getting the restoration of some of the money it stripped away from the federal transfers in recent years.

I hope the Canadian public is not buying this line that the government had this fabulous meeting on September 11, 2000, that the provincial finance ministers convinced it to be more generous, so the government agreed and now it is more generous. The government is still as miserly and as shortsighted as ever in its commitment to try, what I believe to be the single greatest achievement of Canadian federalism, to redistribute the wealth through federal transfer payments.

It was pointed out that we have to look at some of the other origins of the money the government is claiming to share through its great largesse right now. Let us not forget the cuts in programs worth \$23 billion or \$24 billion. The cuts to the EI program accumulated a surplus of \$35 billion to \$37 billion, depending on who we talk to. Much to the government's discredit this money went into the consolidated revenue fund to be used for whatever it saw fit. It did not go into any kind of an insurance fund.

The other thing that has almost blown over, and I cannot believe it does not get raised in the House of Commons more often, was another great pool of dough or source of revenue that the government stumbled upon which was the public service pension plan surplus. It took \$30 billion out of the of that surplus. Rather than negotiating some deal so that some would go to benefits and some would go to offset future premiums, every single nick of it went into the consolidated revenue fund to be used for whatever it sees fit.

Drips and drabs of it are going back to actual Canadian citizens in the regions in which we live. Little bits and pieces are being sliced off scrap by scrap. Then with some great fanfare the Liberals announced \$23 billion or \$24 billion in extra spending. I think of the members of the House of Commons know it is a myth, it is an illusion and it borders on a cruel joke being perpetrated on the Canadian people.

The government can fool some of the people some of the time, et cetera. This is not going to wash. The jig is up on this particular funding formula because there is going to be a hue and cry with the growing realization of where this money really is. The government cannot take our money away from us, then give it back slowly and try to pretend that it is some kind of great largesse on behalf of a benevolent government. That is simply not going to fly.

When the equalization program was renewed in 1999, the ceiling was reduced by roughly \$1 billion per year, in spite of the broad objections from virtually every finance minister in the various provinces, to an arbitrary level of \$10 billion in 1999-2000. It was then indexed by GDP growth in subsequent years.

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The program ceiling is now lower as a proportion of GDP than the entitlements have ever been under the current five province standard. The program was at the lowest level ever at that point in time. At the time the ceiling was reduced the federal finance officials indicated that this level would provide ample room to accommodate entitlements over the present renewal period. Recent estimates have proved them wrong. This is the source of frustration on behalf of the provincial finance counterparts.

● (1120)

The current estimate of equalization entitlements for the 1999-2000 fiscal year, the very first year of these new arrangements, exceeds the ceiling by close to \$800 million. That is the origin of the problem.

The impact on my home province of Manitoba is presently estimated at about \$76 million. This amount has been agreed to now but as the ceiling gets lifted Manitoba will, in the coming fiscal year, get about \$76 million. This is very welcomed and necessary money. Manitoba has places to spend that money because God knows it has been coping with the shortage of funding over all these years. Many of its programs have been cut, hacked and slashed to the point where they are barely functional. It is critical that my province get the restoration of some of that equalization money to put back into the programs that it finds necessary for our people.

The parliamentary secretary told us that we could not just look at the CHST transfers. He told us that we had to look at the tax points as well. It is not just the \$18 billion or so total CHST payments, but we have also transferred the ability to tax to the provinces. Let us look at that as a fundamental policy shift too and who that benefits.

The federal government only pays 13.5% of health care funding which is below the 50:50 ratio in the good old days. It has reduced it to the point where it is only paying 13.5%. It is now letting the provinces do the taxing. How does the general public like that? The general public does not like anybody who is responsible for deducting money off their pay cheques. The government has off-loaded the burden of the collection of taxes to the provinces through a tax point transfer. It has withheld money to the point where the funding relationship is 87% paid by the provinces and 13% paid by the federal government.

This is a flawed concept now. It is a system that had its origins in a very noble concept, which was the redistribution of wealth through federal transfer payments to ensure some national standard of quality social programs for all Canadians, no matter where they live. This is the kind of thing that nations are built on. This is the kind of thing that does more to hold Canada together than any 10 constitutions. This one aspect of the Canadian Constitution probably does more to keep the country together, even more than Peter

Gzowski and the CBC, which is a very bold and dramatic statement.

We see a familiar pattern as we look at the details surrounding what has been introduced today and what the Parliamentary Secretary to the Minister of Finance outlined. We hear talk of the equalization ceiling which is the maximum payment that the federal government will make to the provinces under the equalization program. That ceiling is set in the upper limits on the growth rate of equalization entitlements.

We know that the goal should be to protect the federal government from rapid and unaffordable year to year increases in payments. That is all very well and good but that is also based on the premise that there will be some stability and predictability out there. Need does not always follow convenient budget lines in a budgetary plan. I argue that the need is great in many parts of Canada. We cannot have economic development and independence and the type of economic growth in areas until all come up to a base level starting point. We are then talking true equality within the country.

There is nothing more unfair in the world than treating unequal parties equally. This happens in all kinds of applications. I hear that sometimes in the speeches made by Canadian Alliance members who want all the provinces treated equally. That means recognizing that not all provinces are equal. Some are quite unequal in terms of their opportunity and the resources they enjoy.

All the provinces and the territories called for the removal of the ceiling on equalization payments as recently as August 2000. They were demanding that this ceiling be lifted because they believed that the ceiling acted as a barrier for them to get their fair share of the wealth that should have been redistributed, money that was taken from the provinces in cuts to program funding over the years which amounted to 33% or \$24 billion.

● (1125)

There is inherent financial protection for the federal government on the growth of equalization payments through population adjustments and shared revenue fields. When it comes to population adjustments, some provinces are going to do better than others.

When we look at it on a per capita increase, if the dollar figure is approximately \$67 per head, the obvious impact on provinces showing a net population growth, by ratio and proportion, is they are going to enjoy more of the money being shared.

The current distribution of the extra federal transfer payments just took place. We saw the province of Manitoba getting only \$3 million which really was not much to celebrate or write home about. We saw the province of Quebec get \$1.4 billion out of \$2 billion. The rest of us divided up what little was left over.

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This is the way these things happen. It is a formula we have all agreed to. I do not think anyone resents that.

In dealing with shared revenue fields, the majority of the equalization entitlements stem from tax revenues that are jointly shared with the federal government. For example, during the fiscal year of 1998-99, the federal government increased the equalization entitlements by \$368 million respecting personal income taxes, and then by \$259 million respecting corporate income taxes.

In the same period the federal revenue was increased by \$2.7 billion from personal income taxes and \$1.5 billion from corporate income taxes. This is quite a disparity. Certainly a great deal of the revenue that we felt could have been transferred to the provinces, or could have raised that ceiling, failed to go into the hands of the provinces. We presume it was put to other priorities.

Recent federal surpluses have exceeded the size of the entire equalization program. That is something to remember. Again I ask the House to look at where those surpluses came from. They did not just sprout out of the ground. They did not grow on trees. They were taken from cuts to program funding in the amount of \$23 billion or \$24 billion. They came from surpluses in the EI fund which meant denying benefits to workers so that no one qualifies anymore. The House may be shocked to hear that the surplus figure in the EI fund is \$750 million a month. That is where some of the extra revenue came from.

There is another pot of dough to which I alluded earlier in my speech, something we do not hear enough about in the House of Commons. It is the public sector pension plan. The public sector pension plan had a surplus of \$30 billion, partly because of layoffs and wage freezes in the public sector. Actuarial people had made the projections of what needed to be in the pot based on 1985 and 1987 figures. Obviously when one-third of the public service was cut and when wages were frozen for eight years, the actuarial figures were no good to anyone anymore.

We wound up with a \$30 billion surplus and the federal government took every penny of it away from where it should have been. We would argue it should have gone to benefits or at least some combination of benefits to people in the program or possibly reducing the premiums or a premium holiday for those who made contributions to the program. Neither of those were contemplated. The President of the Treasury Board simply seized the entire amount and applied it to whatever was seen fit.

Those are the three sources of revenue. Now the government is faced with a surplus which is larger per year than the entire equalization transfer. That should be alarming to Canadians. It is our money. People have to keep in mind that it is our money to serve the needs of our communities.

The federal contention was that the 1999-2000 decision to rebase the equalization ceiling to \$10 billion was appropriate, independent

of the Prime Minister's commitment. The way we look at it is that the federal government tries to defend the ceiling in terms of making the equalization ceiling affordable. It really makes us question the concept when the surplus is bigger than the entire payout.

• (1130)

The largest downward rebasing of the ceiling, to \$10 billion in 1999-2000, occurred in the year of the highest ever recorded federal surplus of \$12 billion, so in the same year that the Liberals had never made so much money in their lives, they cut the ceiling to the lowest it had been since the history of the program. These are inconsistencies that need to be pointed out. These are things that need to be exposed.

As noted by the federal auditor general, the equalization ceiling was rebased downward as a per cent of the GNP in the program renewals of 1987 and 1992, but not in 1994. In those program renewals the ceiling went from—and I will read this out—in 1982, 1.34% of the GNP. In 1987 it went down to 1.24% of the GNP. In 1992 it went down to 1.17% of the GNP and then in 1999 we were down to 1.08% of the GNP or 1.04% of the GDP.

Imagine what a trend we are showing there. If we could illustrate that as a chart or a graph on a wall, it would show this going down and down as a percentage of the gross domestic product or the gross national product.

Can hon. members imagine the purchasing power and the progress that communities could have made in the provinces had we remained constant at 1.34% of the GNP, which is where we were in 1982? Those were kinder, gentler times, I suppose, back in the times when we had federal governments that had some vision and some willingness to create strong national standards and strong regional economic development in other parts of the country.

Had we maintained that, the total cumulative amount of money that could have been transferred to the provinces would have been in the order of \$80 billion more during that period of time. Can we imagine that? For the total transfer today the Liberals are talking about a ceiling of \$10 billion. We, by design, willingly let successive federal governments reduce their commitment to the provinces by that incredible amount of money.

The \$10 billion ceiling figure we are dealing with now was based on an early federal forecast of final entitlements for the 1999-2000 year, with an allowance for the transitional adoption of new technical changes in 1999-2000. It was not adjusted when equalization entitlements began to rise in 1999. This led to the contradiction, to the gap that the government was forced to deal with by lifting the ceiling.

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Because the \$10 billion ceiling was not adequate to allow for the 1999-2000 entitlements, it will be additionally strained as the technical adjustments of another \$240 million incrementally enter the formula. Imagine the strain on the system and the strain on the relationship at that point.

Returning to the federal auditor general's direction regarding the establishment of a ceiling, the federal government did not establish criteria for the ceiling beyond it being an estimate of the 1999-2000 entitlements, plus an allowance for the adoption of the technical changes. It is as simple as that. As such, it appears that the ceiling level of \$10 billion would not satisfy the federal government's internal rules established in 1997. There is just a host of inconsistencies and problems inherent in what we are being told.

These are some of the key points that have come to mind as the provincial finance ministers are reeling with the growing realization that in regard to what they agreed to on September 11, 2000, even though they called for and welcomed the lifting of the ceiling, they will in fact wind up with a ceiling even lower than they thought they were agreeing to when the cap is reinstated one year from now.

This whole situation raises the issue of and really does challenge and question the long term viability of the constitutional fiscal relationship we have with the provinces. There will come a time of growing unrest and growing discontent in the regions of the provinces that rely on the federal transfer payments. They will want to revisit the entire structural relationship of the transfer of funds.

As I said from the beginning, I believe that is a tragic mindset, a point of view that I find very threatening and disturbing as we look at the long term viability of this tenuous federation. The federal government has to bear some of the burden of responsibility for adding that tension to the federal state.

• (1135)

Certainly the growing discontent and the growing distrust between the feds and the provinces in terms of the fiscal relationship is going to exacerbate the whole growing unrest with the other general discontent. There was a time when the provinces did feel that there was a commitment on behalf of the federal government to regional economic development, to national standards within the country and to some commitment that we should all enjoy at least some basic level of health, education and social welfare funding, no matter where we lived, frankly, and no matter what the state of our provincial treasury was. Those things should not be considered. Some things are too important to be subject to those regional vagaries.

I am fond of using the story that Reverend Jesse Jackson of the United States used when he was talking about our view of equalization. He had a great way of trying to explain what I am trying to get my mind around here. He said that if one has five

children and only three pork chops, the solution is not to kill two of the children, but neither is it a solution to cut the three pork chops into five equal pieces, because then all of the kids go to bed hungry and nobody gets enough to eat.

An hon. member: And he had an extra child.

Mr. Pat Martin: The hon. member points out that he had an extra child as well. I may have to alter the story.

The social democratic point of view, the way Jesse Jackson would have recommended to deal with the problem, is to challenge the whole concept that there are only three pork chops. In the richest and most powerful civilization in the history of the world, neither I nor he can be convinced that we cannot afford to provide for the basic needs of Canadians to enjoy decent national standards. It just simply is not on. It is a myth. It is an illusion. It is a cruel hoax. It has been foisted upon the Canadian people for far too many years now.

We know the wealth is there. We have just seen how the Liberal government chose to deal with \$100 billion worth of surplus. It chose to squander the money on tax cuts, in my opinion. People are always trying to accuse the NDP of seeking to squander things on social programs, of squandering money on poor children, of squandering money on better health care and education. I put it to the House that the Liberal government has just squandered \$100 billion of our surplus on tax cuts to people who probably need it the least.

When we look at the 1% drop in corporate tax cuts, from 17% to 16%, what has corporate Canada really done lately to deserve a reward like that? Just that one seemingly innocuous percentage point amounts to \$75 million to \$100 million a year. Whether it makes Canada more competitive, as our right wing colleagues would have us believe, I do not really know, but I can tell the House that the money could have been better spent.

When we are dealing with an era of record surpluses, it is galling that we are dealing with an era of record low transfer payments to the provinces. I come from a province that has benefited from and still enjoys the relationship that we have in terms of being able to use the money transferred to us in these federal-provincial financial relationships. Coming from the province of Manitoba, I can speak from personal experience as to how worrisome it has been to witness what seems to be a deliberate policy shift, a going away from any real commitment to a strong central government, a strong national presence and a strong influence in national standards across the country.

There is a graphic representation of what I believe is that unwillingness or inability to get involved with national standards,

and that is watching the government's financial commitment diminish from year to year. It is withdrawing, pulling out, abrogating itself from any responsibility for what happens in the regions now.

Perhaps a federal government without vision finds the problems just far too tough in some of the regions. It just cannot cope with the reality of Cape Breton or inner city Winnipeg. It is simply turning its back on those areas and saying "You guys have a real serious problem, and if you are ever in Ottawa, look us up and we will buy you lunch". That is certainly how a lot of people out in the regions feel about what appears to be—and I do not think it is paranoid to assume this—a lack of willingness to really try to thread the country together and keep the country together with a strong fiscal interprovincial relationship.

• (1140)

There was a time when fiercely proud Canadian nationalists occupied those benches over there. They were people who had a real vision for their country. I can name some senior Liberals in the old days who I think had a real commitment to keeping Canada together and to using the constitutional relationship as an instrument for building a strong Canada.

Now one would think they are trying to dismantle the country piece by piece if what they are doing from a financial point of view can be taken as an indication of what their true intentions and wishes are. There are people over there who are dismantling the country brick by brick and dismantling the faith, hope and optimism that Canadians have in a strong central government. Sometimes it worries me. Maybe they are just too busy, but I do not think the people across the way give any thought to how fragile the federation of Canada is as we speak and at this point in our history.

If we love this country and care about keeping it together, one would think we would be pulling out all the stops, more than ever in our history, to make the federation work. It is a federation that I feel strongly about. We in the provinces will work for it. God knows we sacrifice and compromise on a day to day basis to try to make the federation work. We are not seeing the same commitment from the federal government, at least as it translates into a fiscal strategy, in a period of time when it has record surpluses, the largest ever, and also has the lowest ever ceiling of transfer payments. What kind of commitment is that?

I am sure that the next speaker on the Liberal side will stand up and say that the government does not give as much money any more, but it gives all the tax points. It is off-loading the burden of taxation onto the provinces and cutting, hacking and slashing the flow of real dollars, the real hard cash that we actually need for programs.

Speaking on behalf of the people of the riding of Winnipeg Centre and the people of Manitoba, let me say that we have serious reservations about the state of the current fiscal relationship with the federal government. We draw the Canadian people's attention

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to the fact that it is an era of record surpluses and that those surpluses came from cuts to program funding, by and large, and from surpluses in the EI system after that. They also came from gouging the surplus out of the public sector workers pension plan. That is where those surpluses came from, so when tiny bits are incrementally released into the provinces again I do not think the Canadian public should be fooled into thinking that it is some grand largesse on behalf of the ruling Liberal Party.

Canadians should be going into this with their eyes open and should be very aware that we are not getting all we could from the federal government. If the federal government had a stronger vision of how to build Canada into a truly strong national state again, it would pay more attention to the regional frustrations that stem from the inadequate commitment to funding the CHST and the fiscal relationship.

When the CHST first came along, the national council on welfare called it the most devastating thing to happen since the 1930s. It could predict the beginning of the end as we moved from established program funding to CAP, to the cap on CAP and to the CHST. It could sense in the wind what was happening there, which was that the feds were pulling out of funding these types of programs. Some would say it was so they could give tax cuts to their friends. Others would say that the feds simply did not want the burden of responsibility any more. That is when we started to see this downward trend in terms of the overall relationship.

I have read some of the figures. The most telling figure and the best example to use is the fact that in funding our health care the feds now pay for approximately 13.5% and the provinces struggle to pay the other 87%. It is a growing challenge and has gone beyond being a fiscal problem. It is now a problem for the health and well-being of Canadians.

I could probably go on about this particular issue as it is a topic close to my heart, but I will close with these remarks.

• (1145)

[*English*]

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with pleasure that I rise today to speak on such an important topic as equalization. I will be splitting my time with the hon. member for St. John's West today.

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The principle of equalization and the notion that we should have approximately equal levels of taxation and equal levels of services across the country is a sound one. If there is a policy that Canadians are united around and support in principle, I think the policy of equalization, as a cornerstone of Canadian social and economic policy, is one where there is still a considerable level of support across our very diverse country. In fact, it is the only constitutionally enshrined spending program.

That being the case, if we look to the beginning of equalization, it has played a very important and, by and large, positive role in ensuring equality of opportunity across Canada.

If we look at the basic principles of equalization, that is the generally equal levels of taxation and equal levels of services across the country, and look at the reality of what exists today across Canada, we will see that there are significant problems in equalization in the current context, particularly if we look at the disparate levels of taxation across the country. Provinces that are in a position to do so are aggressively pursuing tax reduction policies that are positive from an economic growth perspective within their own jurisdictions.

That being the case, we do have an increasingly ghettoized tax environment across the country. Some provinces are having great difficulties in addressing and reducing taxes and debt in their own provinces, while other provinces are in a much stronger fiscal position. As a result, if we recognize the important role that tax policy plays in shaping economic growth and economic development policies, we will see that there are some significant disadvantages in some provinces that may not have been recognized a few years ago based on higher tax levels and that sort of thing.

Equalization, where it should put ladders in front of provinces to enable them to succeed, move forward and bootstrap themselves into success, in many ways puts barriers in front of provinces. There has been a tectonic shift in economic theory over the last 10, 15, 20 years in terms of the recognition that tax policy plays as a lever of economic growth. Even social democrat parties in most parts of the world recognize that one of the infrastructure requirements in any pro growth environment, particularly in the new economy, is competitive tax breaks. Equalization has not been reformed to reflect that evolution of economic thought.

If we look over the last 10 to 12 years, Ireland represents a tremendous example of a country that has effectively embraced some of the evolution of economic thought in this area and did in fact adapt successfully in that realization. Some people compare Ireland to Canada and say that what has been done in Ireland could be done in Canada.

Comparing Ireland to Canada is actually not a very good comparison because Ireland did benefit from EU transfers in order to facilitate the reductions in taxes and the increase in education spending which were so pivotal in enabling Ireland to achieve a 97% growth in GDP per capita over a 10 year period. Canada

achieved a paltry 5% growth in GDP per capita during the same period. So Ireland outstripped our growth rate by almost 20 times during that period.

• (1150)

However, if we compare the Ireland example to Atlantic Canada, we see some striking comparisons. There is a beacon of opportunity for Atlantic Canada and for any recipient provinces of equalization. If we were to become more creative, we could address equalization as a lever for economic growth and not as a lever to perpetuate a cycle of dependency. In the same way that Ireland used transfers from the EU to facilitate investment in education and to reduce taxes, equalization could be used similarly.

One of the flaws we have in the current equalization system is that as provinces diversify their economies and try to find ways to increase revenues and achieve greater levels of growth, whether it is through the development of offshore resources, which is the case in Newfoundland and Nova Scotia, my home province, or in the case of a province like Quebec which is pursuing a very aggressive biotech strategy, or whether it is through revenues from IT, biotech or from offshore, the current structure of equalization will eventually result in an overwhelming clawback of almost all those revenues, which actually perpetuates the cycle of dependency.

As a province finds itself in a position, because of economic development decisions or economic growth in a particular area, to pull ahead and actually reduce their level of dependency, the federal government actually claws back the lion's share of revenue. In some ways it is the same welfare trap that some of our social programs put individuals on social assistance in and when they actually get a job they make less money or do not see any economic benefit for their initiatives or successes.

If we want to be serious about equalization, not as a tool to create dependency, not as a political bargaining chip to be waved around at election time by the Liberals in provinces like Newfoundland, Nova Scotia and Atlantic Canada, but as an actual lever to create greater levels of economic growth and opportunity, we have to recognize that the equalization reform must occur in lockstep with economic development policy reform.

I will give an example of some of the economic development issues that need to be addressed in lockstep with equalization reform. The policies for regional economic development agencies, ACOA, the Atlantic Canada Opportunities Agency, being one of them, need to be reformed. In Nova Scotia, for example, I think the ACOA budget is around \$120 million per year. The total federal corporate income tax paid in Nova Scotia is approximately around the same amount. I think it is around \$130 million or maybe \$140 million.

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We could actually use the ACOA budget to eliminate federal corporate taxes from Atlantic Canada. This is just one idea of something we could do that might create even greater levels of growth than perhaps ACOA has created. We recognize that ACOA has had some successes in the past but it has also had significant failures. In some ways, perhaps the ACOA model was a more successful model in the old economy than it would be in the new economy.

We need to have a very important debate about equalization reform and economic development reform. The campaign for fairness that Premier John Hamm of Nova Scotia has engaged in and is travelling throughout the country speaking on with opinion leaders and public policy makers, is a very important campaign. He is pointing out the flaw in equalization that is taking the clawback that is resulting in an 81% loss of offshore revenue.

• (1155)

Every dollar that goes into Nova Scotia from new offshore revenue is clawed back by the federal government. New Brunswick may be in the same position in the future, not necessarily through offshore revenues but perhaps through some other revenues, such as IT development or some other means. This speaks to a larger issue, which is the need for reform.

It is important to recognize that there is a precedent to Premier Hamm's argument that the current equalization system is flawed in that regard.

Equalization payments began in 1958. Alberta was receiving revenues from petroleum at that time and continued to receive those revenues until 1965, at which time it had achieved a level of economic dependence, which, of course, brought it out of the recipient province status and into a contributing province status. During that period of time, between when equalization started as a program and when Alberta was able to achieve self-sufficiency through the growth in petroleum revenues, Alberta continued to receive 100% of equalization revenue. I think that was an important precedent. That is why Alberta Premier Ralph Klein has been supportive of Nova Scotia Premier John Hamm's initiative.

It is important that we recognize in the House that before Albertans had the wisdom, foresight and vision to put oil in the ground, it was a have not province. We and recipient provinces are simply looking for the same opportunity to utilize our revenues in order to end the cycle of dependency.

I believe that in 10 years provinces will be looking back at a time when they were recipient provinces. I also believe there will be a significant possibility, if we work collectively and the provincial and federal governments share in the vision of economic self-sufficiency and opportunity, that we will see many of the provinces, which are currently recipient provinces, achieve the economic

self-sufficiency and opportunity. Saskatchewan is another province that has that level of potential. However, it will not happen unless we change equalization and adapt the formula to reflect the realities of modern economic theory, which is to lower taxes and debt and create policies that enable provinces or other jurisdictions to achieve those very important infrastructure items. Unless provinces are in a position to do that, we will not see the light at the end of the tunnel and economic dependency will be something that we will continue to accept in Canada as opposed to the notion of economic opportunity in every region.

In closing, I would hope that we would change our approach to equalization to recognize that equalization should not just stand for the notion of approximately equal levels of services and taxes across the country, but that, in a more general sense, we should recognize it as an opportunity for provinces and individuals across Canada to achieve full equality of opportunity and success in the 21st century.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I enjoyed the comments from the member for Kings—Hants. I think he is trying to be creative by putting out some ideas and propositions.

• (1200)

The notion that money from ACOA or an equivalent amount could result in the elimination of corporate income taxes in Nova Scotia is interesting. I am not sure how that would work at the federal level in the sense of uniform corporate tax rates. That is the kind of thinking we need to get into.

Last year the Atlantic Canada Opportunities Agency allocated \$700 million to the maritime provinces to encourage innovation and transition economies et cetera. Unfortunately the take-up on it has not been significant, but it offers some big potential.

I will touch briefly on the question of offshore resources. In 1986 the Canada-Nova Scotia offshore accord was signed. The accord shelters a percentage of Nova Scotia's offshore revenues from equalization reductions for a transitional period of 10 years. Whenever the accord is triggered, Nova Scotia would be able to effectively shelter 90% of offshore revenues against equalization reductions in the first year. Thereafter, protection decreases by 10% each year until it reaches zero, at which time the tax rate would return to the normal 100%.

The accord was never meant to provide a permanent benefit to Nova Scotia. It was triggered in 1993-94 as offshore productions began in the Cohasset and Panuke gasfields. Since then Nova Scotia has received a total of \$32 million from the accord.

We need to be clear about this. Any suggestion that equalization payments should remain intact while a province like Nova Scotia

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grows richer must be rejected. If we followed through on that proposition we would probably end up paying equalization to Alberta.

I wonder if the member for Kings—Hants could elaborate on those comments. I refer specifically to the analogy he drew in redeploying, let us say, ACOA resources in Nova Scotia to a reduction in corporate taxes. Does he see that at the provincial level or the federal level? How exactly would that work?

Mr. Scott Brison: Mr. Speaker, I appreciate the question from the parliamentary secretary.

The notion was that ACOA, or funding for regional economic development programs like ACOA, could be used to address issues like corporate taxes which are an impediment to economic growth. The idea deserves further debate and discussion. That is the type of thing we should be doing at the finance committee, frankly. We should be taking a hard look at our economic development strategies.

That is not to say everything ACOA does is wrong. Some of ACOA's involvement has been successful. However I believe aggressive tax strategies could achieve more than direct government investment in businesses.

The Atlantic innovation fund has not yet, to my knowledge, made an investment in Atlantic Canada, although some of its \$700 million has been announced three or four times in various forms. The program was announced in a great flurry of media activity in Halifax last summer in a pre-election move, after the Liberals were once again able to find Atlantic Canada on a map. With media and spin doctors present, they presented the oft-announced plan from a Brink's truck in front of the World Trade and Convention Centre in Halifax. The plan has yet to congeal.

In Atlantic Canada no one yet knows how the program will work or how the funding will be delivered. The Canadian Foundation for Innovation continues to invest in other parts of the country but is holding off to a significant degree in Atlantic Canada until the new growth or innovation fund is put together. It is not achieving its goals.

In terms of the clawback, there is a precedent from which Alberta benefited. The member said if that were the case Alberta would still receive equalization. That is not true at all. His argument is wrong because Alberta was able to achieve a level of self-sufficiency which prevented it from being able to receive equalization.

• (1205)

That is what we want to achieve in Nova Scotia. However in the interim we do not want to lose, in Nova Scotia, Newfoundland, New Brunswick or any recipient province, 81% or 81 cents of every dollar on clawbacks. That would prevent provinces like Nova

Scotia and New Brunswick from reducing their corporate tax burden and debt burden and from effectively embracing the opportunities of the new economy.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I congratulate my colleague on his thought provoking speech. This is a topic where I am not sure whether the word we are using fits. We are talking about equalization. There is absolutely nothing equal about the issue we are discussing as it relates to the Atlantic provinces. There is an old saying that everyone is equal but some are more equal than others. Certainly in this case we have found out that some across the country are more equal than we are.

When I say I am not sure we are using the right word, I do not know if anyone else is sure we are using the right word. I refer particularly to government.

Some time ago I raised the topic, as I have done on several occasions, with the Minister of Finance. I raised it because it is perhaps the most important issue that could be addressed in the House, since it relates to the economic well-being of the country.

I am not talking just about Newfoundland or Nova Scotia or the Atlantic provinces. I am talking about the country. We have now what we could refer to as federal welfare. We have a Robin Hood system that takes from the rich, particularly in Alberta and Ontario, and helps those who need it. It helps those who, as we say, are not equal.

Are we making them equal, however, with the pittance we give them? No, we certainly are not. We are merely boosting their economies slightly.

When we look at the freezes and cuts that have been made to CHST transfers we realize, as someone already said today, that the federal government now pays something like 13% or 14% of health and post-secondary education costs. At one time it paid 50% of those costs. The provinces, none of whom are being helped by the federal government to bolster their own economies, are trying to manage excessive social costs. Health care in the provinces, because of an aging population and increasing costs, takes up most of the money in the pot.

Post-secondary education is left to try to survive on its own. The level of investment in education in the country is a shame, and our students are the ones who are paying.

In the past few weeks a lot of attention has been paid by provinces to equalization. Perhaps what government members should do, instead of debating the issue and sitting back and doing nothing as they has always done, is visit the areas Premier Hamm visits. They could then listen to his basic, down to earth, factual speeches about the benefit of letting provinces like Newfoundland develop their own resources.

That would not only give provinces like mine a measure of satisfaction, it would enable them to hold on to their revenues until

they reached the Canadian average. They could then start contributing to the Canadian economy, and provinces like Alberta and Ontario would not need to give them welfare.

Provinces like Newfoundland could then start contributing to equalization. They could help bolster the economies of provinces that did not have the same resources, encourage those provinces to invest in their own economies and help them create the infrastructure necessary to develop resources and profits that would turn them into have provinces.

• (1210)

It is a very simple process. It was done in Alberta, even though the Minister of Finance told me it was not. When equalization was instituted Alberta's revenue started to be clawed back. The province was given, after a seven or eight year hiatus, a chance to invest its royalties in its infrastructure. It has since become not only self-sufficient but one of the major contributing partners in the country.

That is what Confederation is supposed to be about. Surely we can assist the process with a bit of common sense. That is all Premier Hamm of Nova Scotia is asking. That is all Premier Grimes of Newfoundland asked when he visited the Prime Minister last week. When Premier Grimes returned to Newfoundland from his visit to Ottawa he stated:

The prime minister is clearly committed to the notion that—provinces like Newfoundland and Labrador could keep more of their source revenues. My understanding and my impression from my meeting with the prime minister is that he is of the view that that's the right thing to do—as soon as they can do it, and there's no reason to wait.

Within minutes of the premier saying that, the Prime Minister's Office issued a terse release which said that the premier was wrong and that no commitments had been made.

We have a premier saying the Prime Minister committed to give Newfoundland a fair deal. We have the Prime Minister saying he is wrong and that he did not say such a thing. The Minister of Industry inserted himself, as he always does, and agreed with both of them, as he always does.

Getting back to the Minister of Industry, who was the premier of Newfoundland for years, we might ask if he took up the fight Premier Hamm is now taking up? Absolutely not. Did he take it up when he was a minister in the government opposite for a number of years? Absolutely not.

When did he take it up? He took it up during the last federal election in November, when he decided he was not going anywhere in Newfoundland. He ran in the safest Liberal seat in Newfoundland, the seat held by the former premier. After the first election he did not even have the nerve to stay there. He ran to what was the safest seat in the province, the only seat that had never been represented by anybody except a Liberal.

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We saw what happened there after he left. A Tory was elected for the first time in history because of the impressions people had of the person who now wants to be Prime Minister of Canada.

During the election campaign he and his minister of tourism, who ran in my riding of St. John's West, campaigned on the slogan "New Team, New Deal".

What was the new team? It was not a new team. It was the same old team. I took care of one half. I would have taken care of the other if he had had the nerve to run in that riding, the riding in which he lives. However he did not.

Mr. Scott Brison: But they know him.

Mr. Loyola Hearn: But they know him, absolutely. They knew him there, and they will know him where he is now. They have known him everywhere he has gone.

The new deal he talked about was a new deal for Newfoundland in regard to equalization and clawback. What do we hear? We hear the Prime Minister say no. We hear the finance minister say he will not change it, even though he told me he will continue to look at it.

We have been looking at it long enough. Let us give provinces that have resources a chance to develop and invest in their own infrastructure so they can create more revenues to help those who cannot help themselves. That is what Confederation is all about, and it is about time we start practising what we preach.

• (1215)

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, what seems to be forgotten in the debate is that the development of offshore resources in Nova Scotia and Newfoundland promises new jobs, higher incomes and greater self-reliance for the people of both provinces. The people of Nova Scotia and Newfoundland will be the big winners, and that is the way it should be. Provincial treasuries will also benefit.

To suggest that equalization payments should remain entirely intact was never the intent. I come back to the comment made about the province of Alberta. While it is true that Alberta received equalization payments when they were introduced in 1957, only three tax bases were used at the time: personal income taxes, corporate income taxes and succession duties. As the tax bases were broadened Alberta failed to qualify. If we were to go back today to the original program of personal income taxes, corporate taxes and succession duties, Nova Scotia would receive about \$740 million less per year.

We have the right balance now. There is an incentive for provinces to develop offshore resources. There is a transition away

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from equalization payments. The bottom line is that it provides a tremendous opportunity for these provinces to create new confidence, new employment and new career opportunities.

Given that argument, we have a formula that recognizes incentive and provides an equal footing for all provinces depending on their resource and taxation bases. Would the member agree that it is a fair and sound formula?

Mr. Loyola Hearn: Mr. Speaker, the hon. member is wrong if he thinks that I or anybody with a degree of common sense would agree with a stand like that. We are the ones who would make sure the country stays the way it is. He might want the rich to get richer and the poor to get poorer and for all of us to be subservient to the party opposite.

Nova Scotia, Newfoundland or any other province has no intention of asking to hold on to equalization payments while obtaining revenue from its resources. These provinces are asking for a phase in until they reach the Canadian average where they would then become contributors. They will not require any equalization payments after that because they will live on revenues that come from royalties.

The member is saying that these provinces are benefiting greatly and that the money is pouring in. If we listen to the Minister of Industry talk about how well these provinces are doing with their gross domestic product, everybody would think that Newfoundland is benefiting royally. Most of the profits are going outside the province. Oil is bypassing its shores and being processed elsewhere, as is its shrimp. These make up the two main components that create Newfoundland's GDP.

Newfoundland is not doing well because it is being treated like people on welfare: if they make 50 cents, the government takes it back. It is better for the people to stay home and do nothing than it is for them to work. It is better for Newfoundland and Nova Scotia to leave their resources in the ground or in the sea because then they will always have them. They will not be better off if they are under a government like this one which wants to keep them down. It is time that changed.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I rise on behalf of the people of Surrey Central to participate in the debate on second reading of Bill C-18, an act to amend the Federal-Provincial Fiscal Arrangements Act. Earlier the finance critic of the Canadian Alliance, the hon. member for Calgary Southeast, highlighted very beautifully our position and the weaknesses in the bill.

For the benefit of the folks at home I would like to tell them that for fiscal year 1999-2000 the bill removes the ceiling that would otherwise apply to equalization payments.

We recognize that different provinces and regions of Canada have different levels of wealth. All wish to provide similar services

to their residents. We are committed to the constitutional principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide their residents with reasonably comparable levels of basic services at a reasonably comparable level of taxation. It will allow all Canadians from coast to coast to enjoy a comparable quality of important government services.

• (1220)

The bill implements a commitment by the Prime Minister to the first ministers to lift the cap on the first year of a five year cycle of equalization payments. Bill C-18 would increase equalization transfers by \$792 million with over 50% going to Quebec, a per capita increase of \$67.

The increase results from growth beyond the \$10 billion ceiling. It was done to accommodate the demands of provinces made during negotiations with the premiers over the \$21.1 billion CHST transfer package which was concluded in September 2000.

While the Canadian Alliance is open to exploring a new equalization system, that does not penalize poorer provinces that benefit from unexpected growth or new resource royalties, we believe the equalization formula should be consistently applied.

The official opposition has consistently called for reform of the equalization system to allow the poorer provinces to benefit from their economic development. Nova Scotia's Conservative Premier John Hamm is calling for equalization reform as part of his campaign for fairness. When he was premier of Newfoundland the industry minister also spoke in favour of equalization reform. There is a need for equalization reform and everyone is talking about it.

For every dollar a province gains in royalties, the federal government reduces its equalization payments by about 75 cents. The current equalization formula actually prevents the equalization of economic opportunity among the provinces. The bill merely touches on one aspect of the problem. There are many other aspects that I will be talking about in detail a little later.

Rather than address the issue of equalization payments on a piecemeal basis, a full and thorough debate is needed in the House. The equalization ceiling exists to protect federal taxpayers from excess growth in payments.

The Canadian Alliance supported the \$21.1 billion increase in the 2000 CHST fiscal accord. We also supported reviewing the application of the formula to stop penalizing provinces that experience strong growth or increases in the non-renewable resource revenues. We believe that maintaining the ceiling is necessary for the overall integrity of the program.

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We also believe that the equalization system should serve the longer term purpose of equalizing economic opportunity and autonomy in all regions and should not create incentives for perverse economic policies on the part of provincial governments.

The lifting of the cap is a one time ad hoc reaction that fails to address the bigger and longer term problems. It was promised for purely political reasons. It may be good politics, but is it a good policy? The fact that this one time band aid solution is even being proposed indicates a need for open disclosure in parliament, in the provinces and among levels of government to come up with ways to prevent the necessity of applying such band aid solutions time after time.

I will describe the equalization payment system that the government operates. Every five years since 1957 the federal government through the finance department reviewed the equalization program. The purpose of the equalization program is to equalize provincial revenue raising capacity. In theory, this enables provinces to provide reasonably comparable levels of public service at reasonably comparable levels of taxation.

• (1225)

Without equalization payments Canada's wealthier provinces would be able to provide more services to their residents than the poor provinces could at the same level of taxation. The equalization formula is important to the Canadian federation.

The program is only as good as the processes that allow it to keep pace with the provincial tax system. The key element in the equalization formula is the representative tax system called RTS. The RTS is a hypothetical tax system that is supposed to be representative of the actual systems of the separate provinces. The key to success rests on how well the RTS reflects provincial tax systems. The RTS should be comprehensive, representative, accurate and appropriately categorized.

The RTS should include all revenue sources used to support public services comprehensively. Partial coverage of the revenue sources yields a biased picture of the relative fiscal capacity of the provinces. The RTS should use definitions of tax bases that reflect the tax structure actually used by the provinces to reflect what governments actually do. It should not represent imaginary, unfair and unrealistic measures. It should be representative of the actual tax systems used in the provinces or in the country. The data used to measure the various tax bases must be as accurate as possible for it to be a reliable measure.

The items in the RTS that make up a category or revenue source should have common characteristics, the ability to be taxed at a similar rate and should be appropriately categorized. The finance department currently uses such criteria for its assessment of the RTS, but nowhere is it explicitly set out.

The finance department has not formalized the set of principles to guide its review of the RTS. The need for a formalized set of principles is necessary if we are to arrive at a common way of estimating the tax base for the provinces. For many of the 33 revenue sources used by the department as measurements, the bases are not straightforward and no consensus exists.

We on this side of the House have been trying to force this weak Liberal government, that lacks vision, to do the work necessary to fix the system.

I spoke to the bill in the last parliament when the five year time period expired. As I mentioned earlier, the House debated the details of the equalization program and how it would operate for the next five years. At that time the government had given the House only a matter of days to deal with a bill that it was passing, the one that has to be passed every five years for the purpose of the operation of the equalization plan.

It was really an outrage. The government did not want the opposition parties in the House to have very much time to talk about equalization payments. It held back the bill for three days and then there were only a few days left before the calendar year deadline approached. The Liberals said that they had to rush the bill because the clock was ticking. That was because they would not put the puck on the ice until five minutes was left in the game.

Today we are debating a bill that is tinkering with the nation's equalization program, a program that we all support and that we all want to operate in the best possible manner. The Liberals do not want to do that work. The bill touches only one aspect of the problem, ceilings. How about the other related and more serious and complicated problems that the bill does not address at all? The Liberals are pretending that other problems do not exist. Maybe the problem will go away by pretending that the problems do not exist.

I will give six examples to prove what I am saying.

• (1230)

First, some provinces calculate their payroll taxes on the total payroll of business, while other provinces tax only a portion above certain thresholds. Still other provinces charge no tax at all. For the purpose of RTS, the base chosen across all provinces must be common.

Second, for sales taxes, the base used in the RTS is no longer representative of the tax structure used by all provinces. The four provinces that account for a third of Canada's population use a common sales tax base, the GST, which is different from the one used in the RTS. We are comparing apples to oranges. They are not equivalent. There is a need to review the way the sales tax base is currently measured.

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Third, there are user fees which are not part of the current federal-provincial discussions for the 1999 renewal. It is very important to mention that governments at every level are resorting to alternative revenue sources such as user fees. It is a tax with only a semantic distinction.

Provincial and local government receipts from user fees doubled from \$6 billion in 1984 to \$12 billion in 1994. It doubled in 10 years.

How these revenues are treated in the equalization formula can have a significant effect on overall equalization payments. User fees imposed by the provinces have been part of the equalization of the RTS since 1967.

Similar fees imposed by the municipalities were brought in with the 1982 renewal. They are currently included under the miscellaneous revenue category of the RTS. It is a category that is altogether different and impacts on the calculations of the complicated equalization formula.

Fourth, since 1977 lottery revenues have been treated as a separate revenue source in the RTS, with gross revenues from the sale of lottery tickets constituting the lottery base. It worked well until the provincial gaming sector became significantly transformed. Today, provinces are operating video games, casinos, bingos, VLTs, break-open tickets and other games of chance.

The RTS base does not cover these newer gaming activities. This is unfair. The revenues are treated differently for equalization purposes. Where a casino is operated by a provincial lottery corporation, profits are equalized under the lottery revenue source. If the casino is operated by a government department, the gross revenues of the casino are equalized under the miscellaneous revenue source in the RTS. Again, the weak Liberal government allows mixing apples with oranges. Similar inequities arise in the treatment of revenues from other games. That is unfair.

The RTS has become less representative of the provincial taxing policy. We will see if the government is addressing these gaming inequities in the bill. It has its chance. It needs to look at it.

Fifth, is resource taxation which is an area where the ground is always shifting. The resource revenue type bases in the RTS are measured on the basis of the value or volume of production.

Ideally they would be measured on the basis of economic rent or the value of the resource over its cost of production. Rent is a measure of taxable potential, not actual but potential. It consists of a value that can be taxed without affecting production because natural resources in different locations can differ in quality and production costs. Rent associated with them can also differ significantly. These differences are not captured by the value or volume of production.

• (1235)

There are many flaws in the present equalization program. It should be completely reformed. We know the equalization provision has limited the cumulative growth of total equalization payments to the cumulative growth of GNP, gross national product, from the base.

Sixth, the ceiling and floor levels were introduced. I will not elaborate on that much but it does not work favourably. Rather it would make it difficult for the provinces, particularly those close to the floor level, to plan their budgets.

There is asymmetrical treatment of underpayments and overpayments. The overpayments are treated as non-interest bearing loans to the provinces. This is an important one. In the last year or so, it cost the federal government \$38 million.

Free use of federal funds is not necessarily shared equally by all of the receiving provinces. The federal government does not charge interest on the underpayment. So the government has manipulated the program for political favours. The former premier of Newfoundland, who is Minister of Industry, was given a gift before the election. That is the kind of favours I am talking about. That is how the government can manipulate because the system is not fair.

Evolving over many decades, every five years the traditional political parties have given us an extremely convoluted and complex process. If the design is so archaic and cryptic that it defies logic and reason. It is not fair that our system is such a conundrum. Equalization as it is structured is divisive. It pits one Canadian against another. That is not right. The measurements should be accurate, reliable and sound. In this case, they are not.

The Reform Party of Canada, now the Canadian Alliance, advanced the new Canada act which sought to improve the Canadian political and economic system. There is a need for a single social union agreement on transfers from the federal government to the provinces.

Since we are debating the bill, I ask the government members to please look into the whole issue and make a serious attempt to reform our equalization program.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I would like to express my appreciation to the hon. member for Surrey Central for a very good speech on equalization payments, and on this particular bill. He has given both a political and a practical perspective to it.

Would he have any comments with respect to the overall picture, which is the need to provide adequate funding for the social services that are provided for our citizens across the country? He

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made some allusion to the fact that we agree with this, but I would like him to just reinforce that and to emphasize that the Canadian Alliance members believe we have to exercise a social conscience as we run the affairs of government.

Mr. Gurmant Grewal: Mr. Speaker, we are here, in the highest chamber of the country, to serve Canadians. We should treat them equally. They have the right to be treated equally, irrespective of the province they live in. They should have equal access to the important government services.

However, the way our system works, different provinces have different sources of revenue. They have different volumes of revenue. Their incomes, in layman's terms, are not equal. The amount of money left for spending on the services, particularly the social services, may not be equal. Rich provinces have more money to spend on social services than the poorer provinces. That will lead to unequal services being offered to the citizens of the provinces. This is not right. Canada is a wonderful country. It is our moral responsibility to see that all Canadians, wherever they live, have equal access to important government services.

• (1240)

Therefore, one innovative or workable way, although it does not work at the moment, the equalization payment formula. However, at the moment this formula is biased, unfair and unreasonable. It does not measure the different elements which compose or contribute to the equalization formula. That is why it is important that we sincerely put all our efforts into working on the equalization formula so that it provides a fair and equitable means to all provinces and Canadians from coast to coast.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I am very pleased to speak on this important debate on Bill C-18. This is a bill of a temporary measure, but it is good for us to be able to see it in the larger context.

I would like to say something about the basic philosophy of equalization payments. What it says is people in Canada who cannot afford certain services because of their wealth or lack of it are still entitled to basic services. I cannot emphasize enough that I agree wholeheartedly with this premise.

The Prime Minister sometimes says, when he speaks of helping those in need, that this is the Canadian way. Unfortunately, in our political environment, it is all together too selective at times. We see certain people who have their needs met almost instantaneously and others have to work for years and years to have their needs met.

I am thinking of the tainted blood scandal and the hepatitis C victims. These are people who, because of a lack of proper procedures by the federal government, were injured by that very specific shortcoming of the federal government. Other provinces,

such as Ontario, said that these victims should all be compensated for their loss, but not all of them were. In the federal government scheme of things there was a very narrow window defined. If they were outside of that window, it was too bad.

It so happens that my uncle died from hepatitis. He left a widow. He was in that exact category. He was diagnosed with a brain tumour. The operation was successful and he bounced right back. Before the operation he had problems with headaches and disorientation. However, his recovery took very long. He was always ill. Eventually they diagnosed that he was a victim of tainted blood. He had received hepatitis via his blood transfusions during the operation. He was outside the window for compensation. Is there any compensation for that loss? It seems not, so they fight and fight. Yet others receive aid very quickly.

• (1245)

In the larger scheme, when an election is coming and there is a flood, the promises of compensation and aid to farmers suffering from the disaster are immediate and are large. If it is not during an election or if it is in an area where there does not seem to be a great deal of political capital to be gained, it appears to us, as objectively as we try to look at it, that there is some bias on whether or not that helping hand is extended. I personally believe that we need to give a helping hand to those who cannot afford these things.

I grew up in Saskatchewan. I was born on the prairies, a first generation Canadian, my parents having been youngsters when their families escaped from Russia and came to Canada to make it their home. I remember very well in the early years of my life, which would have been in the 1940s, there was not a great deal of aid for people who were in distress. I know it is hard to believe I am that old, but I am getting there.

It was not an unusual occurrence for my family that the church community I grew up in would reach out a hand to those who needed it. Sometimes it was in the form of a loan. Sometimes it was in the form of outright gifts. Sometimes there were food transfers. That was the way things were done because we were people who were compassionate for those in need.

Later on when my wife and I were married we became aware of a couple who had come to Alberta from Ontario or even farther east. I do not remember which province they were from. They had moved to Alberta and they were in dire straits. They had no jobs and no income. He claimed that the police had stolen his car. We later found out that the police had confiscated it because they could not get into the trunk and they suspected there were drugs in it, but that is another story.

This couple was without food and without shelter. We did not go to a welfare agency. We did not see what we could do to get public

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funds for them. The way we thought was a natural thing. We knew these were people in need and we looked for ways to help them. I remember trundling groceries up to the second floor apartment that we had arranged for them. We made the payments on the rent for the first month or two so that they could get settled. One of the men in our group gave this man a job. We tried to help them.

Through the process of ever increasing taxation and with the present Liberal government and past Liberal style governments we have had over the last 40 or 50 years, we have had an increasing shift of social responsibility away from families, away from churches, and on to the government. Nowadays we end up with very little fiscal capacity as individuals and as families to actually accommodate the needs of people we encounter.

It is much more natural now to say we will see if we can help people get to the social services centre where there is a government program. This seems to be a general trend that our governments have taken over the last 30 or 40 years. In a way it is good, but it also has a tremendous downside, which is that while it trades on the fact that we as Canadians are compassionate to people in need, it takes away from us the capacity to actually exercise that compassion.

We are taxed to death. I was talking to an individual just yesterday and said that as a young family the decision was made that my wife would be a full time mom, so I was the sole wage earner. Even then our marginal tax rates were 40% to 45%.

I taught a night class instead of having my wife take a job. I taught full time in the daytime and I taught a couple of night courses to supplement our income. I used to say I worked Tuesday nights for Trudeau and Thursday nights for my family. Basically people live on half of their incomes.

• (1250)

One of the reasons I became a member of parliament was to try to address the question of the huge overtaxation. My family and thousands of families like us have lived on something between 30% and 50% of our income. I believe in personal charity. Over the years, besides having 50% of my earnings taken away from me for taxation, I have usually given between 10% and 20% of my income to charities.

In addition, since we were looking at retiring on only my pension which was not that great I put a little into RRSPs. Another 8% to 10% went into that. I had 30% of my salary left. We struggled month after month to pay the bills.

The situation has not changed a great deal. I can say it is great that we live in a country where everyone has free health care. I concur with that, but it has to be done efficiently. The federal, provincial and municipal governments took their taxes from money I had worked very hard for. I really needed a greater income for my family. I am speaking now of before I was a member of parliament. I do not want anyone to conclude that I am crying because I do not

earn enough here. We struggled and said that if they were to take that money they had better use it very wisely.

One reason the Conservatives fell out of grace with many people in the west was that they were not perceived to be handling the money properly. They were not addressing the question of the debt. They were not addressing the question of huge interest payments.

I resented the fact that half of my income went to taxes and of that 30% was being used for interest payments on a debt which had burgeoned out of control because of lack of fiscal control by the government. That is why I came here.

Today we are talking about equalization payments. While I am in favour philosophically of helping people who need help, I am not in favour of doing that in an inefficient, wasteful or unfair way.

In passing, I should like to make a statement about equalization payments. Since they are done based on provincial numbers, there is no recognition of the fact that poor people are living in all provinces. Over the years I have thought of this often. Here is a specific example.

I was a young teacher with a young family, trying to make ends meet, making \$6,000 a year. Through my unemployment insurance, it was called UI in those days, I was subsidizing a fisherman who made \$18,000 a year. It somehow seemed to me unfair because I had no eligibility to ever make a claim. This was especially the case in those years when I was a student and my part time job required that I make UI contributions. I would quit in fall to go back to classes and I was not eligible to receive any benefits. That money was going to subsidize people who were making 20, 3 or 40 times as much as I was.

That is one thing the equalization program does not address. If we have poor people living in the so-called have provinces, they are proportionately disadvantaged compared to in some cases rich people who are living in the have not provinces. The well off people in the have provinces are paying huge amounts of money. I guess the Liberal way is to tax them to death.

When we proposed to level off the tax burden for those who make an adequate amount of money, we were told all we wanted to do was give tax breaks to the rich. The fact of the matter is that the equalization program gives transfers to provinces where some very rich people live, and those people benefit from those transfers.

• (1255)

I will put this in perspective. Most people here know the history of transfer payments. I picked up a book which had a chapter on them and found out a few things that were rather interesting. For fiscal year 2001 it is estimated that the total cash payments from the federal government to the provincial, territorial and local governments will total almost \$25 billion. That is a lot of money.

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I play with mathematics as some people play on the golf course. Whenever I have an opportunity to do some simple math I do it for recreation. Some time back I built a spreadsheet showing the major federal transfers to the provinces. From 1980 until 1999 I have a breakdown of the total major federal transfers from the federal government to the individual provinces.

It is fascinating to see that in that 20 year period Newfoundland received a total of some \$22.5 billion in transfers; Prince Edward Island, \$4.9 billion; Nova Scotia, \$28.7 billion. New Brunswick, \$24.9 billion; Quebec, \$178.3 billion; Ontario, \$154 billion; Manitoba, some \$30 billion; Saskatchewan, almost \$20 billion; Alberta, close to \$40 billion; and British Columbia, almost \$53 billion.

From 1980 to 1999 the total major federal transfers to the 10 provinces was \$556 billion. That does not include Yukon and the Northwest Territories. At that time Nunavut did not exist. That amount essentially is equal to our national debt. If we add in the Northwest Territories and Yukon, the total major federal transfers to the provinces and territories for the 20 year period was \$573 billion. By a strange coincidence that is almost equal to the present value of our national debt.

We agree with transfer payments, but they must be made wisely. It looks to us as if we could have had zero debt if they would have been managed better. I am not in any way suggesting that transfer payments should not have been made, but meanwhile with the growing rate of the debt there are interest payments due every year. The federal Liberal, then Conservative and then again Liberal governments did not address this issue until we came along and pretty well pushed them into it. The debt is out of hand. We are now spending \$30 billion a year on interest payments. That should not be the case.

It is also interesting to find out that the whole idea of transfer payments is almost as old as history. It is included in our constitution. As a matter of fact most of us know that the repatriated constitution of 1982 has a clause in it which supports the concept of equalization payments. The formal system of equalization payments as we have come to know it today actually came into being in the mid-1950s when I graduated from high school. Now a very complicated formula is used which I wish I had time to explain to people.

I have been on the finance committee now for several years. Several years ago we had experts explain to us how the federal system of equalization works.

• (1300)

I remember with some amusement that during those hearings I asked one of these officials, after he had gone through a number of convoluted explanations of how these different things work, if

there really was anyone who understood this totally. He looked at me and said probably not. He sort of admitted that even he, being one of the officials, did not know everything about it. He specialized in one area.

It is indeed very complicated. The federal government, in computing the amount of transfer payment, does not compute how much income each province earns. Rather, it has a formula which, in 34 categories, looks at how much income the provinces could earn. There are different categories for the building of a national average. From that national average, the federal government computes, province by province in each category, whether each province in each category is in a surplus or deficit situation.

I remember when the government added the lottery category about five or six years ago. It was not a question of how much money a province earned through lotteries but how much it could earn. At that time, the equalization payments to Manitoba dropped by about \$50 million. Why? Because even though there were literally thousands of people in Manitoba who on principle did not support the lotteries, it was deemed that it could have raised this money if those people would have bought those lottery tickets.

The fact that they did not buy the tickets meant that the provincial government did not have the income. If the people of Manitoba could be persuaded to buy lottery tickets, that would give their government more money. The fact that they were not persuaded took the money away from the provincial government and the formula took the federal transfer payments from Manitoba as well, because the federal government deemed that this was an amount that the province could have earned.

We have documented in the public accounts and other sources the formulas that are used to compute these payments. If I look at the lottery ticket revenue, according to this formula Newfoundland is \$31 million short on lottery revenue. P.E.I. is \$2.4 million over. Quebec is \$63 million under. This qualifies the different provinces for transfers based on whether they are in a positive or negative situation. Alberta is in the plus category by \$159 million. Consequently its equalization revenue is actually increased because of the amount of revenue that it presumably could earn using lotteries.

That is just one category. There are many others. They include the sale of licence plates for vehicles. They include many other categories. All 34 categories are listed in this documentation. It is interesting to see how, by using this formula, the government is able to arrange for different amounts of money, sometimes motivated for or by political reasons, for transfers to the provinces.

In conclusion I will simply say that we support in principle utilizing the wealth that we have in order to provide a comparable level of services to all of our citizens across the country.

*Government Orders***PRIVILEGE**

ORAL QUESTION PERIOD

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, I rise on a question of privilege. Yesterday was international day for the elimination of racial discrimination and recognition of the current existence of hate and racism throughout the world. Yesterday I mistakenly linked the city of Prince George with a specific hate activity. I regret that and I apologize to the people of Prince George.

• (1305)

I am very proud of what communities have accomplished in this country to counter racism and hate and to promote cultural diversity, especially the city of Prince George's city council task force on hate activities.

As Secretary of State for Multiculturalism, racism and hate activities are very important and serious issues to me, as I know they are to Canadians by the prompt and immediate actions taken by municipalities and communities throughout the country to counteract such activities.

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, yesterday the secretary of state mentioned a letter that she had from the mayor of Prince George. I wonder if she would table that letter in the House if she had it.

The Speaker: The Minister of State—

An hon. member: Where is she going?

Some hon. members: Oh, oh.

Mr. Dennis Mills (Toronto—Danforth, Lib.): Mr. Speaker, when the minister made her statement she left the House before the government—

Some hon. members: Oh, oh.

The Speaker: Order, please. The minister has made a statement. The hon. opposition House leader has asked a question. Obviously no response is forthcoming. There is nothing the Chair can do in the circumstances.

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, I rise on a point of order. Yesterday I stood in the House on a point of order in response to her malicious and false accusations against the people of Prince George. Today, yesterday as she spoke, and last night, we had absolute confirmation that she was indeed absolutely wrong in her statements.

She did not come to the House today because she voluntarily wanted to. She came because she was caught in a falsehood.

The Speaker: The fact is the statement has been made. The hon. member is not seeming to make a point of order. He is perhaps

disagreeing with the statement or something. I do not know, but I wish he would come to his point. There is no point in protracting the matter. The withdrawal has been made.

Mr. Richard Harris: Mr. Speaker, yesterday I asked in the House for an apology. There was no apology from the minister today. We would like her to table the letter she received that she used in her statement yesterday.

The Speaker: Hon. members can review the statement when the blues are available and see what the minister said. My understanding is that there was an apology and withdrawal. I believe the matter is closed.

If members wish to ask about other documents, there is an opportunity for that to happen at a subsequent time and I would invite hon. members to take advantage of those opportunities when they arise.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

The House resumed consideration of the motion that Bill C-18, an act to amend the Federal-Provincial Fiscal Arrangements Act, be read the second time and referred to a committee.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I would have been tempted to ask a question of the member for Elk Island but I was not sure whether or not I had the floor. As I do, perhaps I will respond briefly to some of what the member had to say, because it seems to me there was a thread throughout some of what he had to say which was critical of the equalization payment scheme we have in this country.

I would remind the member of two things. Equalization is part of the Constitution of Canada. This was constitutionalized in 1982. It is a critical element of Canadian social and economic policy that all citizens, no matter where they live, be served by provincial governments that, because of equalization payments, are able to provide comparable levels of services to all citizens.

• (1310)

The fact that Canadian citizens who live in so-called have provinces have to contribute to that through the federal transfer payments is not something that I think the member would want to be seen criticizing, because I know that his party has been in trouble in the past for sounding like it would like to do away with equalization.

I would caution the hon. member that unless he wants to revive that debate he should be careful as to what he says, because it sure sounded to me as though there was an undercurrent of opposition to equalization payments.

It always strikes me as odd when we hear that coming from a province that is doing as well as the province of Alberta is doing.

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We do not want to have a situation in the country where the gap between rich and poor provinces grows any greater than it already is. That is the situation that we find ourselves on the edge of now, given some of the economic circumstances that prevail.

We in the NDP rise to speak against this particular bill because of the fact that even though it lifts the ceiling or the cap on equalization payments for one year, it then goes on to restore that ceiling or that cap in a way that we find objectionable. It seems to me that equalization is not just a constitutional principle. It is a moral principle that there should be this kind of comparable equality among all Canadians. However, if it is a constitutional principle, this is something that should not be capped. There should not be a ceiling put on this particular constitutional principle.

I wonder if the members of the Alliance Party could have their meeting outside the House. That is what the curtains are here for. Mr. Speaker, I am talking to you. I wonder whether those members could have their meeting outside the House so that—

The Speaker: I am having no trouble hearing the hon. member. That is why I had not intervened. The hon. member does have a strong voice. Although he is a long way away, I was still hearing him quite well. The meeting was not as disturbing to me as it apparently was to him, in the sense that I guess the sound was going that way.

I am certainly happy to intervene on behalf of the hon. member and urge hon. members to show proper restraint in controlling their conversations in the House.

Mr. Bill Blaikie: Mr. Speaker, I was saying that if this is a constitutional principle and one grounded as a certain normative or moral view of what constitutes Canadian society and the relationship that all Canadians have with each other through their federal government so that Canadians, no matter where they live, can have a comparable level of public services, then this is not something that there should be a cap on.

What we have seen too often in this last decade or so is the federal government moving to cap, to limit, its commitment to certain social programs. It is not just equalization. I think of a former program called the Canada assistance program, which was sometimes called CAP for short, which itself was capped by a Conservative government. It was sometimes called the cap on CAP. To compound matters, the Liberal government did away with CAP altogether and brought in the Canada health and social transfer, sometimes called the CHST.

The federal government wonders why there is not the strong sense of country that it would sometimes like to see. No wonder, when we have federal governments that have been progressively withdrawing from its commitments to social and economic equality in the country, starting with the Conservatives with the cap on

CAP, or actually starting with the Liberals back in the early 1980s when they were responsible for the first unilateral reduction in federal transfer payments to the provinces.

Over the course of a long time, the federal government has been withdrawing from fiscal commitments it made to the provinces in the course of designing specific national social programs and in the course of living up to specific national arrangements like equalization. We in the NDP say here today that a cap on equalization is wrong and that it should be lifted entirely. However, if it cannot be lifted entirely, then at the very least, when the ceiling is put back, as this bill also does, it should be put back at a base that is higher than where the ceiling was before it was lifted for this one particular year.

• (1315)

My understanding is that that was the understanding the provinces had. They understood that when the ceiling was lifted and the equalization payments rose as a result, that new level would become the new base. Instead, what this bill does is return the base to a lower figure and put many provinces, particularly my home province of Manitoba, in a position in which they are not as well off as a result of the CHST increases as the federal government would like to make out. They lose, through equalization and the restoration of the ceiling next year at this lower base, what they gained through the increase in the Canada health and social transfer.

What happens is, despite all the smoke and mirrors and despite the Liberal campaign promises and the Liberal spin around the great increase in federal funding to the provinces for health care that came with the increase in the CHST with the so-called health accord, provinces like Manitoba are in effect no better off because they are losing on equalization through the equalization cap what they gained on CHST. The only provinces that actually come out of this better are the have provinces because they do not lose through equalization. They just gain through CHST.

Where in the heck is the logic of that? Is this what the government intended, that after all was said and done it would be the have provinces that have more and the have not provinces that have less, because that is the result? I do not know if that was the intended result. I do not know if the government is just stupid or vicious when it comes to this sort of thing. We can take our pick. In any event, this is the result of what the government has done, and what it is doing through this particular bill.

We say two things. First, lift the cap on equalization. Get rid of that ceiling that will cost some of the have not provinces more and more as the years go by, depending on economic circumstances. Certainly current projections would indicate that the cap will cost Manitoba for instance something like \$100 million. That is a lot of money in Manitoba. It may not seem like much to a federal

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government that is projecting a surplus of \$15 billion or whatever. However, \$100 million can buy a lot of public services, health care and post-secondary education in a province like Manitoba.

What we are seeing is a further downloading on the part of the federal government. The federal government is building up its surplus and fighting its deficit on the backs of the provinces, which in many cases have to deliver those very important services that Canadians really care about in terms of health care and education, for instance. The provinces have to take the heat for the lack of MRIs, or the lack of other diagnostic services, or crowded classrooms or whatever the case may be.

What we see is a very disturbing trend. The federal government over the course of many years now, accelerated in a remarkable way by the Liberals since they came to power in 1993, has been withdrawing from all these commitments. I think it is part of the national unity crisis to the extent that there is one. Liberals spend their time scratching their heads and wondering why Canadians do not have a stronger attachment to their country, and how they can get more federal visibility?

Who has done more to destroy federal visibility and participation than the Liberal Party since it came to power in 1993. It did this through the systematic sell off and privatization of many of our national institutions and infrastructure, eliminating post offices, getting rid of our publicly owned national railway and privatizing Air Canada. The list goes on of ways in which the federal government has taken the federal presence, both symbolically and practically, out of the lives of Canadians. Then the Liberals wonder why Canadians do not have a strong sense of being Canadian. One does not have to be a rocket scientist to figure it out. On top of that it withdraws its fiscal commitment from so many of these programs and leaves the provinces to pick up the slack. There is a lot of slack because most of the areas that the federal government is withdrawing from are growing areas of expenditure, not diminishing areas of expenditure.

● (1320)

We see the Minister of Finance piling up his surplus, taking credit for his fiscal management of the country, and yet in many respects this has been done on the backs of the provinces or the unemployed through the use of the EI surplus.

What is going to happen if worse comes to worse, we do have a recession and we have all these ceilings? Is it not nice for the federal government? It does not have to worry. Recession can come. All the ways in which it will deal with the social consequences of a recession are all capped. It does not matter how bad it gets, the government's commitment is capped: capped on equalization, capped on CHST at a level that is still lower than what it was in 1993 when the Liberals became the government, capped here, capped there, capped everywhere.

It is the provinces that will have to fight the recession, if there is one, all by themselves. They will have to pick up the people who do not qualify for EI anymore and go on provincial welfare. They will have to pick up the increased use of the health care system as people are stressed out by economic conditions et cetera. They will have to do that with declining revenues because the recession itself will affect their revenues.

Meanwhile the federal government will sit back and say, "Oh, we signed a health accord in August 2000 which solved everything, even though it didn't put back what we took out in 1995. We've got an equalization scheme. It's even in our constitution. It's a great Canadian principle". However it only goes so far. It does not go far enough to address the needs of the have not provinces. It only goes as far as we like it to go without endangering the federal government's fiscal health.

There are a lot of reasons to be concerned about the bill. I know most people I think probably regarded this as a bit of care taking legislation and probably in the end it will not receive the kind of debate in the House that it deserves. However I would implore other members of parliament and opposition parties to take a good look at the bill and take a good look at the principles and the values that underline it and the way in which the bill is a repudiation of our constitution. It is a repudiation of the principle of equalization which is enshrined in our constitution. It is a danger to the long term health of have not provinces which are continually and increasingly being put at a disadvantage in respect of wealthier provinces.

Again I use my own province as an example. However, I certainly know members from the maritimes have similar concerns about equalization and have asked for special arrangements whereby some of the revenues that accrue to those provinces through oil and gas revenues might not receive such a serious clawback as they do now in the equalization formula. This is one of the ways in which this might be addressed, although I do not think there is unanimity among the provinces with respect to that because not all provinces that have all oil and gas revenues are asking for that.

Clearly we need to do something either by way of increasing equalization for all provinces that require it or coming to some special arrangements with certain provinces with respect to certain kinds of revenue. Whatever the case may be, the system that is put in place by this particular bill is inadequate and creates a situation in which more and more have not provinces have their treasuries and ministers of finance put in a position where they do not know really what to do.

In order to maintain services, in the face of the lack of the kind of money they feel they should be getting from the federal government, they have to maintain a certain tax base. If there is a province next door, or two or three over, that does not have to maintain that kind of tax base because it is a have province and it has the

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revenues, then we have a growing gap between the so-called tax competitiveness of various provinces.

• (1325)

We get a situation in which provincial governments have no policy room to manoeuvre. They basically have to imitate some of the richest provinces. When they do that, they not only lose their ability to make their own decisions, they are sometimes forced into making bad or regrettable decisions. That is not what people had in mind when they came up with the idea of equalization. That is not what we had in mind in this chamber. I was here when we constitutionalized the equalization principle.

I would ask the government members to consider whether they want this to be their legacy. When they had an opportunity to do something about equalization, when they had a surplus, when they could have done something to strengthen this constitutional principle, they did not. Do they want that to be their legacy or do they want it to be said of them that the Liberals were the party who finally brought equalization back up to where it should have been and created the kind of equality in the country that they like to talk about, but which this bill in its details and in its principles betrays?

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I know the member for Winnipeg—Transcona has been in this place for a long time and I can only conclude that he has just not kept up to date with some of the current facts. I would like to clarify for the House and for Canadians a few facts. I find it strangely ironic that they came from a member from Manitoba.

In 2000 and 2001, transfers to Manitoba will be \$2.3 billion. It will account for about 35% of Manitoba's revenues and is about 45% above the national average. It is the highest of all four western provinces.

What exactly did the first ministers agree to at their meeting? Perhaps the member for Winnipeg—Transcona has not read the communiqué, so I will remind him. It said:

First Ministers raised the issues of Equalization. The Minister of Finance will examine this issue further after consultation with provincial Ministers of Finance. While final revisions for Equalization purposes for fiscal year 1999-2000 likely will not be known until October 2002, the Prime Minister agreed to take the necessary steps to ensure that no ceiling will apply to the 1999-2000 fiscal year. Thereafter, the established Equalization formula will apply, which allows the program to grow up to the rate of growth of GDP.

It said in 1999-2000 and all premiers signed this.

The member for Winnipeg—Transcona said because of the removing of the ceiling, Manitoba or some of the have not provinces will not benefit and the others will. That is simply

misinformation. He knows full well that Manitoba will receive an additional \$76 million as a result of lifting the ceiling.

I have one final note. Equalization has actually increased faster than anticipated. It has grown by 33% or \$2.7 billion since our government took office. It was the only area of government programming that was not affected by program reviews.

Did the member for Winnipeg—Transcona have an opportunity to read the information that was available to him in the communiqué that was widely published and signed by the premiers?

Mr. Bill Blaikie: Mr. Speaker, yes, I have a copy of that communiqué in front of me. In fact, the very quote that I have in front of me is the same quote that the member read into the record in the House.

The member said that I have been here for a long time. That is true. I have seen these kinds of federal-provincial fiscal arguments go back and forth over the years. The standard line from the federal government, when we make an argument that a province is getting less than it would be getting if a certain formula were preserved, is that less is more than it got the year before. All we ever get from the government is how much more the province is getting. We never get any acknowledgement of the gap between the more that the provinces are getting and the even more that they would be getting if the federal government were to respect the formula, or the constitutional principle, or some previous agreement or whatever the case may be.

This is the standard form of avoiding the truth that we get from the federal government when it gets into this kind of pickle. In the very paragraph that the member read, it said:

—the Prime Minister agreed to take the necessary steps to ensure that no ceiling will apply to 1999-2000 fiscal year. Thereafter, the...formula will apply, which allows the program to grow up to the rate of growth of GDP.

There is nothing in the bill which indicates that commitment will be kept. My understanding from a minister of finance is that the bill does not keep that commitment and also is not in keeping with the understanding that the ministers of finance had, that the base would not return to where it was before.

• (1330)

I think it is kind of typical that the member would stand up and say that because it is sort of standard federal government fare. Those members always talk about this or that going up but they are never prepared to at least be honest and say that it would have been higher had they kept their commitment. At least they could explain why they did not keep their commitment and why there is a gap between the more and the even more. No. All we get is talk about the more. It is easily done but it does not convince me.

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Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, I would ask the member to carefully reflect on what he is saying and explain the underlying principle of what he is talking about.

Is there a perverse incentive to equalization? What is the long term goal? Should it not be to eventually get off such supports? Is he talking about more transfers rather than self-sufficiency? Should equalization not be gradually reduced, as, for example, offshore revenues greatly increase? If in future years a province like Newfoundland receives tremendous more revenue benefits, should its reliance on the formula of transfers be gradually reduced? What would be his formula to achieve that self-reliance? Does the member also still believe that it is always just the rights of the receiver and not necessarily the rights and benefits of the payer?

Mr. Bill Blaikie: Mr. Speaker, we can always count on certain members of the Alliance Party to reveal their true colours. Some of them have grown adept at chameleon politics. They keep trying to look like part of the mainstream by saying that they are not really against equalization, bilingualism or this or that, all the things they were against when they came together to form the against party.

However, with some of them, the truth still comes oozing out. That member is a good example of one of those members. Here he is talking about have not provinces that are in receipt of equalization payments in the same way that I am sure he likes to stereotype people on welfare. The language was identical.

What the member did not acknowledge is that there is a formula now. When provinces get to a certain state of economic revenues they do not receive equalization. That is already built in. Does the member not know that or was he just trying to make some perverse point that we are not all like B.C. and Alberta?

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the hon. member just mentioned have not provinces. That truly tugs at my heart. It paints a picture of us back in New Brunswick, Nova Scotia, Newfoundland, Quebec and P.E.I.

Does the hon. member, who just got up to ask a question, not know the role we played in building this country? Does he not know the history of this country? It started back in P.E.I., in New Brunswick, in Nova Scotia and in Quebec, and those equalization payments should be increased so that no one refers to us as have not.

I do not know how my Liberal colleagues from the maritime provinces and Newfoundland can handle their colleagues from Ontario and out west when they refer to us as have not provinces. We are proud to be Canadians back in the maritime provinces, Newfoundland and Quebec.

Does the hon. member agree that the equalization program should be changed so that no one refers to us now and in the future as have not provinces? Does the hon. member agree that we will contribute and continue to contribute to build this country? We never refer to our people from out west, in Ontario or other provinces in a negative way. That is not our way of doing things back east.

• (1335)

Mr. Bill Blaikie: Mr. Speaker, I am not sure if that question was directed to me or to the member who asked me a question a little while ago.

To the declaratory part of the statement from the member who just spoke, all I can say is, amen.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, since the member talked about me at the beginning of his speech, I want to make a clarification. I guess for there to be good communication, there has to be a certain amount of synergy between the speaker and the listener. I wish he had heard what I said.

In my introduction, I said that I agree with the principle of equalization. I said that several times in the body of my speech and it was the closing sentence of my speech.

I used some of my time to talk about a very serious anomaly, which is that poor people in the have provinces are subsidizing rich people in the have not provinces. That is a fact. I have a technical document on that. It is absolutely—

Some hon. members: That is nonsense.

Mr. Ken Epp: It is not nonsense.

The Deputy Speaker: Order, please. A very fundamental principle in the Chamber is being able to express oneself freely in a question or an answer.

Mr. Ken Epp: Mr. Speaker, I think if I use a quick example I can perhaps put this into perspective. I will use the technology that is in the legislation. A person in one of the three contributing provinces who is making \$20,000 a year is, by lack of subsidization of the program in that province, subsidizing the person in one of the seven receiving provinces who makes \$100,000 a year.

I do not know why the socialists are upset about the fact that I am saying it is an anomaly to have a person earning \$20,000 subsidizing one who is making \$100,000.

Mr. Dennis Mills: It does not work that way.

Mr. Ken Epp: That is exactly how it works.

The Deputy Speaker: Order, please. The time has lapsed, but I want to give the hon. member from Winnipeg—Transcona equal time to respond to the last comment and question.

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Mr. Bill Blaikie: As you said, Mr. Speaker, I am glad that people have an opportunity to express themselves freely because I think the more the member for Elk Island expresses himself freely the more we come to understand the Alliance position on equalization.

I think most Canadians would find what the member just offered, a very odd critique of equalization. I am glad he had the opportunity to clarify because it reinforced the point that I made. I do not understand how someone can construe equalization as poor people in rich provinces subsidizing rich people in have not provinces. I also do not think a lot of other Canadians understand it.

I do not think one has to be a socialist to object to what the hon. member is saying. There are people here who probably would not call themselves socialists but who find the logic of the hon. member to be somewhat odd.

[*Translation*]

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, I will be sharing my time with the very nearly right hon. member for New Brunswick Southwest, who will continue with the second part of the discussion on this bill.

I must admit that when I was preparing my speech on this bill, when I saw that the minister was introducing a bill, and when I saw that the title on the first page was “an act to amend the Federal-Provincial Fiscal Arrangements Act”, I was pleased. I said to myself that the people of Quebec, the maritimes and elsewhere do have some influence, because they have managed to convince the Minister of Finance.

• (1340)

Perhaps finally the Minister of Finance has listened, perhaps he has travelled around the country without anyone knowing. Perhaps he went to ask the provinces what they thought of the equalization payment system. Perhaps he did this without anyone knowing about it.

I asked my assistant “Did you just bring me the first page of the bill?” She told me “No, that’s it”. The title of the bill is an act to amend the Federal-Provincial Fiscal Arrangements Act. I said “There is a problem with the photocopiers at the House of Commons, something is going on. That is it”.

I must say that the Minister of Finance has not travelled in the country, he has not met the ministers of finance of the various provinces and he has not listened to what is going on in the maritimes or Quebec. So, there is a bill with fewer clauses than the clarity bill, but we will not get into that. That is to say that it is not very impressive.

I just want to add one small thing before I go on. Yesterday, it was announced that the former head of the Reform Party would be leaving in the course of the year. It was said that a page of history

had been turned, that it was the end of the name Reform and its approach. It is a new century, a new approach. Not really. There he is today.

The government is trying to cover up the fact that, to please people in Ontario, Quebec and the maritimes, there must be no opposition to equalization. Out west, it has to say that it is against equalization, but elsewhere, it has to say it is not. Today, however, we realize that it is opposed to equalization. But there is more to it than that. It is the examples it gives in order to justify it being more or less opposed.

Basically, it is saying “If you get a welfare or an unemployment cheque from a government, if it involves an individual, or equalization payments, if it involves a province, then you are not worth much”. I remind members that they get cheques from the government themselves, and I am not sure what they are worth.

That said, for us, equalization payments are vital, but they need to be modernized. However, we realize that the Minister of Finance is under a lot of pressure. We say to him “You must change your system. It is not right. You are penalizing the provinces, and offending others. So, let us sit down and see what we can do together”. The minister’s only reply, so that we will leave him alone, is “I introduced a great bill. I am removing a ceiling”. Yes, but where are the walls, where are the foundations of the equalization program? These are the things that must be rebuilt, with the provinces, with our partners in Confederation. But the government does not listen.

I heard the parliamentary secretary to the minister say “Listen, we are giving you a cheque”. He told the hon. member for Winnipeg—Transcona “You will get an additional \$22 million”. This is a paternalistic system. One must practically get down on one’s knees. Come on. This is a system that is in effect from coast to coast, not from minister’s office to minister’s office.

The government should listen to what is being said in all the provinces. I am not saying it should agree with everything. No. The Premier of Newfoundland is going around saying that changes are necessary. We want to make it and we will succeed. Give us a chance. But, no, that is no good, according to the government.

I should point out that the Premier of Nova Scotia is a Conservative. So are the premiers of New Brunswick and Prince Edward Island. And the Premier of Newfoundland will also be a Conservative. The current Premier of Newfoundland, as the hon. member from Newfoundland rightly pointed out in his speech, was recently elected leader of the Liberal Party in Newfoundland. He has contacts in Ottawa and he told his people “They listen to me in Ottawa. I will get a commitment from the federal government to renew the equalization system. You will see. The Minister of Industry and the Prime Minister are good buddies of mine”.

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● (1345)

Off he goes to Ottawa. He tells his people back in Newfoundland “It’s settled. The Prime Minister agrees with us, and so does the Minister of Industry”. A few minutes later, the PMO says “Not true”.

I know comparisons are odious, but I still cannot help but think of the English Prime Minister who went to Germany, and came back with a piece of paper. He announced “I have settled things with the German boss” but war was declared just a few days later.

All that to say that this system does not work. The only thing Bill C-18 does is to try to silence those who want to see major changes. We are told that more provinces should be added to the five currently used as the basis for calculating the equalization payments. There are arguments on both sides, but our immediate answer is no.

The Maritimes have sufficient resources to return to what they once were, but are told that this is not good, that it will not work. A balance must be struck. There is much talk of openness. As I have said on many occasions, the ruling party’s conception of this country differs from ours in a number of ways, and of course from the other opposition parties as well.

For us, the country is comprised of regions and provinces, which decided to join together. As we know, first there was Quebec, Ontario, the Maritimes and later the west and the north. They have joined together and have a central government for shared services. This is a principle we defend.

The Liberals’ principle is a different one. Canada is Ottawa, which in its great goodness, its vast generosity, will give little handouts to the regions and the provinces. This is ignoring history.

These two conceptions mean that Ottawa’s management style varies from one party to another. When it is them, it means we have to beg the whole time. When it is another conception, it means simply getting together, discussing and agreeing. That is the difference. True, it is not always easy, but it is an approach that must be changed.

On the question of equalization, I remind the House that Bill C-18 is simply a bandaid, what we call a plaster. Do you know where they stick the bandaid? It does not go on a leg.

I listened to the parliamentary secretary say “Stick your bandaid, Bill C-18, here, provinces. Stick it on your lips. That is the end of that. Until 2004, there will be no talk of equalization. It is finished”. Will the Minister of Finance still be here in a few months’ time? We will see. We will see who is going to be the next

leader of the Liberal Party. That is going to change, we know. We know the individuals are going to change.

Mr. Speaker, between you and me, I hope that the approach will change as well, that the government will connect again with what is going on in the provinces and regions. They will never listen to the argument that the poor in one province pay for the rich in another. If our tax arguments, our economic and political arguments are based on such demagoguery, this is not the country I know. Thank God that people will fight that.

That said, we are very disappointed by the first page of the bill, which could have had the government reconnect with the regions and with the economic challenges facing the various provinces. We do not have a bill, we have a first page, that is all. Together with our partners in the provinces, we will push to have the bill complete.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I congratulate the member who just spoke for hitting it on the head, because what he just described is something we have been pointing out for some time now in Quebec.

● (1350)

It is for this and for all the reasons he gave, and others as well, that our dream is to see Quebec independent as soon as possible.

I have a question for him. Should the member not help us to get Quebec out of this system for all the good reasons he gave?

There is only one thing I would disagree with, and that is that whichever government is sitting opposite—I agree it is worse with the Liberals—the system is exactly as he described for Quebec. It is no longer any good for Quebec and Quebec wants to run its own show. Has he understood what I am getting at?

Mr. André Bachand: Mr. Speaker, I have heard and understood. That said, it is certain that I am not a sovereigntist, on that we agree. We have a different way of doing things. What we are saying is that we are not closing the door because there is a problem.

Certainly there are two different ways of doing things, but I would remind the hon. member that in Quebec, before a certain referendum was held, there was a commission on the future of Quebec. The premier of the day, Mr. Parizeau, asked me to sit on that commission in the Eastern Townships. I was sort of the token federalist on the commission. We asked questions and the Parti Québécois came up with proposals on a sovereign Quebec.

I must tell hon. members that I raised questions about equalization. The documents available at the time, when we were discussing preparations for the referendum, were an accurate reflection of this country’s old equalization system.

The frustrations, which are in many ways understandable, about the Canadian system for a province within Canada would be the

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same for a region within a sovereign Quebec, if the equalization system retained were the same, but even more centralized, even more severe and involving fewer elements than the present Canadian system.

There is one thing that must be said. We all know the old saying that the grass is always greener on the other side of the fence. In this case, I believe the members of the Bloc Québécois would have everything to gain by again becoming partners in improving the system instead of slamming the door on a system that has, overall, been extremely positive from sea to sea.

[*English*]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, with the announcement that the former leader of the Reform Party was departing, it is too bad that he did not also announce that he was departing with some of the attitudes that still permeate throughout the Alliance.

How quickly the members from the great province of Alberta forget the dirty thirties and how Atlantic Canada sent food, money, people and help to assist those people during that time.

Does the hon. member not believe that all Canadians deserve equal levels of education, health, infrastructure and standards so that we can all be proud to live here and share in the natural resources that Canada provides for all of us? Would he not agree in that equality?

[*Translation*]

Mr. André Bachand: Mr. Speaker, it is certain that we should agree with the fact that people are equal in this country. But equality is one thing. We do not all have the same resources. Two individuals are different from one another just as two provinces may differ. The needs of one individual may differ from those of another, as the needs of provinces may differ. Demands and support may be different.

What we want to do in our party and in the other, the Canadian Alliance, is tell those who contend that everybody is the same, individuals and provinces, that it does not work. Across this country, things differ. That is the beauty of our country. At this point, we have to act, react and interact according to the needs of the community and the individual. However, it is clear that we must be there to help people, the regions and the provinces needing it.

• (1355)

Those who can help are those, in short, able to do so according to a formula.

We are proposing to improve the system, to bring it up to date, to modernize it and, finally, to take into account the current realities of certain provinces and the future reality these same provinces want to attain, but are having a little more trouble today doing so. The equalization system should be a development tool rather than a paternalistic tool of a central government.

[*English*]

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, Bill C-18 is certainly an interesting debate. I guess it brings out the best and the worst in us. Some members in some parts of the country forget that Canada is a very generous country. Canada, as we well know regardless of our politics, has been defined by the United Nations as the best country in the world.

One of the reasons for that is equalization. It is an accepted reality in the country that not all the provinces are equal in terms of resources and richness. The government and the governments that preceded it, going back to the early sixties, recognized that and have been very generous over the years.

We can argue on points of generosity and whether or not the present formula works. However, if we were living in a perfect world and Canada was absolutely perfect, we would not need equalization. Unfortunately Atlantic Canada and some of the western provinces are not blessed with oil in the ground at \$40 a barrel. That is a reality. Who do we blame for that, the Prime Minister or the Almighty? It is beyond the Prime Minister's capacity to put oil in the ground in every province, although I guess if we want to be entirely political we could attack him on that as well.

I wish to point out, and I hope that my colleagues from Alberta are listening, that from 1957 to 1965 Alberta received equalization from Ottawa. What does that tell us?

It tells us that it was not always rich and that it was not always prosperous. The energy there in its early years was just as Nova Scotia's is now, in its infancy. The major difference was that at the time Alberta received 100 cents of every royalty dollar that came in. For every dollar that it took out of the ground in oil, it kept it.

What we are arguing in Atlantic Canada, and especially our friends from Nova Scotia who are now blessed with natural gas, is that it should have the same formula applied to it as was the case in Alberta.

If logic prevails, and it does in this argument, and if we want to raise ourselves to a level of sustainability in terms of the economy and diversifying the economy, we need the tools to do that. The biggest tool of all is a financial tool, the financial resources to build a strong economy as Ralph Klein has done in Alberta and Premier Lougheed before him. It is building on the principle that what is ours is ours and we will use it to benefit the people of our province. That is what we are talking about in New Brunswick. The formula has to be revisited. Mr. Speaker, with your permission I will revisit—

The Speaker: The hon. member will have permission and have about six and a half minutes to revisit the issue after question period.

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STATEMENTS BY MEMBERS

[*English*]

WORLD WATER DAY

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, today, March 22, 2001, many Canadians are celebrating World Water Day. Started by the UN in 1993, World Water Day is meant to raise the world's awareness of the importance of water and to bring attention to the 40% of our population that has no adequate drinking water.

I congratulate the efforts of one of my constituents, Pauline de Gonzague, who has garnered support for this year's celebration by converging interest groups including the Toronto Environment Alliance and the Festive Earth Society.

Water and health are linked in many ways and it is important to address the increasing need for adequate and safe water to protect both people and the planet. Concrete efforts are necessary to provide clean drinking water and improved health, as well as to increase worldwide awareness of the problems and the solutions.

• (1400)

[*Translation*]

World Water Day is a good opportunity to remember the importance of this resource.

* * *

[*English*]

MEMBER FOR CALGARY SOUTHWEST

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, I want to share with the House and the nation my thoughts on an outstanding Canadian who changed my life.

Years ago I heard the hon. member for Calgary Southwest talk about how we are all Canadians. No matter where we came from or how long we had been here, to him we were all Canadians. It was then that I became a member of the Reform Party of Canada. Later I won the nomination as a candidate for the party, and finally in the 1997 general election I was elected to this House.

Many of my colleagues here today and I still carry on the work of this courageous and highly principled Canadian. I only wish that House protocol would permit me to name Preston Manning as the man of whom I speak in the Chamber today—

The Speaker: I know the hon. member is referring to the hon. member for Calgary Southwest.

[*Translation*]

FIGURE SKATING

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, it is a great day in the world of figure skating in Canada.

[*English*]

Jamie Salé of Red Deer, Alberta, and David Pelletier of Sayabec, Quebec, teamed up to win gold in the pairs event, Canada's first medal of the 2001 world championships.

Their memorable performance yesterday caps a successful season, all the more impressive when we consider that these young athletes have been skating together for only three years.

[*Translation*]

After some suspense-filled moments, they were declared the winners, leaving the silver and bronze medals for the Russians and the Chinese.

Canadians have a highly respectable record at the world championships. Every year, we bring home at least one medal, but this the first time in seven years that a Canadian pair has placed first.

This is a momentous occasion for Jamie and David, and it is equally momentous for Canada. On behalf of all members of the House, I offer the pair our warmest congratulations.

Jamie Salé and David Pelletier, the people of Canada are proud to share in your success. Bravo.

* * *

[*English*]

MEMBER FOR MISSISSAUGA CENTRE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I rise today in recognition of one of my colleagues on this side of the House. Yesterday the hon. member for Mississauga Centre was elected chair of the Parliamentary NATO Association, a culmination of five years of involvement. It is with pleasure that I note that she is the first woman to be elected to this important position.

I know how much effort the hon. member for Mississauga Centre has made on a number of issues relevant to NATO. In particular, her diligent efforts on behalf of the Ottawa convention on landmines have garnered an excellent response within NATO and its allies.

I know all hon. members are confident that the hon. member for Mississauga Centre will continue to demonstrate leadership in her new role as chair of this association, both for parliament and for all of Canada. I congratulate the member and wish her good luck.

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[Translation]

GREECE

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, for Canadians of Greek origin and especially for those of my constituents who are of Greek origin, Sunday, March 25 commemorates a key event in the history of Greece—the day it attained independence.

[English]

March 25, 1821, marked the end of 400 years of occupation of Greece by the Ottoman Empire and at the same time the creation of the modern Greek state.

[Translation]

The celebrations marking this day will culminate in a parade in Montreal on Sunday, March 25.

I urge all members of the House to take part in the commemorative events this Sunday, and I wish all Greek Canadians: *Zito i Ellas. Zito o Kanadas*. Long live Greece. Long live Canada.

* * *

[English]

RUSSEL GOODMAN

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, on behalf of my constituents it gives me great pleasure to bring to the attention of the House the achievements of Mr. Russel Goodman of Kelowna, who was honoured yesterday by the Governor General and became a recipient of the Governor General's Award in Visual and Media Arts.

Russel Goodman is responsible for the stained glass panels that grace the House of Commons. Amidst the daily mayhem of parliamentary business, these works of art enable us to momentarily pause and contemplate the beauty of the country. Within these panes of glass, I believe, the heart of the Canadian spirit resides.

This award deservedly makes Russel Goodman one of a very prestigious group of Canadians honoured for their life's work in the arts. I am sure members of parliament will join me in thanking him for his generous contribution to the House, to parliament and to Canada.

* * *

● (1405)

[Translation]

GOVERNOR GENERAL'S AWARDS

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, the Governor General's Awards in Visual and Media Arts were struck to honour the creative power of Canada's artists.

Given out annually since their creation in 1999 by the Canada Council for the Arts, the awards recognize the exceptional careers of six Canadians in the visual and media arts.

[English]

The winners of the Governor General's awards are: architect Douglas Cardinal; Tom Dean, Jamelie Hassan and Liz Magor, internationally renowned artists; Russel C. Goodman, whose stained glass creations grace the House of Commons; Alanis Obomsawin, whose work has led to a better understanding of the history and culture of Canada's aboriginal peoples; and Joan Chalmers, a tireless arts advocate and generous philanthropist.

[Translation]

I hope this House will take advantage of this opportunity to thank each of the award recipients for their remarkable contributions to the arts in Canada and the pride they inspire in us.

* * *

WORLD WATER DAY

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, on this World Water Day we need to remind ourselves that water constitutes an inestimable resource for humankind and is, contrary to long-standing belief, one that can be exhausted.

Quebec is a land of water, with a million water courses, including 700,000 lakes and numerous underground basins. Although our population represents less than 1% of the total population of the globe, we have 16% of the world's soft water reserves. Economically, it is essential, and biologically, it is vital. We have a duty to protect it.

Water is under attack from all sides, whether as the next target of private interests, under direct threat from the federal government, or the object of contamination of all kinds. Just ask the people of Shannon, of Lake Saint-Pierre, of the North Shore, of Walkerton. Water is vital to us and we must act accordingly.

World Water Day reminds us of how indispensable water is and of our obligation to protect it.

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MAPLE SYRUP INDUSTRY

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, as you already know, Canada is the world's largest producer of maple syrup, with 80% of its production.

The maple syrup industry in Canada is no holdover from the past. It is a veritable industry comprising over 12,000 producers and having an economic activity of some \$150 million annually.

Some 80% of our maple syrup is exported, and we have customers in 25 countries around the world.

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I am very proud to represent the region of Beauce, a major player in this area. Indeed, the region, with its 8 million taps produces over 20 million pounds of maple syrup, about 25% of Quebec's entire production of maple syrup.

Maple syrup proudly represents our country the world over.

I take this opportunity to invite the public to the Festival beauceron de l'érable, the maple festival now being held in Saint-Georges de Beauce until March 25. This event heralds the opening of the sugaring season.

Come give your sweet tooth a treat in Beauce.

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[English]

CANADIAN BROADCASTING CORPORATION

Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, in this era of rapid globalization, Canada's cultural institutions bind us together as a nation. As Canada's public broadcaster, the CBC has an obligation to be accessible to all Canadians.

The decision of the CBC to cut off service to the more than one million Canadians living primarily in rural and remote communities by discontinuing English language transmission of large dish C-band satellite signals is wrong.

At a time when the CBC is being watched by smaller and smaller audiences, it demonstrates just how out of touch CBC management is when it looks for ways to shrink its number of viewers. Canadian taxpayers have a right to service from their public broadcaster regardless of where they live.

It is time for the CBC to admit its mistake and restore service to the large C-band dish owners of this country.

* * *

CAMILLE THÉRIAULT

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, I am pleased to rise today to pay tribute to Camille Thériault, who has announced his intention to leave active politics in New Brunswick.

First elected in 1987, Camille served as the MLA for Kent South, as minister of fisheries and aquaculture, advanced education and labour, economic development and tourism, and as our premier. He brought to the job a unique blend of genuine passion for justice and equity, a belief that government is an instrument for good, and a realization that wealth not generated is wealth not shared.

The pride of his own remarkable family, Camille glows in the company of his wife and children. Although Camille and I are contemporaries, I have always considered his father, Norbert, a hero. I could pay my friend no greater compliment than to

recognize his contribution to New Brunswick to be equal to that of his father. To Camille, Gisele, Sophie and Sebastien—

• (1410)

The Speaker: The hon. member for Winnipeg Centre.

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CANADA POST

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, multinational courier companies are attempting to impose postal policy reforms rejected by parliament and the Canadian public through the back of door of WTO trade negotiations and litigation.

The recent \$230 million NAFTA lawsuit against Canada by UPS, the world's largest courier company, should be a wake up call, yet unfortunately Canada's WTO negotiators have exposed us to similar attacks under the GATS. U.S. based multinational courier companies are using the GATS negotiations to try to force Canada Post out of parcel delivery and other competitive services.

Restricting Canada Post to core letter mail services will doom the public postal system to gradual erosion. It is clear that foreign multinationals are seeking GATS enforceable rights to Canada Post's advantages without wanting to be encumbered by its public service obligations.

By covering courier services under the GATS, negotiators have exposed Canada Post to challenges under the GATS anti-monopoly—

The Speaker: The hon. member for Châteauguay.

* * *

[Translation]

FIGURE SKATING

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, last evening, Jamie Salé and David Pelletier, who is from Sayabec in the riding of Matapédia—Matane, won the pairs gold medal at the world figure skating championships in Vancouver.

It was a stunning victory, which held us spellbound right to the end. After so many years of training and sacrifice, our two champions may now reap the glory they so deserve.

Well done, you two. You have proven that amateur sport is exciting, heart stopping and high calibre.

On behalf of all of us in the Bloc Québécois, and more specifically, my colleague from Matapédia—Matane, I wish you the best of luck in your upcoming challenges, the ultimate being the Olympic Games in Salt Lake City.

Your dreams have become reality. Well done, and keep on dazzling us.

Oral Questions

[English]

GOVERNOR GENERAL

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, most Canadians are shut out of a job competition in the Governor General's office. The Governor General has a job opening for a program and policy officer, but most Canadians who may be qualified for this job will never be given an opportunity to apply for it because the competition is restricted to those who live in certain postal codes in eastern Ontario and western Quebec.

This is blatant job discrimination. Here is a well paying job for a Canadian with the proper academic work and language skills in the office of the Governor General, of all Canadians, yet the competition, with the exception of those in a small geographical area around the national capital, shuts out every qualified person from B.C. to Newfoundland.

The Prime Minister's government must stop its discriminatory hiring rules. The federal government, which is facing a massive job skills shortage in the public service as baby boomers retire, must search for the best and the brightest across the entire country, not just around the national capital.

* * *

[Translation]

TOURISME AMIANTE

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, last Saturday at the Gala des Grands Prix du tourisme, a tourism awards gala held at l'Islet-sur-Mer, the first prize in the tourist services category for the Chaudière-Appalaches region went to Tourisme Amiante.

I congratulate them on their dynamic efforts to find winning formulas for showcasing this region which is located in the heart of the Appalachian region at Thetford Mines.

This is but the latest in a number of accomplishments over the years to fully exploit the potential of this most beautiful region with its wide variety of tourist attractions.

Congratulations, Tourisme Amiante.

* * *

FIGURE SKATING

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, yesterday in Vancouver, Jamie Salé and David Pelletier were crowned world pairs figure skating champions.

This inspiring example of perseverance and determination shows what a fellow from Quebec and a girl from Red Deer, Alberta, can accomplish when they decide to work together.

I have but one comment: Congratulations.

[English]

Indeed last night the figure skating duo of Salé and Pelletier beat the Russian and Chinese teams to become the world figure skating champions.

They showed Canada and the world what great things can be accomplished when people from Quebec and people from Red Deer, Alberta, get together and work hard toward their goals.

I congratulate them in the name of all Canadians and tell them that they have done well and we are proud of them.

* * *

• (1415)

THE ENVIRONMENT

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, established in 1988, the United Nations Intergovernmental Panel on Climate Change provides objective, scientific, technical and economic assessments about climate change.

The IPCC's working groups have released three reports that must not be ignored. These groups have concluded that the planet is moving faster than scientists first imagined toward a troubling new climate era and that the impact which climate change will have on everything from crop yields to rising sea levels will result in dire consequences for the global population.

The IPCC's reports are not all doom and gloom. In fact they report that the world possesses effective and affordable means to combat the threat of global warming but that we lack the political will to implement these measures.

I have confidence that during the government's mandate we will prove that Canada has the political will to implement the necessary changes.

ORAL QUESTION PERIOD

[English]

ETHICS COUNSELLOR

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, for two years the Prime Minister has been saying that he sold his shares in the Grand-Mère Golf Club long before he started pressuring a crown corporation to give money to the hotel next door.

Just two days ago the golf club's lawyers wrote that the transfer of shares was only approved but not that it actually ever took place. Just yesterday golf club spokesmen said that they never knew who owned the shares. I will quote. They said "From 1993 on we did

Oral Questions

not know exactly who it was". My question is for the Prime Minister. Who owned those shares?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the ethics counsellor looked into this issue. He saw all the documents and confirmed clearly that I had sold my shares on the November 1, 1993. It was very clear.

I sold my shares to a company that was owned by Mr. Prince. All the documents have been seen by the ethics counsellor. For me it is clear. I have always said the same thing and repeated it. Eventually Mr. Prince's company paid me and my company.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, they can weakly applaud that weak response but section 50 of the Canada Business Corporations Act requires the golf club to maintain a record of the names of each shareholder and the date and details of every transaction.

Now the golf club's lawyer and spokesperson have said that Mr. Prince's name was never entered on the corporate records. He can talk all he wants about Mr. Prince or the records. This is new information. He cannot refer to what the ethics counsellor said earlier.

Based on this new information not previously known to the ethics counsellor, will the Minister of Industry do the right thing and—

The Speaker: I urge hon. members to bear in mind the time constraints.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I assure my hon. friend and the House that industry officials are working with the company to ensure that it has complied with all registration requirements.

It is clear from every inquiry made into this matter that what the Prime Minister has said just now and earlier is absolutely correct. He did not own those shares after he became Prime Minister.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, it is one thing to say but it will be another thing to prove. We will watch that.

For two years the Prime Minister has also been saying that his holding company which owned the golf club shares was held in a blind trust, but we know the Prime Minister called the ethics counsellor in January 1996 about the shares. Yesterday, after two years, the Prime Minister finally admitted that he was aware of and involved in the negotiations to resell those shares.

How could the Prime Minister say his investments were in a blind trust when he now admits that he knew the details of the shares and the deals?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I explained in the House of Commons yesterday very clearly from my seat that after 1993 I had only one interest. It was to be paid the debt that was owed to myself. Eventually the debt was paid.

I never had anything to do with these shares since November 1, 1993.

• (1420)

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, Industry Canada officials were supposed to go to the Grand-Mère to inspect the golf club's books.

Would the Minister of Industry tell the House if they did so and if the company was in compliance with all laws, including section 50 of the Canada Business Corporations Act?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I do not have a report yet from the industry officials. I will endeavour to get one as soon as possible and inform my hon. friend.

However it gives me the opportunity to say again that the House and the country should note what the Prime Minister just said, that after he became Prime Minister he did not own the shares in question.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I think we are all looking forward to that report from Industry Canada to see what it finds out. With regard to what the Deputy Prime Minister just said, the golf club spokesmen said that the Prime Minister's name was taken off its records, however, Mr. Prince's name was never added.

The lawyer for the golf club said that Mr. Prince never signed the unanimous shareholder agreement, even though the company continued to report it had one in place. These are clear violations of the law.

Would the Minister of Industry or somebody in the government stand and investigate the actions of the Prime Minister and his business partners to ensure that nobody in the country is above the law?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is clear that from November 1, I did not have any shares in that company. They can make insinuations. They are the ones who have a leader who because of his foot in mouth disease the taxpayers of Alberta had to pay \$700,000.

They are the ones who promised a member of parliament \$50,000 to quit his seat, and he never received the money. They cannot talk about ethics.

* * *

[Translation]

L'AUBERGE GRAND-MÈRE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, a serious appearance of conflict of interest is hanging over the Prime Minister in the golf course and Auberge Grand-Mère affair. Yesterday, the Prime Minister admitted that he was deter-

mined to be paid for his shares in the golf course, and we know that he intervened personally so that the hotel would receive grants.

Will the Prime Minister admit that it is much easier for him to get paid for his shares in the golf course if the neighbouring hotel is not bankrupt, but in good financial health, thanks to the grants he himself went after?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we were owed money, and we were entitled to it. It was money owing us.

The company sold the hotel in the spring of 1993. On November 1, 1993, I sold my shares to Mr. Prince, who eventually paid me.

My only objective was to be paid the money owing me, and this was later done.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the money owing was paid because the hotel received grants. That is the fact of the matter.

The annual reports of company 161341 Inc. do not list Jonas Prince, the individual to whom the Prime Minister says he sold his shares, among the shareholders in 1993 or in 1996, when the Prime Minister intervened in the negotiations.

Since Jonas Prince was not a shareholder, not having bought the shares, will the Prime Minister admit that his entire defence has just fallen apart and that there is indeed an appearance of conflict of interest between the money owing him and his effort to arrange matters so that the situation would allow him—

The Speaker: The Right Hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, how many times must I repeat myself? I am pleased to say, he claims there was an appearance of conflict of interest. There was not any appearance, not even anything remotely one. And the reason is that, after November 1, I no longer owned the shares. All that I could expect to receive was the money Mr. Prince owed my company.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, on March 23, 1999, the Prime Minister said in the House, “I sold the shares of that company in 1993. After that I had nothing to do with—the hotel.”

• (1425)

Not only did the Prime Minister meet the promoter of the Auberge, but he personally intervened to have a loan and grants given to the Auberge Grand-Mère after 1993.

Do these facts not totally contradict the remarks he made in the House in March 1999?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, absolutely not. The Auberge was sold in April 1993, six months before the election.

Oral Questions

At one point, the Auberge wanted to expand and add another 20 positions to the company. The government helped it, the firm got a loan in 1997. Four years later, it is still in business. There are an additional 20 positions, and they are making their payments to the bank every month, I imagine.

So, from 1993 to 2001, there is quite a gap and—

The Speaker: The hon. member for Verchères—Les-Patriotes.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, again on March 23, 1999, the Prime Minister indicated that he had had nothing to do after 1993 with the operators of the golf club.

How could the Prime Minister have intervened directly in the negotiations, as his own ethics counsellor said, without having had something to do with those involved in the negotiations?

Is this not another flagrant contradiction with what he said in this House on March 23, 1999?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I repeat with pleasure that I spoke to only two people in 1996. I spoke to my trustee and to my ethics counsellor.

These are the only two people I had contact with. I spoke to neither the former owners nor the stockholders of the company in 1996, or before or after.

* * *

[English]

SUMMIT OF THE AMERICAS

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Right Hon. Prime Minister. It is not about the Grand-Mère. It is about the Prime Minister's concept of citizenship.

Yesterday in the House, in defending the corporate sponsorship program for the FTAA, he said that they were just inviting Canadian business people who have major interests in all these countries to show them that they are good Canadian citizens.

Why does the Prime Minister think these people are particularly good Canadian citizens? Why are citizens from across Canada coming to Quebec to show their disagreement with government policy and exercising their citizenship being treated as dangerous citizens rather than good citizens?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when large enterprises sell products in the Americas made by Canadian workers, I feel these people who are creating jobs in Canada and selling Canadian products and Canadian technology abroad are good Canadian citizens because they take care of people who need jobs in Canada.

Oral Questions

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the Prime Minister did not answer my question about why people coming to Quebec City to disagree are being treated as dangerous citizens.

Perhaps while he is answering that question he could explain why, if the government is so proud of the corporate sponsorship issue, the message we referred to yesterday on the government website is gone when we try to pull it up today.

Is the government ashamed of this corporate sponsorship? Does the Prime Minister not see that this amounts to the commercialization of everything? Pretty soon we will not be able to do anything without a corporate logo staring us in the face.

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, I think it is important for the hon. member to understand, first, that our practice with respect to sponsorship at Quebec City is consistent with international practice. It is consistent with previous summits of the Americas held in Miami and in Santiago.

Second, the sponsors do not obtain any particular access to heads of state or heads of government who are there. The truth is that the New Democratic Party is not in favour of the summit taking place at all. It is not in favour of developing countries in the hemisphere obtaining access to markets and is not in favour of supporting Canadian firms in their efforts to sell Canadian goods and products throughout the hemisphere.

* * *

ETHICS COUNSELLOR

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Minister of National Revenue. The ethics counsellor cannot say who owned the missing shares in the Grand-Mère Golf Club between 1993 and 1999. The golf club itself does not know.

Could the minister tell the House if the Shawinigan tax centre just down the street from the auberge golf club has a record of who owned the shares during this period?

• (1430)

I am not asking the minister to breach any taxpayer's privacy. The question is simple. Was the disposition of these mysterious shares declared on income tax records, or was no tax paid, or—

The Speaker: The hon. Minister of National Revenue.

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, the right hon. member should know the Income Tax Act much better than that.

The cornerstone of the act is the question of confidentiality. Each and every time we refer to a specific question on a specific taxpayer, a corporation or an individual, section 241 applies. He should know much better than that.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the Prime Minister could obviously waive that. Here is another pebble for the Prime Minister's princely feet.

In the much celebrated Paquette letter, the mother of all letters, the Prime Minister's pardon contains false information. It refers to a date on the calendar that does not even exist.

The devil is in the detail. If there is to be any credibility or closure on this issue, will the Prime Minister tell the House if any of his associates, his lawyer Debbie Weinstein or a member of her firm, ever owned or controlled the shares in the Grand-Mère prior to 1999?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, they never owned the shares. When I hear the fifth party talking about it I would like to say to the leader that despite the leader's pension of \$85,000 a year and a \$10 million party debt, he demanded another \$200,000 from his party on becoming the leader.

He got the lowest popular vote in the party's history and decreased its seats from 20 to 12 but still demanded a \$160,000 top-up to his \$130,000 House of Commons salary. I guess the reason he does not want to be the prime minister is because of the pay cut.

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, the Leader of the Progressive Conservative Party did not have to pay Mulroney's lawyers \$2 million.

The conflict of interest code is clear. A public office holder cannot even participate in a discussion about his blind trust until after the ethics counsellor has been consulted. Yet in January 1996 it was the Prime Minister who phoned the ethics counsellor to inform him that the sale had fallen through.

How was it possible for the Prime Minister to know that the sale of the shares had fallen through without being in violation of the conflict of interest code?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, because at that time according to the rules that existed a debt did not have to be reported. The ethics counsellor said that very clearly.

Since that time we have changed the rules and a debt in the future will have to be reported. The ethics counsellor explained it very clearly when he testified in front of the committee.

The debt was owed to me. I guess I needed the money because I am not making as much as the leader of the fifth party and I wanted to be paid.

Oral Questions

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, yesterday the Minister of Industry told me that consent of the golf club partners to release their letter was given only at 4.30 p.m., after Mr. Wilson had finished testifying on the golf club.

The law firm has confirmed to us that it sent the letter to Industry Canada earlier in the morning and were only called back for permission to release the letter at three o'clock. That permission was granted no later than 3.40 p.m., before the questioning on the Grand-Mère had begun.

Why was this evidence withheld by the Minister of Industry and the ethics counsellor in the committee?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the conclusion on which the hon. member bases her question is totally wrong. There was no withholding of evidence.

The ethics commissioner disclosed the letter before the committee as soon as he received in his own hands confirmation that the person who had written the letter was willing to have it disclosed.

To the hon. member, if she wants to be fair, it is about time for her to withdraw her unfounded allegations.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in a statement here in the House on March 23, the Prime Minister stated that his interest in the Grand-Mère golf course had been placed in a blind trust.

The ethics counsellor has told us "Yes, the Prime Minister was involved in negotiations to obtain payment". This is my question for the Prime Minister.

• (1435)

Will the Prime Minister admit that his intervention, his personal intervention in negotiations to sell his shares, is contrary to the very nature of a blind trust, and thus gives a serious appearance of conflict of interest?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I spoke to the ethics counsellor. If he had told me I was in conflict of interest, he would have told me "I cannot talk to you".

There was money owing to me, and I needed that money. As I have already said, as Prime Minister, I probably earn \$150,000 less than the leader of the Progressive Conservative Party. So I needed the money.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister will not justify his actions in connection with the Auberge Grand-Mère by telling us he does not earn enough money. We do not want to hear about his salary now, we can deal with that another time.

My question is this: why has the ethics counsellor obliged the Minister of Finance to put his assets into a blind trust and forbid

him from even taking part in discussions on shipbuilding, when the Prime Minister himself does not comply with the same standards?

He intervenes, and then he gets his money. He does everything possible in his own case.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I have said before—and now repeat—the ethics counsellor did not, according to the rules put in place by the Conservative government, require the debt to be put into a trust, because it had been contracted before I became Prime Minister.

At a certain point, I needed money. I wanted to find out whether the debt had been paid. It had not, so I called the ethics counsellor. He told me that this was not something I had to declare and that I had declared.

* * *

[English]

MULTICULTURALISM

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, yesterday in the House, the Secretary of State for Multiculturalism recklessly and mercilessly compared my hometown of Prince George to apartheid in South Africa and Kosovo. She claimed racism was rampant in British Columbia and that indeed crosses were being burned on lawns in Prince George.

This we knew was false yesterday and we know it is false today. Her half-hearted attempt at an apology this morning, hidden selectively in some well rehearsed, feel good phrases, is not enough. I ask for an unequivocal apology to the people of Prince George and for her resignation.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister made a very clear apology in the House of Commons.

Only a few days ago we had a member from the other side who had done something that was completely unacceptable. He apologized to the House. On this side of the House, when members offer an apology in the tradition of parliament, we accept the apology of ministers and of members of parliament.

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, her apology was not an apology. She still indicated that perhaps racism and hate activities were going on in Prince George, even though not the specific ones she mentioned the day before.

This is yet another smear on the people of Prince George. The minister has to do the right thing. If she will not resign herself, will the Prime Minister fire her today?

Some hon. members: Go, go.

The Speaker: Order, please. The Prime Minister has the floor.

Oral Questions

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, perhaps I should read in the House of Commons what she said:

I am very proud of what communities have accomplished in this country to counter racism and hate and to promote cultural diversity, especially the city of Prince George's city council task force on hate activities.

She paid tribute to the people of Prince George who are working on the ground to fight hate activities. I think that I would like to compliment the city of Prince George which has these activities in that city. It is a good way to be good Canadians. I am proud of Prince George and I am proud of the Canadians who are fighting racism in our land.

* * *

[Translation]

PUBLIC SERVICE

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, one of the headline in this morning's edition of *La Presse* was to the effect that francophones were still vastly under-represented in the upper echelons of the federal public service.

How can the Prime Minister justify such a poor showing by his government, when the recent appointments he made only served to exacerbate the situation?

• (1440)

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the government takes very seriously the equitable participation of francophones in this government, in proportion to Canada's population.

Furthermore, when we look at the public service as a whole, francophones are strongly represented. Clearly, if some francophones leave the smaller group of deputy ministers, this reduces the percentage, but we are doing everything possible to achieve equitable participation in our government.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, what she says in the House and what she actually does are two different things.

Is it not completely abnormal for the government's francophone ministers, such as herself, to be forced to work in English in their department in order to be understood by their own deputy ministers?

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, unlike the Bloc Québécois, I have the pleasure of working in both official languages of this country in my own department.

[English]

MULTICULTURALISM

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, the multiculturalism minister made no mistake when she delivered a rehearsed answer to a rehearsed question. She claimed that the mayor of Prince George himself told her that there were cross burnings. She told the reporters "I have a letter from the mayor".

That is not true. The mayor said no such thing. If the Prime Minister will not fire her for her intolerance, will he fire her for lying?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we can see how desperate they are. They do not respect any tradition of the House of Commons. I will quote again what she said.

Some hon. members: Oh, oh.

The Speaker: Order, please. I cannot hear the Prime Minister's answer. I hear language that is inappropriate for use in the House and I ask members to calm down. We will not have such words bandied about in the House. Hon. members know that is out of order.

The Prime Minister is giving an answer. Members are entitled to be heard in the House and the Prime Minister will be heard too.

Right Hon. Jean Chrétien: Mr. Speaker, the minister could not be more clear. Yesterday she said:

I linked the city of Prince George with a specific hate activity. I regret that and I apologize to the people of Prince George.

Nothing could be more clear than that.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, the minister has lost the confidence of millions of Canadians who want to fight racism. She has no credibility to fight racism. She has shown herself to be intolerant.

Will the Prime Minister ask the multiculturalism minister to resign immediately?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Secretary of State for Multiculturalism has been travelling the land for years talking about the diversity of Canada, the tolerance, and the participation of people from all races who have joined us.

She has travelled abroad talking very eloquently about the quality of our society in Canada, where we can live in unity with diversity. She is a good example of a person who came as an immigrant and made a great contribution to the people who have become new Canadians with different colours, different languages and different religions.

[Translation]

POTATO PRODUCERS

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, Prince Edward Island's potato producers are going to receive \$14.1 million to help them dispose of the surpluses they have built up following the unfair restrictions imposed by the United States.

Will the Minister of Agriculture and Agri-Food tell the House whether he has obtained any assurances that Prince Edward Island's producers will not flood other Canadian markets, including Quebec's, to dispose of their production?

• (1445)

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the announcement that was made last week was precisely to take those potatoes off the market so that they would not flood into another province and affect the market.

The \$12.6 million will be used to dispose of potatoes in an environmentally friendly way, and \$1.5 million will be used to send table potatoes from Prince Edward Island to food banks across Canada to help those who need that food.

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TAXATION

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

Tomorrow will be the second anniversary of the House passing my motion on the Tobin tax, the tax on international financial transactions. Canada was the first parliament in the world to endorse the idea. This has sparked a global movement of parliamentarians in support of the idea.

The time has come to put Canada's leadership once again in the forefront. Since the minister voted for the motion in the House, would he be willing to put this idea on the agenda at the United Nations conference on financing development? The deadline for such a move is April 15 and the conference takes place next year.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there are a great number of global public goods, such as the protection of the environment, prevention of the spread of disease and debt relief, all of which require extensive international public financing. The Tobin tax certainly is one vehicle, and it is for that reason that members on both sides of the House voted for it.

I have, on numerous occasions, at the G-7, the G-20 and the IMF raised the issue. The problem is that of course it requires the

Oral Questions

co-operation of all the major financial centres. That co-operation is not yet coming, but we continue—

The Speaker: The hon. member for Churchill.

* * *

HIGHWAYS

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, last Friday when I asked the Parliamentary Secretary to the Minister of Transport about toll roads, he said that toll roads "could be included as part of the improvement to the national highway system".

Toll roads are an outrage to the people of Canada. Canadians pay GST, income tax and gas taxes expecting this money to pay for the roads. Canadians expect the federal government to adequately fund highways.

Is it the Minister of Transport's position that toll roads are an acceptable way to improve Canada's crumbling highways or will he, as the municipalities and provinces have asked, increase federal highway funding beyond what little was given in the last budget so—

The Speaker: The hon. Minister of Transport.

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, \$600 million was allocated in an earlier budget for highways. I have said publicly and I will say it in the House that we would hope that more money could flow into that account in the near future, but government resources are indeed limited and the call on those resources is vast.

On the specific issues of tolls, obviously public-private partnerships and the use of tolls have a place in Canadian society. They have been used successfully. However, the government will not tolerate the use of tolls if it impedes one part of the country from communicating or transporting with the other.

* * *

EMPLOYMENT

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, the Public Service Commission is advertising a program and policy job opening in the office of the Governor General of Canada. Even though the Governor General of Canada serves all Canada, most Canadians cannot even apply for this job. Only people from Ontario and Quebec can apply.

Was this restriction applied by government policy or did the Governor General of Canada request that people from eight provinces and three territories be screened out of this opportunity just because of where they live?

[Translation]

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker,

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section 13 of the Public Service Employment Act provides for the establishment of geographic criteria.

[*English*]

Does the House know which government revised that legislation in parliament in 1992? It was the Conservative government. I am very surprised by the question that I have been asked today.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I just asked her if the Governor General requested that a restriction be applied. However, I will go on.

There is another job on the website that shows the reason for this concept of western alienation. The website is advertising 50 government policy and planning jobs in Ottawa, which pay up to \$81,000, but only applicants from Ontario and Quebec can apply for these 50 jobs. People cannot apply if they are from the west or from the east.

Would the Prime Minister change this policy and allow everyone in Canada to apply for jobs in Ottawa?

• (1450)

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, this is not a policy. This is legislation that was passed by the Conservative government in 1992. We respect the legislation and I think the Governor General respects the legislation and is following the criteria of the legislation as directly as possible. I believe each department has to decide how it applies the legislation.

* * *

MULTICULTURALISM

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, yesterday the Secretary of State for Multiculturalism and the Status of Women made divisive, malicious and false comments in the House.

First, the comments were rehearsed. The Secretary of State for Multiculturalism and the Status of Women maligned the people of Prince George. She maligned thinking Canadians. She maligned tolerant Canadians with her comments and by her conduct.

Today she offered a halfhearted statement that did not undo in any way the damage and hurt she caused yesterday. An intolerant minister's divided—

The Speaker: I do not know whether there is an answer to the comment. If not the hon. member may want to proceed with his supplementary immediately.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not think that party will ever learn the tradition in this House. When a member of parliament gets up and apologizes, in the way the minister apologized and in the way the member for Edmonton—Strathcona apologized, we have a tradition that when

a mistake is made and recognized we accept the word of an hon. member of this House.

I know that the Alliance Party is desperate. We will miss the gentlemanly approach of the hon. member for Calgary Southwest when he leaves. He is a good example to those members but they do not want to follow it.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, yesterday's comments continue what seems to be a growing trend among Liberal ministers.

When the heritage minister makes hurtful comments, the Prime Minister says nothing. When the immigration minister sneers and makes intolerant comments toward Canadians, nothing is said and nothing is done. The Prime Minister remains silent and, in his silence, he condones the conduct of these ministers and encourages it to continue.

It is time to put an end to this dangerous trend by members of that party and that front bench. The member is totally unfit for her duties. I ask the Prime Minister to demand her resignation immediately.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I understand that the leader of the fifth party is very happy that he does not have the member with him anymore.

Perhaps I should inform the House that today the Canadian Taxpayers Federation had their third annual Teddy Award. The winners of the federal Teddy goes to, hands down, no contest, to the majority of Canadian Alliance MPs from the class of '93 for abandoning their principled stand against the gold-plated MP pension plan and opting back in quicker than an Olympic sprinter.

* * *

[*Translation*]

LUMBER

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, we just learned that an official from the BC Lumber Trade Council travelled to the United States to discuss the implementation of an export tax on BC's lumber. This morning, New Brunswick lumber producers asked to be exempted from any future agreement on lumber.

Could the Minister for International Trade tell us whether we are witnessing a complete collapse of the Canadian common front he wants so much, since New Brunswick is now jumping ship, while British Columbia is playing its cards without regard for the others?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, first, I hope that I am not the only one who wants this consensus and that the Bloc Québécois will also be part of it, because it is extremely important. I am not just pushing for a consensus.

That being said, if an official from the BC lumber industry is negotiating taxes in Washington, I can assure the House that this individual has no mandate from our government to do so. This is not how things work.

I met the people from British Columbia on Tuesday morning. Earlier today, I met officials from the Atlantic council. Later this afternoon, I will meet Quebec's lumber producers. I can assure the House that we all want free trade.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the Minister for International Trade came to see me personally to stress the importance of Canadian unity in the lumber issue. Yet, his colleague, the Minister of the Environment, seems open to the idea of imposing a tax on exports.

• (1455)

In light of the crumbling Canadian position, who will protect Quebec's interests? Will we again have a Canada-wide agreement at the expense of Quebec, as was the case the last time?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, our government is firmly determined to protect the interests of every region of the country, whether it is Atlantic Canada, Quebec, Ontario or western Canada.

We are quite capable of protecting all the regions without pitting them against each other. I will be very pleased to meet Quebec producers later this afternoon to continue to represent their best interests, as they have confirmed to us that we have been doing in recent years.

* * *

[English]

MULTICULTURALISM

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, yesterday, following question period, my colleague from Prince George rose on a point of order to point out that the hon. Secretary of State for Multiculturalism and the Status of Women was wrong when she said that crosses were being burned on lawns in Prince George. When the secretary of state returned to the House of Commons she said that the mayor of Prince George had sent her a letter saying that. She has not tabled that letter and has not provided any proof of these false accusations against the citizens of Prince George. I call upon her here and now to resign.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the secretary of state got up and offered an apology to the city of Prince George. She made a mistake. She was in error. We never heard the Leader of the Opposition apologizing for the mistake he made which cost the taxpayers of Alberta \$700,000.

Oral Questions

She said that she had made a mistake and she apologized. We did that for the member for Edmonton—Strathcona. He made a mistake and he apologized. We accepted that. These were the rules when we had an opposition that was more civilized than the one we have today.

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, whatever happened to accountability from the government?

It has been revealed that the secretary of state misled the House when she returned to the House yesterday. Whatever happened to accountability? The secretary of state needs to be disciplined.

Why will the Prime Minister not hold her accountable for what she has said in the House when she slandered an entire community?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I agree that we have rules that have been around for a long time in the House of Commons. Some stay too long perhaps. However, the people of Canada want me to be here. That is the problem that the Alliance has.

When there are 301 persons in one House, mistakes will happen. We are not perfect. However, our good tradition is that when somebody stands in his or her place and offers to apologize to a member and to the Canadian public, we accept that. It is a tradition that I want to be respected.

* * *

ABORIGINAL AFFAIRS

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Health.

I am sure we were all equally dismayed at the powerful television images we saw of children in Labrador sniffing gas.

In December the Prime Minister and the Minister of Health committed to do all they could to help these Inuit children from Davis Inlet and Sheshatsui.

Would the parliamentary secretary please inform the House how Health Canada is fulfilling these commitments?

[Translation]

Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I would like to assure the House that the Minister of Health wants to honour his commitments to the children of these communities and that he is working hard on the matter.

I had the pleasure of announcing yesterday that a very productive meeting had been held between Health Canada and the community concerned, during which plans for treatment were discussed. Chief Tshakapesh has expressed his satisfaction with the outcome of the meeting.

Privilege

The children of this community remain our priority. This is why all the participants—

The Speaker: The hon. member for Richmond.

* * *

• (1500)

[*English*]

NATIONAL REVENUE

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, nearly a month ago I sent a letter to the Minister of Finance and the Minister of National Revenue asking them to commission the auditor general to do a cost benefit analysis of the foreign asset disclosure rule.

To this date I have only received a form-like acknowledgement of my request. Will the Minister of National Revenue ask the auditor general to do a cost benefit analysis of this rule?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, we have received the letter and we will reply in due course.

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, with an economic downturn on the way, the government should be encouraging, not discouraging investments. The foreign asset disclosure rule was designed to boost tax compliance and increase revenue, yet it has done just the opposite.

If this rule works as well as the Liberals claim it does, why is the Minister of National Revenue afraid of a cost benefit analysis?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, as I said, we will reply in due course.

With respect to the hon. member stating that we should be encouraging investments, I ask him to look at what we have done over the past six or seven years: the budgets, the zero deficit, the investments we have made in order to help science and technology, and the investments in all regions across Canada.

We will keep working with businesses in order to create jobs, even though that party does not want us to do that.

* * *

[*Translation*]

CONTAMINATED WATER

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, the manager of the Sept-Îles airport said on television that the people of the beaches area, which have been without drinking water for

over three years, simply have to wait another seven years and the products contaminating the water will just disappear.

How can the Minister of Transport allow his representatives to treat the people of my riding this way, when he has always intimated that he wanted to resolve the problem his department created in our region?

Hon. David Collette (Minister of Transport, Lib.): Mr. Speaker, I have been told that most of the residents of the region affected by the problem are satisfied with the solutions Transport Canada has offered.

* * *

[*English*]

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the seven recipients of the 2001 Governor General's Awards in Visual and Media Arts. I would ask hon. members to withhold their applause until I have named all seven.

They are: Douglas Cardinal, Joan Chalmers, Tom Dean, Russel Goodman, Jamelie Hassan, Liz Magor and Alanis Obomsawin.

Some hon. members: Hear, hear.

[*Translation*]

The Speaker: I invite all members to join them at the reception that will follow in Room 216 at 3.30 p.m.

* * *

• (1505)

[*English*]

PRIVILEGE

ORAL QUESTION PERIOD

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, I must admit it is with heavy heart that I have to bring this question of privilege today to the attention of the House.

As the hon. Prime Minister has said, it should not be necessary in this place to remind the Prime Minister and the House about our traditions in this place, not only about telling the truth but about ministerial accountability and with knowledge aforethought misleading the House, which is what we have seen over the last two days from the minister for multiculturalism.

In response to a Liberal question from a backbencher, in other words a question that she knew well ahead of time what the contents of it would be, the minister for multiculturalism yesterday rose in the House and accused the people of Prince George and British Columbians of hate crimes and specifically about burning crosses on lawns as we speak. That is what she said in this place. She knew the question. She said that anyway.

That was bad enough, but then with two hours to think it over she came back to the House and she said the following, and every one of these things is not true. I refer to page 2010 of the Commons *Debates* from yesterday where she said:

In British Columbia there have been incidents of hate crime, including cross burnings. I know of this because I was contacted immediately that these incidents occurred by the mayor of Prince George.

That is not true. That is not true. She had two hours to think it over, two hours to check her facts, two hours to check her correspondence, and she came back in the House and said that. In the second incident she said:

In my position as Secretary of State for Multiculturalism I funded the mayor to set up a task force right away.

That is not true. There was no letter. There was no request. There were no cross burnings. With two hours to check her facts, she came back and said that following the cross burnings in British Columbia, which were false and never happened, and in consultation with the mayor, which never happened, they set up a task force. That is not true. Yet she said that in the House with two hours to think it over. She then said:

The community was duly concerned and duly appalled at the incident—

They are not appalled at anything. They are the proud members of Prince George, good, decent people who deserve better than what they got from this minister for multiculturalism over the last couple of days.

She went on to say that the people of the community demanded that they take immediate action:

—so I funded the mayor to hold a task force.

Again, not only did they not demand immediate action on that because it never happened, not only was the community not involved, they were not outraged. How could they be outraged? It never happened. Then she went on to say:

The task force met and came out with some remarkable and courageous recommendations—

That was about cross burnings that never ever happened in Prince George. Yet she had two hours to check her facts, two hours to come back to the House and give us the facts. She went on to say:

I was recently in Prince George—

We sometimes wonder if even this is true now, but perhaps she was. Then she said:

—I met with the task force and congratulated the mayor and the people of Prince George for taking immediate action on incidents that could happen—anywhere in Canada.

She came back to the House today and after all of that she went out to a scrum, talked to the media and said that she had a letter from the mayor of Prince George in her hand to back all this up.

Privilege

The letter does not exist. It never happened. This whole thing is a figment of her imagination. It is a complete fabrication.

That is not the worst of it. The worst of it is, not only is it all fabricated, not only after the two hours to check the facts, but she slandered an entire community, my province and the good people who are working to make the communities better, with two hours' notice and telling at least five untruths in this place. There were five after she had time to check her facts.

Today she went on to say that she regretted the original statement and would like to apologize to the people of Prince George. I will tell the House what she needs to apologize for. She could start with an apology to the people of Prince George, and that will be a long time being accepted because we do not consider this at all sincere.

• (1510)

On top of that what she has not yet done, and she has to do before she can take a position of responsibility in the House again, is to apologize for misleading the House of Commons with five, at least five, direct lies in the House of Commons.

It is one thing to misspeak. We all know how that can happen in the heat of the moment where something will come out and the Speaker will come forward and say that it was inappropriate and ask the member to withdraw it. The member says "I am sorry, that was a mistake" and withdraws it. That is not what we are dealing with at all.

We are dealing with malice from the multiculturalism minister. We are dealing with someone who knew what she was doing, not only before the question was asked, but with two hours notice and on into the media interviews. She not only did not tell the truth here, she did not tell the truth out there to the media. She did not tell the truth to the people of Canada. She made stuff up out of her complete imagination about whether or not a letter even existed. It did not exist.

She came in with an idea that she can just say sorry about that, so what about the record now that says Prince George is a haven for racists and cross burners; so what if she maligned an entire province and the people who live there; so what if she came into the House with two hours notice and told everyone, by the way, that was true. She went on to say that it was true and that there were racists in Prince George who burned crosses. "It is true", she said, "I have checked it out. I have a letter from the mayor".

All of it was untrue. She should have known it, she did know it and she repeated it anyway. I would argue, Mr. Speaker, that you have no other course of action but to find the minister in contempt for what she has taken the House through over the last two days.

Privilege

The crass attempt at being mistaken and thinking it is all over is completely unacceptable. She is in contempt of the House and in contempt of parliament. She should be tossed from this place. I urge you, Mr. Speaker, to make that decision.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, first, I could quote the entire statement of the secretary of state today, but I will briefly highlight the portion which refers to the point just raised which says:

Yesterday I mistakenly linked the city of Prince George with a specific hate activity. I regret that and I apologize to the people of Prince George.

I am very proud of what communities have accomplished in this country to counter racism and hate and to promote cultural diversity, especially the city of Prince George's city council task force on hate activities.

The statement was withdrawn. Therefore, if it was withdrawn and the letter attached to something that was withdrawn is equally withdrawn.

Second, it was said that the minister had two hours to think it through. I would think most members in the House know that the hon. minister yesterday, immediately after question period, was participating in a number of activities with dozens of Canadians wishing like her to fight racism in Canada. To suggest that she had "two hours" to do nothing and so on is inaccurate.

Third, it was said that the member had a long time to apologize. No, that is not stated correctly. The minister has apologized some time ago would be the more appropriate reference. In fact it was two hours and fifteen minutes.

Fourth, it was said in the House that the minister was not sincere when she apologized. That is impugning motives to someone else.

Mr. Jason Kenney: You bet it is.

Hon. Don Boudria: An hon. member has just now said "you bet it is", confirming the fact that was exactly the intent of what was said.

Mr. Jay Hill: Do you want me to say it on the record?

Hon. Don Boudria: Mr. Speaker, we now have a second member just corroborating that accusation and therefore refusing to accept the apology of an hon. minister.

● (1515)

Fifth, it has been said in words to the effect that the community in question, and I disagree with that, was "a haven for cross burners".

This statement was never made by the minister. In fact she withdrew what she said. Regardless, the particular statement was never made. How could one allege that someone made a statement when the statement was not that and was withdrawn anyway? If it

was withdrawn, it was assumed under the rules of the House not to have been made.

I did not invent those rules. They were around here long before I came along, and possibly will be around far longer than I will be here. Be that as it may, other members and I will accept when a member apologizes to the House because that is the appropriate thing to do.

An hon. member: She is a minister.

Hon. Don Boudria: A member across just said "She is a minister". In other words, we should believe some members and disbelieve others because they are public officeholders.

I refute that. All hon. members are accountable to the House. We all are. I am a senior cabinet minister and I am accountable. I am here now. My colleague, the secretary of state, was in the House and apologized very clearly to the people of Prince George, British Columbia. That was clearly done.

All of us know that was done. Let this be clear, the Secretary of State for Multiculturalism was serious about her apology. I believe that we on this side of the House have taken her apology as being very serious. I would recommend to you, Mr. Speaker, that you accept that apology with the seriousness and the sincerity in which it was intended. This issue should be closed as a result of this clear and unequivocal apology made earlier this day, over two hours ago in the House of Commons.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I rise on the same point of order. I wonder whether or not I could help shed some light on this darkening situation by suggesting that there may be some middle ground here between what I would say was a hyperbole and an evasion: hyperbole, justified in many respects by the justified indignation of the people of Prince George and their representatives about what was said yesterday, and evasion on the part of the government in the sense that what is at issue here is not whether the minister apologized for the statement about there being cross burnings in Prince George but whether or not she was withdrawing her claims about the letter and the communication from the mayor, et cetera.

She has not indicated anything in that respect. I was here when she made her statement earlier. Unfortunately she chose to rush out of the Chamber immediately after she made her point of order. There were people that wanted to question her on her statement about having received a communication from the mayor. If she made some reference to a letter in a scrum, that is a further reference to a communication from the mayor of Prince George.

People wanted to know if she is now saying that she received no communication, either a letter or any other kind, from the mayor of

Privilege

Prince George. That would go a long way to correcting what members of the Alliance are claiming is untrue. I take them at their word. They know more about Prince George and the situation there than I do.

The point of the matter is that it is incumbent upon the minister, or perhaps on you, Mr. Speaker, to advise the House as to how we can create a situation where the minister can come in and account, not just for what she said about burning crosses in Prince George but for what she said about how she came to believe that there were burning crosses in Prince George. She led the House to believe this was a communication she received from the mayor of Prince George.

Members want to know whether or not the apology includes a withdrawal of that claim and an apology for making that claim, particularly if it is not true and if the mayor of Prince George is denying it.

All would be settled if the minister would be prepared to come in here and defend herself. Instead of having the Prime Minister and the government House leader defend her, she could walk in here and give an account of what she said, what she still stands by, and what she now withdraws and further apologizes for.

• (1520)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, much of what has been said clearly indicates that there are now more facts to be examined because of what has taken place here.

The government House leader has characterized the apology that was given as clear and unequivocal. I was in the House and I would characterize it quite differently. I would characterize it as quite qualified and carefully crafted.

Subsequent to that the minister then literally sprinted out of the House while there was an attempt made by the opposition House leader to have her table documents to which she had referred. The minister herself has opened a whole new facet of the particular issue.

I took her qualified apology to in fact bring in new evidence that suggested she was relying on a letter that came from the mayor of Prince George. That now appears to be totally and utterly false. She did not address that issue in her apology.

I suggest there is a need in an unemotional and straightforward way to examine all of the facts that have transpired. It is very simple and easy to do that. We can check *Hansard* to see what was said.

The minister should in fairness be given an opportunity to speak to the issue and have an opportunity perhaps to set the record straight again, if necessary. There are a number of very specious, false and very damaging statements when it comes to the people of Prince George that are now out there for them to try to contend with. The minister herself has to be part of this equation.

I urge you, Mr. Speaker, to take the matter seriously, review the record and give the minister an opportunity to reply.

The Speaker: The Chair has heard enough on this point. We have heard from each party that has offered to participate in the discussion.

An hon. member: Not the member for Prince George—Peace River.

The Speaker: I am very well aware that the hon. member for Prince George—Peace River wants to rise, but there has to be a limit on how long we discuss these matters.

An hon. member: Mr. Speaker, he is the representative of that riding.

The Speaker: I am well aware that he is the representative of that riding. Maybe he should have led off but he did not.

An hon. member: There are two members of parliament.

The Speaker: I am well aware of that, and one of them did not lead off. The fact is we have had an incident that has caused severe distress to the members of parliament from Prince George. I am as well aware of that as I think all hon. members. I know that others have been offended by these remarks as well. The fact is that sometimes members say things in the House that are incorrect or wrong. Subsequently, when this is drawn to their attention, they make some kind of apology or statement.

In this case that is what has happened. I have in my hand a copy of the minister's remarks, which I was in the House for earlier today, in which as she said:

yesterday I mistakenly linked the city of Prince George with a specific hate activity.

Apparently she went on to say that she regretted that and she apologized to the people of that community. Many hon. members, for whatever reason, may feel that this apology was insufficient, given the seriousness of the statements that were made, but the fact is that there was an apology.

For the Chair to continue the matter by some means, and I am not sure what, perhaps by finding a breach of privilege, I would have to have heard something that convinces me that the privileges of the House of Commons have been breached by a minister or any member making a statement that is incorrect and then making some kind of apology. I do not believe the privileges of the House have been breached by this. Accordingly I do not see a place where the Chair can intervene further.

Hon. members have made their point forcefully that the minister's retraction, apology or whatever it is called, was insufficient

Privilege

for their purposes. I am sure that the matter will come up again in committee when the minister is making an appearance on estimates or something of that kind. I am sure questions will be asked.

I do not think it is for the Chair at this point to rule that there has been any breach of the privileges of the House that would justify me in referring the matter further.

I know it is perhaps an unsatisfactory resolution of the issue at this time for some hon. members. I also know that, as we saw today in question period, questions may get asked. There will be opportunities, as I say, when the minister will be asked and she may choose to answer further questions or make a further statement, but that is not for the Chair to compel or demand at this point.

• (1525)

Hon. members have made their points and I am very respectful of the fact that many hon. members have been deeply offended by the remarks that were made. However, I think in the circumstances the minister has made an apology. The House has to accept the apology such as it is, although there may be disagreement about it. I think we need to move on to the other items of business before us this afternoon, with great respect to all hon. members.

I mean no disrespect to the hon. member for Prince George—Peace River or his colleague from Prince George—Bulkley Valley in not hearing them. I feel that we have heard from each party. It is a matter that continual discussion of is not going to assist us because I do not believe there is a question of privilege in this discussion.

QUESTIONS ON THE ORDER PAPER

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, I rise on a question of privilege relating to questions on the order paper. It is a new approach to the same old problem of the government not responding within the allotted time period.

The Speaker: I heard the hon. member on this point yesterday on a point of order during the time questions were called. I believe he raised the matter again this morning when questions were called. I cannot see how there is a question of privilege arising out of this matter.

He has tabled his questions and he has answers as to why they are late one way or another from the parliamentary secretary. I will hear him for one minute, but he has to convince me very quickly that this is a question of privilege because I do not see it.

Mr. Greg Thompson: Mr. Speaker, I will convince you if I am given a minute. I will go back to 1992 and quote from *Hansard* on the very same issue regarding breaches of privilege with regard to questions on the order paper. This is effectively shutting down a member of parliament.

On March 10, 1992, the then member for Glengarry—Prescott—Russell, who by the way is now the government House leader in charge of this file, rose on this very issue. The Speaker at the time heard the member out, which I am hoping you will do. The member at the time quoted from pages 70 and 71 of Erskine May's 20th edition which I will do regarding privilege. It is defined as:

The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members—

He went on to point out that Standing Order 39(4) of the House says that members can place up to four questions on the order paper at one time. Quoting from *Hansard*, March 10, 1992, the member said:

The point I want to make to you is that the government is systematically not answering questions that I place on the Order Paper. By not answering the questions that are there, I am unable to ask new questions.

That restricts the role of members of parliament to ask legitimate questions of the government. He continued:

In other words, once the Order Paper is plugged up with four questions, new questions cannot be asked.

He went on in detail—

The Speaker: I am quite familiar with the argument the hon. member is making. I recall making a similar one myself at one time or another. I am very sympathetic to the plight he describes, but might I suggest that he go to the procedure and House affairs committee at the earliest opportunity, or the new committee that has been struck to deal with changing the rules of the House, and seek changes to allow him to put even more questions on the order paper or seek changes that might have some penalty for non-answer to the questions.

It is not for the Chair on questions of privilege to deal with the fact that answers are not being given. What power does the Chair have to enforce this rule now? None.

We can say that these questions should be answered. I can stand here and say it until I am blue in the face, but if they are not answered, they are not answered. I know the problem. It is an old problem.

Mr. Greg Thompson: That is why we are here, to be heard.

The Speaker: That is why I am suggesting the hon. member go to the committee and raise it there because the committee is charged with this responsibility.

• (1530)

I am not in a position to do something to solve the problem. The parliamentary secretary may be able to help by giving further

solace to the hon. member in respect of the answers, and perhaps that is what he will do now.

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, none of us here have any doubt that the member's questions are important and that they raise important issues. I indicated to him last week and in fact shared a draft answer to one of the questions. I indicated it was my intention and the government's intention to improve on the answer in the draft. He seemed to have acquiesced.

I point out procedurally, and for the benefit of the hon. member if he is interested, that in the event a question of that nature is not answered within 45 days he is at liberty, and this is what procedure requires, to ask that it be transferred for debate. If he wishes to have it transferred for debate, that is his remedy and members of the House will acquiesce in that.

However he does not appear to want to transfer the question for debate. He appears to want an answer. I have indicated to the House that I am working with the hon. member to get an answer, and he has acknowledged that. It does not seem to be that pressing that we should have to take up more House time trying to convince the hon. member that his answers will be good answers on these important issues and that they will be forthcoming shortly.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, if you check the record, I was quoted the same time in 1992 as the current government House leader. The point I made then, which I will make here very briefly because I know you are anxious for this to be over, was that the four question rule of only being able to put only four questions on the order paper, the limit of four questions, was new when instituted in the 1980s. It was supposed to benefit the government so that it would not have a whole bunch of questions.

In return for only having four questions, the government would answer the questions within 45 days. Now what we have is that if the government does not answer the questions, we cannot put down any more questions. The government is frustrating the will of that reform.

Does the government want to go back to the days when there were 100 questions on the order paper? Is that what it wants? The reform was brought in to meet the needs of the government that was complaining it had far too many questions on the order paper. It asked to limit them to four and it would answer within 45 days. Now what does it have? It has the best of all possible worlds. It does not answer the questions and members can only ask four. It is ridiculous.

The Speaker: I sympathize with the hon. member. I remember making the same arguments. However, the rules are the rules and the Speaker, as a servant of the House, must enforce those rules.

Privilege

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I would like to briefly address this question of privilege. If we look at the questions on the order paper we will discover that there are probably fewer questions than there have ever been.

Why is that? There is a very simple reason. Members of parliament have given up on using the order paper as an instrument to do their jobs because the process has been abused by the government. It does not matter whether the limit is one question or 100 questions. When we do not get answers, people stop using it.

Not long ago I checked the order paper questions at the clerk's table and there were only 18 questions from the entire House. I think the Speaker has an obligation to address the issue.

The Speaker: Let me address the issue by citing to the House the decision of Mr. Speaker Fraser on a similar matter, not the one referred to by the hon. member for New Brunswick Southwest in his argument. The decision was delivered by Mr. Speaker Fraser on May 18, 1989, and appears on page 1890 of *Debates* for that day. The Speaker said:

As far as I am concerned, I do not think that it is appropriate that the time of this House has to be taken up by Members having to get up and ask why somebody has not given them the answer.

The Hon. Member for Churchill—made it quite clear. If there is a case where something is so complicated that it is impossible for the Government to give the answer within 45 days, I think Hon. Members would be patient and understanding if the Parliamentary Secretary or Minister got up and said that that was the dilemma they found themselves in. For the most part, there is no real reason in the world why these answers cannot be given. As I say, I cannot order them to be given because I do not have the power. But I do ask that those who are asked to prepare these answers take a look at this rule and realize that when they do not get the answer back to their Minister in time, they are putting all of us through a lot of difficulty and taking up the time of the House, because undoubtedly there will be more points of order raised on exactly this issue.

• (1535)

Short of the authority to order somebody to do something, I cannot make my own feelings on the matter any more clear than I have just done. I agree with what Mr. Speaker Fraser said. I made arguments on occasion to Mr. Speaker Fraser on this point when I was not in the chair of the House. I sympathize, but I respectfully suggest to hon. members that I cannot do anything. I agree with what Mr. Speaker Fraser said. We must consider the matter closed.

When questions come up and the parliamentary secretary asks that all questions stand, I have no doubt that we will hear from the hon. member for New Brunswick Southwest and others on points of order as to why their questions have not been answered in a timely way. As Speaker I am prepared to entertain those points of order, but I do not think it is appropriate to treat this as a question of privilege. As indicated by Mr. Speaker Fraser, there is nothing I can do.

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Mr. Greg Thompson: Mr. Speaker, fundamentally it comes down to the fact that the government has the capacity to answer those numerous questions within 24 hours. What is it trying to hide? Why will it not answer the questions?

The Speaker: I think it shows we have completed the point of order. We will move on to the Thursday question.

* * *

BUSINESS OF THE HOUSE

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, we may not be able to get answers to pretty straightforward questions on the order paper, but perhaps we could get an answer to the question of what the business will be in the House for this week and the following week.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to make the weekly business statement and to indicate to the House that I intend to do my utmost to have order paper questions answered as rapidly as possible.

This afternoon we will resume debate on Bill C-12 respecting compensation for judges. We will then continue with Bill C-18, the equalization bill, which we started this morning. That will be followed, if there is time, with Bill C-17 respecting the innovation foundation.

On Friday we will consider report stage of Bill C-4 respecting the sustainable development foundation, and any time left will be used on second reading of Bill C-7, the youth justice bill.

In an effort to complete consideration of the youth justice bill, we will continue discussing that bill on Monday next.

Next Tuesday we will commence report stage of Bill C-8 respecting the financial institutions legislation. Should that be completed, we would then continue with Bill C-22, the income tax amendment. As previously announced and as adopted by the House, in the evening there will be a special take note debate on the summit of the Americas.

Next Wednesday, March 28, we will debate Bill C-2, the employment insurance amendments, at report stage and hopefully have third reading on next Thursday, March 29.

That is the agenda of the House for next week.

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[English]

JUDGES ACT

The House resumed from March 12 consideration of the motion that Bill C-12, an act to amend the Judges Act and to amend another act in consequence, be read the second time and referred to a committee.

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Madam Speaker, I am pleased to rise today in debate to speak to Bill C-12, an act to amend the Judges Act and to amend another act in consequence.

I first must state how disappointed I am that once again the government is going to great lengths to look after what some refer to as the elite of our society. At the same time, what it is doing for the ordinary citizens, other than taxing them into the ground, is unclear.

Those who occupy the upper echelons of our public service are well looked after. Meanwhile those in the trenches, the clerks and receptionists who comprise the first line of contact between the government and citizens, are again expected to do without.

● (1540)

Everything I have just said is almost word for word what I said in March 1998 when I rose to debate Bill C-37. It appears the more things change around here, the more they stay the same.

Judges, for some reason, attract an inordinate level of attention from the Liberal government. It seems that with every new parliament we debate and pass legislation to look after the interests of judges. It is unfortunate that the government is not as keen to address the problems of our young offender legislation or the creation of a national sex offender registry.

I note that farmers were once again demonstrating here on Parliament Hill this week. Thousands of family farms are lost each year as debts rise, but the government does little to address the problem.

I also note, once again, the vast number of RCMP officers who will be seconded to provide security at the Quebec City summit of the Americas in late April. Entire crime fighting units will be stripped of their top investigators. Since most of the personnel will come from Quebec and Ontario, I foresee organized crime having a field day with its drug operations, commercial frauds, stock market manipulations and smuggling operations. I mention only federal areas of police jurisdiction because, as we all know, when the cat is away the mice will play.

When the RCMP is required to take on additional responsibility of the nature of this summit for VIPs, the force gets further and further behind in its battle against crime. However the government will look good because it is hosting such an important event. It will be our citizens and victims of crime who pay for enabling the Prime Minister to play on the world stage. The government looks after the elite but often conveniently forgets the ordinary citizen.

With respect to Bill C-12, I note that the Constitution Act of 1867, formerly the BNA Act, is part of our formal constitution. The Canadian Charter of Rights and Freedoms, as we know, includes the Constitution Act of 1867. It was, after all, the document that set the stage for the country. Section 100 of that document states:

The Salaries, Allowances, and Pensions of the Judges of the Superior, District, and County courts (except the Courts of Probate in Nova Scotia and New Brunswick), and of the Admiralty Courts in Cases where the Judges thereof for the Time being paid by Salary, shall be fixed and provided by the Parliament of Canada.

Some of the names of our courts have changed over the years. Some have even been replaced. This section of our constitution requires salaries of superior court judges to be decided by parliament. That is partly why we have had the Judges Act for the past many years. By constitutional law, parliamentarians have the power to fix the salaries and pensions of superior court level judges.

On the inside cover of Bill C-12, in the summary of the legislation, it states:

This enactment implements the federal government's response to the report of the 1999 Judicial Compensation and Benefits Commission regarding compensation and benefits for judges. It amends the Judges Act to increase judicial salaries and allowances, improve the current judicial annuities scheme and put into place a separate life insurance plan for federally appointed judges.

What I am seeing is the derogation of power, at least to some extent, in that the Judicial Compensation and Benefits Commission is making a report to which the government must respond. I fully appreciate that the commission has been set up because of Supreme Court of Canada decisions concerning the independence and impartiality of the judiciary.

However what has not often been stated is that Supreme Court of Canada judges are in a conflict of interest when they try to change the law regarding the pay and benefits of the judiciary, which of course includes them.

Having slammed the supreme court judges for causing changes to our laws while they are in direct conflict with those changes, I fully understand that this is the fix the government has put us in. We have acceded to the use of the Judicial Compensation and Benefits Commission, but it merely makes recommendations, with all due respect. We parliamentarians must retain full control over what is to be provided to the valuable portion of the administration of justice within the country.

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I note that Chief Justice Dickson, as he then was, stated in the Supreme Court of Canada case of *Regina v Beauguard*:

Nothing would be more damaging to the reputation of the judiciary and the administration of justice than a perception that judges were not shouldering their fair share of the burden in difficult economic times.

Following his works, I point out that for a number of years the country faced severe economic times. I recall the Prime Minister stating time and time again that Canadians must be patient and essentially bite the bullet a little longer until the economy has recovered and Canada has returned to a better financial state.

I urge members of the Chamber to carefully consider the 11.2% increase in salary for these judges, especially in light of the far less significant salary increases the government has been providing to our civil service, our federal police force and all other employees of the federal government.

• (1545)

I fully understand the government being hesitant to open the vaults to reimburse all of its employees to the fair and equitable level in comparison to the public sector, especially when this country has had such a debt hanging over us from years of Liberal mismanagement.

In any case, 11.2% as a raise in salary, plus a very generous pension plan, is obviously creating just the situation anticipated by Chief Justice Dickson. It damages the reputation of the judiciary because it creates at least a perception that judges are not doing their fair share in getting this country back into financial balance. I am paraphrasing the words of the chief justice here.

I may not be the first person to recognize the value of our judiciary, but I will certainly not be the last. I have spent much time in our courts witnessing day to day administration of justice.

A government argument for such excessive salary increases for judges has been that we must pay well in order to attract capable and experienced people. Surely this is just another argument for having the judicial appointment process more open and accountable. As far as I can determine, it has not been that difficult to attract capable individuals to apply and sit on the benches of our superior courts. I often wonder whether this is just not a case of some individuals wanting everything: the prestige, the opportunity to channel legal cases down particular paths, or more regular working hours. Then, after getting the position, they are now politicking for extraordinary salaries.

If members of parliament had the opportunity to become involved in reviewing these appointments, perhaps they would have a better chance to see just what is required to ensure that capable and experienced individuals are encouraged to continue to apply for judicial appointment.

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It is difficult to accept pay raises beyond the norm when we are dealing with salaries in the \$200,000 range, when we are dealing with, in some cases, sheer patronage, and when the whole process is deliberately kept from parliamentary scrutiny.

As I have stated, it is the responsibility of parliament to decide on the salaries and benefits of our federally appointed judges. Without sufficient information to determine whether such a significant jump in pay is necessary to maintain and/or enhance the judicial personnel, it is difficult for me to accept the proposals of this legislation.

In light of the meagre percentage raises given by the government to so many other needy and deserving employees of the federal government, 11.2% is particularly hard to swallow. I keep hearing about our military personnel using food banks to survive between paycheques. I become concerned about our RCMP members working two or three jobs when their families have trouble paying the bills, especially when we see how rich and powerful organized crime is becoming in this country. When I see these things and others I cannot have quite the same concern for federal judges who are not nearly so badly off financially.

I will be opposing this legislation. I urge other members to have a serious look at what the government is proposing here.

Something is seriously wrong when the government continues to look after the top officers within the Department of National Defence and gives peanuts to the lower ranks. Something is seriously wrong when we have thousands of farmers losing their farms because we are reluctant to provide sufficient help in their time of need. Something is seriously wrong when we have hospital shortages right across this country because the government cut back to balance the budget. Something is wrong when the government continuously brings forth legislation in a timely fashion to look after the financial interests of judges.

The Acting Speaker (Ms. Bakopanos): May I ask the hon. member whether he will be sharing his time?

Mr. Chuck Cadman: Madam Speaker, I am sharing my time with my colleague from Surrey Central.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Madam Speaker, I rise on behalf of the people of Surrey Central to participate in the second reading debate on Bill C-12, an act to amend the Judges Act.

I would like to talk about the purpose of the bill, which is to implement the federal government's response to the 1999 report of the Judicial Compensation and Benefits Commission regarding compensation and benefits for judges.

The bill amends the Judges Act to: increase judicial salaries and allowances; modify the current judicial annuities scheme; and put into place a separate life insurance plan for federally appointed judges.

• (1550)

Let me speak about the details of the bill. The government accepted the commission's recommendation of a salary increase of 11.2% for over 1,000 federally appointed judges, retroactive to April 1, 2000. The salary increase will cost Canadian taxpayers approximately \$19 million.

The judiciary had initially proposed a salary increase of 26.3%. It had maintained that the federal government must compete with high paying law firms in order to attract superior candidates to the bench. However, federal representatives told a hearing into judges' pay earlier this year that there was no shortage of candidates for the bench, with about eight applicants for each federal job over the last decade.

The last pay raise for federal judges was in 1998, when they received 4.1%. In 1997 they also received an increase of 4.1%. In other words, judges received an 8.2% increase in two years. Additionally, judges' salaries are indexed so they receive an annual cost of living increase as well.

In the 35th parliament, the government introduced two bills amending the Judges Act. In the 36th parliament, one bill was introduced. All of these bills, including Bill C-12, have been administrative in nature.

Or have they been merely administrative in nature? We do not know.

Canadians can be assured that the official opposition will closely scrutinize Bill C-12. In particular, we will review the provisions of the bill that change the annuities scheme.

The Liberal government has made amendments four times to the Judges Act. The big question is why. We have seen time and time again where the government has tailor made legislation to fit certain individuals and certain situations.

We will also assure the House and Canadians in general that Bill C-12 will not be tailor made to any individual. That is the job of the official opposition: to hold the government accountable. If it were tailor made, it would definitely compromise the impartiality of our judiciary, so we will be investigating that.

For example, the changes being made to the Judges Act allow a judge who is married for the second time to another judge to collect, after the death of his or her spouse who also happened to be a judge, two survivor benefits upon the death of the spouse. One can only guess why the government is contemplating such a rare and highly unlikely situation.

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It is interesting to note that the last bill to amend the Judges Act, Bill C-37 from the 36th parliament, created the Judicial Compensation and Benefits Commission, which provided the federal government with yet another opportunity to make patronage appointments.

The commission consists of three members appointed by the governor in council. It should be noted who nominates these three individuals. One is nominated by the judiciary. One is nominated by the Minister of Justice. The third one, who acts as the chair, is nominated by the first two people nominated.

The failure of the bill to introduce any changes in the appointment process means that important and high paying positions in our court system will remain essentially part of the patronage system. The Canadian Alliance would like to see the patronage appointment process overhauled to make it more transparent and publicly accountable.

• (1555)

One option would be to strike a committee that would review and interview candidates whose names would be put forward to the Prime Minister. The input of the provinces, which are affected directly by decisions of the Supreme Court of Canada, is required in these matters.

Another concern I have with the bill is that the increase in pay for federally appointed judges is higher than the federal government is prepared to grant to the lower paid civil service employees. Lately it has been the practice of the government to grant raises to senior officers in the military, to senior bureaucrats and now to judges, while dragging its feet on a general salary increase for staff.

The question here is about fairness. All the hard working employees of the public service and the armed forces need raises in comparison to the cost of living. Why is the government only focusing on top executives or top officials and not on the other employees? While we do not dispute that salaries for appointed judges and others should generally be in line with the private sector, it is apparent that the staff on the lower echelons of our justice system are being ignored.

What we propose is an independent and publicly accountable judiciary that would act as a safeguard to protect Canadians from the arbitrary power of the state. However, it must remain the responsibility of parliament, not the courts, to debate and assess the conflicting objectives inherent in public policy development.

The bill does not address the multitude of concerns that many Canadians have with the judicial system, therefore my colleagues and I strongly oppose the bill. We will see what adjustments or amendments the government is willing to accept at the committee stage.

While we have no position on the exact level of judges' salaries and pensions, we generally favour salaries that are comparable to those in the private sector. However, we would like to see an overhaul of the process of patronage appointments in the judiciary to make it more transparent and publicly accountable.

The Canadian Alliance declaration of policy, section 69, states:

We believe that a non-partisan civil service, an independent judiciary and competent leadership of government agencies, boards and commissions are vital in a democracy. We will therefore ensure appointments to these positions are made through an open and accountable process based on qualification and merit.

Public servants should only be given salaries in keeping with the average Canadian wage earner. The government has awarded judges and senior bureaucrats with large pay raises and bonuses, while frontline police officers and lower level public servants receive little or nothing.

It should be noted that on March 27, 1998, RCMP officers secured a pay raise of 2% retroactive to January 1, 1998. They received a second increment of just 1% on April 1, 1998, and an additional .75% on October 1, 1998. RCMP officers have had their wages frozen for five years.

Since my time is almost up I have just a few more comments.

Both of the Liberal justice ministers since 1993 have failed to introduce a victims bill of rights or to address important issues pertaining to drinking and driving or even to pass a new Young Offenders Act. Instead they occupy the justice committee with administrative matters at the expense of more important issues. For example, the country is experiencing a high degree of backlog in the courts and many criminal trials must be put on hold in the meantime, yet the government tinkers with salaries of judges.

In conclusion, I hope the government will entertain amendments during the committee hearings. I regret that the judges themselves are somehow caught up in the legislation. I would like to acknowledge that there are judges who are very hard working and very much want to contribute to making our judicial system fairer and faster and to making Canada a better country.

• (1600)

We are talking about mismanagement by this weak Liberal government. The unfair treatment handed out by the Liberal government to Canadians working or otherwise involved in the criminal justice system knows no boundaries. The inequitable treatment of Canadian workers extends all the way to our federal court benches.

We know the government does not treat the victims of crime fairly and today we are debating a bill that does not even treat judges fairly.

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Mr. Myron Thompson (Wild Rose, Canadian Alliance): Madam Speaker, I am pleased to be able to speak today to Bill C-12. It is discouraging when we see another amendment pertaining to the Judges Act. I have been here since 1993, and I believe it is the fourth time the Judges Act has been amended. It is the fourth time I have risen to speak to the legislation.

It is legislation asking for raises for judges across the country, which I believe will amount to \$19 million. I do not know the salaries of judges. I would almost bet that if I were in a bank depositing my cheque as a member of parliament and a judge was in front of me and we compared cheques, he or she would probably make me look like I was on welfare. I would suspect that they get paid very well.

I found it surprising that the judges would ask for a 26% raise in pay. I see that the government accepted a recommendation from the commission of 11.2% and that is after already receiving 8.2% in the last three years.

I would much rather be rising in the House of Commons to address legislation other than the Judges Act. I would rather debate legislation that would have some real teeth in it to deal with serious problems such as crime or the need for judges to continue working hard. I know they work hard and I will be as kind as I can to judges, although I question their judgment at times. I am sure all of us do.

Not too many years ago, perhaps three or four, we had a motion put forward creating a victims rights bill. It passed in the House of Commons. The majority supported it from both sides of the House. I cannot say how delighted I would be, after four years, if I could stand to speak about legislation that would create the victims rights bill that we approved some four years ago. What a pleasure it would be, but no, here I am again rising on the fourth occasion because we are making another amendment to the Judges Act.

We have difficult problems. We understand, through the media and through other sources, the seriousness of organized crime and of a number of other issues. There is a cry from the public to do something with the Young Offenders Act, and yet here I am again speaking about judges.

When will this place become a place that really takes its job seriously enough to get busy and create the kind of legislation that we all agree on? I can see where it might be difficult when there is disagreement, but we agree on victims rights.

• (1605)

We all agreed that we should have a sex offender registry. It was unanimous. Not one member of the House of Commons did not agree that we must develop this registry. It was legislation that I was glad to vote on and see passed. It is a tool we need that will hopefully provide a lot of safety for individuals.

If you were a betting lady, Madam Speaker, I would bet you a dime to a donut that four years from now I will be standing here and we still will not have a sex offender registry. Are we so dysfunctional in this organization that we cannot even carry through with the things that we all agree on? What is wrong that we constantly need amendments to the Judges Act? Is it because these fellows and ladies who make pretty good money are underpaid?

I was the solicitor general critic during the last session of parliament. I visited many penitentiaries across the country. Prison guards had been on a pay freeze for nine years, if not longer. For the last six years, before they finally got a pay raise, I raised the issue in the House many times. However, the fact that these lower paid public servants were in a pay freeze did not seem to attract any interest from the government.

It had ample opportunity over those years to do something, to help those guys who were at the lower end of the stick. Prison guards were fairly equal in salary to the RCMP. RCMP members moved ahead at no great speed, but the salaries of prison guards did not.

Some people would argue that a policeman's job is more dangerous than that of a prison guard. I would question that. I believe they are both very dangerous jobs. Most police officers that I have talked to have said they would not be a prison guard for all the tea in China because of the circumstances.

We do not talk about lower level people who work for the public providing the safety we require and whom we need so desperately. Negotiations were held and, lo and behold, the RCMP got a 2% increase in one year. It was followed up the next year with 1%. Prison guard salaries are at a lower level and now a group of people who make a lot more money are asking for 26%.

We will talk about this issue again for the fourth time. Maybe we ought to take the \$19 million that this will cost, put it on the table in the middle of the House, and have a serious debate on how to spend the money on behalf of those in poverty across Canada. Maybe we should take the \$19 million and give it to farmers who were denied extra money just the other day. Maybe that money could go toward helping out a few.

Mr. Roy Cullen: You voted against it.

Mr. Myron Thompson: I beg your pardon. The hon. member says I voted against it. It was our motion and I voted in favour of it. The Liberals voted against it. They turned down the extra \$400 million. I wanted it to happen.

It is a miracle how we can come in here and in a flash go through committee of the whole and spend \$19 billion. There are probably not two people who can tell us where the money is going and why. There was no real debate on that issue.

We know there is a chunk of money going here and a chunk going there, but we do not know for sure what the chunk will entail. There was no debate on it. It was done in a flash, but we can sure debate the Judges Act for the fourth time.

• (1610)

What about the million and a half children who live in poverty? What are we doing about them? We do not know. We do not have any debates in the House in that regard. We get lots of claims and lots of rhetoric and things of that nature.

When will we start doing things that are of real benefit to the country? If we paid as much attention to the problems with real crime as we have to the Judges Act, we probably would have accomplished a great deal more. Instead, we create a commission. A commission is patronage at its best, the thing the Liberals know best. They provide patronage for their good old Liberal buddies.

I am getting really sick of this institution constantly dealing with these kind of issues and ignoring major problems. It has become totally dysfunctional and it needs to be addressed.

I would point out for the last time that both the present health minister, and I wish him well in his recovery from his operation, and the present justice minister failed to accomplish any legislation of any real benefit for the difficulties in the country involving crime.

I would mention once more the idea of creating a commission. The government is good at setting up commissions. I do not know if any member over there could even begin to tell me how many people work for the government in some sort of committee, some sort of board or some sort of whatever.

How many people does the Prime Minister have to appoint each and every year to keep these positions filled? I am surprised he has time to be Prime Minister. I am sure he has to spend a great deal of it just appointing people to these plush jobs. It must be nice. I forgot to mention the Senate. The Prime Minister must take a lot of time to determine who should go in there.

I was listening to a radio program this morning. It did a takeoff on government called "The monkeys running the zoo". I thought it was rather hilarious, especially when it was applied to the government. It talked about the Prime Minister being able to measure lies, that there are big ones and little ones. I do not know how anybody could do that unless he or she were an expert in the field.

It related to that issue a lot of times. It talked about a judge making a decision. I do not blame the judge. It is because of legislation that it happens.

Apparently there were 29 postal workers who were fired from the Canada Post for theft. Under surveillance they were caught red-handed stealing cash, cassette tapes and credit cards from the

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mail. They were convicted. I understand that this morning the court has ordered that the post office rehire these individuals. I am having a real tough time understanding that one. Is that law and order in Canada? These 29 individuals broke the law, were charged, convicted, and fired.

• (1615)

Now their time is up. Evidently they are on parole, or they got parole or whatever. The union took this situation to a court and the judge said they had to hire them back.

I do not know how many entrepreneurs we have on that side of the House, but how would members like to have somebody steal from them all the time, have him arrested, convicted and then after he was freed have to hire him back? No wonder they call that show the monkey running the zoo.

This is one example of all the things that are going on around here which do not make much sense. We are forever dealing with situations where somebody says something they should not have and then had to take it back. As usual, like in the case of the member for Waterloo—Wellington, his first step was that he did not say it. Then we had to take time the next day because somebody woke him up to the fact that he had said it. Then he had to apologize and take it back, and we took time for that. We go through these kinds of monkey running the zoo type of episodes.

I am on duty today so I rushed over because there was an important piece of legislation on the table that they wanted me to speak to. Guess what, I got here, picked it up and it was the Judges Act; again the Judges Act. Good grief, folks, I am getting tired of talking about the Judges Act.

When are we going to get serious and talk about what we need to do with the young people who are breaking the law; youth and crime? When are we going to start talking seriously about all kinds of preventive measures that we need to engage in to keep our youth out of trouble? When are we going to start addressing the fact that our aboriginal people are filling our jails at a ridiculous proportion to the rest of society?

When are we going to start talking about the mother who has two little children who were seriously sexually assaulted by their father? The courts and the judges, because of our legislation, ordered this woman to take these two children to visit their father in prison, and the children did not want to see him. The mother did not want anything to do with him for what he did to their children, yet the courts ordered mom to take these two children to the prison because they had to visit their father. The courts have upheld our laws.

If members want to amend some kind of a law, think about a law that has been created by this government that forces a mother to

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take two little kids to visit their dad who maliciously sexually assaulted them. Think about a law that forces them to sit with him and phone him because it is the law.

I would like to see a piece of legislation come out of the government of the day. It is the government. It knows about these situations. Do members think that we will ever see a piece of legislation hit the table that would deal with mom who has to take these two little children to visit dad in jail, even though he maliciously sexually assaulted them for days and days? No, it will not even be talked about.

The Liberals will say that the member for Wild Rose is fear-mongering again or that he is taking the sensationalism into this, as if it only happens occasionally. It is not occasionally, it is far too often. The government says Canadians are happy with our system. I guess that is why we have somewhere around 10,000 people that hold a membership in some victims society. They are calling for help day in and day out. We cannot deal with all the serious problems out there, but we can talk about the Judges Act. We can talk about these poor, underpaid individuals who need a raise of 26%. Maybe we should talk about all Canadians and give them about a 26% decrease in income tax. Then we would all get a raise. Would that not be different?

• (1620)

Good grief if we did that, we would not have this revenue coming in. If we did not have this revenue coming in, how could we possibly pay our judges another \$19 million? I do not understand the government's thinking. It makes no sense to me.

Of course we know from the things in the estimates we approved the other night, a matter of \$16 billion, \$18 billion or whatever it was there are going to be lots of committees struck. There is going to be lots of active work going on out there. I bet the government has another committee that is going to work for the health department to study us seniors and sexuality again as it did before. It only cost \$165,000. Now that I am nearly 65 years old, boy, does that make me feel good that our government is going to spend tax dollars doing something like that.

Maybe there is a group of people in Toronto being trained how to riot properly in Quebec city when we hold a session there. Are they being trained with tax dollars maybe? I do not know. It is probably worth talking about. But let us not talk about that. Let us talk about the Judges Act.

Mr. Bill Casey (Cumberland—Colchester, PC): Madam Speaker, I want to bring forward a few issues that were referred to earlier today. The member mentioned equality between Correctional Service Canada and RCMP wages. Certainly equalization is very much a part of this great debate. I believe equalization is more than just money. I think it is equal opportunity. It was raised earlier

today that the government has a policy that it does not hire people for jobs in Ottawa from anywhere else in many cases except from Ontario and Quebec.

I referred to one example in question period. The Public Service Commission is advertising for 50 permanent jobs in Ottawa which pay up to \$81,000 but they are open only to people in Ontario and Quebec. People from the hon. member's riding cannot apply. People from my riding cannot apply even though there are 50 permanent jobs. The government could spread these out a bit but it is not doing that. It wants the total focus to be from Ontario and Quebec.

Could the hon. member comment on that from an equal opportunity point of view and from a national perspective? These 50 jobs are for planners, advisers and policy people. The government says it has 50 job openings and it wants all the people to come from Ontario and Quebec. How does that make the western Canadian members feel?

Mr. Myron Thompson: Madam Speaker, one thing that has been talked about quite a bit lately is western alienation. Is it real? Are there people out there who are so disgusted with the government that they are considering alienation? I hope it is not a great number. Canada is the greatest country and we want to hold it together. It will not stay the greatest country much longer if we do not clean up our act.

The hon. member is perfectly right. If we want to spur on western alienation some more, bring out stuff like this member mentioned. Inform all the people in the western provinces that we have these jobs but they need not apply if they live west of the Ontario border or if they live beyond the Quebec border. He is absolutely right.

The government says that it is so fair. It is compassionate. It is so kind. It is the party in the middle that has a heart. It is not going to talk about the many people living in poverty and the children who are starving. It is not going to talk about our reserves where there is a sad state of affairs and third world conditions. It is going to create some jobs and make sure that they are for Ontario and Quebec.

• (1625)

In the meantime when the government comes to the House of Commons with all these problems, it is not going to worry about what the hon. member talked about. It is going to talk about the Judges Act because it is really important.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Madam Speaker, my hon. friend from Wild Rose was quite upset and quite rightly pointed out the important issues that the Chamber should be addressing. I know he has spent enormous time travelling to reserves. He has reserves in his riding that require attention.

Since we are talking about judges today, I would like to ask my hon. friend, from his experience in visiting the reserves, would he not think it more appropriate in the Chamber to address the issues that he has seen firsthand? Perhaps he could tell us as well of the judicial systems on the reserves that he thinks require reform.

Mr. Myron Thompson: Madam Speaker, most people in the House are aware that the United Nations has declared Canada as the best country in the world in which to live. If we really are paying attention, it has also factored in the reserves across the country and has said we would be 38th.

I would encourage all members in the House who have reserves in their ridings to make absolutely certain when visiting them to go to the grassroots level and see the conditions that some of these people are living in. I want to make it perfectly clear. Not all reserves are that way. There are some excellent things going on in a few, but far too many are living in absolute poverty with the most disgusting things we could ever imagine.

I saw a sump hole in a basement where they dumped the sewage gathered in buckets because they had no sewage system. Then I learned from one family that they had just buried a two and a half year old child who had fallen into that ugly sump hole. The children were not allowed down there, but as children will do, they found a way to get there. They had been playing when the child fell into the hole and drowned.

There was no running water or electricity. Stumps were used for chairs. They had skimpy amounts of food. Yet they were the most hospitable people I have ever visited. I shared with them what they offered in their most hospitable way.

It is that serious. Should we be spending some time in the House of Commons talking about that and how we could quickly resolve it so we could be number one in the world, including the reserves? We certainly should be. Instead what are we talking about? We are talking about the Judges Act.

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Mr. Speaker, I find my hon. colleague's comments very refreshing. I know he is very well respected in the community he comes from. He was the principal of a high school. I know how high school principals are selected where I come from and where he comes from. People from the community sit on committees. There is a hiring procedure. We spend a lot of time making sure we get the right people as our principals. They must be leaders in our schools and must convey the right kinds of values and beliefs.

• (1630)

Yesterday we talked about reforming and modernizing our system of government. In my view most of the power cards are held by somebody sitting in the front row over there. Even

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backbenchers do not have any power cards. When they are told to march, they march. When they are told to stand up they stand up.

If we really wanted to modernize this institution we could do it in one symbolic step. We could turn over the selection of supreme court judges to an all party committee. We could then sit down and review these individuals and pick people who we think have high standards of integrity and high levels of competency. As everyone has pointed out, there is no shortage of qualified applicants for these jobs.

However the way it is now all the power cards are in one person's hands and that person makes those decisions behind closed doors and without any consultation with any of us.

I would like to put a question to my colleague from Wild Rose on the possibility of having an all party committee look at the appointment of judges to our Supreme Court of Canada. Would he be of the view that this committee would be beneficial to this institution and change the public's attitude toward the way this House operates?

Mr. Myron Thompson: Madam Speaker, yes, an all party committee is a good idea. We should spend some time talking about how we can form a committee that would select the judges in a process that makes sense, instead of patronage. Let us not talk any more about the Judges Act.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Madam Speaker, it is a pleasure to rise on behalf of my constituents of Calgary East to talk to Bill C-12, the Judges Act.

I share my colleague's view. This is the second time that I have risen in the House to talk about the Judges Act, an act that only talks about raising the salaries and benefits of judges. We have heard over a period of time, both in Alberta and here, that independent commissions have been set up. We have also heard the judges say that they need more compensation so they can be independent and not fall under pressure.

An hon. member: So do we.

Mr. Deepak Obhrai: I disagree with the hon. Liberal member when he says "so do we".

However, the judges have used the reasoning that they will be subject to undue influence if they do not receive higher compensation. That was the reasoning for the 23%. In both cases, as the holders of the public purse, the government of Alberta and the Government of Canada at one time had tremendous difficulty agreeing to that level.

What this bill states is that one segment of our society feels that judges need to be elevated to a level where there is no undue influence.

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I believe almost all judges, especially the ones I know and have met, are people of high calibre and have high moral values, and people look to them to make fair judgments. However, when they say that their compensation should be at such a level that they will not be under undue influence, I think that is a contradiction. We put them there because of their high values. I hope we never have a situation in this country where a judge falls under undue influence just because there was no compensation. The compensation seems to be fairly adequate here.

• (1635)

The Alliance agrees that the compensation should be in line with the private sector. Even judges should get fair compensation, and nobody is saying they should not, but it should be done by an independent body, and this is not by an independent body.

That raises questions in the minds of Canadians. They look to the judges for respect, but when those kinds of arguments come forward, there is a slight loss of respect. Canadians are the ones who will end up in the courts to hear judgments. This issue is not the general trend in the economy nor is it the general trend in the community.

This raises the other questions of what is happening and what we should be debating here. Having said that, I think there are more important issues that need to be debated in the House than this bill.

I had a town hall meeting about a month ago in my riding. Close to 40 grandparents came to the town hall meeting to discuss an issue that was hurting them the most, the issue of grandparents' rights. As our society has moved forward, and tugs and pulls take place, marriages break down. At the end of the day, who pays? It is the grandparents who pay. They need attention. We need to address those kinds of issues, not this issue of judges' salaries.

For over six and a half years the government could not produce a Young Offenders Act. It keeps going on and on despite the hue and cry from the public. Every member over here has put forward petitions.

Some hon. members: Oh, oh.

The Acting Speaker (Ms. Bakopanos): I am sure all hon. members would like to hear what the hon. member for Calgary East has to say, and, if not, there are other options available to members.

Mr. Deepak Obhrai: Madam Speaker, I am sure the people in the gallery, who have taken the time to come here, and those who are listening, would like to hear what I have to say. If those members on that side of the House do not want to listen, they are welcome to go out and do something productive.

Backbenchers and serious members of parliament are here to discuss issues that are important, issues that our constituents want to discuss. If all hon. members had town hall meetings they would find out what the people want, what is important to them and what issues they want brought before the House of Commons. We were elected to do that, not to heckle and create all this nonsense.

Let us talk for a second about the Young Offenders Act which has again not been brought into the House of Commons. It has been discussed and discussed, petition after petition has been presented to the House and Canadians have been talking about it, but the government has not brought it in because it has not had the courage to do so.

Mr. Paul Szabo: Madam Speaker, I rise on a point of order. Yesterday we had a debate in this place about the modernization of parliament. Members throughout the House commented and concurred that relevance was an important principle for the House to follow if we were to be efficient. With all due respect, the member is not addressing the provisions of the bill, but rather talking about why we should be doing other things other than the bill.

The Acting Speaker (Ms. Bakopanos): The hon. member raised a point of debate, I believe. I think that in most debates in the House the Chair has always shown a lot of latitude. We will now continue with debate from the member for Calgary East.

Mr. Deepak Obhrai: Madam Speaker, I think that was just a ploy so that I could lose a couple of minutes. I hope you will allow me to add the couple of minutes that were wasted so I can tell the member that we are discussing serious issues in this place which are absolutely relevant to what we are talking about.

What we are saying is that we need to discuss important issues. Yes, yesterday's debate was an attempt to bring forward important issues because, under this government, important issues seem to have gone out of the window.

• (1640)

The government does not listen to members in committee. This bill does not even deal with the issue of bringing judges before a committee. It is all patronage and it starts from the PMO's office, which appoints the judges, the senators, the heads of corporations and many board members. This then creates a concentration of power in one place. We just have to look at the situation this afternoon in the House of Commons with respect to the Prime Minister's role in the golf club. This concentration of power can give rise to abuse of power.

I would like to talk for a moment on another subject. My name was selected to present a private member's bill that would address a very important issue that the government has totally neglected. It

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is the issue of break and enter or home invasion, a crime that has been rising across the country, according to statistics, and a violation of personal privacy.

If anyone wants to know what is happening with break and enter offenders, they need only ask any law enforcement officer or look at the records. Repeat break and enter offenders are receiving conditional or suspended sentences, which creates a cycle of break and enter offences. Why? The simple reason is that they know that if they are caught they will be brought up in front of a court and will probably be on the streets within three weeks to a month committing the same crime. Those who do not believe that should ask any law enforcement officer in their ridings. I request that all 301 members of parliament here talk to their law enforcement officers.

The Canadian Police Association and the Calgary Police Association have endorsed my private member's bill which calls for a minimum sentence of two years for repeat break and enter offenders. The idea is to take these people off the street and put them into a system where they can be rehabilitated. With my break and enter bill, we would be looking at assisting people and, at the same time, removing these habitual offenders off the streets.

Does anyone know what the current sentence is for break and enter? It is life imprisonment. However, we can forget about a life sentence because that is too far out. Most of these offenders get off with suspended or light sentences. That is the reason for the rise in crime. It also raises the concern that there will be more violence. It leads to home invasions, which have the potential of getting violent.

• (1645)

We need to address this issue. We cannot brush it under the carpet. We cannot say that our current legislation is going to meet this rising threat. I do not see the government addressing this issue in any way; hence, I brought in my private member's bill.

One issue that comes out of this bill is the appointment of judges, which I alluded to when I was making my remarks. I have mentioned the concentration of powers in the Prime Minister's Office. One of my colleagues asked this question as well. There is a need for serious consideration in regard to the appointment of judges. The question is whether the appointment of judges should be under one individual's hand, as it is now, or whether it should be under a committee, a committee made up of members of parliament. We can discuss the issues. We can discuss who can be on the committee. We can discuss who can look at the judges who are appointed and make recommendations for appointments and so on.

This brings transparency to the judiciary system and leads to more respect for the judiciary. It is extremely important that we have an independent judiciary system. There is no question about it. We have seen what happens around the world to the populaces of

countries where independent judiciary systems do not exist. The populace pays the ultimate price.

No one will ever argue in a democracy that we need separation of powers between the legislation and the independence of the judiciary.

Where the problem arises is with the appointment of judges being done by the PMO, by one individual. What is so difficult about moving this to a committee to make it more transparent? I am sure the judges who are on the benches today would probably all be appointed again. That is fine. That is not the issue I am talking about. I am not talking about the competency of judges. I am talking about a process that should bring transparency. Why can we not have that? I fail to understand why we do not address that issue. We can. Maybe we should. Hopefully it will be on the agenda. This is a bill about judges.

There is a need for change in parliament. There is a need for us to address this and to talk about our constituents. It is true. Yesterday we had a debate on these issues. It is true that a lot of points came out, but are we going anywhere? The answer is no.

The throne speech talked about electronic voting. Great. Electronic voting is the great reform that will take place in this parliament. Give me a break. Is electronic voting why we come here? No. We come here to debate and to stand on votes so that our constituents can see what we are doing.

• (1650)

I have read reports saying that the government is backtracking on electronic voting now, after the hue and cry. I had the pleasure of meeting members of the German parliament who were visiting us and I asked them a question. As we all know, with the unification of Germany a new parliament has been built in Berlin. I asked the visitors for their views on electronic voting. They said no way to electronic voting. The committee that they set up to look at it has totally disregarded it. I asked them why. They said they want their ministers, the people who are in power, not to get it into their heads that they are above ordinary citizens. They said their ministers are part and parcel of the process and they want to see them stand up with them in their parliament. They felt that with electronic voting they would have less access to those in power. I thought about it and I agreed.

Of course a lot of my colleagues from the other side are now joining in the debate and are opposing the electronic voting notion. My friend on the other side is part of this thing and I am sure will join in the debate when he gets time to address this issue.

What is the relevance of what I am talking about? It is accountability. We are asking for transparency and accountability.

Here is an opportunity under Bill C-12 which could have addressed transparency and accountability of judges. However, I

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have been in committees and I have heard time after time from that side, from parliamentary secretaries and ministers, a reluctance to change. They have a total reluctance to change the system, to better it. We have all heard that change is for the better. We are now in the 21st century, yet this system is what was here 30 or 35 years ago. It is the same system with the same rules. There has been no change. Can we not move forward? Can we not learn? Can we not build on what we have learned?

However, there is this reluctance. Time after time, in the committees and everywhere, I have heard from that side that this is the way the system is and it is fine. Yet there are people asking questions.

This afternoon my colleague from the Conservative Party brought up a fantastic example of what is wrong with the system. It was a fantastic example of a job posting under the federal government, from someone supposedly representing Canada and the unity of Canada, the residence of the Governor General. At this point I must say that I have the highest respect for the Governor General and the comments I will make have absolutely nothing to do with Her Excellency, whom I hold in very high esteem. I am just talking about the process of the government.

Here is the Government of Canada advertising a job situation that is applicable only to a few Canadians. It bars everyone else. If that is not discrimination, what is? Why are we paying with the tax dollars of all Canadians for a job that is restricted for certain Canadians? If people inside this region want to apply and it is convenient for them, so be it. The job should be open to anyone. However, how can a job with a salary paid by taxpayer dollars be restricted to only certain Canadians? It boggles my mind.

● (1655)

We are in the 21st century. These are the issues that we need to debate and to talk about. This imbalance that keeps taking place eventually may become—and I hope never—the threat to our unity. We are all working hard to maintain our nation. As we all know, when we travel abroad we are all proud of the maple leaf. We are proud of what we have achieved and of what other people have achieved, including the immigrants who have come into the country, those who were born here and the first nations. We are proud of everything that has been built here, but there also comes a time to build better, and if we have seen errors, we should learn from them.

All I get from the other side is a total reluctance to change the procedure or change anything, even if it is glaringly in front of our eyes that it is wrong. That advertisement I mentioned was in front of everybody's eyes and was glaringly wrong, but who has the guts to stand up and admit it is wrong? The minister of the treasury today could not admit it was wrong or that she would look at it. She

threw the blame on some other government out there in question period, but at no time did she say that she was going to address the issue, that here is a glaring example of what is wrong. When are we going to learn? When are we going to say that we need change? When can we adapt? When can we heal?

Perhaps these members sitting over there can start pondering it and talking about it. If the people over there do not listen, members can stand up in the House of Commons and talk about it. They can talk about what their constituents are saying and represent them properly. It is not only east or west in here. I do not represent only the west. I am here as a Canadian standing in the Canadian House of Commons. I am standing here as a Canadian. Issues of Canadians are being discussed here which are applicable to all Canadians across the nation.

When we see something like that, it makes us angry. When we see the government refusing to address the issues, then we are not proud. How is it possible that the ruling party, supposedly considered one of the most successful ruling parties of our time, as its members say themselves, had to set up a task force and send it to that region of the country to see what is wrong? There was a government that did not even know why people in one half of the country were upset. Why? Because that region has a smaller population, that is why. Those government members are supposed to represent Canada and the government sets up a task force and sends it out there to figure out what is wrong.

There is something amiss. Those individuals are supposed to be in government. Do we know why there is this problem? Because it is the reluctance to change the system that has been entrenched instead of the demand for change. The government members are reluctant to change, so they cannot pick up on the currents taking place in the other regions of the country. They cannot. Their ears are closed because the system allows their ears to be closed.

They sent that committee out there, and lo and behold, it was a joke. Even the members of the committee were not from that part of the region. I do not know what happened. What happened to the committee's report? I do not have a clue as to what happened to that committee. They are still talking about it.

Of course our nation has its great potential, but its great challenge is regionalism. There are challenges and regional challenges and aspirations and regional aspirations. That does not mean that we can stand in the way here.

In conclusion, when I am talking about the Judges Act, I am talking about transparency and I am talking about accountability.

The Acting Speaker (Ms. Bakopanos): Questions and comments. The hon. member for Ancaster—Dundas—Flamborough—Aldershot.

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• (1700)

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Madam Speaker, the member seemed to be at one point in his dissertation struggling with the subject matter. I thought for a moment that I should rise and suggest that he share his time with a Liberal. I would have been happy to have a speech of my own on this subject.

If the House and the member will indulge me, I would not mind a somewhat extensive comment to the speech he just gave and a comment that I hope he will answer. I have the bill before me and it is all about numbers. It is about remuneration. Page after page we see the bill describe how much judges should be paid and all that kind of thing. It looks very important.

I say to the member opposite that we are missing an opportunity in the legislation because there is an opportunity to do something in the bill, not only for judges, but for people.

I had occasion to be in Alberta a month and a half ago trying to get a line on the case that is before the Alberta courts involving Mr. Stephen Harper and the crown. It deals with a charter challenge of the Canada Elections Act pertaining to certain aspects of third party advertising that is in the current legislation.

I was amazed to discover that I could not get court transcripts. What has happened in Alberta and many other jurisdictions is that the courts and the government have farmed out the taking of trial transcripts to private firms that record the actual verbatim testimony. A citizen, or even somebody who is a defendant at the trial, has to then purchase page by page the transcripts which can run into many thousands of pages.

What that does is make it impossible for the ordinary citizen, much less the person who is the defendant in the case, to have access to the deliberations of that particular court. This becomes very important when it is a charter challenge because something like that is of interest and of importance to every Canadian. Not only do we have to purchase it, but we cannot get it through the normal means.

I would have thought, and I would like the member to comment on this, that we in the House should be very concerned about the lack of transparency and the lack of opportunity of ordinary Canadians to know what is going on in the courts, issues that concern charter challenges, or any other case before the courts that has a wide public interest.

I would have thought that it would have been incumbent upon governments and indeed incumbent upon the courts to not only make the transcripts publicly available for free but to put them on the Internet, so Canadians can follow these very important deliberations. What I found out was that I could not gain access to the transcripts without paying for them page by page.

While I am probably a little bit more affluent than the average Canadian, at \$1,000 a shot, it was not something I was prepared to do. I point out that this is not even an expense that is covered by the House. If I want to see the transcripts, it would appear that I would have to pay for them out of my own pocket. This is a situation that I do not believe is good for the country.

I cited a case in Alberta but I believe it is the same situation in Ontario and other jurisdictions. I suggest to the member opposite that if we really want to do something that is important for the public, we should be pressuring the government to add an amendment to the bill, phrase it so that it would require courts to take transcripts of the testimony and make the transcripts available to the public, not only for free, but also available on the Internet, so that all Canadians can be engaged in the kind of important debates that occur in the courts when someone like Mr. Stephen Harper decides to challenge the crown on something like the Canada Elections Act and makes it a charter challenge.

This is something that every Canadian should be engaged in and be able to follow. The only answer to that is to make all court transcripts available to the public for free.

• (1705)

Mr. Deepak Obhrai: Madam Speaker, in my speech I asked members to talk about what their constituents want. I am happy someone took the bait.

On the issue of the member's experience in Alberta, one can relate to the fact that it was a provincial code and therefore the requirement of the province, and we are federal.

I will not speak to that issue but I will speak to the very important issue the member raised about transparency and accountability. The whole point of my speech was accountability and transparency in the bill in reference to our federal jurisdiction, which is judges and the appointment of judges.

The question that he asked was about transcripts being made available for free. That is an issue that should be visited. I agree with him that transparency is very important. In our code system transparency is something that will bring confidence. That is what we need to retain in our court system. That is something that needs to be discussed, and I am glad the member raised the point.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Madam Speaker, we have seen other judges acts over the last four years since 1998. In 1996 we saw a Judges Act, the name or number of which I am not familiar with right now, but there have been four such bills. As we go through the bill, it is all about compensation. There are probably 10 or 15 pages on annuity scheduling.

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The bill gives judges close to a 12% raise. In 1998 they had an 8.3% raise. The salaries of judges are indexed yearly. Could the member enlighten us a little more on remuneration? When we look at different sectors of criminal justice we see that in 1998 and prior the Royal Canadian Mounted Police had its wages frozen for five years. For five years the police forces had their wages frozen.

Then in March 1998 they were awarded a 3% increase, retroactive to January 1. In April they received another 1% and later on in October, three-quarters of 1%. Over the past six, seven and eight years, our police forces have seen marginal salary increases of up to 4% or 5%.

Are we seeing a higher level of concern or importance respecting the remuneration of higher levels of the public service? We have seen close to a 26% increase over the last few years when we factor in the indexing. I wonder if it is a higher level than other public sector employees are receiving. Why is it that the government seems to be paying such close attention to high level public servants when frontline police forces are seeing such nominal pay increases? Could the member enlighten us on that a little?

Mr. Deepak Obhrai: Madam Speaker, what the member is saying is that the general public pay raises are correspondingly much less than those of privileged positions in society. Lawyers and judges have access to people in power. Therefore they can articulate the need for higher wages for themselves.

As I stated, they are saying that higher wages are needed so that they are not under undue pressure. One could have used the same argument for the police, the ones upholding the law. They should be getting higher salaries so that they are not under pressure as well. That also applies to prison guards and others. The argument could be applied to ordinary Canadians working on the frontlines. I agree with my colleagues. That is why we are debating these issues and that is why the Alliance and many of us are raising them. We are not judge bashing, let me be very clear about that.

• (1710)

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Madam Speaker, it is a pleasure to speak to Bill C-12. It is a bill that is somewhat technical in nature having to do with compensation for judges.

Many of my colleagues have explained the remuneration part of the bill in terms of the issues we have with the bill. I will focus a bit on one part of that and then I will talk a bit about judicial activism. I will make reference to a creation of the bill, having to do with the ability of the government to appoint individuals, thereby having another outlet for some possible patronage jobs being created. I will also talk about some local issues happening in Dewdney—Alouette.

The bill deals with about 1,000 individuals, those who are federally appointed judges. As my colleagues from the Alliance have pointed out, there have been several increases over the last number of years for individuals serving in this important position.

At the same time there have not been the same kinds of significant increases for those law enforcement agents and guards in our prison system that are on the frontlines providing good service, protection and security for our citizens. My colleague from Wild Rose touched on this issue and my colleague from Crowfoot just asked a very good question about it. It is something that needs to be raised.

We realize that the government does not have an endless supply of dollars. It is actually taxpayer dollars held in trust by the government. The government is called upon to use those hard earned tax dollars in a wise way. We have pointed out over the last number of months and years in this place some areas where the government could do better in managing taxpayer dollars.

We have explored lots of opportunities for the government to look at its expenditures to see where it could save some dollars in wasteful spending, such as the areas having to do with the now infamous billion dollar boondoggle. We have not heard that word for a while, so I thought I would throw it in. There is also the file on Shawinigan, Shawinigan.

We have explored those areas and approximately \$13 billion is allocated from the government to grants and contributions across government departments. We have become very aware, because of what happened in human resources development, of how the money is allocated. Some work needs to be done in all government departments in terms of how they are using their resources and their dollars.

If what is happening in the area of human resources is indicative of how the government is managing the hard earned tax dollars of our citizens in all departments, there is cause for concern. There is a possible pool of taxpayer dollars held in trust by the government that could be used for law enforcement, providing the resources the RCMP needs to do the job of fighting organized crime on the frontlines.

Police officers from across the country came to speak to us this week. Officers who have been working on the frontlines in our communities told us what has been happening and how they feel limited in what they can do because of their lack of resources.

It is incumbent upon us to provide law enforcement officers with the proper compensation and the proper resources to be able to do their job properly. As has been raised by other colleagues as well, we know that those individuals the government and the police forces are fighting have an unlimited pool of capital.

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• (1715)

Our forces must be equipped to combat those kinds of activities, which cause so much harm to our communities and to the safety of our country. That is something we need to touch on here in the debate today.

Part of Bill C-12 allows for the creation of the judicial compensation and benefits commission. As I indicated in my opening remarks, this provides the government yet another opportunity to make patronage appointments.

There are a couple of appointments about which I and many of my constituents have questions. We are not saying all individuals appointed by the Liberal government fall into this category. However there needs to be a higher degree of accountability and scrutiny of individuals appointed to important positions by the government.

A former colleague in this place, Lou Sekora, the former member for Coquitlam, was recently appointed by the government. He was given a patronage position as a citizenship judge. It was a bit alarming because in the history of his dealings in the House, he often acted in a very partisan manner and resorted to name calling in regard to racial comments, comments which were recorded in *Hansard*. He even made such comments in his own community after he was defeated in the election.

Despite that, he was appointed a citizenship judge. It does not make sense that he was chosen for that job based on his prior experiences, performance or public record of having said things that were in many ways inflammatory to the issue of new citizens and immigrants. That is an example of an appointment that needed more scrutiny and that the government was remiss in making.

Many other positions could have been chosen. The government showed a lack of sensitivity in putting that individual in that position. The opportunity to scrutinize such appointments is provided for in this part of the bill.

We have had debates in the House in the last couple days about related issues having to do with the minister for multiculturalism and her circumstance. I will not go into detail on that. It is on the record and it is circulating out there.

When there is a lack of sensitivity on important issues like this, we must look at the actions and deeds rather than just the words of individuals. That is a cause of concern for us.

We are attempting to work together with members of parliament from all parties to build alliances and common ground on all kinds of issues. A committee has just been struck on parliamentary reform. That was an idea brought forward by the government

House leader and other members of parliament, and I think it was a good one. It is time for some changes.

Signalling an intention to work well with each other is a good thing. The government can demonstrate that intention through its actions. In the case of the minister for multiculturalism, the government could show its good will by taking action regarding the minister for what transpired in the last couple of days.

I will move now to the whole notion of judicial activism and how it has evolved in the last several years through the way the government has handled particular issues. There are many sensitive issues in the public domain, ones the government might hesitate in approaching when they bring forward legislation.

• (1720)

We had the supreme court decision on child pornography. We are well aware that the Alliance brought forward a motion and that about 63 government members wrote a letter to the Prime Minister asking him to use the notwithstanding clause. When that vote happened they did not support it.

The supreme court took about 18 months to rule on that decision, and we support the decision made by the court. However there was a window of 18 months where the government had an opportunity to act and did not.

During that time the government's lack of action resulted in specific activity in British Columbia and across the country that was not beneficial for children. It provided those who would be involved in the child pornography industry the opportunity to do so. It sent a message to—

Mr. Paul Szabo: Madam Speaker, I rise on a point of order. I would again raise with the Chair the issue of relevance in this place to ensure that members restrict their comments to the bill before the House. This is not a matter of debate but rather of order.

The Acting Speaker (Ms. Bakopanos): The hon. member has raised this point of order before. I did state very clearly that there is a lot of latitude given by the Chair in terms of the content of speeches. Obviously hon. members must respect the debate before the House. It is Bill C-12 we are discussing.

Mr. Grant McNally: Madam Speaker, I did outline in my opening that I wanted to talk about the issue. Obviously it is related to the bill before us. I talked about the part of the bill having to do with the Judicial Compensation and Benefits Commission that allows the government the opportunity to provide patronage appointments.

I talked briefly about judicial activism. I will wrap up my comments on that part of my speech in relation to judges and the justice system. When the bill goes forward it will go to the justice committee where it will take up a fair bit of time. We must question

Government Orders

what other issues might be brought forward by the government in relation to justice issues.

I will talk about a few issues that affect communities in my riding. Mike Potter, head of the chamber of commerce in Maple Ridge and Pitt Meadows, is bringing forth some proactive solutions to combating crime, particularly among businesses in the community that have been hit hard. That is a noble cause. He is working hard with Helen Secco, also of the chamber of commerce, to develop a strategy in which the community can come together to stop crime from happening.

Vandalism is causing a great deal of harm to local businesses in Pitt Meadows and Maple Ridge, and that is of great concern to business owners who are the backbone of the local economy.

Some of their initiatives are to be applauded. They recently had a forum in Maple Ridge regarding the issue. Those kinds of crimes are on the increase, which is unfortunate. That is why the community is looking for proactive solutions.

There is also a crime prevention priority session coming up in Mission. People in that community are getting together to try to find a way to solve issues of crime in the community. That also is to be applauded. Those citizens are coming forward to work together to address important issues of safety in their community. That is a good thing and it should be applauded.

• (1725)

I do know that in debate on the bill we have covered in great detail the compensation of judges. I started my speech on that topic. As my colleagues noted, we have concerns that the government is not putting the same priority forward with individuals of our front line law enforcement communities.

I will now conclude. I know the government House leader is hanging on my every word as time draws short in the day. This is, of course, an important issue. I will conclude by focusing on the people of Dewdney—Alouette because they are, of course, the people who sent me here. I applaud their proactive efforts to provide safety in their community. I will wrap up my comments by wishing them well in all their endeavours and saying that I look forward to working with them on those important issues.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Madam Speaker, I raised this on questions and comments a little earlier, and I wish to put on the record that the cost of the transcripts that I was referring to from the Alberta court was \$2.20 a page. I was unable to get these transcripts. I was unable to get them except by either paying the \$2.20 a page or, in my case, I was lucky enough that I could go across the road and look at the transcripts in the Department of Justice. The Department of Justice could not release the transcripts because, as they were prepared by a private firm, the private firm was entitled to, by copyright

according to the Department of Justice, to require that the transcripts could not be released.

They were in six boxes of thousands of pages apiece, and binders. The point I wish to make, regardless that this debate has to go on a little longer than perhaps intended, is that no one in the general public would be able to afford to see those transcripts. I was able to see the transcripts solely because I happen to live here in Ottawa, I happen to be a member of parliament and I was able to access them because the Department of Justice was the defendant in this particular case.

This is a trial involving a charter issue which is of concern to every Canadian. In order for an ordinary Canadian to access those transcripts, that ordinary Canadian would probably have had to pay something like \$6,000 or \$8,000.

I see the members opposite are laughing at that. They are so, so concerned about judiciary remuneration that they do not pay attention to the fact that ordinary Canadians cannot access the debates that are leading ultimately to the very judicial activism that they complain about.

I do not want to actually prolong the debate with a speech of my own, although I would be delighted to under normal circumstances. I would suggest to you, Madam Speaker, that in fact the thing that we should be really concerned about is not only making these transcripts available that are so important in criminal cases, as well as in civil cases and even in human rights tribunals, we still have to pay for the transcripts because private firms prepare them.

I would only say this. I hope that the members opposite would consider this as a very important issue that is just as important as the remuneration of judges, the public access to court transcripts, and put it indeed on the Internet just as our *Debates* are put on the Internet. I am sure the members opposite would agree that this would be a very fine thing to recommend.

Mr. Grant McNally: Madam Speaker, I heard the question earlier that the hon. member had asked. He knows that it is a provincial matter. I have individuals coming into my constituency office asking me the exact same questions. This brings to mind the same dilemma members of parliament are faced with in terms of getting information from the government.

• (1730)

The Acting Speaker (Ms. Bakopanos): It being 5.30 the House will now proceed to the consideration of private members' business as listed on today's order paper.

Hon. Don Boudria: Madam Speaker, I rise on a point of order. In an effort to be helpful to the House, I wonder if the House would consent to putting the question prior to going into private members' business.

Private Members' Business

The Acting Speaker (Ms. Bakopanos): Does the House give its consent?

Some hon. members: Agreed.

An hon. member: No.

The Acting Speaker (Ms. Bakopanos): Is the House ready for the question?

Mr. Grant McNally: Madam Speaker, I rise on a point of order. The House leader asked for unanimous consent that the question be put. If you check the record you will find that consent was not given for the motion to be put because the clock being 5.30, debate has ended.

The Acting Speaker (Ms. Bakopanos): The Chair did not hear a no when I asked for unanimous consent. I will ask for unanimous consent again. Is there unanimous consent to put the question?

Some hon. members: Agreed.

Some hon. members: No.

PRIVATE MEMBERS' BUSINESS

[English]

RIGHTS OF THE UNBORN

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance) moved:

That, in the opinion of this House, the government should bring in legislation defining a "human being" as a human fetus or embryo from the moment of conception, whether in the womb of the mother or not and whether conceived naturally or otherwise, and making any and all consequential amendments required.

He said: Madam Speaker, this is the most important issue facing Canada today. In fact, this issue is more important than anything that has been debated in the House since May 1991. Let me explain.

May of 1991 was when Bill C-43, an act respecting abortions, was debated in parliament. That was the last time there was any serious debate about the rights of the unborn in the House. That is a disgrace. For 10 years now successive governments have buried their heads in the sand on this life and death issue. I will correct myself. It is not a life and death issue, it is only a death issue.

Between 1988 and 1998, 1,021,965 unborn babies died because the government did not have the courage to deal with the issue.

Now is that time. Those one million unborn do not think this is the best country in the world to live. They never had a chance.

Bill C-43 was actually passed by the House of Commons but was defeated in the Senate by a single vote. One vote was a death sentence to how many babies? After one million have died is the senator who defeated the bill proud? After one million babies have been killed is the government proud of how effectively it killed the debate of this issue?

The unwillingness of the government to even debate the issue, to even study the issue, to even ask Canadians what they think about the issue is criminal negligence if, in fact as I contend, these one million unborn were human beings. Does the government really think it can ignore the fact that 100,000 babies are being killed every year? Does it actually think there are no consequences for its actions?

Before I get into my main remarks, I want to tell the House about a response I got to one of my access to information requests. I asked Health Canada for the documents, reports and correspondence in the department that provided evidence that abortions are medically necessary.

On March 8 Health Canada responded by saying:

I regret to inform you that after a thorough search of all likely record holdings, departmental officials have confirmed that they have no records relevant to your request.

That is amazing. More than 100,000 unborn babies lose their right to live every year and the Department of Health does not have one document that says abortions are even medically necessary.

• (1735)

If they are not medically necessary, why are we doing them? Why are taxpayers paying for them? Why is this happening?

The problem is the way we define a human being in Canadian law. Our legal definition of a human being is wrong and needs to be amended. This is the sole purpose of my motion.

Currently a human being is defined in section 223(1) of the Criminal Code of Canada as follows:

A child becomes a human being within the meaning of this Act when it has completely proceeded, in a living state, from the body of its mother, whether or not

- (a) it has breathed,
- (b) it has independent circulation, or
- (c) the navel string is severed.

Motion No. 228 which I put forward today states:

That, in the opinion of this House, the government should bring in legislation defining a "human being" as a human fetus or embryo from the moment of conception, whether in the womb of the mother or not and whether conceived naturally or otherwise, and making any and all consequential amendments required.

Private Members' Business

The United Nations Convention on the Rights of the Child, which Canada signed, states:

—the child, by reason of his physical and mental immaturity, needs special safeguards and care, including appropriate legal protection, before as well as after birth.

In Canadian law there simply is no protection for a child before birth. The Government of Canada cannot discharge its legal obligations under this international agreement, an agreement the federal government and 10 provinces have ratified, unless and until it changes the definition of a human being.

Prior to 1969, all abortions were illegal. From 1969 to 1988, Canada had a law in our criminal code that provided for an abortion only when a therapeutic abortion committee of three doctors agreed that the continuation of a pregnancy would cause harm to the life or health of the mother. The word health was not defined or limited.

In 1988 the supreme court struck down the 1969 abortion law as unconstitutional. The supreme court ruling, commonly referred to as the Morgentaler decision, provided constitutional parameters for a new abortion law.

Based on the instructions from the supreme court justices, in 1990 the government of the day introduced, debated and passed Bill C-43 in the House of Commons. As I mentioned, Bill C-43 was defeated by one vote in the Senate. Since that time the government has not restricted abortions in any way and the unborn have been without any rights. Since then more than one million babies have been aborted while politicians were hoping the issue would just go away.

In 1988 the supreme court said that this is an issue best left to parliament. I say it is time for parliament to assume its responsibility. Many key moral and legal issues such as reproductive technologies, rights of the unborn and a mother's duty of care for her unborn, all hinge on when the law says a child becomes a human being.

Today's definition is unacceptable in my mind. It is debatable in the minds of most people. It is time the debate began. How we define a human being is the place to begin this entire debate. That is why I have introduced this motion.

Since introducing the motion, I have been asked some important questions like why I am trying to ban abortions. While that would be my personal preference, my motion would only ban abortions if the legislation I am asking the government to draft bans them. The more likely consequence of my motion would be that parliament would determine at what point during a pregnancy an unborn human being has rights.

I have also been asked why I am bringing in this motion. Because the current definition of a human being in the criminal code is scientifically incorrect. A baby has to emerge completely from the birth canal before it becomes a human being.

• (1740)

It is obvious to everyone that a baby is a human being before it is born. It is a proven law of science that like things beget like things. Dogs have dogs, cats have cats and people produce people.

I have also been asked about a woman's right to her own body and if my motion is passed whose rights would come first, the child's or the woman's.

I agree that everyone has a right to their own body, until it interferes with the rights of someone else's own body. The problem is that under the Canadian law, the human being growing inside the woman has no rights until he or she has fully emerged from the birth canal. I maintain that at some point during the pregnancy the unborn baby's rights are equal to the woman's rights. Even the United Nations agrees that every unborn child has rights. These rights need the protection of the Government of Canada.

My motion would start a debate in parliament, and in the public, to determine at what point during the pregnancy does the helpless, unborn child deserve protection under Canadian law.

A month ago I had the pleasure to meet and listen to Scott Klusendorf. Scott is a director of bio-ethics for Stand to Reason from San Pedro, California. I was impressed by the simplicity of his approach and his direct hard hitting message. I appreciated his taking the time to meet with the pro-life caucus and with our staff. I thank him for the printed materials he shared with us, some of which I have used in preparing for this debate.

The question we must answer is "Can we kill the unborn?" The answer is "Yes, we can kill the unborn if it is not a human being". How many have watched a video of what actually happens to a baby during an abortion? After watching any video that depicts the truth, no one can doubt what is being killed is a human being.

When MPs opposite support abortion, they are going against what Canadians would think Liberals normally stand for. Liberals normally pride themselves as defenders of the weakest members of society. Who could be weaker and more defenceless than an unborn baby?

Liberals normally pride themselves in not discriminating against anyone, and I use small / there, but every year they are discriminating against more than 100,000 unborn babies and defending every adult mother's right to kill the baby in her womb, for any reason or for no reason, up to the very moment the baby fully emerges from the birth canal.

During the election, the Liberals attacked pro-life policies and any politician who holds these views. However, who should really be attacked? The Liberals because they approve of killing more

than 100,000 unborn babies or me because I want to save the lives of many of these poor, defenceless, unborn babies as possible.

What is so wrong with trying to save as many little unborn babies as we can? What is so wrong with trying to get a real debate in the House about saving these babies' lives? What are we so afraid of? What is the government afraid of?

We are not the scary ones. We are the ones who think the unborn have some rights. The government thinks the unborn has no rights. We are the ones who want to save these babies.

Why do we have a law that allows the killing of a little unborn baby, even when they are eight or nine weeks old? It is like unborn babies are not people. From conception to birth, the unborn are not technically people so it is okay to murder them. However, the moment they emerge from the birth canal, it is a crime to murder them. Where is the sense in that?

Remember when the law did not consider slaves to be people? They were property. Their cries were heard. Liberals agreed this was wrong and the law was changed.

Remember when the law did not consider women to be persons and denied them the vote? Their cries were heard. Liberals agreed this was wrong and the law was changed.

Remember when aboriginal people and Chinese immigrants were not considered people? Their cries were heard. Liberals agreed this was wrong and the law was changed.

● (1745)

It is time we recognize the fact that the unborn are people. It is time someone heard their cries. Their cry is not a silent cry. It is a silent scream. It is time the law was changed. It will take a lot more than one hour of parliament to provide some small measure of justice in the defence of the rights of the unborn. In a moment I will be asking for consent to go beyond that.

Abortion has been defined as the strong and independent exploiting the weak and defenceless. Here we stand, the strong and the independent. We are the only hope for the weak and the defenceless in Canadian society. There is no one weaker and no one more defenceless than an unborn baby. Anti-life activists challenge us by asking why we are forcing our morality on them. I say to them that their morality is being forced on me. When I cannot stand up for what I believe, is that right?

Anti-life activists approve of killing the most weak and defenceless human beings. I am trying to save them. Who is standing on the high moral ground? Abortion is not a complex issue. It involves the honesty of answering one simple question. What is the unborn? That is what I would like parliament to debate. That is what we are here for today.

Madam Speaker, could I request unanimous consent to make the motion that I have before the House votable?

Private Members' Business

The Acting Speaker (Ms. Bakopanos): Does the hon. member have unanimous consent?

Some hon. members: Agreed.

An hon. member: No.

Mr. John Duncan: Madam Speaker, I rise on a point of order. If someone denies unanimous consent, does he or does he not have to be in his seat when he does so? The individual who denied unanimous consent was not in his seat.

The Acting Speaker (Ms. Bakopanos): I will tell the hon. member and the House that I did hear a no. I did not look over to see if the hon. member was sitting in his seat, but I believe the no came from the parliamentary secretary, who was in his seat.

[*Translation*]

Ms. Diane Bourgeois: I said no, Madam Speaker.

The Acting Speaker (Ms. Bakopanos): The hon. member said no as well. Because she did not understand the question in English, I repeated it, and she has already said no.

Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, the concerns that motivated the member for Yorkton—Melville to introduce this motion in the House are entirely respectable. They are very important and deserve serious examination.

I wish to take this opportunity to emphasize a few important considerations which are relevant to this motion.

[*English*]

As the House will appreciate, the views of Canadians diverge significantly on the important issues suggested in the motion. Achieving a consensus is indeed a challenge.

The Government of Canada has been visible in laying the research groundwork necessary to support an informed policy debate on the multitude of issues implied in the motion. There are moral, social, economic and legal implications on health and research, as well as repercussions for the general public, that must be fully explored.

Through its three federal research funding agencies, the Government of Canada seeks to support and promote a framework for conducting ethically sound research.

[*Translation*]

More recently, the Supreme Court of Canada handed down its decision in *Dobson v Dobson*. This was a case involving a fetus which had sustained injuries as a result of a car accident in which a pregnant woman died.

Private Members' Business

What did the Supreme Court of Canada say? It said that it was up to the provincial legislature rather than the courts to find a solution to these questions, given the limitations imposed by the charter.

All the research done by scientists and researchers, funded through Canada's health research institutes, the Natural Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council is reviewed according to the standards contained in the tri-council policy statement on ethical conduct for research involving humans.

• (1750)

[English]

In 1998, these three federal research councils developed a joint policy statement for research involving humans. The statement replaces the separate policies that have been in place since the seventies and ensures a co-ordinated approach to all federal funding initiatives in terms of ethical standards.

It is interesting to point out that with its launch in September 1998, Canada became the very first country to produce a comprehensive ethical policy statement for research involving humans in all academic disciplines. The councils believe that sensitive and thoughtful implementation of this policy statement benefits researchers, their institutions and their subject ensuring ethically sound research.

[Translation]

For example, the section of the policy statement dealing with research using gametes, zygotes, embryos and fetuses emphasizes how very central respect for human dignity remains in any ethical, political or social debate.

[English]

The policy statement adheres to the internationally held standard that no research involving human subjects should be started without prior review and approval by a properly constituted and functioning research ethics board.

It requires that research ethic boards be established in institutions where the research is conducted and to contain expertise in the areas being studied: ethical expertise, wider academic representation, community representation and in most cases legal expertise.

[Translation]

The tri-council policy statement is also an evolving document. Given the complexity of the considerations surrounding the ethics of research involving humans, the federal research agency releases regular updates to the tri-council policy statement and is open to any comments or discussions at any time.

[English]

We in Canada are lucky to have outstanding scientists and researchers. As Dr. Alan Bernstein, president of the Canadian Institute of Health Research, recently pointed out:

With the right structure, the right vision and the right resources, there's no doubt we can more than play our fair share in this exciting revolution in health research in the 21st century.

[Translation]

This revolution in health research must incorporate ethical standards which will reflect in our policies and programs the values with which we are comfortable in this country.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Madam Speaker, today's debate revolves around three points: first, the recognition of a fetus or embryo as a human being; second, the fact that it can be conceived naturally or otherwise, in the womb of the mother or not; and third, if the motion is agreed to, the resulting legislation ought to provide that "any and all consequential amendments required" shall be made. This would involve discussions on abortion and the regulation of embryo or fetal tissue use for research purposes.

Despite all the respect I have for my colleague from Yorkton—Melville, it must be acknowledged that this bill is treacherous, deceitful and misleading.

First, it refers to new reproductive technologies on which this House has not yet been informed.

This bill has links to previous discussions held in past parliaments on which we have already reached conclusions. The subject matters are admittedly closely linked. A person is either for or against abortion, for or against recognition of the fetus as a human being.

Given the situation, I venture to believe that colleagues here will agree that such a bill would be unacceptable and will act accordingly. As Bloc Québécois critic for the status of women, however, I must present the position of a heavy majority of Canadian and Quebec women on the two components of this issue.

• (1755)

There are two radically different and opposed concepts involved in this debate. While some defend the right of everyone to choose life, their opponents see but one thing: life at all cost.

The argument for the embryo being considered a person from the moment of conception is that when the nuclei are fused the entire program for the development of that being until death has been set. Yet the celebrated physician and theologian Alberto Bondolfi, after thorough examination of the question, stated that while a fetus is

neither a thing nor a tissue, it cannot however be treated as a human person from the time of birth.

Nor must we deliberately ignore the definitive caesura of birth, what Hans Saner called the fundamental shift in worlds.

We must recall that up until birth the embryo is not an independent being. Most philosophers, ethicists, theologians, men and women, Catholics and non-Catholics make a fundamental distinction between prenatal life and the being after birth.

Furthermore, neither the Canadian constitution nor international conventions confer on an embryo the right to life. Here in Canada there is even a fairly major controversy over the extent of the federal government's jurisdiction in this regard.

During the 33rd Parliament, the government introduced a motion for debate and a vote in order to obtain the advice of parliament on the wording of new legislation concerning the recognition of the fetus as a human being and the criminalization of abortion. This motion was not passed and, of note, no female MPs voted in favour of the motion.

In 1988, Canada gave the woman in question the fundamental right protected by the constitution to make a free and independent decision. Various private member's bills to restrict access to abortion were introduced during the 34th and 35th parliaments, but none made it past second reading.

One could also talk about the policy stands taken by governments of other countries in favour of freedom of choice. Even the European Commission of Human Rights pointed out that the expression "any person" in its second article, which guarantees the right to life, does not apply to an unborn child.

Abortion and birth control practices date back to the earliest civilizations. Even today a number of traditional societies use plants that cause sterility or abortions for birth control.

But it was in the middle ages that abortion was considered criminal. Assemblies of bishops—men—condemned it in a number of decrees. I would point out to members that today's proposal is being advanced by men. History makes abundant mention of the fact that attitudes toward abortion were influenced by religious beliefs, customs and attitudes toward women and the family.

Despite religious bans, women continued to use plants that cause sterility, turning to charlatans of the day or to witchcraft in order to have an abortion at the risk of their life.

Today, in these so-called modern times, religious considerations continue to surround the debate on abortion. However, in the Bible the Christian message does not mention it. What may be understood from the Bible is that each woman is free to choose independently and according to her own conscience.

Private Members' Business

In the New Testament, Luke reports the sentence Jesus said "Woe unto you also, ye lawyers. For ye lade men with burdens grievous to be borne, and ye yourselves touch not the burdens with one of your fingers".

• (1800)

This brings me to a discussion of the fundamental rights of women. The decision to have a child or not is no light matter. It is one of the weightiest decisions to be made in the life of a woman. It is for her and her alone to choose in full knowledge of the facts to end a pregnancy.

Who are we to intervene in such a personal decision? To prevent a woman from ending a pregnancy obliges her to bear a child and this obligation is contrary to the fundamental rights of women. Is it up to us to rule behaviour and conscience by imposing our concept of life?

A woman has a right to life, health, physical integrity, freedom of conscience, moral independence, the right to make her own decisions and to choose motherhood freely, a right recognized fundamentally the world over.

To decide against having a child is also to decide for something: one's own life and the life of one's family, to procreate later, when the woman is able in more favourable conditions. It is a responsible decision that considers the impact of one's own choices. And it is not wrong to do that.

To truly protect life is first and foremost to protect the life aspirations and perspectives of women. It is to prevent undesired pregnancies and to ensure that every child is wanted. It is to create conditions through appropriate social policy so that motherhood may be lived in full awareness and in joy.

Is the hon. member aware only of the responsibilities a woman faces when she is pregnant and when she has a child to raise?

Pregnancy is not just about reproduction; it is about the ability to have access to appropriate clinical services; it is about access to information and assistance; it is about parenting skills; it is about being able to raise a child without living in abject poverty; it is about the availability of services that will ensure both mother and child quality of life.

Why is the hon. member not calling for free and universally accessible health and social services? Why is he not calling for measures against poverty as it involves women? Why is he not calling for social housing? Why is he not calling for legislation that would force men to pay child support and shoulder their responsibilities? With the one and a half million children living in poverty, without three meals a day, why is he not calling for the House to legislate on that? And I could go on and on in this vein.

Private Members' Business

We in the Bloc Québécois are of the opinion that defining a human being as a fetus and making consequential amendments will initiate a debate that will take us back to the middle ages.

Fortunately, public opinion has changed a good deal over the past 30 years on this issue. I can only hope that my parliamentary colleagues will become aware of this reality and act accordingly.

[English]

Mr. Tom Wappel (Scarborough Southwest, Lib.): Madam Speaker, I appreciate the opportunity to speak on the motion. For those who might be following the debate on television, let us be clear that this is a motion, not a bill. Before I begin my remarks I will reread the motion for the record and then comment on the remarks of the three previous speakers.

The motion is fairly simple and yet extremely complex:

That, in the opinion of this House, the government should bring in legislation defining a "human being" as a human fetus or embryo from the moment of conception, whether in the womb of the mother or not and whether conceived naturally or otherwise, and making any and all consequential amendments required.

First of all, I wish to commend the hon. member who moved the motion for doing just that. I wish to commend him as well on his concise and correct history of this issue in Canada.

I want to remind the people who have spoken and people who are watching that this is not some esoteric topic that we are trying to impose here. There already is, as the hon. member for Yorkton—Melville pointed out, a definition of human being. It is already in the criminal code.

• (1805)

The issue is this: are we as Canadians comfortable with the definition that is already there, or should we, based on whatever considerations we believe to be correct, amend that definition? We are not going back to the middle ages by reviewing the question, which is already in the criminal code. The question is simple. First, where does human life begin, and second, where does society wish to protect human life?

We already know that society at least wishes to protect human life from the time stated in the criminal code, and that is, as we have heard, when the child exits the womb, whether breathing or not. The question now is do we wish to extend that protection backward, or shall we say forward, to the development of the child? That is, in my opinion, a reasonable question to ask. That is all we are doing. That is all this motion is trying to do. It is trying to bring this issue to the forefront.

The parliamentary secretary, in his remarks, which I found to be respectful, recognized the importance of some of the comments

that were made by the mover. I do not want to be completely complimentary of the mover of the motion because I do not think this matter should be dealt with in a partisan way. I do not think this matter should be debated by pointing fingers to this side of the House and saying what this side of the House does and what they do not do over there, or anything like that. This is a bigger issue than a political issue. This is an issue of life and death and should not be discussed on a partisan basis.

I will remind listeners that the votes and the bills talked about by the mover were brought forward by a Conservative government. The votes were free, except for cabinet ministers, and people voted for or against the legislation for a variety of reasons.

To educate the member from the Bloc Québécois, I can tell her that there were women on this side of the House who voted against the legislation, not because it so-called offended the rights of women, but because it did not go far enough to protect the unborn child. Of course she was not here at that time so she might not know. I was.

I found it interesting when the member from the Bloc Québécois said that this matter had been dealt with and therefore we should not deal with it again. It is a very interesting philosophy from a party dedicated to the breaking up of the country. That matter has been dealt with. There was a referendum. What legitimacy does that person have to sit in the House and attempt to break up the country when the matter has been dealt with? We cannot have it both ways. If a matter has been dealt with, fine, then it has been dealt with, but we cannot pick and choose which matters have been dealt with and which matters have not.

I am a lawyer. I do not know if the Bloc member is, but in my view she misstated the holding of the Supreme Court of Canada. It was correctly stated that the Supreme Court of Canada found that there were technical reasons why the law that was in place was not in accordance with the constitution and it did turn the ball back to the Parliament of Canada to do whatever it wished to do in order to correct that. There is no legal right to abortion in this country, according to the Supreme Court of Canada. That is a misstatement of the Morgentaler decision.

She also mentioned the Bible. I was not going to mention the Bible because as soon as one does that, one imposes one's views. However, the member opposite mentioned the Bible. I would just like to remind her about a little story in the Bible which I am sure she is familiar with. When Mary, who was going to become the mother of Jesus, visited her cousin Elizabeth, who was carrying John the Baptist, the baby leapt in her womb, says the Bible, in anticipation of the great joy of Jesus being born. The Bible uses those words, the baby leapt in her womb. Not the fetus, not the zygote, not the embryo, but the baby leapt in her womb for joy. That is from the New Testament.

I do not want to talk about the New Testament. I want to talk about the motion. The parliamentary secretary said there is no consensus in Canada on the issue of abortion. I do not want to talk necessarily about abortion. I want to talk about the definition of human being. Of course abortion is one of the consequences, as the hon. member from the Bloc Québécois correctly stated.

• (1810)

There are a number of consequences that flow from this motion. One of them is, what is the definition of human being? There is no consensus on that issue, as we have already heard in the debate, but does that mean there is no truth? There was no consensus that the earth was round. In fact I would say that the majority of people thought at one time that the earth was flat. Did that make the earth flat? No.

At one time the majority of people around the world felt it was perfectly reasonable to have slaves. Even the Bible mentions it. It is mentioned in the laws of Moses as to what the Hebrews are to do with their slaves. At one time slavery was considered to be perfectly acceptable and in some countries it still is. Does that make it perfectly acceptable? No.

The truth is that slavery is wrong and the truth is that the earth is round, no matter how many people say that slavery is acceptable and no matter how many people say the earth is flat.

Is what is inside the womb a human being? That cannot be decided by consensus. It is either a truth or it is not. Let us look at that.

As was mentioned by the previous speaker, we have a law of science. It is undisputed. It is the law of biogenesis. It is very simple and very logical and it cannot be argued, that is, like begets like, period, full stop. Two hamsters cannot produce a frog. Two dogs cannot produce a cat. Two humans cannot produce anything other than a human. That is simply a fact.

Once a fertilized egg has been conceived by the act of procreation of two humans, that is the commencement of human life according to the law of biogenesis. If that is the commencement of human life, does that life need protection? Let us look at it philosophically.

We are talking about human rights and protecting against discrimination, but we cannot talk about the discrimination that the unborn child has. It has no rights. It has an absolute impossibility of protecting itself from a decision that another person makes about its very right to breathe.

Do you not find it interesting, Madam Speaker, that on the one hand it is perfectly acceptable and legal in Canada at the present time to kill an unborn child at any point of its development, right

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up until it comes out of the womb, yet on the other hand we are wringing our hands about the ethics of experimentation on zygotes?

Where is the logic in that? How can it be logical to permit a third trimester abortion at eight months without blinking our eyes and wring our hands about whether or not a fertilized egg is going to be flushed down a scientist's drain?

Let us start thinking about the realities of what we are talking about. Do we discriminate on the basis of size? No. Therefore we should not discriminate on the basis of the size of the fetus. Do we discriminate on the basis of level of development? No. If someone has a lower IQ than someone else we do not discriminate. Therefore, why do we discriminate because the unborn child has a lesser level? It is the same with its environment and degree of dependency.

This is an issue of fundamental human rights. The issue should be discussed in parliament. All of the views should be aired and decisions should be made. We should not be afraid of discussing the issue. I commend the hon. member for bringing it forward.

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Madam Speaker, I too commend my colleague from Yorkton—Melville for bringing this motion forward.

It has of course been a topic where there are deep feelings on both sides of the abortion issue. The motion specifically talks about the government bringing in legislation defining a human being as a human fetus or embryo from the moment of conception, whether in the womb of the mother or not, and whether conceived naturally or otherwise, and making any and all consequential amendments required.

I want to state my unequivocal and unqualified support for the motion and be very clear about that.

• (1815)

I want to take a minute or two to rebut the comments made by my colleague from the Bloc. The member for Scarborough Southwest spent some time on that as well so I will not go into great detail, but he made a good point when he said that her argument was logically inconsistent in regard to the separation issue being dealt with and that we should just leave it alone. She claimed that because the abortion issue, in her mind, has been settled and closed, we should not go there. That is logically inconsistent.

She also claimed that the opposition to this particular idea of redefining what is a human or the definition of a person is, in and of itself, one that is religious in its nature. I would disagree with that. I would say that it is a moral issue and one where individuals, who are both religious and non-religious but who are what we might

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call, absolutists who believe in right and wrong, would find broad agreement. Those who would say that abortion is wrong would be absolutists and I would include myself as an absolutist. I therefore reject the premise of her argument that it is simply a religious argument for those who speak against abortion.

A very big dilemma in this whole issue of abortion has to do with the definition of a human being. My colleagues have talked about the legal definition. It is in statute right now that a human is a human when the person leaves the birth canal. That creates a dilemma for many of us specifically because of the technology and advancement within our world in terms of medical sciences.

We know that in one room we may have a doctor performing microsurgery with the latest technology to save the life of what some may call a fetus, an unborn child who might be six months in its development, while in the very next room we might have somebody else in a very similar situation having the termination of a pregnancy or an abortion. That is a big dilemma. How do we explain that? How do we deal with that?

On the one hand, we are seeing medical dollars allocated to saving the life of an unborn child through microsurgery and, on the other hand, in the next room a child is being aborted. That has been a great dilemma for people who are both pro-choice and pro-life.

We could have agreement from many pro-choice individuals and pro-life people, people who would identify themselves as such, that in terms of partial birth abortions, or late term abortions, that we should look at redefining the definition of a human. We must scale it back, or as my colleague says, scale it forward.

The debate is, when does life begin. I believe life begins at conception. Many members in this place believe that. That is the fundamental question, the philosophical debate that we have around the issue. It does get very emotional.

We would do well to try and strip away as best we can those emotional catch phrases, in many ways similar to the kinds of partisan debates that can take place in the House on many different issues. We must remove that aspect in the debate and have reasoned debate taking into account the technologies that are available and that our understanding has changed from when this practice of abortion became commonplace in the sixties and throughout the seventies. We must re-examine the question and it is only fair that we re-examine it.

Yes, it has been dealt with previously, but does that mean that because we have made a decision on something, we cannot go back and open it up?

My Bloc colleague also said she was speaking for her party. I think that was a mistake because I know she has colleagues that would identify themselves as pro-life. This being private members' business, it is good for members to state their positions. We have

individuals in our caucus that are both pro-life and pro-choice, and I think that would be the case for all parties. We should talk about the issue and open up the debate.

● (1820)

As a man, individuals have asked me why I feel I have the right to even speak on this particular issue. As a man, I am also the husband of a wife. There are a lot of women in my life but just one wife whom I love dearly. I am the father of three beautiful daughters, the uncle of eight beautiful nieces and the son to a mother. I have many other close friends who are women.

I have two very close friends who had abortions earlier on in their lives. They have reflected many years later on that experience. One was put in the position of being with an abusive husband who forced her to go through with this particular act, and she did. The second time she became pregnant, she was being forced to do again. However, she left her husband and gave birth to a son. There are countless stories of individuals who have been put in that situation.

Another friend had an abortion at a very young age. She told me she wished she had received counsel on this particular issue before embarking on this choice.

There are other solutions and other things that we can look at. Some say it is wrong to force a woman to remain pregnant. There is another possible solution for those women who find themselves in an unfortunate circumstance, and that is adoption. Abortion is one possible solution but so is adoption. I have many friends who are adopted.

We are losing generations of children every year. There are 100,000 children a year who will not walk with us in this world, who will not be able to contribute to our society and who will not be the doctors, the lawyers, the scholars, the workers and the people across the strata of our society. That is an issue we need to examine.

When we make a decision to end a child's life, are we making a decision to end the life of someone who might have a great and profound impact on our society? Each and every life is important. Each and every life will have a profound impact the child's family of course but also within a greater sphere as well in their lives.

I wrap up my comments by saying that I support the motion. We need to approach this topic in a reasoned and rational way. We need to bring forward the knowledge that we received from the great science and technology advancements in our society. We need to work together, even individuals who disagree on this particular topic. We should look for some common ground. We can start by redefining life at an earlier stage. I think pro-life and pro-choice people would have a broad consensus on the issue of partial birth abortion.

It is a worthwhile motion. It is one that is emotional but it is worthwhile because it is the definition of life, which is the most important question in all of our entire lives.

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, I congratulate the member on bringing the issue before the House. I believe that life begins at conception and ends at natural death. That is precisely what the intent was of the motion before the House.

One of the issues I worked on in the House was fetal alcohol syndrome which relates to the consumption of alcohol during pregnancy and leads to very serious problems. The House might be interested to know that a number of jurisdictions in the United States have laws where chronic or irresponsible drinking during pregnancy is now considered a criminal offence and is equal to or equivalent to child abuse. That was very interesting because it was the first time I heard of the rights of the unborn being protected.

● (1825)

It shows the House and all members that things are changing. Things do change. Science is changing. We can operate on unborn children, examine them, do all kinds of microsurgery, et cetera. All of a sudden we need to start thinking about fundamentals, about what the difference is. The member from Scarborough says size, the degree of independence and the level of development can be different in and outside the womb.

Nothing really changes. That convention was established a long time ago and I suspect it will be debated for a long time to come. However I lend my support to the member's motion because I believe it is an important issue for all Canadians to consider, to have input into and to understand. Children, as one can imagine, are celebrated every day in the world, even unborn children. All one needs to do is go to a baby shower and ask what everyone is celebrating.

Mr. Garry Breitkreuz: Madam Speaker, I thank all hon. members who have spoken in support of my motion. I appreciate that. I thank them for putting politics aside and standing for what is right. Some who have spoken are more eloquent than I on this issue.

The question I have asked is: What is the unborn? I have talked about the abortion issue and will continue to do so because it is one of the key consequences of my motion. I will briefly reply to some of the people who oppose the motion.

Anti-life advocates or those who oppose the motion say that abortion is a private matter. The response to that is we do not allow

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child abuse if it is done in private. Those who oppose the motion will say that many poor women cannot afford to raise another child. The answer is obvious: We do not kill people just because it is too expensive to care for them.

Those who oppose the motion say killing a fetus is not the same as killing a person. The response is that it comes down to a simple question: What is the unborn? By the way, Madam Speaker, did you know that the word fetus means little one?

Opponents to the motion will ask whether we think a woman should be forced to bring an unwanted child into the world. The response is obvious: The homeless around us are unwanted, but we do not kill them. If the unborn are human beings they deserve the same protection as other human beings. In Canada they do not have that protection. We are one of the few countries that does not provide it.

For the government to defend its current stand supporting abortion, it must offer a better definition of a human being than currently exists in the criminal code. I ask that they produce evidence that the unborn are not human.

If people could produce evidence that the unborn are not human, I suspect that the people supporting the motion and I would walk away from the debate immediately. Some will respond by saying that no one can prove whether the unborn are human so we will keep killing them anyway. We cannot accept that. What if the criminal code is wrong? What if we are killing human beings when we kill a fetus? Is the question not worthy of a full debate in the House?

I will offer three scientific reasons as to why an unborn child is a human being. First, the unborn is genetically distinct from its parents. It is not just a part of the woman. Second, the unborn has human parents and human parents can only produce human offspring. Third, the unborn is genetically complete. It is a self-integrating organism.

In a paper presented to the 1978 meeting of the Association of Planned Parenthood Physicians in San Diego, California, abortionist Dr. Warren Hern, in describing the abortion procedure, said:

The sensations of dismemberment flow through the forceps like an electric current.

● (1830)

An unborn child differs from a newborn child in only four ways: It is smaller; it is not as well developed; it is located inside its mother; and it is more dependent. Those are the only differences. The evidence is clear that the unborn are human beings. They deserve protection. After 10 years of not debating the issue and not talking about it in the House, they deserve a fair hearing.

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In conclusion, we could probably all reach a decision. We need to talk about the issue. I think people on both sides of the debate would agree that what we have in the criminal code is not enough. There must be some point at which we can agree that pre-born children must have protection.

Because I think the debate should continue, I respectfully request the House to refer the motion to the Standing Committee on Justice and Human Rights so that parliament can hear what Canadians think. The committee can hear from scientists and from people on both sides.

I ask for the unanimous consent of the House for that to be done on the issue at some point. When the government feels it is appropriate, this should be discussed by the justice committee. I

hope this has been enough of an indication that we need to further debate the issue.

The Acting Speaker (Ms. Bakopanos): Does the hon. member have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Bakopanos): The time provided for the consideration of private members' business has now expired. As the motion has not been designated a votable item, the order is dropped from the order paper.

It being 6.32 p.m. the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.32 p.m.)

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