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OFFICIAL REPORT
(HANSARD)

**Tuesday, April 3, 2001
(Part A)**

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, April 3, 2001

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to the standing orders, I have the honour to table, in both official languages, the government's response to two petitions.

* * *

ALL-NUMERIC DATES ACT

Mr. Peter Adams (Peterborough, Lib.) moved for leave to introduce Bill C-327, an act to establish a national standard for the representation of dates in all-numeric form.

He said: Mr. Speaker, I am very pleased to re-introduce the bill. It is very simple. It is directed to Industry Canada so I am pleased that the minister is here.

The bill proposes that we move toward a national standard for dates, all-numeric dates, to avoid confusion, particularly in this computer age.

The system that I suggest, and the one supported by the International Organization for Standardization, is that the order be year, month and day. Today, for example, is 01/04/03. If we all kept to this standard there would be no confusion in our hydro bills, natural gas bills, or on our driver's licence.

I am pleased to propose this bill, which is particularly important in the computer age.

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

PETITIONS

FREE TRADE

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very pleased, pursuant to Standing Order 36, to table a hefty document signed by many concerned Canadians who are worried about the possible negative impacts of the free trade area of the Americas agreement. These people are demanding the right to see the full text that the Canadian government is negotiating with the other 34 countries.

They also state specifically that 5,000 copies should be made available in each language and circulated widely across the country, and that the total document should be published on the Internet.

GOVERNMENT ORDERS

• (1010)

[*English*]

SUPPLY

ALLOTTED DAY—INDEPENDENT JUDICIAL INQUIRY

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance) moved:

That this House call for the establishment of an independent judicial inquiry to determine if the Prime Minister is in breach of conflict of interest rules regarding his involvement with the Grand-Mère Golf Club and the Grand-Mère Inn; and that the inquiry should have broad terms of reference with the power to subpoena all relevant documents and witnesses.

He said: Mr. Speaker, I would like to indicate that I will be splitting my time with the member for South Surrey—White Rock—Langley.

I rise today on this supply day motion that the House call for an independent judicial inquiry into the various business dealings of the Prime Minister that unfortunately have come to be known, in a negative light, as Shawinigate.

Specifically, we want the inquiry to examine whether the Prime Minister was in a direct conflict of interest when he lobbied crown

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agencies for money on the hotel he once co-owned and located next door to a golf course in which he had a financial interest.

[*Translation*]

For several weeks the Liberal government has been saying in this House that we need to move on from Shawinigate and to start debating real issues.

Today, the motion of the official opposition offers the government and the Prime Minister the opportunity to get out of the mess they are in and to take Shawinigate out of the hands of the politicians and put it into the hands of an independent judicial inquiry.

[*English*]

We offer the opportunity to get this out of the hands of politicians and move it into the hands of an independent inquiry.

The Prime Minister has no one but himself to blame for the issue dragging on for the last two years. Had there been full disclosure from the beginning, we would not be here today over two years later calling for a judicial inquiry to finally and fully determine all the facts.

For two years the Shawinigate scandal has been the background noise of Canadian politics. For two years we have been faithfully holding the government to account on this issue.

While the government has continued to go on as if it is business as usual, in its usual "Don't worry, be happy" fashion, every once in a while Shawinigate has popped up like a toothache that has never been treated. It just gets worse and worse. We are proposing a root canal. We want this to go to an independent public inquiry.

More and more Canadians are focusing on this issue every day. At first, with all the stories of numbered companies, financial transactions and secret shareholders, it seemed complicated. However, it really comes down to a simple principle: The Prime Minister pressured a crown corporation to give hundreds of thousands of dollars, \$615,000 to be exact, to the hotel next to the golf course in which he had a financial interest.

Those things are very clear. The Prime Minister appears to have used his office to secure his own financial position and that is wrong.

[*Translation*]

Worse still, the Prime Minister has attempted to cover up the whole affair. The official opposition has been asking questions for two years without any satisfactory answers. His staff and even his cabinet seem to have tried to mislead us in order to cover up for their boss.

The Prime Minister himself has made certain statements that proved later to be false. Shawinigate is all this; not just a bank president, a numbered company, or a legal agreement. It is above

all a Prime Minister who appears to be abusing of the powers of his position and then wants to see us put an end to the whole affair.

• (1015)

[*English*]

It is unacceptable. I have been saddened, the people in the Chamber have been saddened and I believe the people of Canada have been saddened to see the highest elected office in the land treated with such disrespect and misused in this way.

It is important that we consider some of the many contradictions we have heard from the Prime Minister and his defenders on this file.

First, the Prime Minister said that all of his assets were placed in a blind trust. He said that very clearly. In his public declaration of declarable assets dated March 1, 1994 the Prime Minister declared:

I declare that I hold a third of the shares of J&AC Consultants Inc., a private company managed by a third party who is not dependent on me and without a right of regard on my part.

Those are the legal words for a blind trust. The only regard of which he does not have any is his disregard to the Canadian people.

It was J&AC Consultants that owned the shares in the Grand-Mère golf club. J&AC Consultants was still owed \$300,000 from Mr. Jonas Prince after the supposed sale of the shares in November 1993.

The Prime Minister said in the House on March 23, 1999 "I put all my assets in the trust. It is a blind trust. I did exactly that so I would not have to reply to that type of question". He did not want to reply to the question, that is for sure. We know now that his blind trust had peripheral vision.

We know from the ethics counsellor that the Prime Minister and his lawyer acting as an agent were actively involved in trying to find new buyers for his shares, shares which the Prime Minister supposedly did not own after November 1, 1993. That is what he tried to tell us.

At the same time the Prime Minister was lobbying for money from the Business Development Bank of Canada and meeting with immigrant investors, some of whom were being investigated for criminal reasons, while the Prime Minister's staff was pushing for HRDC grants, all to help the neighbouring Auberge Grand-Mère.

Second, we have the contradictions over the ownership of the shares themselves. The Prime Minister claimed repeatedly that he sold the shares in the golf club on November 1, 1993. Now we know that the supposed buyer of those shares, Mr. Jonas Prince, in his own words, never considered himself or considered the flimsy back of a napkin note on which the supposed sale was written to be a purchase. It was simply in the mind of Mr. Jonas Prince, an option to buy.

We also know that Mr. Prince paid the Prime Minister's company \$40,000 in November 1997 to settle this botched agreement. In

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the words of Mr. Prince, it was to extricate himself from that deal and make it be known that he had nothing more to do with it. Only the Prime Minister had a lot to do with it. In his own words, Mr. Prince indicated this.

We now know that the corporate records of the golf club were never changed to show that Mr. Prince was the owner of the shares. As far as we know, J&AC Consultants may have been listed as the owner of these shares until some time last week.

Melissa Marcotte, the lifelong friend of the Prime Minister and the daughter of one of the co-owners of the golf club, admitted to the *National Post* two weeks ago that “he never sold them”. Then after some pressure, we do not know exactly what it was, the story changed and maybe he did own them. The pressure from the Prime Minister’s office was significant and severe.

We have been walking through this charade, we have been walking through this dance of seven veils and we continue to get no answers. We think the people of Canada deserve the answers.

Some of the Prime Minister’s disciples and followers, the few who are sitting in the ranks opposite, have said that the Prime Minister could not be capable of such a thing, that he could not be capable of anything less than full disclosure and full honesty and that it would be impossible. It is important to note that we are talking about the Prime Minister who, in a situation related to a vote on the ethics counsellor, ordered men and women to vote against their own word. We are talking about a Prime Minister who ordered them to break their word. Would he be capable of contradiction on this file? Absolutely he would and he has proven it. This needs to go to an independent inquiry.

• (1020)

We have other contradictions over the Prime Minister and his role in lobbying for the auberge. The Prime Minister, the Minister of Industry and the Prime Minister’s spokesman, Mr. Donolo, all said that the Prime Minister had not interfered with the BDC, which acted independently and according to normal procedures. They were all on record saying this.

Peter Donolo said:

The government does not get directly involved in the lending decisions of the BDC. Decisions for that are made entirely by appropriate officials within the BDC.

We now know, after pressure from us and others, that internal BDC members said the loan in fact did not follow normal policies and that the Prime Minister met with the bank president personally at 24 Sussex Drive to discuss it, and called him about it on the phone.

No wonder the majority of Canadians in every poll which has been taken are asking that this be moved to an independent inquiry.

These are just a few of the contradictions we face. Canadians need to know the truth. It is too late now for the Prime Minister to restore his promise about bringing accountability to the House of Commons. That day has passed. It now needs to move to the hands of an independent inquiry.

Mr. Joe Jordan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I think what the Leader of the Opposition has done is laid out for Canadians a series of dots, but they are lacking the lines between the dots. They have a lot of statements such as apparently and allegedly.

I want to point out something. I want to quote the hon. Leader of the Opposition’s phrase when he said the “flimsy back of a napkin” and how that was not an agreement of sale.

I want to bring his memory back to a company called Multicorp. Five years ago in Alberta there was a company that was being promoted by the premier of Alberta. The shares in that company were given to the wife of the premier and the wife of a Mr. Rod Love. After the shares skyrocketed and it became apparent that this may be an illegal gift, the Leader of the Opposition was confronted with the information and asked if perhaps this violated a conflict of interest. At the time he stood firmly and said no, it was a verbal sale that was acceptable to him. He also said it had no business in front of a judicial inquiry as it was simply the regular business of things.

Therefore, I want to know how he reconciles the fact that in Alberta, with certain political motivations and interest at stake, verbal sales are fine. However, when presented with a legal purchase agreement here, when his political motivations are different, all of a sudden we get the crocodile tears. Could he speak to that for a second?

Mr. Stockwell Day: Mr. Speaker, the research is worse than shabby. He talked about linking up all the dots. There are so many dots across the way that are not linked up, it looks like some kind of a maze that nobody can figure out, but a public inquiry could figure it out.

In the particular case he referred to, there was an ethics commissioner in place who reported to the legislature, not a personal ethics trainer who reports to the Prime Minister. Also, that ethics commissioner cleared the premier. However do the members know what the premier did? The premier went even further and said that because there was an appearance, he gave those shares back, something this Prime Minister has never done nor referred to.

What did the Prime Minister do? The Prime Minister told his members to vote against their own promise. Every one of these members voted against their own word. They promised an ethics

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commissioner but voted against their word. They broke their word in public, and they need to be held accountable.

He used the example of a man who took accountability against one who refuses to take accountability.

The Acting Speaker (Mr. Bélair): I would ask all my colleagues to remain somewhat calm. We all know that this debate can incite many emotions, so please take it upon yourself to do it calmly.

• (1025)

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, the Leader of the Opposition spoke of a loan for which the MP lobbied. Is he aware of and could he advise the House how much the original loan application of the Auberge Grand-Mère was from the BDC, how much the actual loan turned out to be and what was the interest rate?

Mr. Stockwell Day: Mr. Speaker, that is one of a number of questions that has to go to an independent inquiry. We asked a number of questions over the last two years where we would get one answer then find out another.

We asked a very basic question. We asked the Prime Minister if he had ever been involved with the BDC. He and his disciples said there was no involvement, then we found out there was. We then asked was there a blind trust. We were told absolutely that there was a blind trust, but we then found out that it was not blind at all. As a matter of fact, he could fully see what was happening, and he had his lawyer trying to flog those shares.

We have asked question after question to which we got no direct answers. That is why I appreciate that question. It is one of a number that we need to see go to an independent inquiry because when we asked that question we did not get a direct response. An independent inquiry will give us that direct response.

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, it is a shame for Canada that we have to be debating this in the House of Commons. It is a shame that there is not parliamentary reform that takes this issue out of the hands of the Prime Minister, where it is not legislated that the House can deal with the issue and that a private inquiry would be automatic in a situation like this.

It is really unfortunate that the members of the government cannot see that Canadians want this issue to be resolved by independent inquiry. They are doing everything that they possibly can to stop this from happening.

The issue we are dealing with in the House of Commons is whether or not there was a conflict of interest by the Prime Minister of Canada. That is the issue we must concern ourselves with.

The issue is very clear that the Auberge Grand-Mère Hotel received funding from the Business Development Bank of Canada because of the interference of the Prime Minister of Canada.

The Auberge Grand-Mère is adjacent to the Grand-Mère golf course in which the ownership of the shares was suspect at the time the Prime Minister was lobbying the BDC for a loan. The loan had been refused prior to the Prime Minister's lobbying. The Prime Minister told the House that he sold his shares in November 1993, three days before becoming the Prime Minister of Canada.

Canadians are concerned about the supposed agreement of sale with Jonas Prince, the owner of the Delta Hotel chain. It is unbelievable that two corporate lawyers would sign a handwritten agreement with no witnesses, with no place of signature and with no corporate seal, and Canadians do not expect that it is real. There was no down payment. There was no deposit even. In any kind of sale, even transferring the ownership of a car, there has to be some exchange of money.

Mr. Prince did not make a \$75,000 loan payment on November 1, 1994, as was called for in the agreement. He did not make another similar payment in November of 1995, two years later. It was on January 27, 1996 when the Prime Minister first contacted the ethics counsellor to inform him that he had not been paid. If it was in a blind trust, how in heaven's name did he know he had not been paid? He was not to be informed of what was going on.

According to the ethics counsellor, the Prime Minister and his lawyer were to look for a way for him to get paid. If that is not involvement in a blind trust, I do not know what is. If the contract was truly valid, why did the lawyer, who was supposedly handling the affairs, not take the issue to court? That did not happen. Three and a half years later these shares eventually were passed on, sold, transferred to one of the original partners in the golf course.

• (1030)

One has to ask oneself why there was an accompanying document in 1999 signed by the Prime Minister in regard to his company J&AC Consultants. Why was there even that document in 1999 if he had no interest? It is quite clear to Canadians watching this unfold that there was a financial interest of the Prime Minister in what was happening not only with the golf course but the hotel next door.

Liberal members may believe in incredible coincidences, but within a month of informing the ethics counsellor that he still was owed money, the Prime Minister held a private meeting with immigrant investors to discuss investing in a hotel. Funnily enough, one of the coincidences was that the Grand-Mère hotel eventually received \$2.5 million in investor funds.

A couple of months later, and this is another coincidence, the Prime Minister called the BDC on behalf of the hotel. After the BDC rejected the loan, the Prime Minister continued to lobby on

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behalf of the hotel, and gee, what happened? BDC changed its mind and loaned some money to the hotel.

That did not happen without the interference of or influence by the Prime Minister of Canada. He is not an ordinary member of parliament but the Prime Minister of Canada and he actually met on occasion with the president of the bank at 24 Sussex Drive. I cannot invite somebody to 24 Sussex Drive to lobby him. The Prime Minister went to extreme lengths to ensure that the Auberge hotel stayed afloat. The question is why. Gee, I wonder why.

For any of us here to try to pretend that what happens next door with regard to property we may own has nothing to do with our financial well-being is fooling ourselves. Before coming to this place, I spent years as a realtor and I was also in municipal government. Let me tell the House that a municipal government informs adjoining property owners of any changes to properties next door because there is an interest. As a realtor, there is no way that I would ever have sold a house on a handwritten document that had no witness, no place of location and no corporate seal. There are reasons why realtors would not do that when selling someone's property: because it would not be upheld in a court of law and would not be made binding.

We talk about interest because that is where the conflict of interest comes in. There is absolutely no doubt in the minds of Canadians that there was a financial interest to the Prime Minister and his associates with the golf course and with the hotel. If that hotel had gone bankrupt, the Prime Minister would have lost a whole lot more money than he did with the value of his shares. If—

An hon. member: If, if, maybe.

Ms. Val Meredith: The Liberals are trying to pretend that these coincidences are just normal, common events. Unfortunately, there is a whole pattern here and this does not stand out as being unusual. There is a whole pattern in the Prime Minister's riding of this kind of exchange of money and exchange of influence, and people who are friends and colleagues end up with great sums of investors' money, bank money and HRDC money. This happens all the time.

There is a pattern here, but this one concerns Canadians because there is a conflict of interest. There was a financial gain to the Prime Minister of Canada with his interference with the BDC and getting that loan. There was a financial interest.

In conclusion, what we have here are a lot of unanswered questions and a lot of things that have to be cleared up. They will not be cleared up with this government. The government has refused to allow the principals to come before the industry committee to answer some of these questions and clear up this issue. The government has refused to co-operate and has left the opposition no other recourse than to call for an independent judicial inquiry to get the answers that are needed.

• (1035)

It is a shame that it has come to this point. It is a shame that there was not full disclosure earlier, that this thing could not have been cleared up earlier so that the House of Commons could move on to other important issues. However, Canadians are concerned that the high office of the Prime Minister shall not be tainted by a scandal, by all these questions left unanswered. Canadians want the issue cleared. Canadians want full disclosure and they want it sooner rather than later. They want it done by an independent inquiry that is not controlled by the Prime Minister, not controlled by the Prime Minister's Office and not controlled by the House leader of the government. Canadians want to know whether or not the Prime Minister was in a direct conflict of interest by lobbying for a loan.

At this time I would like to tell Canadians that we are hopeful the government will support this motion and see that inquiry happen.

I would like to move the following amendment to the motion. I move:

That the motion be amended by inserting before the word "establishment" the word "immediate".

The Acting Speaker (Mr. Bélair): I declare the amendment to be in order.

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, the hon. Leader of the Opposition took the liberty to say in his statement that he speaks on behalf of Canadians. Through you, Mr. Speaker, to the hon. Leader of the Opposition, there are some comments from individuals—

The Acting Speaker (Mr. Bélair): I am sorry to tell the member that it is the member for South Surrey—White Rock—Langley who was the main speaker, therefore comments should go through me to her.

Mr. Janko Perić: Mr. Speaker, to either one of them I want to pass on some comments from individuals in my riding who are saying that the opposition should stop, that enough is enough. Another constituent is saying "Enough is enough and the opposition should stop attacking Chrétien. Chrétien does not deserve this. It is stupid and ridiculous".

Comments made by the previous speaker were an insult to me. The comments were that I was forced to vote with the government. My record will show and prove to them that I voted freely in the last two and a half terms, more often than any opposition member who was with the government.

The Acting Speaker (Mr. Bélair): I would just remind the hon. member that members do not address each other by name. The hon. member should know that. He has been here for seven years.

Supply

Ms. Val Meredith: Mr. Speaker, I think the issue here is that Canadians do want this matter cleared up. If there is nothing to hide, if there is no reason that this should not be brought to the table, then why are the government members and the Prime Minister so opposed to having an independent inquiry? If there is nothing to hide, what is wrong with having an independent inquiry?

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, I have a question for the hon. member who just spoke. With respect to the alleged bill of sale, were there witnesses to that bill of sale? Do we know the town, city, village or province in which it was signed? Is there any evidence of corporate records indicating that the sale in fact occurred?

• (1040)

Ms. Val Meredith: Mr. Speaker, in answer to the hon. member's question, I do not even know if the two parties were together in the same room when this bill of sale was drafted. There is no recognition of witnesses to verify that those signatures are in fact the people who they purport to be. There is no witness or corporate seal to justify that the two individuals were in the same room at the same time or in what province it was and therefore in what jurisdiction it could be challenged.

That is why we need this judicial inquiry: so that the background information that may or may not support it is brought to the table. Like I said, in real estate and in municipal government we would never even have considered a document such as that.

Mr. Joe Jordan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I must congratulate the opposition on its strategy. The first two speakers are very experienced in this issue, I think, having both come out on the wrong end of libel suits; the opposition has sent its pros to us.

However, I do want to ask a question of this speaker, who stood in the House of Commons yesterday and made a very serious allegation against the Prime Minister. She said that the owner of the Grand-Mère hotel had sworn on the Bible that there was a business relationship between his facility and the Grand-Mère golf course. I have the disposition here. Will she say that outside?

Ms. Val Meredith: Mr. Speaker, it is interesting that the Liberals are willing to say things about us in here. I would like to know whether the hon. member would take his comments outside as well.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I rise on a point of order. I believe you would find consent for the following motion:

That at the conclusion of the present debate on today's opposition motion, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred to the expiry of the time provided for government orders on Wednesday, April 4, 2001.

The Acting Speaker (Mr. Bélair): Is there consent?

Some hon. members: Agreed.

(Motion agreed to)

[*Translation*]

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise today to speak to the motion by the Leader of the Official Opposition calling for what he terms an independent judicial inquiry on the presumed conflict of interest, as he calls it, in connection with the Grand-Mère Golf Club and the Grand-Mère inn.

[*English*]

As the member of parliament, the Parliamentary Secretary to the Prime Minister, has indicated, what we have today is a debate, a debate essentially on credibility.

Both speakers from the Alliance who have preceded my remarks have been sued, both successfully and both for saying wrong things about Canadians. Of course, both of them have had to issue public apologies, including some of them on the floor of the House. We remember them well.

Let me be very clear about what this motion being brought forward wants to do. Despite the fact that the Prime Minister has been cleared by the ethics counsellor, despite the fact that the Prime Minister has answered countless questions in the House, despite the fact that the RCMP has determined that there are no grounds for a criminal investigation into this so-called fishing expedition by the guy who initiated this, and despite the fact that the Prime Minister has taken the unprecedented step of having many personal documents tabled in the House, the opposition goes on. It keeps moving the target. Every time it gets what it asks for, it asks for something else.

[*Translation*]

The only conclusion one can reach is that what the Leader of the Opposition is concerned about is that he cannot bring the reality of the situation in line with what he imagines it to be, and wants it to be.

[*English*]

Let me state the facts that the Prime Minister and the government have been stating for two years. The family of the Prime Minister, prior to the 1993 election, owned shares in a golf club. There is a neighbouring Auberge Grand-Mère that has nothing to do with the golf course at all, other than the fact that along with five other golf courses it is in the neighbourhood.

• (1045)

On November 1, 1993, the holding company owned by the Prime Minister's family sold its shares in the golf course to Akimbo Development owned by Mr. Jonas Prince. That was before the MP

from Saint-Maurice was sworn in as Prime Minister. The sale left the Prime Minister with a debt owing but not equity in a business.

The Leader of the Opposition knows this. He has seen the 1999 transaction where Akimbo Development says:

Whereas Akimbo has now received legal advice that Akimbo retained legal title to the shares since November 1, 1993.

The people who owned it say that they owned it. They sold it and presumably they were paid for having sold it. It is clear that the Prime Minister and his family were not shareholders in this particular endeavour since 1993. Do those facts bother the Leader of the Opposition? No, they do not.

Right Hon. Joe Clark: They are not true.

Hon. Don Boudria: The right hon. member for Calgary Centre says that is not true. The facts do not coincide with his imagination. The legal debt owed the Prime Minister was unaffected by the value of the golf course and we know that.

Right Hon. Joe Clark: Was he paying the same at the end as at the beginning?

Hon. Don Boudria: We all know about the imagination of the member for Calgary Centre who alleged that the golf course was benefiting from the presence of the hotel when it was proven to him that it was the reverse. The golf course in question, and I have been there, has a bar that competes with the hotel next door. That was a fabrication again that we heard a few weeks ago.

I remind the House that when the Prime Minister was informed in 1996 that the debt owing to him was outstanding, he displayed what I would consider very high moral principles in regard to the issue and he informed the ethics counsellor. Are those the actions of an individual who seeks to disrespect a code of ethics? No, they are not. Did he try at that time to somehow increase profit? Obviously it did not happen. It did not take place and everybody knows that.

The information has been public for two years. Information released last week supports what I have stated. A binding contract of sale was tabled in the House of Commons.

A member opposite said that there was no financial consideration. Apparently she is a real estate agent by profession. I know something about that profession as well. Does she know that this was not a real estate transaction? This was a transaction of shares. Does she know that fact? Does she care? Does she know the difference? No. She pretends to be an expert in Quebec civil law—

An hon. member: Would you buy a used house from this woman?

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Hon. Don Boudria: Would I buy a used house? Well, that is another matter. I will stay out of that for personal and family reasons. I will not get into that.

None of the allegations have proven to be correct.

Mr. Speaker, I wish to indicate that I will be splitting my time with the Minister of Industry.

Mr. Jay Hill: No way.

Hon. Don Boudria: There is no rule about when a member has to do that during his speech, and the hon. member knows that.

[*Translation*]

I remind members that in addition to the loan it received from the Business Development Bank, the Auberge Grand-Mère, the reason it would seem the members opposite are raising this matter borrowed money from the local caisse populaire and from the FSTQ.

Are they known for being close personal friends of the Prime Minister? We are talking about the Fonds de solidarité des travailleurs du Québec. It does not take a genius to understand what is motivating some of the members opposite.

[*English*]

The facts are clear. The government's consistent presentation of those facts is clear. The RCMP statement finding no evidence of wrongdoing in this fishing expedition is clear. Is the opposition's position clear? No, it is not.

● (1050)

This is a lynch mob mentality and it keeps moving the goal posts. The member for Edmonton North said that the Prime Minister could get over this in a heartbeat by tabling the bill of sale. It was done. The Progressive Conservative leader made a similar statement.

[*Translation*]

The Bloc Québécois House leader told the House clearly he would ask no more questions if the documents were tabled. No one on the other side of the House has kept their word on this.

[*English*]

The ultimate of silliness occurred about a week ago in the House when one member from the Alliance asked the Prime Minister to table his and his wife's income tax returns in the House of Commons to prove their innocence. Can we believe it? What kind of legal principle is that?

[*Translation*]

The members opposite, who say they are the defenders of integrity and morality, have asked the Prime Minister and his wife

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to prove their innocence. Has anyone ever heard of such a concept? It is an absurdity. It is an insult to the person giving so much in service to this country, the Prime Minister, who in a few days will celebrate 38 years of loyal service to all the people of Canada.

I take this opportunity today to congratulate him on the quality of his work, his devotion to Canadians and his personal integrity. We will never forget that he is a great Prime Minister who has done an exceptional job putting the country's finances in order, guiding this country and, of course, doing a proper job as Prime Minister.

The Prime Minister of Canada is honest, and we will not permit the sort of kangaroo court the member opposite is after.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, whenever he tries to answer questions, he raises more questions. The Bloc Québécois, the Canadian Alliance and the Progressive Conservative parties are asking for all the documents.

[*English*]

We want all the documents. They cannot get away with just tabling one thing written on the back of a table napkin and suggesting that it will suffice.

We have the Prime Minister saying that all the documents have been tabled. The day following that the ethics counsellor, the Prime Minister's private ethics counsellor, said that all the documents had not been tabled. Notably there is a very key document, the one that would show the names on the registry. We have asked very specifically for that document and I have asked for it in a written letter.

The ethics counsellor said that on receiving that letter and calling the registry to see about the names, the response that he received was that he could not see the document and the names that were there until a few little changes were made. That is ridiculous.

Is the member, who has just made a half-hearted attempt to protect a line of contradictions and conflict of interest, aware at all, in any way shape or form, of any of the content of that registry which right now as we speak apparently is being doctored and changed?

Hon. Don Boudria: Mr. Speaker, the hon. Leader of the Opposition knows that it would be illegal for me to have access to that documentation. What kind of ridiculous question is it to ask of me? Do I have personal knowledge of what would be in a document that would be illegal for me to know? What kind of a silly question is that?

Right Hon. Joe Clark: You are a minister of the crown.

Hon. Don Boudria: For someone who was for a very short gestation period a prime minister until he figured out how to count votes in the House of Commons in 1979, he should know better as well than to agree with the Leader of the Opposition. The right hon.

member for Calgary Centre should know better than what has just been raised by the Leader of the Opposition.

• (1055)

The documents have been tabled and the Leader of the Opposition knows it. What they are doing is asking for different information all the time. They are acting like a lynch mob in their feeble attack on this great man who is the Prime Minister of Canada.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, there is the voice of reason and objectivity.

Every time we hear the opposite side say that this is a smear campaign, that this is a deliberate attack on the integrity of the Prime Minister, those individuals would know. They honed their skills when they were in opposition as members of the rat pack. They took personal attacks to a new level.

My question is for the hon. government House leader has to do with realistic transactions. The government House leader has suggested that there is no link whatsoever between this struggling hotel and the golf course. Does the hon. member actually expect Canadians to believe this? Does he actually expect Canadians to accept that this hotel, which was the recipient of over \$600,000 of taxpayer money, would have no bearing on the financial success of the golf course owned by the Prime Minister? Does he actually expect Canadians to believe that if the hotel had gone bankrupt, the golf course would not have been affected? Is that what he is asking Canadians to swallow?

Hon. Don Boudria: Mr. Speaker, the question is erroneous. He says that the Prime Minister owned a hotel. That is factually incorrect and the hon. member knows it. It was sold in 1993. I have just read from the September 29, 1999 transfer agreement in which Akimbo is recognized as the owner and as having sold its shares. Akimbo would have great difficulty in selling something it did not own. The hon. member, as I have been told, is one of our learned colleagues in law. One would think that he would know that we cannot sell something that we do not own. It is not a very hard concept.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Bélair): Order, please. I would like to say that given the delicate nature of the debate the Chair needs to hear what hon. members are saying. There are high emotions here today. I would like to hear what hon. members are saying, so I ask for all members to co-operate.

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, I am pleased to have the opportunity to participate in the debate on the motion brought forward by the Leader of the Opposition calling for a public inquiry into the issues surrounding the Shawinigan file.

It is already very clear in the debate that not much will be said on one side of the House or the other which will change the minds of members opposite. Members of the opposition, with the exception,

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it appears, of the NDP, have come together in a single-minded attempt, to smear and damage the reputation of the Prime Minister. Members on this side are of the opinion that is occurring. We expect it to continue for some period of time, but eventually we expect that the people of Canada will insist that members of parliament on both sides get back to the business of Canada. Canadians are not impressed by this.

I am now speaking to the people of Canada. Canadians should look at the source of the allegations in this Chamber today. It is worth reminding ourselves that the gentleman who has tabled the motion, the Leader of the Opposition, and the individual who has seconded the motion, also from the opposition, have, within the space of a handful of years, found themselves before a court of law, or at least in the case of one, the threat of a court of law.

Mr. Peter MacKay: You are on a high road now.

Hon. Brian Tobin: No, these are the facts. The Leader of the Opposition cost the taxpayers of Alberta \$800,000 because of allegations that were found to be false. A settlement was required and the taxpayers of Alberta were left with an \$800,000 bill.

• (1100)

The gentleman making the case for an inquiry on behalf of the official opposition is the same gentleman who cost the taxpayers of Alberta \$800,000 because of other false accusations issued in another place by a member of another chamber.

However he has learned something. In this case he does not repeat the phony and false allegations outside the House. The privileges of the House and the immunity of the House are being abused.

The Leader of the Opposition has left because I served notice that he just made a statement. He said the books were being cooked by Industry Canada even as we spoke. I shouted across the floor that I would like him to walk outside the House and repeat what he had said inside the House. I challenged the member opposite to do that and he got up and left the Chamber. With his usual degree of courage and integrity he has run before the battle for truth.

Mr. Philip Mayfield: Mr. Speaker, I rise on a point of order. I believe the rules of the House are that there are to be no comments on the presence or absence of other members.

The Acting Speaker (Mr. Bélair): The message has been made. The member is right.

Hon. Brian Tobin: Mr. Speaker, with respect to the member who seconded the motion, Canadians will recall a few years ago the allegation by a member of the House, the same member, that a long

established public servant working with the security services of Canada was “a Russian spy”.

She said she had found out that there was a mole within the security services of Canada. She went outside the House. She released the document and smeared the reputation of a long serving public servant by saying there was a spy within the security services of Canada. The member who just seconded this serious motion apologized under threat of being sued. The allegation was withdrawn because the member was wrong.

When we hear a serious allegation the first thing we ought to do is consider the source. The sources are two members. Both members issued false statements, one while a member of the Alberta legislature and the other while a member of this place. Both settled before the threat of court action. Both have been found libellous with their comments and both are now standing as the chief accusers of the Prime Minister. We should consider the source.

We have another right hon. gentleman who has joined in this little charade, the right hon. leader of the Conservative Party whom I have seen across the floor of this place over the last 20 years. He says that he is interested in truth, justice and proper form. He says that he is not interested in battling the weak, dissipating and disappearing Leader of the Opposition for the title of leader of the new united right, whenever the right, fractious as it is, gets united. He says that is not what is going on.

No, this is about his undying, unyielding, overwhelming and powerful pursuit of truth. How unyielding and attracted to truth is the right hon. member? The CBC program *The Fifth Estate* did a documentary pointing out that German money associated with the Airbus affair was used to fly delegates and their wives and families into a Conservative Party convention, and that the money was passed out for spending sprees and shopping trips in order to take delegates away from the then leader of the Conservative Party. When the right hon. member was asked if he thought that was true and if he was concerned that Canadian national parties were tainted by foreign money, his answer was that he would respond in his memoirs.

If anyone is to take seriously the self-described spectacle of the leader of the Conservative Party as a gentleman who wakes up in the morning oozing the stuff of the pursuit of truth, then perhaps he ought to start the pursuit in his own backyard. Perhaps he should demand that proper investigations be done to determine what happened that day so long ago when, according to the CBC's *The Fifth Estate* and Mr. Karlheinz Schreiber himself, his party leadership was stolen away from him by forces outside the country.

It is not credible that the gentleman opposite is seriously pursuing the proper conduct and practice of parliament, Canadian

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parliamentary institutions and parties. It is not credible when he turns a blind eye to this story of which he was a victim within his own party.

• (1105)

The simple facts are these, and I will conclude with this. The Prime Minister sold his interest prior to becoming Prime Minister or at the time he became Prime Minister in 1993. That is a fact. The RCMP has investigated the matter at the request of the leader of the Conservative Party. The RCMP took a look and closed the file. It said publicly that there was no need for further investigation and no basis for an investigation. That was the independent inquiry.

The ethics counsellor is a long serving public servant. He is a former trade commissioner and negotiator who has spent nearly 30 years of his life in the Public Service of Canada. He too has repeatedly looked into the matter and closed the file. A majority of Canadians, 82%, say it is time to turn the page. Some 75%, more than voted for the Prime Minister in the last election, say the Prime Minister should not resign. Canadians are telling members of parliament to get on with the business of Canada and bring this spectacle to an end.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, it is always interesting to listen to the former member of the rat pack on the other side who took personal attacks in the House to a new low when he was in opposition.

The minister talks about the leader of my party and a libel suit in Alberta. I suggest to him that the leader of my party put up some of his own money to cover those costs. He will also pay it back, which is something I have never seen from that side.

The government wrote a phony letter to a foreign government about a former prime minister. It was a phony letter. The government knew what it was doing: the smear and slander of a former prime minister. It then had to pay that prime minister's lawyers \$2 million and spent about \$3 million or \$4 million in government legal fees. No one ever apologized on that side.

I will get to my question, but we have a right to point out the facts. This is the same government that spent tens of millions of dollars on Pearson airport, the same government that spent tens of millions of dollars on helicopters.

When will the minister stop using smear tactics on all members on this side of the House and start answering serious questions? A number of questions have been asked by this side of the House that have never been answered. Smear tactics are not the answer. No one is trying to smear individuals in the House. We are trying to get answers to very simple questions. That is what we want in the House.

Hon. Brian Tobin: Mr. Speaker, I am glad the whip on the other side has risen in this place and spoken to this file. It should be noted by members who do not know, and in particular by Canadians who are watching the debate, that the member did not always sit as an Alliance member. He sat in the House as a member of the Conservative Party under the leadership of former Prime Minister Brian Mulroney.

What the member is now saying, and Canadians just heard it for themselves so I do not have to interpret it, is that this is about payback. It is about anger over the debates in this place during the last Conservative administration, of which the current leader of the Conservative Party was a member and a minister.

The member has just spoken from his Alliance seat but he too is a former Conservative member. He has just given us the motivation for this debate in the House. He has outlined a good part of the motivation of his own party, many of whom are former Conservative members, as well as the motivation of the current leader of the Conservative Party.

It is about payback. It is about trying to get even. It is about trying to target the current Prime Minister of Canada out of some misguided sense, I would suggest, of getting even on behalf of the leadership of the former Conservative government. That is not what parliament should be about. That should not be the basis of false allegations. Quite frankly, it will not wash with Canadians.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I have two questions for the Minister of Industry. He said we should be moving on to other issues, and I certainly agree.

A poll on the weekend said that most people want us to move on to other issues. However the same poll said that 60% of the Canadian people want a public inquiry or an independent inquiry. I wonder if the minister would agree. That would be one way of taking the issue off the floor of the House of Commons and getting back to other issues.

• (1110)

My other question is that in every province the ethics counsellor or the equivalent thereof is responsible to the legislature and not to the premier. Would the hon. member agree that we should be implementing what was a policy of the Liberal Party and making sure the ethics counsellor is responsible to the Parliament of Canada and not to the Prime Minister? Those are two questions to which I expect brief and concise answers.

Hon. Brian Tobin: Mr. Speaker, I thank the member for his questions. The questions are valid and I think they seek a genuine answer.

The member comes from the great province of Saskatchewan. One of Saskatchewan's great contributions to the country is the

training, professionalism and integrity of the RCMP. The RCMP is one of the icons of the country.

In all the shouting across the floor in this debate we have forgotten that it was the leader of the Conservative Party who wrote to the RCMP and said he would like it to investigate the matter independently of parliament or politicians.

The RCMP complied with that request and concluded there was no basis for further inquiries. As soon as he heard that the leader of the Conservative Party, because of his own police training, I suppose, questioned whether the investigation had been properly carried out.

Most people in the country accept that the RCMP is above reproach and that it defines the meaning of integrity and professionalism. When the RCMP speaks most people accept what it says. That is why Canadians say they are not buying the allegation and that it is time to turn the page and get back to the real business of Canada.

Mr. John Reynolds: Mr. Speaker, I rise on a point of order. During the minister's answer to my question he stated that I sat in the House with former Prime Minister Brian Mulroney. I never sat in the House with the former Prime Minister.

The Acting Speaker (Mr. Bélair): The hon. member's point has been made.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if the Prime Minister had acted respectfully and responsibly toward this House, we would not be having this debate today, since an independent judicial inquiry would already be looking into the issue.

I want to go back to the core of this matter by looking at the conflict of interest code and quoting some excerpts. In reference to ministers or the Prime Minister, the first requirement provides that they:

—shall act with honesty and uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of government are conserved and enhanced.

The Prime Minister failed to meet that first requirement. The second requirement provides that they:

—have an obligation to perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law.

It takes more than just that. Again, the Prime Minister failed to meet that requirement, and I continue:

On appointment to office, and thereafter, they shall arrange their private affairs in a manner that will prevent real, potential or apparent conflicts of interest from arising,

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but if such a conflict does arise between the private interests of a public office holder and the official duties and responsibilities of that public office holder, the conflict shall be resolved in favour of the public interest.

The Prime Minister also failed on that count.

Let us get back to the first conflict of interest. The Prime Minister made representations to the Business Development Bank of Canada in favour of the Auberge Grand-Mère. That was wrong, since he was well aware that there were financial connections between the auberge and the golf club. One can imagine what would have happened had the auberge shut down, considering that the Prime Minister, as he admitted in the House, had been trying for six years to get paid. Money was owed to him. He had an interest in getting paid.

He said so, and I can see why. But what does he do? We are not talking about an ordinary citizen here, but the Prime Minister. Would the Prime Minister have a good chance of finding a buyer after six years of trying if the auberge went bankrupt and was closed? That is the first conflict of interest.

The Prime Minister's personal interests are in conflict with his role. He should have refrained from approaching the president of the Business Development Bank of Canada directly. Nothing obliged him to do so. Right from the beginning, regional management of the Business Development Bank of Canada advised against it.

• (1115)

The Prime Minister is not just another MP. He ignored the advice of regional management and personally called the director of the bank, whom he himself appointed. He met three times with him at his home in order to tell him, among other things, that it would perhaps be a good idea for him to invest in the auberge.

It is a conflict of interest to ensure that the auberge will survive and not go bankrupt, particularly when one is seeking a buyer for one's shares, for which one has been trying to get paid for six years. These are undeniable facts. It is appalling to see the opposition to this inquiry, opposition which comes from the government, which is denying these facts.

I met a Liberal member earlier and asked him if he had seen the 1999 contract. "No", he replied, "I have faith in the Prime Minister". Faith, he says. Now there is a responsible attitude.

The Prime Minister placed himself in conflict of interest twice, once in 1996-97 and once in 1998, when he asked the Department of Human Resources Development to do everything legally possible to ensure that Placeteco received a \$1.2 million grant. Let us keep in mind that one of the requirements of the code is to not only to comply with the law but also to not have any conflict of interest, even the appearance of a conflict of interest.

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Who owns Placeteco? It belongs to Claude Gauthier, whose lawyer is also a shareholder in that company, which was bankrupt at the time, and who was to be appointed, contrary to all trusteeship rules of the Department of Human Resources Development, and therefore something that ought not to have happened, to negotiate for Placeteco. Thus he was negotiating on both sides, negotiating with himself, to obtain a \$1.2 million loan.

Then, when the Prime Minister was looking for someone to pay for the shares for which he had not been paid, the same Mr. Gauthier, the owner of Placeteco, injected the modest sum of \$525,000 into the Grand-Mère golf club. This took place at the very moment that the Prime Minister was trying to find a buyer for his shares in the golf club, which could not go broke without taking the inn along with it. Mr. Gauthier turned up with his \$525,000 and then turned around and got \$1.2 million from the Department of Human Resources Development. Hon. members will agree that this was mere happenstance.

The interests of the Prime Minister are in direct conflict with his position as Prime Minister. Not only ought he not have approached the bank, he ought not have intervened in the Placeteco case in order to obtain a grant, which was obtained through an irregular procedure, as even the Minister of Human Resources Development has had to admit in this House. That is the second conflict of interest.

The third conflict of interest was when these documents were tabled, and not all of them were, because between 1993 and 1999, and this was even the opinion of the so-called ethics counsellor, the senior official who is more of a cover-up counsellor, a political adviser to the Prime Minister, who said that the Prime Minister had been saying for six years that the shares did not belong to him and that Mr. Prince, the alleged buyer, had been saying the same thing, the shares were in limbo.

In the meantime, I imagine that the Prime Minister thought he was in heaven, surrounded by Liberals who could not ask him any questions. He intervened directly because he was looking for someone to pay him for his shares. Mr. Prince had not done so, as the Prime Minister admitted.

So, in 1999, the Prime Minister signed this contract, a most extraordinary contract, in article 2.1 of which he waived all ownership rights. Where I come from, if someone waives his ownership rights, it is because he has some. In law they say that parties do not put something in writing without a reason. If it was written that he waived ownership rights, he must still have had some.

• (1120)

In this same agreement, the Prime Minister provided a seller's guarantee. If one provides a seller's guarantee, it is because one has

something to sell. The most marvellous thing of all is that he found a charitable soul, one Mr. Michaud, a longstanding friend who in the end supposedly bought Mr. Prince's shares. Ultimately, Mr. Prince was an intermediary in the golf club saga. He was the Prime Minister's caddy. That was pretty much what Mr. Prince's role in the whole business amounted to.

The money went from Mr. Prince's right pocket to Mr. Prince's left pocket, and ended up with Mr. Michaud. It is so obvious that, in article 3.6 of the contract, the Prime Minister tells Mr. Michaud "Listen, should there be an inquiry or damages, do not worry, my company, J&AC Consultants, will pay you, it will pay your lawyer's fees if there is an inquiry".

Are there many people who are not involved in a case, but who say "If there is a problem, I will pay for you"? I do not know any person so charitable as to walk around, asking people "Do you have a problem? If so, even though I am not involved in this, I will pay". Who are they trying to fool?

Worse still is that they are saying there will not be an inquiry. First, the Prime Minister helped the shareholder, who happened to be himself. That shareholder, by signing the contract, because he is a party to the contract signed on September 29, 1999, prevents the Prime Minister from taking action, because it is very clear. If the Prime Minister launches an inquiry, he is the only one who can do so, which is also an aberration, he will be the target of that inquiry. Moreover, should that occur, he will pay for Mr. Michaud. This is what we call a conflict of interest.

The private interests of the Prime Minister prevent him from acting like a responsible and honest prime minister. That is the problem and the third conflict of interest.

Why must there be this fundamental respect for the code of ethics? The Prime Minister happens to hold the most important office in the country. Things have reached the point where Canadians want a public inquiry, because they do not believe the Prime Minister. Naturally the public has said "Could we move on to something else?" The public is right. How do we go about moving on to something else? The Liberals read half the contracts, they way they read half the polls and the way they do half their job.

What does that say? It says that it will take an inquiry to put an end to this debate, that all the documents should be made public. The public is saying "We want out of the auberge, and the Prime Minister has the key". It is time he opened the door and ordered an inquiry. Then we can move on to something else. Besides, when we ask them, they will not be answering any of the questions they say are so important today. They will fall back on their old habits of saying we are always wrong. But not everyone is misled all the time, and the Prime Minister can no longer mislead us.

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The message he is sending by not meeting ethical standards, is that he is denying everything that, according to him, his career is built on integrity. In 1993, he said:

We will bring honesty back to politics; politicians are not elected to serve themselves, but to serve.

I think he has forgotten the words. He does that. He must have got the terms mixed and he has understood that politicians were there to serve themselves, because this is what he has done. He served himself in this matter.

This fine Prime Minister added:

I have talked a lot of integrity and honesty in the campaign. I have made my career in politics knowing the dangers of political life, and I think that, when a person is well informed, they do not succumb to temptation.

First, he was ill-advised, because if he trusts his ethics counsellor, he will not go far. This man had not even read the documents he said he had read during last fall's election campaign. He had said "I read everything". He saw everything people wanted to show him. That is the problem. He did not see much, this so-called ethics counsellor.

● (1125)

The Prime Minister is thumbing his nose at the basic rules of ethics. He has been elected twice on the basis of those rules. I have always said that he called the election last fall because he did not want this business to get out. There is a total of twenty investigations involving this government.

Imagine if now we were a few weeks away from the election. Do hon. members not think that things would be really hopping in the auberge affair? Do they not think that there would be at least two candidates to replace the Prime Minister who would do everything possible to see that a convention was held because they would be feeling "We are not going to win with this guy who has fiddled with the rules"?

That is why the election was called last fall. Liberals wanted to act while the public was in the dark about the situation, which was corroborated by an accomplice, the ethics counsellor. That is why the public has had enough of all this. It is fed up with the Prime Minister's contradictions, telling us there is no connection between the auberge and the golf course. Of course not. Do hon. members think that it would be good for a golf course to be located next to a hotel with a "Closed on account of bankruptcy" notice on it?

Mr. Duhaime told us under oath on November 2, 2000 "Of course, we share customers with the auberge, because golfers eat there". The auberge serves as an intermediary. There is, of course, no legal connection. What we are talking of is financial connections, apparent and potential links, which have an interest in existing over and above any legal links.

The legal veil must come off. It is time to look at what is happening in real life, and that the owner of the auberge has told us.

The Prime Minister, who attended the opening of the auberge, intervened twice with the Department of Human Resources Development and the Business Development Bank. The Prime Minister's riding assistant intervened in the negotiations between Mr. Duhaime and the bank. He himself oversaw the transactions for the new purchaser. Guess who the new purchaser is? One of the operators of the golf club, a friend of the Prime Minister. Coincidence, once again. This business is full of coincidences.

The Prime Minister says there was no more financial link with the golf club. When I asked the so-called ethics counsellor, Mr. Wilson, if the Prime Minister had a financial interest in the golf club, he said "Oh, yes". It came out very quickly, quite naturally. He had not thought to try to hide that. Yes, there is an interest. There is a big interest, and everyone understands that.

This was confirmed subsequently by Mr. Corriveau, the spokesperson for the Michaud family, by Melissa Marcotte, who began to speak out. Then, when she began to speak out and people saw she was making sense, she was asked "Could you not keep quiet, my dear". That is exactly what she did.

The Prime Minister is denying all this evidence. He is refusing to make his documents public. I said at the outset that his attitude was very annoying. It is so annoying that, when he says, as he has for some forty years, that his career is built on integrity, does he realize that he is in the process of destroying it?

He ran the last election campaign, which was probably his last one, precisely to make sure this would not come out during that campaign. He should rise to the level of his position and have enough dignity to say "We will hold an inquiry. We will table all the documents, not just the documents that are appropriate for us, not just the documents selected by a so-called ethics counsellor, who is a political adviser, but all the documents. This commission of inquiry will do its job and, in the meantime, we will move on to other issues". This is how the Prime Minister should fulfil his duties responsibly and in the respect of his office, instead of behaving like he has been since 1993.

Let us remember the GST. The Prime Minister was seen and heard on television saying, with a rather unique choice of words, "We will scrap the GST". Once in office, he never said that again. Everyone saw him, on the news. There are videos to confirm it. The fellow that we saw looked a lot like him, if it was not him. Everyone was convinced it was him.

Unless the Prime Minister did like the Canadian Alliance member who was replaced by his assistant, and the assistant looked a lot like him. Maybe that was it. It was someone who said

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that the Liberals would scrap the GST. The Canadian Alliance member did apologize. He assumed his responsibilities, but the Prime Minister continues to deny the obvious. He thinks that by continually denying, people will eventually forget.

● (1130)

In Quebec, a poet, Gilles Vigneault, wrote a song on a Mr. Lachance, I will not mention his first name, because it would not be appropriate in the House, that ended with "If you think we do not notice". Well, we do notice.

As for us, everything we have said in the House we have repeated outside the House. I said a lot more outside than inside the House. Since we are not allowed to say in the House that someone lied to us, I did not say that. However, I did outside. I stand by everything that I have said here.

When we asked that the bill of sale be released to put this issue to rest, it was because we thought the Prime Minister was acting in good faith. When we saw the whole thing, we realized that it was not the case. The documents prove otherwise and the Prime Minister's good faith no longer exists.

Mr. Eugène Bellemare (Parliamentary Secretary to Minister for International Cooperation, Lib.): Mr. Speaker, the leader of the Bloc Québécois is linking the Grand-Mère golf club to the Auberge Grand-Mère for purely political reasons.

I have some questions for him. The auberge obtained loans from the caisse populaire and from the Fonds de solidarité des travailleurs du Québec. I ask him what the total of those loans was. Was it not \$2 million? What was the amount of the loan from the Business Development Bank of Canada? Was it not \$615,000? What was the rate of interest? Was it not 25%, while today's interest rates are around 7%, 8% or 9%? What was the favour to the auberge?

There are hundreds of golf clubs in Quebec. They do not need an adjacent hotel. Very few golf clubs do not have their own clubhouse. As for the Prime Minister, he was a co-owner, not the owner, of the Grand-Mère golf club. He owned perhaps 25% of the shares.

I ask the leader of the opposition what percentage of shares the Prime Minister owned and when he sold them, not when he might have sold the entire golf club, which did not belong to him.

Mr. Gilles Duceppe: Mr. Speaker, I find the hon. member's last comment interesting. He was asking on what date the Prime Minister sold the entire golf club that did not belong to him. I am still trying to unearth the intrinsic logic in all of this.

Second, what share did he hold in the golf club? That is a good question, indeed. We do not know, because one document says

25% and another 22%. This is a contradiction, one I had forgotten. I thank the hon. member for reminding me.

Third, he says there are a lot of golf clubs in Quebec. How many have had the Prime Minister intervene directly in order to help in their sale? How many besides the one in Grand-Mère?

He says that the Fonds de solidarité and the caisse populaire put money into the Auberge Grand-Mère. So what? One thing I do know, however, is the president of the Fonds de solidarité, Mr. Bachand, held no interests in the golf club because this would have placed him in a conflict of interest. Neither, probably, did the president of the caisse populaire. Therein lies the difference.

The Prime Minister, who is the head of something called Canada, no trifling matter, and holds the most important position in the land, has intervened directly while he had a financial interest in the matter.

Fourth, what is this link? I would ask the hon. member whether he things that an auberge adjacent to a golf club—

Mr. Benoît Sauvageau: With the same address.

Mr. Gilles Duceppe: Never mind the address. So somebody is looking for a buyer of his shares, whether 22% or 25%, we do not know, but if the hon. member were to ask the Prime Minister perhaps an answer would be forthcoming. Maybe he could ask in caucus tomorrow morning. Anyway, does he think it would be good news for that person on the way to the cottage to see a notice posted on the hotel, saying "Closed on account of bankruptcy"?

● (1135)

So what does the Prime Minister think? He says "I'd better do something about that or I will never get my money. I will never get anyone to buy my shares if the hotel goes bankrupt and closes". That is the reality.

A person does not need a degree in economics from the HEC to understand that. Anyone can figure it out.

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I have here the letter the lawyers for the firm the golf club belonged to, which was submitted to the Standing Committee on Industry.

The fourth paragraph reads:

The board of directors approved, on November 1, 1993, the transfer to Akimbo Development Corporation of all shares of the company held by J. C. Consultants Inc. As of that date, J. C. Consultants Inc. no longer appeared in the resolutions of the shareholders and the company of—

Here they name the Prime Minister.

—no longer appeared in the resolutions of the shareholders and the company;

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Why does the leader of the Bloc Québécois not accept this letter from the well known lawyers Pouliot and Mercure, the company's lawyers? Why does he not accept that the sale took place in 1993?

Mr. Gilles Duceppe: Mr. Speaker, first it is not J.C. Consultants, it is J&AC Consultants, I would point out.

And then, why do I not accept it? Because I do not accept things in good faith, I take the time to verify and do not just swallow things that hide reality.

Among other things on this paper, the lawyers talked of February 29, 1999. There is no such date. They could always consult a calendar. This is part of a serious document.

I do not accept it because there is another document, article 2.1 of September 29, 1999, in which the Prime Minister says he gives up all his rights of ownership in 1999. How can someone give up rights that the person has had since 1993?

Then, why did the Prime Minister, in all goodness I imagine, say "If a problem ever arises for the person who supposedly bought the shares of the person to whom I sold them, but who never paid me, if there is ever trouble for this person, out of my great goodness, I will pay his legal costs"?

Does that make sense to you? Do you think it works that way in real life? If you find that normal and if I ever have a problem, I will invite you to pay my legal costs.

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I would like to indicate at the outset my intention to split my time with the NDP House leader, the member for Winnipeg—Transcona.

Let me say absolutely clearly and unequivocally that the New Democratic Party supports the call for the establishment of an independent inquiry to adjudicate on the Prime Minister's conduct in relation to his financial interests in the Grand-Mère affair.

Further let me say that we are in agreement as well that the powers of such an independent inquiry and the terms of reference for the inquiry must be sufficiently broad to allow all necessary documentation and all relevant witnesses to appear before the inquiry so that the truth may be fully divulged.

An inquiry has become necessary to bring the matter to a satisfactory resolution, to deal with the allegations swirling around the conduct of the Prime Minister and, equally important, to allow members of the House of Commons to get on with the nation's business.

Let me say that it is regrettable in the extreme that the Prime Minister's affair with Grand-Mère has reached this stage. It is regrettable because it was so absolutely avoidable.

Had the Prime Minister not betrayed his commitment to Canadians to establish an ethics counsellor independent of the Prime Minister but rather accountable to parliament, operating under the benefit of an all party committee and reporting directly to parliament, we would not be in the state today where parliament is virtually paralyzed from getting on with dealing with its responsibilities.

• (1140)

If the Prime Minister had not engaged in a virtual legal striptease over the last several months, refusing to divulge all documents but instead letting them out one at a time carefully selected, obviously many documents withheld, we would not be in the position today where the people of Canada are looking on with horror, wondering what it takes to deal with a situation that so obviously needs to be fully examined and explored.

We would not be in this parliamentary paralysis today if the complaint that was laid, if the inquiry that was put before the ethics commissioner by the member for Regina—Qu'Appelle, had been properly dealt with in the first instance. I say that with regret because my colleagues and I have tried to give the benefit of the doubt to an ethics commissioner whose mandate is unnecessarily restricted, whose independence has been curbed by the Prime Minister's refusal to set up the ethics commissioner office on a proper basis.

My colleague from Regina—Qu'Appelle, a full two years and two weeks ago, on March 19, 1999, wrote to the ethics commissioner to raise concerns about the Prime Minister's conduct. Let me quote briefly from the letter the member for Regina—Qu'Appelle directed to Howard Wilson, the ethics commissioner at that time. He raised concerns about whether the Prime Minister had contravened certain sections of the conflict of interest code, specifically part I, section 2, which states that the object of the code is:

—to enhance public confidence in the integrity of public office holders and the decision-making process in government.

From day one it was absolutely apparent that the Prime Minister had showed colossally poor judgment in his conduct in relation to the Grand-Mère affair.

The concerns were deeper than that from the beginning and my colleague from Regina—Qu'Appelle wrote further in the same letter to the ethics commissioner that the situation in question in his view was not in compliance with part II, section 23(1) of the code, which states:

A public office holder shall take care to avoid being placed or the appearance of being placed under an obligation to any person or organization, or the representative of a person or organization, that might profit from special consideration on the part of the office holder.

It was disturbing, to say the least, when the response that came back from the ethics counsellor at that time was that there was no

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problem. I do not think that one needed a law degree or a lot of political experience. I think one needed just to have a bit of common sense to understand that at the very least it placed the Prime Minister in a place that was questionable in terms of his conduct because of the financial interest that could be effected, the financial interest from which he so clearly stood to benefit.

It is regrettable we have reached this point in the whole matter because the Prime Minister and his government are as we speak busy selling off important aspects of Canada's future, selling off through flawed trade deals and selling off through the erosion of important public services, public programs and institutions.

What are we embroiled in? We are in a never ending debate not capable of coming to a resolution on the question about the sell-off, the failure to sell off, or the financial interests associated with the sell-off of shares of the Prime Minister in a golf course, for heaven's sake.

● (1145)

Canadians have made it clear that they do want this matter resolved, but they also want parliament to get on with dealing with the real issues that affect the real lives of real people.

I have been able to agree with very few words that have come out of the mouth of the Minister of Industry over the last many months on this whole sordid affair. However, I do agree with him when he says that this spectacle must end. What the industry minister fails to say, and he knows it to be the truth as does every single member of the House, is that the only way this spectacle can end is if the Prime Minister, the one person with the power, the authority and, unquestionably, the responsibility to put an end to this, takes the action that must be taken. He must call for an independent inquiry to get to the truth of this matter.

It is the Prime Minister's steadfast, stubborn refusal to bring this thing to public light that is causing a great deal of consternation among Canadians. This is not a time that we as parliamentarians, not on the government side nor on the opposition side, can afford to ignore the erosion of public confidence in politicians and in politics.

I want to make it clear that every member of the opposition in the House is onside on this issue. This is one of the few times, perhaps in the life of this parliament, where we are of one view, which is that the Prime Minister has a responsibility to clear the paralysis in parliament and begin the process of trying to restore public confidence in officeholders and in the conduct of their elected officials. He must call that independent inquiry so we can get back to business on the concerns of real people around real issues.

[Translation]

Hon. Denis Coderre (Secretary of State (Amateur Sport), Lib.): Mr. Speaker, when one makes comments, one should have some credibility.

The NDP leader, who is advocating civil disobedience, she is currently taking civil disobedience courses, and is telling Canadians to disobey the law, is the same person who is tarnishing the credibility of our Prime Minister. This is shameful.

Since the issue was not only decided during the last election campaign and since the same old things have been repeated for the past two years, I would tell the hon. member that if she does not want to be part of the circus, she simply should not get on board. I thought she was a lot more serious than that.

Does she think it is honest and appropriate to promote civil disobedience while trying to admonish our Prime Minister, who has been a model of integrity and credibility as a public figure for the past 40 years?

[English]

Ms. Alexa McDonough: Mr. Speaker, what diversionary tactics. Let me deal directly with the question or the allegations.

I am one of many Canadians, possibly hundreds of thousands and, I would be prepared to say, millions of Canadians, who find it literally terrifying that a member of the government can stand in the House and describe as a circus the peaceful, legitimate, meaningful protest of Canadians against a trade deal that threatens to sell our future down the river.

● (1150)

The House is in a state of paralysis around the stubborn refusal of the Prime Minister to deal with a very serious issue of public confidence in his conduct and in his government. While the Liberals try to push ahead with the free trade of the Americas deal with no significant input from citizens and no transparency about what it is they are negotiating, there is a further erosion of the rights of government to act on behalf of its citizens and be responsible to its citizens.

If the member wants to describe peaceful, meaningful, legitimate protest as a circus, then I say that will go down on the record of the government as being of the same ilk as the Prime Minister's refusal to clear the decks with respect to Shawinigate.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I have a quick comment. The hon. member talks about democracy. Democracy is ruled by rules. I was appalled because for one

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moment I thought the New Democratic Party had chosen not to engage in this McCarthyistic inquiry.

Let me quote what the member of the NDP said the other day when she was being recruited by the leader of the Conservative Party. She said that she chose not to engage. She wanted the House to get on to running the affairs of the nation.

The RCMP and the ethics counsellor have cleared the Prime Minister. The hon. member for Regina—Qu'Appelle was answered not once but three times. When does this end?

Ms. Alexa McDonough: Mr. Speaker, I worked really hard to hear a question but I did not hear one. However, let me take the opportunity to say that I have been asked, again and again, and as recently as this morning, by many reporters whether I actually think members on the backbench are comfortable with the Prime Minister's refusal to clear the air here.

There are two dominant issues at the moment that Canadians are looking at and watching with some horror. Do I think that all backbenchers are in agreement with the decision of the government to try to demonize dissent in what is happening at the FTAA proceedings? I cannot answer that question for backbench members, but I do know that if they seriously represented the interests of citizens and had any courage whatsoever, they would not be acting like trained seals for the government on the FTAA or on Shawinigate. They would be standing up and representing the concerns of their constituents about the paralysis of parliament.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I am pleased and honoured to share in the debate today with my leader, the member for Halifax.

I listened with care but also with disgust to a lot of the things that have been said on the government side, not just today but on other occasions, in defence of the Prime Minister.

I am reminded, probably because of my previous training, of a number of biblical insights in which people talk about ears that cannot hear and eyes that cannot see. Of course the more common version of this is "there are none so blind as those who will not see".

It seems to me that we have this kind of wilful blindness on the part of government backbenchers and on the part of everyone on the government side who refuse to see that there is a genuine problem here with respect to how the Prime Minister behaved in relation to his shares in the Grand-Mère golf course and in relation to the various things that he did in respect of the future of the Grand-Mère inn, in particular, calling and lobbying the president of the Business Development Bank with respect to a loan for the inn.

I am also reminded of the teaching which condemns people who are so busy pointing out the sliver in the eye of someone else that they cannot see the beam in their own eye.

• (1155)

What we have seen time and time again in the House is a form of ad hominem argument that I think degrades this place over and over again, which is responsible in part for the low opinion people have of politics and politicians.

Over and over again we have heard from the government side, when members get up, comments made about the Leader of the Opposition and the troubles he had with respect to a libel suit in Alberta. We have had the fate of the hon. member to my left here in law school mentioned. We have had all kinds of things mentioned that have absolutely nothing to do with the legitimacy or illegitimacy of the call for an inquiry, or the allegations that have been made which lead to the call for an inquiry.

It does no one any good to have the Minister of Industry talk about people who are making these allegations and calling for the inquiry. We saw it recently when a Liberal member got up and instead of asking my leader a question about her speech, he made some allegation about the NDP being in training for the civil disobedience at the Quebec City summit, which was false to begin with because what people are training for is how to handle the police when they come after them, not how to go about committing civil disobedience and getting arrested. Even if that were true, what would that have to do with the quality or the legitimacy of the call for an inquiry? It is like playing in a sandbox here. Somebody makes a legitimate request and people get up and say that our mother did this, our father did that or our grandfather did this yesterday. It is no wonder people do not have a high opinion of this place.

It seems to me that the Liberals are so accustomed to patronage and to feathering their own nests and the nests of their friends that at a certain point they cannot tell any more when patronage, which is questionable in itself, particularly when it is to the extent that the Liberals practise it, moves over on the gauge into conflict of interest. Frankly, I think this is what happened to the Prime Minister. At a certain point patronage crossed over into conflict of interest and he hardly noticed because there is so much arrogance there. There is a feeling that it is a one party political state and a one party political culture and basically the Liberals can do whatever they like.

It is that kind of attitude that permeates everything that has to do with the disbursement of government money. We see it not just in respect of the Prime Minister's actions, but we see it in the actions of the Business Development Bank in general. We see it with respect to the Export Development Corporation. We see it with respect to the Canadian International Development Agency. We saw it in spades last year when we talked about the way money was disbursed through HRDC.

Everything is turned to political ends, either political in a collective sense or political in a sense of rewarding Liberal friends

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for support. In this case, the money was sought for a hotel, a situation in which the Prime Minister stood to gain.

One of the more curious arguments that has been made, again by the Minister of Industry, is that because the Prime Minister lost money, this clears up the matter. Did it not occur to the Minister of Industry that those shares stood to go up or down, contrary to what the Deputy Prime Minister said at one point in the House when he tried to tell the House that the price of the shares was fixed so it did not matter what the Prime Minister did?

• (1200)

We have found out that is not true, like a lot of other things that have been said over the last several months. The price of the shares could change. The price of the shares in the end was less than what the Prime Minister originally sought to sell them for. This is supposed to be argument enough for us to drop it; but if the value of the shares was in flux, then yes, the Prime Minister lost. However he could have lost more or he could have lost less.

Does the Minister of Industry think that the Canadian people, the media and members of parliament were born yesterday? If the price of the shares could change then they could go up or down. That is precisely a question of the Prime Minister's behaviour between the period of 1993 and 1999, between the initial bill of sale and when the sale was finalized. We want to know what happened in between. Is that so unreasonable?

I remember being on my feet in the House calling for the Prime Minister to release all relevant documents. The problem is he has not released all the relevant documents and it looks like he does not intend to. We need to have an inquiry in order to determine what happened in that space of time. Why do we need that? It is for a number of reasons.

Frankly I would like to see the inquiry clear the Prime Minister. I do not want to live in a country where the Prime Minister is found to be engaging in a conflict of interest. I do not want to live in a country where it is never cleared up as to whether the Prime Minister was in a conflict of interest. I would much rather live in a country where an inquiry is held when there is a serious allegation of conflict of interest and the matter is resolved and cleared for the benefit of all.

Another reason is so that parliament can get on with doing more of what we should be doing. Government members have been very cute in this regard. They ask why the opposition did not ask about this and ask about that. When we do, we do not get decent answers anyway. They sure showed that last week. It has been suitably reported and they have had to answer for it.

I call the attention of the House to an earlier time in another place when an allegation of conflict of interest was made in May

1986 against a cabinet minister in Manitoba, a good friend of mine, former energy minister Wildon Parasiuk. What did he do? He immediately resigned. Former chief justice of Manitoba, Samuel Freedman, was asked to conduct an inquiry. By August he was back in the cabinet because he had been cleared and the allegations were found to be false. Is that not a much better scenario for the Prime Minister?

I am not suggesting that the Prime Minister resign, but certainly an inquiry could be set up. At some point we could have a ruling on just what went on. That would be a much better way to deal with this matter than the way the Prime Minister has dealt with it so far.

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, it was with some amusement that I listened to the NDP and its position in this regard. The hon. member just mentioned that it was a question of there are none so blind as those who would not see, but I think it is more a case over there with the unholy alliance between all the opposition parties of monkey see, monkey do.

The leader of the Tories, the Progressive Conservatives, has made this a personal inquisition he is conducting against the Prime Minister and all opposition parties are trying not to be outdone in the process.

The member talked about the government being cute on the issue. I think the NDP is being particularly cute in trying to suck and blow at the same time. It is trying to be part of the attack but it recognizes the necessity of dealing with the important issues in the country. It is trying to have a foot in both camps, so to speak.

I asked the leader of the Bloc Québécois why he does not accept the letter of March 20 from Pouliot, Mercure, solicitors for the company that owns the Grand-Mère golf course. The letter confirms that the resolution was passed confirming the sale in 1993. Why does that not put an end to the matter?

• (1205)

Mr. Bill Blaikie: Mr. Speaker, I am not sure whether the member was referring to some question he asked the leader of the Bloc in the past or whether he is asking me the same question as he asked the Bloc. I did not think I had become a separatist in the course of my speech.

The member talked about the position of the NDP in this respect. Our position is quite a defensible one. As the member knows we have raised the Shawinigate affair in the House. We have asked the Prime Minister to table documents. We have asked for the inquiry. We have done this on a number of occasions. Have we done this to the exclusion of everything else? No. We agree there are other issues.

We have asked questions about water, the Kyoto accord, the summit of the Americas in Quebec, health care and infrastructure.

We have asked a number of questions. I do not think that is trying to have a foot in both camps. I think that is doing our job.

There are many things that are called for in terms of what should be discussed on the floor of the House of Commons. We have contributed to the debate around Shawinigate in the House, as we have contributed to other issues. That is appropriate behaviour on our part.

The document the member refers to is one of the things we should have an inquiry to look into, to see whether that document jibes with a whole lot of other documents on the table and to see whether that document is as sufficient as the member claims.

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, I wish to comment a bit on what the hon. member has been saying. He talked about the level of debate in the House. I was hoping to come to the House today and that the opposition might be able to put new information on the table that would cause me to think my constituents were wrong by not calling me a lot on this issue and feeling there is nothing new.

The hon. member talked about comments coming across the floor. On the one hand he says the government is saying nasty things about their doing that. On the other hand he talks about feathering our nests on this side and other comments like that. That does not add to the debate.

It be useful if the hon. member would come forward with some new information that is not already out there. The Prime Minister has laid on the table all the relevant information. The RCMP has investigated. The conflict officer has looked at it. The disparaging remarks these hon. gentlemen have been making about the conflict officer are wrong. He is a very well respected, long term member of the public service. They should withdraw their scurrilous allegations.

What new does the hon. member have to put on the table that would make my constituents believe we should actually take this issue to any further level of investigation?

Mr. Bill Blaikie: Mr. Speaker, this is precisely the dispute, is it not? There is lots of information on the table. Obviously it is not enough to make one side or the other drop its particular perception of what is said by what is already on the table. That is why we need an inquiry. We cannot come to any resolution here.

I do not believe the hon. member's constituents are as disinterested in this matter as he says they are. I do not think there is any information we could bring forward that would bring the Liberal backbench around on this, at least in a public way, because they are so cowed by the power of the Prime Minister. I will finish on this. The fact is if the Prime Minister does not—

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Bélair): Order, please.

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Mr. Charlie Penson: Mr. Speaker, I rise on a point of order. I was listening very carefully and I could not hear the answer of the member for Winnipeg—Transcona. I am interested. I think he should be allowed to give his answer so that members of the House can hear it.

The Acting Speaker (Mr. Bélair): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

• (1210)

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, I will be sharing my time in this debate with my friend and House leader, the member for Pictou—Antigonish—Guysborough.

I very much regret having to join in this debate today on an issue that, as the leader of the New Democratic Party has just said, could have been resolved months ago, years ago, by the Prime Minister simply declaring the truth, not part of the truth but the whole truth. This may well have started as a simple error in judgment by the Prime Minister. If so, he should have had the courage to stand at the time and tell the truth to the people of Canada and to the House of Commons.

What has become so offensive since then has been the consistent attempt at cover up, the lack of information given to the House, the partial information that has been given to the House, and the attempt to try to stifle democracy on this issue.

The issue is conflict of interest. Did the Prime Minister have a continuing financial interest in the Grand-Mère Golf Club at the same time as he was lobbying the Business Development Bank for the adjacent Auberge Grand-Mère, a hotel that has inextricably close linked interests with the golf course?

I just happen to have a copy of the advertisements issued currently by the Auberge Grand-Mère.

[*Translation*]

The advertisement, which is in French, says that the Auberge Grand-Mère is a mere two minutes from the Grand-Mère golf club.

The auberge and the golf club are adjacent to one another. The viability and success of one affect the viability and success of the other. The market value of one has a direct impact on the market value of the other. Each promotes the other. The auberge's advertising offers golf and overnight accommodation packages. The golf club reserves banquets and dinners at the auberge after golf tournaments. The auberge's advertising talks about the 18-hole Grand-Mère golf course.

Yvon Duhaime, the present owner of the Grand-Mère golf club, is very certain that the auberge and the golf club are interdependent. Last November, when Yvon Duhaime appeared before the

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Régie des alcools du Québec to defend his case, he said that he needed a liquor licence because many golfers dined at the auberge following their golf tournaments and that most of the auberge's revenue came from clients who had purchased the golf package and from clients who were tourists.

The press also published Mr. Duhaime's comments to the effect that there had been "agreements, deposits and contracts" between the auberge and its clients.

Furthermore, in 1999, Mr. Duhaime said: "We send people over to them to play golf, and they send people over to us for supper. What is there to explain? If it were not profitable, would we keep on doing it"?"

[English]

The Prime Minister claims to have sold his shares in the golf club in 1993. By 1996 he was not paid for those shares. No payment, no sale. At that time he started to lobby the Business Development Bank for loans for the adjoining auberge while his lawyer acting as his agent was trying actively to sell the shares of the golf club at the very same time.

The value of the golf club shares depended on the successful business of the adjoining auberge. The debt owed to the Prime Minister constituted a continuing financial interest in the golf club. The lobbying of the president of the Business Development Bank was a conflict of interest.

The Prime Minister's statement of disclosure to the ethics counsellor was made under the 1985 code of conflict. Section 24 of the 1985 code states:

A public office holder shall make a confidential report to the ADRG (Assistant Deputy Registrar General) of all assets that are not exempt assets as described in section 19.

The debt or the shares, whichever the Prime Minister claims he had at the time, should have been declared to the ethics counsellor. It was a declarable asset. The definition of assets in the new code brought in by the Prime Minister states clearly assets that are not exempt assets are either declarable assets or controlled assets.

Under either code the Prime Minister should have declared the golf club shares or the debt arising from their sale. He did neither.

• (1215)

The Prime Minister has stated that he has released all the relevant documents. Yet the more documents that are released, the more questions are raised.

The handwritten bill of sale is not witnessed. The repayment schedule is not set out. We do not know what province it was signed in.

Where the note was signed is critical if the Prime Minister chose to sue for non-payment of the contract, because the law is different in different provinces. In Quebec one has three years from the date of signature, while in Ontario one has six years. However, the government refuses to answer this, as it refuses to answer most questions.

The value of the shares has fluctuated. We know from the documents released that the Prime Minister received less in 1999 than what he agreed to with Jonas Prince in 1993. A question: when did the Prime Minister declare the disposition of the shares on his income tax? Was it in 1993 or was it in 1999? This is a very germane issue. Was the Prime Minister informed of Mr. Claude Gauthier's purchase of land from the golf club? Was he, or his lawyer, consulted as to how the \$525,000 paid by Mr. Gauthier, who became a serial recipient of government contracts, would be distributed to shareholders or used by the company?

These and many other questions remain unanswered.

A public inquiry, under the auspices of the Inquiries Act, would be able to subpoena witnesses and gather evidence, including financial and income tax records. A public inquiry would be able to determine in an independent fashion if the Prime Minister was in a real or apparent conflict of interest when he lobbied the president of the Business Development Bank on behalf of the Auberge Grand-Mère.

In the Sinclair Stevens commission of inquiry, Justice Parker defined conflict of interest as the following:

A real conflict of interest denotes a situation in which a Minister of the Crown has knowledge of a private economic interest that is sufficient to influence the exercise of his or her public duties and responsibilities.

That was the judicial finding when that issue went to inquiry, as this one should.

The Prime Minister had knowledge of his private economic circumstances. His lawyer openly discussed the sale of the golf club shares with him. He knew in January 1996 that he would not be paid for the 1993 sale, yet not 90 days later he was lobbying the president of the Business Development Bank on behalf of the Auberge Grand-Mère.

In the examination by Mr. Justice Ted Hughes of the sale of Premier Vander Zalm's Fantasy Garden World, the premier was held to be in conflict of interest, in part because:

The Vander Zalm's retained an interest in the financial well-being of Asiaworld.

Asiaworld was the private company.

Mr. Justice Hughes also found the premier in conflict because:

The Premier, the highest ranking elected official in British Columbia, telephoned the highest ranking executive of Petro-Canada on August 20, 1990 to discuss—

[Translation]

Hon. Denis Coderre: Mr. Speaker, I rise on a point of order. I would just like to be sure that his list will also include his brother. When he wanted him to be made a judge, he called the Prime Minister.

Right Hon. Joe Clark: Mr. Speaker, it seems to me that the true talent of the Liberal party does not lie in its cabinet members but in its backbenchers.

[English]

If I may quote from the judgment of Mr. Justice Ted Hughes, he also went on to find the premier in conflict because:

The Premier, the highest ranking elected official in British Columbia, telephoned the highest ranking executive of Petro-Canada on August 20, 1990 to discuss the sale of a vacant gas station lot adjacent to the Premier's property.

The Prime Minister's situation is similar. The Prime Minister holds the highest office in the land, yet he telephoned the president of the Business Development Bank, a person who holds his position at the pleasure of the Prime Minister, to lobby on behalf of a hotel that is located adjacent to and does business with the golf course. At the time of the lobbying, the Prime Minister continued to hold a financial interest in the course.

Other jurisdictions have established independent ethics commissioners. That has been done in British Columbia. The conflict commissioner can give advice, hold inquiries and recommend the imposition of sanctions.

Unfortunately, our system does not have this independence.

• (1220)

The motion today calls for the establishment of an independent judicial inquiry to look at all the matters surrounding the Auberge Grand-Mère and the golf club. I support the motion.

I very much hope that the government will follow the advice of a previous Liberal government back in the sixties when the Hon. Paul Martin, then acting prime minister, the father of the present Minister of Finance, agreed to consult with the House on the terms of reference of that inquiry. The situation was the same. The government had stonewalled and the opposition forced an inquiry. There was then a consultation to ensure that there would be fair terms of reference. I call for an urgent public inquiry.

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Madam Speaker, this is a rather sad spectacle. The leader of the fifth party talk about ethics. Let us do that. Let us talk about his \$85,000 pension and \$10 million party debt. Then he demanded another \$200,000 to be leader of his party. Last year he got the lowest popular vote in history. He decreased his seats from 20 to 12 but he

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demanded \$160,000 to top up his \$130,000 salary. With all his money, perhaps he could retain his wife to advise him on conflict of interest.

The right hon. member's wife has some rather clear views on conflict of interest. She has said that the Progressive Conservative Party's new conflict of interest guidelines were "a massive intrusion" on her private life. Ms. McTeer, the wife of the right hon. member for Calgary Centre, went on to say when she was a candidate for the Conservative nomination in Carleton—Gloucester that the then proposed legislation causes a substantial loss of independence. The most shocking thing is that she said by requiring members of parliament and their spouses to declare their assets and their income, the legislation "somehow assumes we are dishonest".

We agree with—

Mr. Art Hanger: Madam Speaker, I rise on a point of order. I do not know the relevance of these particular comments coming from this member to the motion. If I may refer to the motion, it states:

That this House calls for the establishment of an independent judicial inquiry to determine if the Prime Minister is in breach of conflict of interest rules regarding his involvement with the Grand-Mère Golf Club and the Grand-Mère Inn; and that the inquiry should have broad terms of reference with the power to subpoena all relevant documents—

The Acting Speaker (Ms. Bakopanos): I want to remind hon. members that in terms of questions and comments the Chair has always shown a lot of leeway. Obviously I want to ask the hon. member to put his question to the leader of the fifth party.

Mr. Dominic LeBlanc: Madam Speaker, the right hon. member for Calgary Centre talked about tax returns. I think he used the phrase serial recipients of government contracts.

Let me talk about serial recipients of government contracts. Let me talk about the right hon. member's brother. Did the right hon. member for Calgary Centre in fact arrange to have his brother appointed as a legal agent for Canada Mortgage and Housing? Once the party had been reduced to two seats and he no longer was the minister, did he call—

The Acting Speaker (Ms. Bakopanos): I am sorry to interrupt. The hon. member for St. Albert on a point of order.

Mr. John Williams: Madam Speaker, I rise on a point of order. My hon. colleague from Calgary Northeast pointed out that the question today is on the Prime Minister and his ethics or lack thereof. In fact, we consider this issue so serious that we are asking for a judicial inquiry on the Prime Minister. We can deal with other issues another day, but the issue is the Prime Minister and his lack of ethics.

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The Acting Speaker (Ms. Bakopanos): Since we only have five minutes for questions and comments, I would like to permit the hon. leader of the Progressive Conservative Party to answer the question that was put to him. It is up to him what he wants to say in terms of answering the question.

• (1225)

Right Hon. Joe Clark: Madam Speaker, I will be very brief. First, I am quite prepared not only to stand on my record but to have it very closely examined by members of the House. I have lived in this political life for four decades now and I am quite open.

Second, I find it quite astounding that the hon. member would sink so low in this debate to attack my wife and to attack my brother. He does not know my dog. Perhaps he would like to attack my dog. I want to say to the hon. member that even his dad would not sink so low in the House of Commons. I would hope that he would follow higher standards than he has exhibited here.

Finally, the point is the following. We have been asking serious questions. I invite the House and the public to take a look at the questions that I have asked day after day in the House. The kinds of answers that we have received quite consistently, whatever party posed the question, have not been an attempt to address the real question but have instead been an attempt to insult, to slur, to change the subject. That is the reaction of a government that is in panic.

That is the reaction of a government whose contempt for the House of Commons leaves the House of Commons with no parliamentary option. That makes this absolutely essential. This issue goes to the heart of the moral authority of the Prime Minister. It raises the question as to whether or not he is able to take such simple responsibilities as firing a minister of his own when she behaves so badly. It goes to the heart of the moral authority of the Prime Minister of Canada. If it is not possible for us to resolve it here in the House of Commons, then that is simply another compelling argument for an independent public inquiry, which all the parties on this side of the House, despite our differences, have joined together in seeking.

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, this request is based on credibility. I will provide two quotes quickly.

Here is what the hon. member said on February 7. The leader of the Conservative Party admitted to the press that he had absolutely no proof of wrongdoing, telling the journalists "Let's leave it that I am fishing at this stage".

Then at the end of February after the RCMP inquiry, he went on to say:

The RCMP appears to have decided that (there was no criminal wrongdoing) and I accept their decision on the basis of the facts that are known now.

Is he saying that the RCMP has no credibility and did he lobby for his brother?

Right Hon. Joe Clark: Of course not, Madam Speaker. I suppose that kind of excess simply shows the desperation of the government's defenders.

What we are talking about here is a conflict of interest question. Is there proof? Yes, there is growing proof, not quite enough. The government has published some documents. It left a six year gap in documents. What they say raises new questions.

If there is any sense of conscience, if there is any sense of decency, on the part of backbench members of the Liberal Party, they would vote to clear up this matter. They would vote for an inquiry so parliament could get on with other business.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I am very honoured to have the opportunity to speak to this motion and in particular to share my time with the former prime minister, whose career, whose service to Canada and whose reputation are impeccable in the House.

As has been stated already, it is quite a sad attempt, and I would go so far as to say a pathetic attempt, by the government to deflect attention from the issue when we see the desperate references, even to go so far as to try to insult a person's family. I am surprised, frankly, that Liberal members on the opposite side of the House would, in their own conscience, sit by and cheer in their churlish, childish way those attempts to distract attention from the real issue.

We know what the real issue is. It is here and it has been defined in this motion as one calling for an independent, judicial, public inquiry into the affairs surrounding the Prime Minister's business transactions in his riding of Shawinigan.

The facts now on the public record are such that there is a mounting case, whether it be public opinion or whether it be evidence if it were before a criminal court, that would suggest there are irrefutable facts that the Prime Minister put himself deliberately in a conflict of interest by his business dealings and by his direct interventions with the Business Development Bank of Canada.

• (1230)

For many years it has been a longstanding accepted tradition that government would not deal directly with arm's length corporations that were set up to serve the public. This is what has happened.

The Prime Minister directly called the president of the Business Development Bank with the full knowledge that he had an interest in a golf course that was adjoining the hotel. He lobbied on behalf

of that same hotel, in which he once held an interest, to give it public money, and this is the key. Public money in the amount of \$615,000 was put into the hotel that was directly adjacent to the golf course while the Prime Minister still had a financial interest in that golf course. It is not rocket science. It is not any sort of a legal leap of faith to suggest that the Prime Minister had a stake in the approval of the loan to the Auberge Grand-Mère.

The evidence surrounding this and the attempts by the Liberal government to obscure, to cloud, to somehow make murky the clear evidence that the Prime Minister made this intervention from direct denials in the House, from letters and media manipulation on the part of the Prime Minister and some of his poisoned partisans like Warren Kinsella is very much something that should concern the Canadian people. People should be concerned about the efforts and the lengths at which the government has gone to obscure the truth.

Attempts to penetrate what has taken place through clear questions in the House, very straightforward penetrating questions, have been brushed aside. There has been continual public slurs of individuals' names, their records and their families. This again heightens the frustration and I would suggest the animosity of this debate.

There are clear indications now that the Prime Minister obviously did not have his shares in a blind trust, even though that was misstated on the floor of the House by himself and his trained protector, the Minister of Industry. There have been clear contradictions on the public record about the actions of Mr. Jean Carle, who lived in the Prime Minister's basement and who was his anointed son. He is the same individual who was dispatched to the Business Development Bank as a courier of PMO speaking points for the Business Development Bank president. The Prime Minister stood here and said there was no involvement of Mr. Carle on that file, which was completely false.

There is clear evidence that even Jean Pelletier, the Prime Minister's personal Rasputin, involved himself in this matter. He indicated that Mr. Carle was not introduced to the president of the Business Development Bank by him at a hockey game in Montreal. That in fact was a fallacy.

There have been many occasions where the Prime Minister could have been forthcoming. He could have come before the Canadian people and used the House as his forum to set the record straight. Instead he has done the opposite. He has taken every occasion to run from the truth and add further fuel to the fire by selectively releasing documents that try to exonerate him. It is now clear that this was very much an after the fact attempt to corroborate or somehow exonerate the Prime Minister. We know that this was not full disclosure.

As required by law, in a legal sense, in a criminal court full disclosure is necessary. The crown cannot decide whether to give

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little dribs and drabs of evidence to the defence to make its case. It has to give full disclosure. That obviously has not happened here. What we have seen are documents resembling, in the case of the supposed bill of sale, something that a couple of kids would write with a crayon on the back of a napkin at a Kool-Aid stand. This is not the type of documents or documentation we would expect from two millionaires with legal training.

Let us debunk the myth about the little guy from Shawinigan. This is the big enchilada from Ottawa with whom we are dealing. This is a multimillionaire who just wanted to get paid. He stated quite clearly in the House that he just wanted to get paid.

What does that denote? A financial interest, even though he maintained repeatedly and still maintains that he sold his shares in 1993. There is a very clear question here. Why is the name of the Prime Minister's company still appearing on documents in 1999, six years later? Obviously, a financial interest remained.

• (1235)

There are more mounting contradictions. The more we delve into it, it is like an onion. The more we peel away, more questions emerge. The government has gone to great lengths to try to obfuscate what has taken place. This plethora of contradictions remains.

We know we are supposed to put all assets in a blind trust when one enters the office. If a person is in cabinet, all the assets go into a blind trust. That obviously did not happen. There was a \$300,000 debt owing and it was not declared. The incredible efforts that are being made here should be cause for alarm. Canadians deserve better, particularly from the Prime Minister. They have suffered now for several years this sad spectacle of the Prime Minister twisting and turning in the wind over the auberge affair.

It is a very complicated tale but at the very root of it is a simple matter. It is one of conflict of interest. It is one of a Prime Minister retaining a financial interest in a property while trying to enhance a nearby property. The government even tried to deny the connection between the golf course and the hotel, as did the industry minister and the very partial and involved ethics counsellor. It is absolutely false to suggest somehow that the hotel would not benefit from having the golf course or the golf course would not benefit from the hotel. Canadians are not that naive.

No one needs a business or real estate background to understand. The hotel includes in its literature the presence of the golf course nearby. The comments now on the public record from the owner, the good friend of the Prime Minister, Mr. Duhaime who bought the hotel from the Prime Minister stated under oath that he in fact relied on the golf course for business. To try to deny the obvious is really a sad spectacle on the part of the government.

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The Prime Minister's credibility is very much at stake, as is the credibility of other individuals involved in the issue. The ethics counsellor, not to attack him personally, cannot have a shred of objectivity or credibility in this. He reports to the Prime Minister. His livelihood depends on the Prime Minister. It is unfair to even suggest that somehow he could fairly judge the circumstances. Even if he could, he could not report to parliament because the Prime Minister has set it up in such a way.

The truth is out there. We simply have to have a forum to get at the truth. A full judicial public inquiry would provide us with that opportunity. We have to submit the facts before that objective trier and that would very much satisfy the opposition. The Canadian public are calling for a public inquiry.

What would have happened in the cases of Milgaard, Morin and Marshall if there had been no opportunity to go back and revisit the facts and if they had not been given an opportunity to bring forward new evidence, put the matter behind them and shed light on this issue?

There is an old legal maxim that says guilt always hides from the light. The attempts that have been made on behalf of the government to keep the Canadian people in the dark clearly indicate there is more to this issue. The public deserves better. A full judicial inquiry would allow the public to put the issue behind them. It would allow the Prime Minister to put this behind him.

Mr. Art Hanger (Calgary Northeast, Canadian Alliance): Madam Speaker, the member who just gave a presentation I know has a legal background. He is a lawyer and was possibly a prosecutor at one time, I am not sure. On the Liberal side there have been numerous references made to this so-called investigation by the RCMP and that the RCMP closed the books on the matter.

Is there a section in the criminal code dealing with conflict of interest specifically where the RCMP would be involved in a major investigation or is it outside its jurisdiction? I am sure the member could distinguish between the two given that if it is outside the RCMP's jurisdiction, then who should be investigating a matter such as what is before the House for debate today?

• (1240)

Mr. Peter MacKay: Madam Speaker, I thank my hon. colleague from Calgary who I also understand has a background in criminal law as a police officer. He served the Canadian public in that capacity. He asked a very relevant question.

As I understand it, the RCMP did not conduct an investigation. No relevant witnesses were interviewed. It did not go far afield. It

did not interview anyone, as far as I am aware, who could have shed light on this particular investigation.

More directly to his point, the conflict of interest that is alleged here is not one of criminal jurisdiction. It is an issue that arises because of a code of conduct entered into by the Prime Minister. More importantly, it is a code of conduct that the Prime Minister enters into with the Canadian public. He owes a duty to the Canadian public not to put himself in an apparent or real conflict, which is what has happened here. Even if he had no interest whatsoever in that golf course, his actions in enhancing the businesses of a former partner, his partners in the golf course and his close association with all of this property should in and of itself have barred his intervention with the Business Development Bank, and he would not have sullied his name or his office if he had followed that simple maxim.

Mr. Paul DeVillers (Simcoe North, Lib.): Madam Speaker, the hon. member for Pictou—Antigonish—Guysborough and his leader both quite sanctimoniously chastised the government side for referring to other people. Then in the middle of his speech he referred to the Prime Minister's chief of staff. He also referred to former staff and used terms such as Rasputin. I have to admit that that is a little inconsistent.

However, I have a specific question on his speech when he said that the issue has been confused or was not clear. What we have is a very clear bill of sale. There are many questions that the opposition is trying to raise but we have a written bill of sale. The corporate solicitors have confirmed that the board of directors in a resolution accepted the transfer of the shares from the Prime Minister's company to Akimbo.

Given those two facts, obviously what we have is an unsecured debt. How can the collection of an unsecured debt be a financial interest in the operations of the golf course? That is the question I would like to hear a clear answer to.

Mr. Peter MacKay: Madam Speaker, I would like to first address the issue of bringing in other people's families or personal attacks. Obviously, Mr. Carle, Mr. Pelletier and others in the PMO palace guard have a direct involvement in this. This is not somehow a superfluous attack on individuals. These individuals were acting on behalf of the Prime Minister. They were making interventions directly to his benefit. So to suggest somehow that I have gone far afield in chastising or spreading slurs against anyone outside of the Prime Minister's immediate circle is complete rubbish.

To the point itself, the hon. member also has legal training. He knows that document is very suspect. There are no witnesses to the document. We do not know where it was signed. There were no

resolutions attached to it. It referred inaccurately to 22% of the shares when we know it was actually 25%. There are numerous inconsistencies in the document. The hon. member, as someone with legal background, knows that this type of very speculative document may or may not stand up in a court of law.

The Acting Speaker (Ms. Bakopanos): Before we resume, I know most of you do not have Marleau and Montpetit beside you, but because there were a certain number of questions around reference to naming members of the public who are not members of parliament, I would like to read one sentence. It states:

Members are discouraged from referring by name to persons who are not Members of Parliament and who do not enjoy parliamentary immunity, except in extraordinary circumstances when the national interest calls for the naming of individuals. The Speaker has ruled that Members have a responsibility to protect the innocent, not only from outright slander but from any slur directly or indirectly implied, and has stressed that Members should avoid as much as possible mentioning by name people from outside the House who are unable to reply and defend themselves against innuendo.

● (1245)

I remind hon. members of this point. I know many of them have been in the House longer than I have.

Mr. Charlie Penson (Peace River, Canadian Alliance): Madam Speaker, I will be splitting my time with the member for Calgary—Nose Hill. I am happy to take part in the debate.

The Canadian Alliance brought forward a motion to establish a judicial inquiry to determine whether the Prime Minister is in a conflict of interest. It is a serious and important issue for Canadians. They want to know what is happening and that is why we are calling for a judicial inquiry.

It is becoming more and more evident that the Prime Minister is in a conflict of interest on the Grand-Mère issue. Canadians should be concerned that the Prime Minister lobbied for grants and loans for a failing hotel beside a golf course in his riding in which he held a \$300,000 interest.

However Canadians should be even more concerned that time after time the Prime Minister has directly contradicted himself on the facts. One of the latest examples was published by the *Canadian Press* on April 2, 2001. After denying there were links between the golf course and the hotel, the owner of the Auberge Grand-Mère said under oath on November 2, 2000:

Agreements, accounts and contracts were made between the Auberge and (the golf course's) clients. You can understand that this represents a major part of the (Auberge's) receipts.

Canadians are concerned. A Compass poll released March 30 showed that 63% of Canadians think the Prime Minister was wrong

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in lobbying, 60% of Canadians want an independent public inquiry, and 85% feel it is necessary to get to the bottom of the matter.

How did this develop? The Prime Minister himself set the standard in 1993 but he has not met his own standards. The following are quotations from the 1993 red book:

There is evidence today of considerable dissatisfaction with government and a steady erosion of confidence in the people and institutions of the public sector.

This erosion of confidence seems to have many causes: some have to do with the behaviour of certain elected politicians, others with an arrogant style of political leadership.

At the time the Liberals were talking about Mulroney, but I think it pertains even more to the present administration. It continued:

The people are irritated with governments that do not consult them, or that disregard their views, or that try to conduct key parts of the public business behind closed doors.

How did this happen? What is the history of this development? We must go back a little to understand it.

In 1986 the member for St. Maurice quit politics to build his private holdings. In May 1988, along with two business partners, his company J&AC Consultants Inc. bought the Grand-Mère golf course for \$625,000.

In April 1993 the money losing Auberge Grand-Mère next to the golf course was sold to an old friend of the Prime Minister's, Yvon Duhaime. The deal was completed just before the Prime Minister was sworn into office.

The Prime Minister says he sold his one-quarter share in the Grand-Mère golf course on November 1, 1993, to a wealthy Toronto real estate developer, Jonas Prince, for \$300,000 plus interest.

The sales agreement with Jonas Prince is dated November 1, 1993. It is a handwritten note scrawled on a blank piece of paper. It is not witnessed or notarized. It is without independent confirmation of date. We do not even know what province it was signed in or what law governs it, yet it was drafted by two corporate lawyers. It is quite a note and quite a contract.

However, in two letters to the *National Post* dated December 1998, Jonas Prince denied buying the share and said it was merely an option to purchase. He sent back the corporate records of the golf course unsigned, took no part in its management, paid \$40,000 in compensation in 1997 and thought that was the end of the deal.

It was not. When the Prime Minister needed money he phoned his lawyer and found the debt was unpaid. He then phoned the ethics counsellor at home on a Saturday, January 27, 1996. It must have been pretty important for him to call on a Saturday. The ethics counsellor advised the Prime Minister he could sell the shares or declare publicly that he owned them.

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• (1250)

The Prime Minister did neither for three years until a newspaper broke the story in January 1999. Instead he began lobbying for grants and loans for the Auberge Grand-Mère next to the golf club. He had a meeting with immigrant investors on February 28, 1996, made repeated phone calls to the Business Development Bank, and lobbied HRDC for job creation grants in 1996 and 1997.

Seven months after the Prime Minister learned he was still owed money for the shares, a wealthy friend of the Prime Minister's, Claude Gauthier, bought a piece of land from the Grand-Mère Golf Club for \$525,000. That was in September 1996, days after Gauthier won a \$6 million CIDA contract for which he was not even qualified to bid.

Gauthier's company, Transelec, then donated \$10,000 to the Prime Minister's personal election campaign in 1997. The Prime Minister won that campaign, I might remind the House, by just 1,600 votes. During the campaign things were pretty hot and furious in Grand-Mère and Shawinigan.

Later in 1998 HRDC created an illegal trust fund to hold \$1.2 million in grant money so that Mr. Gauthier could purchase a company in the throes of bankruptcy. He declared bankruptcy six months later anyway and started the company again with fewer employees.

A friend of the Prime Minister recently said the golf club was still in the Prime Minister's hands and that he was still a registered shareholder. Melissa Marcotte is quoted in the *National Post* on March 23, 2001, as saying that the minutes of the share registry book had not been signed since 1994. I guess the minutes have been corrected at Industry Canada now. I would like to see them but we do not have the opportunity.

Throughout all this the Prime Minister knew he was owed \$300,000 for his shares. He had not been paid for his shares in the golf course. He knew that Jonas Prince thought he did not own the shares. He was kept abreast of the efforts to sell them by both the ethics counsellor and his lawyer Debbie Weinstein.

The Prime Minister's claims are simply not credible. Jonas Prince sold his hotel chain for \$90 million. He could have paid for the Grand-Mère Golf Club shares out of pocket change. Why did he not? It is because he never believed he owned the shares. Six years went by and he never paid for the shares. He did not pay for them because he did not believe he owned them.

Since that time heavy pressure has been put on Mr. Prince and he has changed his tune. He obviously believed he did not own the shares. Otherwise he would have paid for them. Why would a successful businessman like Mr. Prince risk the wrath of the Prime

Minister of Canada by not honouring what was supposed to be a bill of sale?

It does not make sense. It does not pass the smell test. In other words, as the old saying goes, there is something rotten in the state of Denmark. That describes the situation perfectly.

Let us move on. Let us talk about the blind trust issue which is very interesting as well. On March 1, 1994, the Prime Minister put all the business affairs of his holding company, J&AC Consultants Inc., in a blind trust.

The Prime Minister's declaration on the ethics counsellor's website says:

I declare that I hold a third of the shares of J&AC Consultants Inc., a private company managed by a third party who is not dependent on me and without a right of regard on my part.

However on January 27, 1996, the Prime Minister violated the blind trust and called his lawyer and the ethics counsellor regarding the sale of the shares. That is some blind trust. It is a little like the reason Sinclair Stevens had to leave the House, I would add.

If the Prime Minister had distanced himself the controversy may well have been over. If it was a blind trust, the obvious question for Canadians is how he knew the shares had come back to him. It is a pretty obvious question yet it has not been answered.

The ethics counsellor said the debt did not need to be declared because of a "deficient form" that did not require him to declare debts. However the Prime Minister voluntarily put his company into a blind trust. He was not ordered to do so. He voluntarily did so. He broke his own promise to have no right of regard.

On March 23, 1999, The Prime Minister stated in the House that he had voluntarily put his debt in a blind trust:

I put all my assets in the trust. It is a blind trust. I was not forced to give her the management. I did exactly that so I would not have to reply to that type of question.

The ethics counsellor confirmed that the Prime Minister had broken that trust.

• (1255)

Let us discuss the Business Development Bank loan. The Prime Minister phoned the president of the Business Development Bank twice and once lobbied him at 24 Sussex Drive. That needs to be explained and that is why we need a judicial inquiry.

The Prime Minister is simply not credible on the issue. Many questions need to be answered. It is not normal to phone the president of the Business Development Bank. Members of parliament do not have such access. The Prime Minister did so and he put pressure on him. The net result was that the loan was given. When the loan was pulled two years later because no payments had been made, the president of the Business Development Bank was fired. What a strange coincidence.

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Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, I wonder if the member could advise the House if he is aware of whether the receivable that was created on the sale of the shares is a registerable item under the rules guiding blind trust? Has he checked that out? Does he know?

Mr. Charlie Penson: Madam Speaker, I do know that the Prime Minister was never paid for the shares. Even though they were said to be sold on November 1, 1993, he never received payment. The Prime Minister therefore had a clear interest in the shares. Mr. Jonas Prince never paid for them during that period, whether he owned them or not. When the Prime Minister lobbied the president of the Business Development Bank in 1996 and 1997 he was clearly in a conflict of interest.

As to the blind trust issue, it is pretty clear that the Prime Minister should not meddle in a blind trust. He did not need to put his shares there. He did so voluntarily, which makes it all the worse that he did not deal with the issue properly. He violated the spirit of the blind trust.

Mr. Art Hanger (Calgary Northeast, Canadian Alliance): Madam Speaker, to the member for Peace River, several business people have come into my office to determine what kinds of loans are available for business ventures, investments or perhaps grant type loans to help their businesses expand or get over a hump. I have met perhaps a dozen such people during the years I have been in parliament, and I have advised them to go to the Business Development Bank.

Representatives from the Business Development Bank have advised me on the services they provide. At no time have I ever had an opportunity, if I should put it that way, to force, strong arm or cajole BDC representatives into giving loans to the people who come to my office for assistance.

Let us look at the sequence of events surrounding the Business Development Corporation loan. The first occurred when the Prime Minister contacted the president of the Business Development Bank, first by telephone and later by lobbying him at 24 Sussex Drive, to get a loan for the golf course and hotel.

What does the hon. member see as abnormal about that compared to, say, what might happen in any member's office when loan applications go through indirectly to the Business Development Corporation?

Mr. Charlie Penson: Madam Speaker, I thank my colleague for the question. It is a very good one.

This is not a normal situation, as the Prime Minister would have us believe. It is far from it. The president of the Business Development Bank is indirectly an employee of parliament. BDC is a crown corporation, a government owned bank. The Prime Minister phoned the president of that bank and put pressure on him

to give a loan to a friend who happens to own a hotel next to the Prime Minister's golf course.

• (1300)

If the hotel failed and he did not get the loan, the value of the golf course would obviously have diminished. This is far from a normal operation. I do not know of any members of the House who have that kind of clout, the opportunity to phone the president of the Business Development Bank and ask for those kinds of favours.

The president of the BDC, Mr. Beaudoin, did not like it either. It took two calls plus heavy lobbying at the Prime Minister's residence to make it happen. Even then the interest rates were put at 25% because he considered it a very high risk loan, and well he should have. Two and a half years after getting the loan no payments had been made. That is why the BDC president advised that there should be foreclosure. As soon as that happened the bank manager lost his job.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Madam Speaker, we should take a few minutes in the debate for Canadians to consider why they should care whether the Prime Minister breached the code of ethics.

Why should Canadians care? Members opposite, especially on the front benches, have said that we should be talking about other things in the House and that Canadians care about other things. It is important that we consider why Canadians should care about whether their Prime Minister breached the code of ethics. Today's news from Belgrade, Yugoslavia, emphasizes why today's debate in the House of Commons is so important to Canadians.

Let me read just a few lines from a news story about the arrest of Mr. Milosevic. The news story quotes people in—

[*Translation*]

Hon. Denis Coderre: Madam Speaker, I rise on a point of order. You are very familiar with the Standing Orders. This is totally out of context.

[*English*]

It is totally irrelevant. We should stick to the debate and not to that kind of crap.

The Acting Speaker (Ms. Bakopanos): I did read earlier a reference in Montpetit and Marleau concerning reference to public figures. I will let the hon. member continue on debate and if there are questions I will take questions at that time.

Mrs. Diane Ablonczy: Madam Speaker, it is interesting how desperate members opposite are to stop the debate and interrupt it in any way. I say shame on them.

People in Yugoslavia are saying today that they are a civilized people. Why do they need to say that? It is because of the very uncivilized actions that have taken place in that country recently. A Balkan expert has replied to the question of why Mr. Milosevic

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did what he did. He said it was power, money and greed. It was that simple. He was motivated completely by a desire to stay in power.

United States diplomat Richard Holbrooke's memoirs of the Bosnian peace talks revealed Mr. Milosevic as witty, insightful and sadly unscrupulous. He adds that:

Analysts agree that southern Europe—

Mr. Steve Mahoney: Madam Speaker, I rise on a point of order. This is not out of desperation. This is out of an absolute sense of shame that the member would somehow try to link this place or our Prime Minister to Milosevic who has been arrested and will be charged with crimes against humanity.

There is no relevance whatsoever to using that as a comparative. I ask the member to withdraw those remarks and to apologize to the House and to Canadians for trying to make such a despicable—

The Acting Speaker (Ms. Bakopanos): Earlier, and the hon. member was not present, I read a reference in Montpetit and Marleau concerning reference to public figures. In this case it is a parallel that the hon. member is referring to.

Mrs. Diane Ablonczy: Madam Speaker, I suggest that if it was not entirely relevant there would not be such desperation on the other side to put a stop to the allusion. The quote continues:

Analysts agree that southern Europe might today be a much different place had Mr. Milosevic's talents been tempered by morality. But if nothing else, Mr. Milosevic's fall sends a message to future politicians that ultimate power does not eliminate accountability.

• (1305)

Ultimate power does not eliminate accountability. The Prime Minister holds ultimate power over almost every aspect of what happens in government. For many people, the truthfulness of people that they deal with, let alone people who hold ultimate power, might seem like an abstract concept until they start to think more deeply. If we cannot believe the people we deal with, our whole relationship, the whole basis for a civilized society crumbles.

It was Solzhenitsyn, who was almost the sole fighter against a corrupt and immoral political system, who said:

One word of truth outweighs the entire world.

In our country and in the House of Commons it appears that we have shifted from truth to power games. It appears that it is not truth that carries the day, but spin doctors and communications specialists. Interjections by government members to try to hide the points being made by the opposition are more important than getting to the truth. Truth is extremely important because without truth there is simply no basis at all for trust.

Trust is what makes democracy work and it is the foundation for freedom. It is what makes our parliamentary conventions work. It may be a long way from what we have in Canada to what we have seen in Yugoslavia, but the principles are precisely the same. That is why the debate is so terribly important to Canadians, their families and their future, and to our country. Without truth what do we have? We have only manipulation. We have only a—

Hon. Andy Mitchell: You besmirch somebody's reputation. That is what you have when you do not have the truth. You have the Alliance Party—

The Acting Speaker (Ms. Bakopanos): Order, please. We will call a time out.

Mrs. Diane Ablonczy: Madam Speaker, I suggest to Canadians that over the last two years questions have been raised about whether the Prime Minister failed to exercise his unique and tremendous position of power in a fair and impartial way because he had something to gain or lose personally from certain actions that he took in ensuring that the public's money was allocated to friends and businesses in his riding.

There are also a troubling and appalling number of instances where the Prime Minister's statements in the House on the matter proved not to square with the facts as they came out later. Canadians have a direct stake in the outcome of this matter. First, truth telling is the glue that holds a civilized society together. Second, only ethics and honesty can serve to protect the relationship between the governors and the governed.

I suggest that this has been a very important convention in our parliamentary tradition. It is fair to say that our parliamentary traditions hold that to mislead or make a false statement to the House is about the most serious sin a minister could commit. To do so would be a complete rejection of parliamentary values. How can a government be held responsible if it will not be honest in statements to the House?

• (1310)

It has been considered a fundamental principle in the parliamentary system that the government would always be honest in the House of Commons. This has always been considered essential and absolutely fundamental.

There is an example of this during the Pearson administration. Prime minister Pearson took a very serious view of an occasion where he inadvertently and innocently misled the House. This was documented in Gordon Robertson's book *Memoirs of a Very Civil Servant* which recounts the facts surrounding the Rivard case.

Mr. Pearson was asked in the House of Commons as to when he was advised of the situation. He made a response, but in effect it was incorrect. He had been advised of the situation by his justice

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minister two weeks earlier. His mind was busy with other things and he had forgotten the conversation.

No one knew that he had been advised earlier than what he told the House. Nobody knew except him and his minister. Yet the prime minister took this so seriously and was so concerned that he had misinformed the House, even though it was innocent, that he set up the Dorion commission to inquire into the affair. When all the facts came out the commission cleared the prime minister of any wrongdoing in this matter.

This was a situation where misleading the House had been innocent. It had been inadvertent, unintentional, and no one knew about it. It was not a matter of public record. Prime minister Pearson took his ethical responsibilities so seriously that he set up a public commission to look into his own innocent and inadvertent statement in the House. Members should contrast that with what we have today.

The Prime Minister has repeatedly on record in the House of Commons made statements that clearly do not square with the facts that have come out later. We are asking for the kind of commission that Pearson set up under far less serious circumstances.

What does the Liberal government do? Does it uphold parliamentary conventions? Does it uphold the ethical standards of the Pearson administration? No, it has sunk so low that the truth will be hidden. It is important that Canadians get the truth because without truth there is no safety, no accountability and no democracy.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Madam Speaker, I had an opportunity a year or so ago to travel to the former Yugoslavia. I went to witness Canadian development projects trying to remove one million landmines still remaining in Croatia, a small part of the former Yugoslavia.

That does not refer to the reconstruction efforts in Bosnia and Herzegovina. It also does not refer to the misery inflicted on the people of Kosovo, the ethnic Albanians of Kosovo, some of whom I have met and some of whom are here in Canada as we speak. Some may even be listening to the speech the hon. member has just made.

Could the member in good conscience explain to the people of a wartorn country, with all the misery inflicted upon them, why she feels it is appropriate to make fun of the misery that they endured in order to make a cheap political point? How could she make an accusation, and a ridiculous one at that, against the Prime Minister of the greatest country in the world that greeted and welcomed those refugees of the misery perpetrated according to the international tribunal in The Hague and possibly inflicted by Milosevic? We are not making those accusations. A worldwide tribunal has said that.

• (1315)

How will the hon. member explain her statement to her constituents, to other Canadians, to everyone who works in international development, to people who work for the Red Cross and to people who risk their own lives to defend democratic values? How could she make fun of them like that? I do not know whether she has ever had the opportunity of seeing what life over there is like but if she has not, it would be well worth the trip. She perhaps would then refrain from making those kinds of remarks in the future.

Mr. Jay Hill: You should have listened to what she said.

Hon. Don Boudria: I listened to everything that she said. She may or may not have a point to debate with other members, but that is no excuse for the kind of statement she just made. It cheapens this institution and, more important, it insults the intelligence of the many people on earth who have suffered.

Mrs. Diane Ablonczy: Madam Speaker, I am pleased that the House leader for the government got the point that I was making because it is a very important one. I again quote from Richard Holbrooke's memoirs. He said:

Analysts agree that southern Europe might today be a much different place had Mr. Milosevic's talents been tempered by morality. But if nothing else, Mr. Milosevic's fall sends a message to politicians that ultimate power does not eliminate accountability.

It is important that there is morality, ethics and honesty in government because truth telling is the glue that holds a civilized society together. It is also the glue that holds a democracy together. Only ethics and honesty can serve to protect the governed from those who govern.

I hope and pray that the government will care enough about honesty and ethics that it will give the Canadian people the gift of knowing that their Prime Minister is wholly, completely and irrefutably honest. Only an independent inquiry, after all the lies, misrepresentations and things that do not add up come out—

The Acting Speaker (Ms. Bakopanos): There are 23 seconds remaining for a quick question or answer.

Mr. Joe Jordan (Leeds—Grenville, Lib.): Madam Speaker, fanatics are people who, when they lose sight of their objectives, redouble their efforts.

I worked in eastern Europe for three years. I am an insulted Canadian when I hear the member compare our current Prime Minister to the likes of Milosevic. She owes Canadians an apology. She should stand in her place now and apologize to her constituents and to Canadians for such a ridiculous level that she has stooped to

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in this affair. It shows the complete lack of facts that members opposite are basing this accusation on.

Mrs. Diane Ablonczy: Madam Speaker, truth is important in Yugoslavia and truth is important in Canada. If the government does not care about the truth at least it can care enough about Canadians to let them get to the bottom of this and to answer all the questions that have come up about the actions and the statements of our own Prime Minister.

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, I will be sharing my time with my colleague from Mississauga South.

I thought I had seen the lowest of the low in this place until the speech that I just heard and witnessed. I hope the constituents in Nose Hill were watching television and listening to the kind of poisonous rhetoric that we just heard from that member opposite.

Not only does she lower the level of debate by attempting to compare someone accused of crimes against humanity, of fraud, of theft and who may be tried in The Hague by an international court for the most violent kind of crimes that anyone could experience, she has tried to compare a right hon. member of this place to that person by using terminology such as "the answers have to square with the facts".

• (1320)

She says that truth telling is the glue that keeps our society together, that we should not mislead or make false statements. How many ways does one person in this place call another one a liar? That is what I heard, but I do not see anyone over there with the courage to stand and say it. Instead the opposition hides behind phraseology, trickery and debate.

The one thing I can say is that unlike many of my colleagues in this place I am not a lawyer. As a result it gives me a unique perspective in looking through all the nonsense that is being hurled around here that is nothing more than legal bafflegab.

The facts are clear. The opposition demanded that the ethics counsellor look into the matter after having accused the Prime Minister of having a conflict of interest. That is what it asked for, and he did it. The opposition did not like the answer, so the only weapon it had left was to attack the integrity of the ethics counsellor, a man whose integrity is beyond reproach. That is all it could do. It does not like the answer, so it tries to shoot the messenger.

The leader of the fifth party, a man who is the only other person in this place to share the title right honourable, requested that the RCMP investigate and look into criminal activity. When the RCMP replies that there is no criminal activity, what does he do? He cloaks himself around the guise of being a bit holier than thou by suggesting that he was not saying the Prime Minister was dishon-

est, but on the other hand he did not believe the Prime Minister was telling the truth.

Members opposite say that the Prime Minister is not a liar but on the other hand truth has to win out. They say truth will win out, but he is not lying. What kinds of games are these?

Canadians can see through this nonsense. This is nothing more than a witch hunt like no other I have ever witnessed in my 23 years in public office. It is an attempt by the opposition to destroy one man. Why? It is because they cannot win any other way. They have tried by walking through the front door of parliament, but the closest they get is a sniff of sitting across in the opposition benches.

They cannot get in the front door through the electoral process, so they find another strategy. They tear down the institution. They tell Canadians that parliament is dysfunctional and that nothing works. They prove it by harassing and continually bringing forward motions that make this place extremely difficult to work in. They destroy themselves and then they become reborn. It is an amazing strategy to behold. How does one tear down the institute of parliament? It is done by attacking the top member of the institution.

Members wanted to see the bill of sale. Members on all sides said that if the bill of sale were shown it would solve this in a heartbeat. Those are not our words. They said that this could be solved in a heartbeat. The Prime Minister talked to the ethics counsellor and decided to release the documents. He released not only the bill of sale but 10 supporting documents that go with the bill of sale that explain every question members opposite have asked. Was that acceptable? No.

• (1325)

Now it is being denigrated as being written on a napkin at a kool-aid stand. Canadians see through that. It is a handwritten document. That is not unusual. I have entered into agreements myself that have been handwritten on stationery and signed. It is the intent that matters, and members know that. The Prime Minister sold the shares in 1993. What could be more clear?

One member opposite said that the Prime Minister voluntarily put his shares into a blind trust. That is absolutely not the truth. It is a fallacious statement that is not based on the historical record. He did not have shares to put into a blind trust. They did not exist in his possession. He was owed money and it is ironic that at the end of the day the man lost money. It has to be one of the worst business deals he has ever done. He lost something in the neighbourhood of \$50,000 on the sale of those shares. Why did Mr. Prince not pay him? How would we know? How would he know?

The Prime Minister turned the matter, the collection of a debt and that is all it was, over to his trustee. The trustee worked co-operatively with the commissioner to try to collect the moneys

that were properly and duly owed to the Prime Minister and his family. Should he be penalized because he is the Prime Minister or a member of parliament? Should he say to forget the debt, that he would wash his hands of it, and that he would not try to collect it because he is in public office? Should he not be able to do his job as a member of parliament on behalf of his constituents.

No one talks about the fact that the first loan application for the hotel was for \$2 million. That was turned down by the bank. How much did they actually get when they got the loan approved? After some assistance from their MP, how much did they actually get? It was \$615,000, a far cry from \$2 million.

Is it unusual for a loan to be turned down and for the applicant to be told to go back to redo the business plan, to set out the issues in priority and to return with an alternative proposal for a lesser amount? It is about as normal as any other kind of business transaction that I can imagine. Loans were received from the *caisse populaire*. Is there something wrong with that?

I do not understand why people want to destroy businesses in the Prime Minister's riding. I understand the political motivation for trying to destroy him. It is the only way that they can take over this place. The damage that is being done to innocent people at the ground level who are not in the blood sport called politics, who do not have an axe to grind in any of this, is most unfortunate.

If the opposition wants an inquiry, I have one. The Leader of the Opposition when he was a member in Alberta falsely made an accusation against a local lawyer. He made derogatory remarks for which he was sued and for which he subsequently settled upon fear of being found guilty. He settled and the taxpayers were left with a bill of almost \$800,000. Of that, \$400,000 went to the law firm that defended the Leader of the Opposition. Is it not somewhat puzzling when it came out that there was an election contribution of \$70,000 by that same law firm to the Canadian Alliance?

Upon revealing the information that the \$70,000 contribution had been made to the Canadian Alliance, the same law firm recanted. It said that it was not the firm, that it was one of its partners. It got the receipt back and asked that another receipt be issued in the name of an individual. It was one person, one man, one lawyer who worked as a partner in the same law firm that represented the Leader of the Opposition in a defamation law suit, who donated \$70,000. Members should think about that. That man needs help: \$70,000 as a donation to one political party.

• (1330)

I find it an astounding coincidence that the \$70,000 donation to one political party is the same amount that was made by the legal firm. It is the same amount for which the law firm requested that the receipt be withdrawn and a new one issued to the individual. Is there something wrong with that? Maybe we need an inquiry.

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In closing, I want to say and reiterate that this is clearly one of the most despicable attempts by an opposition, granted a united opposition, that has only one goal, and that is to destroy the Prime Minister of the country.

Mr. Grant Hill (Macleod, Canadian Alliance): Madam Speaker, the member opposite was in municipal politics as he said during his intervention. I would like to ask him a question about his time in municipal politics.

I also spent a little time on my town council. Whenever there was an issue that arose in which I had any influence at all, such as property I had owned, or an interest in a roadway or possibly a company that I had some interest in, I always stepped aside and did not vote on or discuss issues like that in the municipal arena.

Did the hon. member ever have the same opportunity to step aside and not vote on an issue in municipal government? Does he see, and I would honestly like to know, a difference between the municipal level and the federal level? I think there is a difference. I do not see nor hear that same approach here.

Did the member have the opportunity to not vote on an issue that he might have had an interest in? Does he think that the same ethical standards should apply in the federal parliament?

Mr. Steve Mahoney: Madam Speaker, my record in municipal government is quite open to the public. I want to share something that is relevant to the hon. gentleman's question. It is from the Standing Orders of the House of Commons. Regarding what one should not do, it says:

The offer of any money or other advantage to any Member of the House, for the promoting of any manner whatsoever depending or to be transacted in Parliament, is a high crime and misdemeanour, and tends to the subversion of the Constitution.

I would point out to the hon. member that there is someone in this place who in my view has contravened this section. It is the leader of the fifth party. He accepted money from his party, money that was raised by public or private contributions to the party, and accepted it as an extra emolument to his salary.

Do we want another inquiry? Why do we not look into that conflict of interest and find out just exactly where the member is getting his money from, how much he is getting, who is contributing and how he can justify taking extra money to perform his duties in this place?

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, I do not know whether the hon. member across the way has managed to convince himself, but he has certainly not convinced me.

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I have been involved in transactions for twenty years, and I have sold shares like this. When there is a sale of shares that involves an unpaid balance of \$300,000, normally guarantees are set out. Normally, such a contract would be a minimum of 20 pages.

However, if the member opposite claims to know the whole truth of the Prime Minister's saga, perhaps he could explain how the Prime Minister's company, a numbered company, bought from Consolidated Bathurst, at one point, nearly half the riding of Shawinigan for one dollar and other fair and reasonable considerations? Could he explain what these considerations were, he who claims to know every aspect of the Prime Minister's personal transactions?

I put this question to him, he who alleges difficulties in the case of certain members of other parties. This involves a contract worth \$300,000 with a \$300,000 balance of the selling price. It is true that the parties' intent is capital. It is true that it could be written on the corner of a napkin, as he says, except that generally there are guarantees.

If the member's logic holds, how is it that the Prime Minister intervened in the second sale in 1999, this time to support burdens more onerous than those contained in the first agreement of sale, which was an absolute sale, apparently in 1993?

• (1335)

If he no longer had them in 1993, how could he be party to the sale in 1999? This would be enough, if he is of good faith, to raise questions, and good ones, and try to come up with a response.

[English]

Mr. Steve Mahoney: Madam Speaker, I will give the hon. gentleman at least credit for dealing with the issues, unlike much of the debate I have heard opposite.

There is a saying that I have heard in business and in legal circles, and that is that the contract is only as good as the two people who enter into it. I think people accept that as a fact. The member can laugh but it is the factual way of doing business right across this country. Many times it is done, I might add, on a handshake. However, I am not sure members opposite would understand that level of trust.

This contract was clearly signed by both people. They were seen to be people of faith. I think the Prime Minister would have good reason to trust Mr. Prince and there is no question that Mr. Prince would have good reason to trust the Prime Minister.

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, last Thursday the House had a vote on an adjournment motion. After that vote was taken, I remember standing out in the lobby. I saw a member of parliament in the midst of other members of

parliament having a little fun about what had just happened in the House.

It was very interesting that when some reporters with cameras came into the area, the lights went on and the whole thing changed. All of a sudden there was a substantial amount of animation. Quite frankly what happened was people started to perform and this probably did not show this place in its best light.

That is what happens in question period every day. The press are up in the gallery and looking down for the news clip. It is looking for the quotable quote and members are jockeying for that position. It does not show us in a good light and that is unfortunate.

When I listened to the debate and heard some things which concerned me. The leader of the Bloc Québécois said unequivocally "I do not accept things on faith". There is just nothing in this place that he will believe. He will not accept the facts and he wants to continue to go on so there is no trust.

The NDP leader talked about a number of things. In particular, she referred to someone she called the ethics commissioner. She referred to the ethics commissioner at least three times and attributed a number of points to this person.

An hon. member: There is no such position.

Mr. Paul Szabo: As the member correctly points out, there is no such position. I am wonder why the NDP leader could not get her facts straight. What other facts did she provide the House for which maybe she did not use due care to get them correct?

I listened to the leader of the Conservatives and its House leader. They talked about the bill of sale and said that it looked like it was done with crayon on a napkin, that it was not witnessed, that the province was not there and that there were no witnesses. The bill of sale is a document which represents an agreement between two people. What they did not do was to comment on whether or not it was a legal agreement. All of the other information corroborates that that was the deal and that the agreement was signed by two parties.

In our system of law even oral contracts, simply the undertaking by two people to each other, is enforceable in law. We do not have a witness. We do not have signatures. We do not even have a piece of paper. It is the word of those people.

The Conservatives will not even accept the fact that there was a sale, notwithstanding the facts.

The leader of the Alliance spoke this morning and reviewed a number of the facts. I asked if could he confirm certain facts about the amount of the loan to the application of the Auberge Grand-Mère request to the BDC. He absolutely refused to answer the question. He refused to acknowledge even basic facts.

• (1340)

The motion before the House is basically to set up an inquiry with the broadest possible terms so that we can continue to go in

all different directions. However, the opposition has demonstrated very clearly to the House that it is not prepared to accept the word or any fact that is presented in this place or is stated by a member. That is what the crux of this issue. To me the crux is whether or not, as the member for Calgary—Nose Hill stated in her speech, trust is what makes parliamentary institutions work. We have to have trust and we expect trust.

When I became a member of parliament it struck me that we were always referred to as all hon. members. The Speaker often reminds members that we take members at their word. When they say things that they believe to be true we accept that. That is part of the point the member for Calgary—Nose Hill was trying to make, and I agree with her.

How does this place work if we do not have trust? If the Prime Minister of Canada rises in this place, which he has done many times, and says he sold his shares November 1, 1993, will we believe him or are we going to by suggestion, innuendo, smearing or condemnation not trust what was said? It is certainly an easy way to continue the dialogue, but when do we trust what someone says?

I submit that if a member stands in this place and makes a representation I, as a member of parliament, accept that person at his or her word. I am not going to take the tact, which is been taken now, that somehow we can say people are guilty until they prove they are innocent. Let us table all the documents.

The press has a lot to do with this. The hypothesis was that the opposition was not doing its job so the press had to stand in and do the job for it. Opposition members find that difficult to accept, but the fact is the media tend to spur on some of the debate. We could see the questioning by some of the Alliance coming directly from quotes in the newspaper.

We came to Ottawa this week to see the headline that the first priority for members of parliament was another week's vacation. Is that in fact a fair representation of the facts? Of course not. Members said they would like to spend a week with their family during the March break and asked if there was some way to rejig the schedule to come back a week earlier so they could take off the week during March break to spend some time with their families. How did the press report it? Members' first priority was another week's vacation. The representative of the Canadian Taxpayers Federation was smearing us because we wanted another week of vacation.

Why is it that the press gets away with this nonsense? Maybe to quote the member for Winnipeg—Transcona, how does it get away with this crap? That is exactly what it is. It is not a fair representation.

If we get drawn into this matter then we will be drawn into other things like the representation with regard to Mr. Duhaime's

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comments in a Quebec proceeding with regard to a liquor licence. The media described it as newly revealed testimony by the owner of the Auberge Grand-Mère. Was it newly revealed? Of course it was not. It was from last November. Was it private? No, it was a public proceeding. There were transcripts.

Miss Deborah Grey: Was it contrary to what the Prime Minister said?

Mr. Paul Szabo: The member asked was it contradictory, of course it was. Mr. Duhaime said that he had a hotel that depended on the golf course in which the Prime Minister was a part owner. Last November the Prime Minister was not a part owner of a golf course. He sold his shares in 1993. There is a contradiction by Mr. Duhaime, and members are arguing whether Mr. Prince or Mr. Duhaime are saying things. If they have a problem with the facts that are represented by others not in this place, maybe they should go to them.

I would like to close on what I think is happening. I believe that in this matter the opposition has repeatedly used the House of Commons as a shelter to make baseless allegations, spread outrageous innuendo and smear the reputations of, not only the Prime Minister but his family and anyone else who happens to disagree with their opinion.

• (1345)

That is exactly what is happening here. As for the press, who have no ethical standards themselves, no ethics commissioner or counsellor and no rules of the game except to sell as many papers as they want, let them report on the facts and let us judge the media on how they report the baseless allegations of the opposition.

The opposition has asked in the motion today to establish a judicial inquiry with the broadest possible terms. It has asked for a licence to go wherever it wants, when in fact the issue here clearly is whether there was a conflict of interest during the tenure of the Prime Minister. The facts are clear that the shares were sold on November 1, 1993. The only interest at all that the Prime Minister carried after that time was the fact that moneys were owed to him by Mr. Jonas Prince.

Mr. Jonas Prince and the Prime Minister's consulting firm, his company, were the only two parties to this. There was nothing that could happen subsequent to that, no loan amount, no effort, nothing else, that could change the amount that he was owed. There was nothing he could do and nothing he could say. Therefore, there is no ongoing financial interest with regard to the golf course or the hotel.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Madam Speaker, I found the last set of comments rather interesting. I have known the hon. member for quite some time and I am very surprised at the nature of his comments, because it seems to me that the Prime Minister at one time made the statement here in the

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House that he was just an ordinary MP doing what an ordinary MP would do to help his constituents.

Yes, an MP is to look after the interests of his constituents and to make representations, but the Prime Minister claimed that he was just an ordinary MP. The Prime Minister is anything but an ordinary MP. The Prime Minister is the chief official of the country and of the government, who has power and authority over the hon. member and can tell the hon. member whether he can stay in caucus or not. He can tell the hon. member whether he is going to continue to be a member of the Liberal Party. He can tell the hon. member how to vote in the House. Yet the Prime Minister himself says that he is just an ordinary MP.

The hon. member is an ordinary MP but not the Prime Minister, so I ask the hon. member, how big does a lie have to be to be a lie?

The Acting Speaker (Ms. Bakopanos): Excuse me. Before the hon. member answers, the word lie has been used quite frequently in the last few minutes. I would ask the hon. members to be very careful in their choice of words, please. I will permit the hon. member to answer the question.

Mr. Paul Szabo: Madam Speaker, what just transpired here is a classic example of exactly what has been going on. I do not think it merits a response.

What does, I believe, merit some further comment is the fundamental issue. The Prime Minister represented to this place and to all Canadians that he sold his shares on November 1, 1993. The amount owing to him, the party, the date, et cetera, were specified and are known to members. As a result of that transaction prior to the Prime Minister in fact becoming a prime minister, that meant the investment in those shares no longer existed and therefore was not reportable.

There is another fact that has to do with the receivable of the Prime Minister with regard to the proceeds on the sale. Members have said that this represents the ongoing financial interest. First, the receivable for the shares is from a Mr. Jonas Prince, through his company. It is his company. There is an agreement of purchase and sale between those two parties for \$300,000.

• (1350)

Nothing will change the amount that the Prime Minister ultimately could recover. He is entitled to only \$300,000. Nothing could happen in terms of the operations of the hotel or golf course that will change whether or not he will get more or less than \$300,000. The only thing that affects how much the Prime Minister recovers on that receivable is the transaction he has with the third party, Mr. Jonas Prince.

An hon. member: How come he lost \$50,000 then?

Mr. Paul Szabo: Madam Speaker, the member asks how come he lost \$50,000. The member should know that the amount the

Prime Minister lost is not relative to the \$300,000. It is relative to how much he paid initially for the shares, and I do not think the member knows how much was paid. When we file a tax return and declare our gain or loss on shares, it is not how much was the selling price but how much our proceeds are relative to our initial cost plus the cost of disposition.

The member for Pictou—Antigonish—Guysborough continues to make the point, which I wish he would clarify, that there is a financial relationship between Jonas Prince and the Prime Minister that is clear in terms of its amount and that there is nothing that can affect it which has anything to do with the golf course or with the hotel.

The Prime Minister, if he gets less than \$300,000 in proceeds, could sue Mr. Prince for the balance. It is a legal contract. The member knows that. If Mr. Prince honours the whole deal there is interest as well. They may later come to an agreement which will change that subsequently, as the member well knows.

Are we as a parliament to get involved in the financial dealings of two persons unrelated to the activities or operations of the Grand-Mère hotel or the golf course? I suggest that it is none of our business.

Miss Deborah Grey (Edmonton North, Canadian Alliance): Madam Speaker, I would like to say that I am pleased to rise on debate today, but it is not a very pretty topic, is it?

It is something I think Canadians are concerned about. We hear people on the street asking why we should be consumed with this. They ask why this is important enough to take up the time of the House. Some people even say that we need to get on to the nation's business.

Of course the answer to those questions is the issue of the integrity of the Prime Minister's Office. If that ain't the nation's business, I do not know what is.

The fact is that around \$160 billion comes funnelling into this place and then gets distributed and dispersed across the country over any fiscal year. It is an unbelievable pile of cash. I think Canadians on the street are saying that if there is any cloud of doubt about the Shawinigate deal, then how big is the cloud of doubt about the guy at the top who dishes out the money and disperses it through the finance minister and cabinet?

Those are the kinds of things that make this issue one of utter importance to every Canadian. Surely if this is the place and the seat of government, the fellow who sits in the top seat must not only be seen to be clean. At the very appearance of any Shawinigate scandal, it seems to me, he should be the first one saying he needs to make sure that this is right out in the open and before all Canadian people.

We have seen a number of contradictions in the facts. The Prime Minister directly contradicted himself. He said there were no links between the golf course and the hotel. I guess it is a cute pun and I suppose he is good at humour.

On November 2 the owner of the Auberge Grand-Mère, Yvon Duhaime, said under oath, as said the member who was just speaking about it a few minutes ago, that agreements, accounts and contracts were made between the auberge and the golf course's clients. We can understand that this represents a major part of the auberge's receipts.

I just think this is unbelievable, because the Prime Minister said there was no connection whatsoever. I am sure you have seen, Madam Speaker, if you have not driven there yourself, that the signs are one and the same. The sign says to go this way for the Auberge Grand-Mère and that way for the golf course. I was on the show *counterSpin*, when Peter Blaikie said he was not a great golfer but he could hit a golf ball from the golf course right into the bar at the Auberge Grand-Mère. They were linked together.

For the Prime Minister to brush it off and say that there was absolutely no connection whatsoever simply is not true. I think parliament needs to get to the bottom of that.

• (1355)

I would be very pleased as a member of the official opposition to suggest we get this out of the hands of politicians. We should get it right out of parliament. This should be taken to an independent judicial inquiry where someone will take a little heftier look at this than the ethics counsellor, the guy who gets paid by the Prime Minister, remember.

In the red book, which was campaigned on in 1993, as I recall, there was to be an ethics commissioner reporting to parliament, not just to the Prime Minister. Yet here we are this many years later. In fact the ethics counsellor has contradicted himself any number of times. I may get to some his contradictory statements in a moment. However he then had coffee with the Prime Minister and said everything was okay. There is no credibility in that whatsoever.

Let us make sure that we get an ethics counsellor who becomes an ethics commissioner, who has real teeth and will be able to say that something smells and we had better do something about it. As we know it has taken up an unbelievable amount of time in the House. As well it taints every decision the government makes because people want to make sure that there is integrity in government. When people come here, I am sure not just for my speech but for question period, they want to be able to trust the people in the House.

The member from Toronto asked a couple of minutes ago before my speech how this place works if we do not have trust. That is a really excellent question. The real question is: How will this place ever work if we do not earn trust? Trust needs to be earned. It is not

having someone show up and say "Trust me". We have had that happen before any number of times in government.

We need the Canadian public to see that elected officials earn the trust of the Canadian public. Frankly the Prime Minister has done himself a lot of damage because there really is no trust. He has not earned it. This affair has gone on for so long that it seems to me it is getting a little out of control.

I see more contradictions. The Prime Minister said he sold his one-quarter share. In fact we are not sure whether it is 25% or 22%, but it is roughly a one-quarter share in the Grand-Mère golf course. The Prime Minister swears up and down, and the troops parrot the line, that he sold those shares on November 1, 1993, to wealthy Toronto real estate developer Jonas Prince for \$300,000 plus interest.

Mr. Sarkis Assadourian: Madam Speaker, I rise on a point of order and my question is actually for you. I wonder if it is possible for the Speaker to rule on having an inquiry, which is requested by me, regarding the opposition party leader's deal with the then member of parliament, Jim Hart, to pay him \$50,000 to resign his seat so he could run in that riding. I wonder if this is a subject for inquiry.

The Acting Speaker (Ms. Bakopanos): Resuming debate with the hon. member for Edmonton North.

Miss Deborah Grey: Madam Speaker, I guess we could say nice try. Being a member of the government, surely he could bring that in as a bill himself one day. He does not need a supply day for it.

I was mentioning before I was interrupted, certainly pleasantly and not rudely, that the Prime Minister said he sold his shares on November 1—

The Speaker: I do regret to interrupt the hon. member for Edmonton North, but as she knows at this time of day we have to move to statements by members. We are about to do that, but I want to assure her that she will have three and a half minutes remaining in the time allotted for her remarks when the debate resumes at the conclusion of question period later this day. I know we all look forward to hearing from the hon. member for Edmonton North.

STATEMENTS BY MEMBERS

[*Translation*]

ROBERT GAUTHIER

Mr. Eugène Bellemare (Carleton—Orléans, Lib.): Mr. Speaker, Robert Gauthier, the most illustrious educator in French Ontar-

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io, died on March 25, 2001. He was in his 99th year. Mr. Gauthier spent his life promoting education in French in Ontario, at a time when the schools that had survived the infamous Regulation 17 had to start all over again.

A graduate of the universities of Ottawa, Laval, Montreal and Toronto, Mr. Gauthier became a school inspector at age 25 and went on to become Ontario's first provincial director of French education.

Robert Gauthier launched the provincial French competition, the Olympiade de la langue française. He created the Association des enseignants franco-ontariens, and he developed kindergartens, integrated schools and the TAN-GAU method to teach a second language.

The future of French in Ontario was his passion. For Robert Gauthier, it was "a matter of language, a matter of pride".

* * *

• (1400)

[English]

OFFICIAL LANGUAGES ACT

Mr. Jim Pankiw (Saskatoon—Humboldt, Canadian Alliance): Mr. Speaker, I regret to inform the House that Liberal intolerance and discrimination are not restricted to the actions and statements of the junior minister for multiculturalism. Yes, she openly promotes race based hiring programs, and yes, she is well known for fabricating stories that actually promote racism, but intolerance and discrimination are also the hallmarks of Liberal government language laws.

The current application of official bilingualism is unnecessarily costly, inherently discriminatory and a source of national divisiveness.

That is why I introduced my private member's bill, Bill C-286, which would bring common sense to the Official Languages Act and end the inherent discrimination of official bilingualism.

Predictably, Liberal members have engaged in personal attacks against me in an attempt to distract attention from the issue. I wish to inform the House that I accept the challenge of the member for Ottawa—Vanier. I take him up on his offer to assist me in bringing this issue before the House of Commons for a debate and a vote.

* * *

[Translation]

PRIX MERCADOR

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, on March 22, for the third consecutive year, the Comité Export Laval awarded the Prix MercadOr to nine Laval businesses.

This award is a recognition of the efforts made by new exporters on international markets. It is a tribute to the contribution of these Laval businesses to our region's economic development.

I join residents of Laval to highlight the exceptional involvement of these local businesses to the economic development of the community of Laval.

* * *

ECONOMIC DEVELOPMENT

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, a number of mayors, municipal officials and people responsible for the economic development of the Outaouais, Lanaudière, Mauricie and Laurentides regions are in Ottawa today to take part in an international day similar to what I have held in the past for the mayors of Brome—Missisquoi.

I thank them for turning out in such large numbers. Their presence confirms their ongoing interest in developing new avenues for their towns and municipalities.

As we enter the era of globalization, it is becoming urgent to inform people, to give them the necessary tools and support to face the new challenges of this millennium while not losing touch with the public.

Our local communities will be increasingly called upon to take their place internationally. That is why we have prepared workshops for them on free trade, Contracts Canada, the infrastructure program, cultural and academic programs and, finally, agricultural export strategies.

I thank my colleagues who supported my efforts and I thank municipal officials and those responsible for economic development for their enthusiastic contribution and their common desire to ensure that our regions continue to grow.

* * *

ÉCOLE POLYMÉCANIQUE DE LAVAL

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, as the member for Laval East, I congratulate the Laval school board's École polymécanique, which has just received an award from the OECD, the Organization for Economic Co-operation and Development.

This award was presented for the exceptional quality of the school's interior and exterior design. The École polymécanique de Laval received the second international award for an outstanding educational institution. It was competing with 54 other institutions worldwide.

Studies have shown that the quality of a school's interior and exterior design have a beneficial effect on student learning. It is therefore a cause for celebration that the students of the École polymécanique de Laval have such an ideal setting in which to study.

I also wish to congratulate Viau Bergeron, a Laval firm of architects, on its work and the school's management on its vision for the future.

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[English]

HEALTH

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, foot and mouth disease is one of the most serious threats this country has faced in the past 50 years. It is serious for cattlemen, hog producers, elk ranchers and others.

It is also serious for all taxpayers, who could be asked to pay up to \$20 billion to cover the losses, and to thousands who could lose their jobs as a result of this infection.

The government is not doing enough to prevent this potential disaster. People and meat products are still arriving unchecked into this country from infected areas. This must stop. Inspections must be improved.

It is a very real possibility that this devastating disease will infect Canadian herds, yet no plan of action has been presented by the government. It is time now for the government to make public a comprehensive plan for minimizing the damage so that all involved are ready to act should the worst happen.

* * *

• (1405)

[Translation]

SPORTHÈQUE DE HULL

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, the year 2001 marks the 20th anniversary of a business that is solidly entrenched in Hull, the Sporthèque.

The Sporthèque employs 125 people and has a membership of over 5,400, as well as another 2,000 participants in its various programs.

Larry Greene, its CEO and co-owner, has a knack for surrounding himself with a highly professional team, and has also always made it a priority to ensure that the Sporthèque de Hull is an exemplary corporate citizen.

In addition to its role in making members of the community more fit, Mr. Greene has ensured that the Sporthèque played a role in helping a number of community organizations in the Outaouais region.

My best wishes for a long life to the Sporthèque de Hull, as well as to Larry Greene, who incidentally was named March personality of the month by the Chambre de commerce et d'industrie de l'Outaouais.

* * *

INVISIBLE WORK

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, on the initiative of the

AFEAS, April 3 will from now on be la Journée de travail invisible”, in other words, a day to celebrate all the unsung and unseen work done in the home and volunteer work done in the community by anyone, regardless of status: those working at home, whether male or female, those out in the workforce, students, job seekers or the retired.

Why should these invisible workers be counted in? Out of fairness to the women who are the main ones involved in this work; to recognize and lend greater worth to the people involved; to respond to the specific needs of those who provide assistance to caregivers or who make it possible for parents to reconcile family and work; to make unpaid work visible by integrating it with the gross domestic product, and above all, to do away with poverty among women.

Even invisible work counts.

* * *

[English]

4-H COUNCIL

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I would like to take this opportunity to welcome to our nation's capital the 55 delegates and their chaperons from the 4-H Council who are here for the National 4-H Citizenship Seminar.

The 4-H Council is an international youth organization involving more than seven million members in 80 countries around the world. The historical roots of the 4-H are solidly grounded in rural Canada. The program originated for the purposes of improving agriculture, increasing production and enriching rural life.

The group here today comes from all different parts of Canada. This week, in between seminars, they will be touring the House of Commons and the supreme court and attending a parliamentary luncheon, as well as participating in a mock debate at the House of Commons.

The 4-H Council is an excellent organization, dedicated to the growth and development of all rural youth.

I had the pleasure this morning of visiting with these young students and I have to say that the 4-H certainly does focus on developing well-rounded, responsible and independent citizens. These youth are the leaders of our future.

* * *

SOFTWOOD LUMBER

Mr. Andy Burton (Skeena, Canadian Alliance): Mr. Speaker, as we all know, this past Saturday night the softwood lumber agreement expired. Yesterday the U.S. government took action against Canadian producers.

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We are now faced with duties that could reach as high as 76%, to be imposed retroactively. This could mean the death of the Canadian lumber industry. Canadians need a national solution to this problem before major shutdowns and layoffs occur across the country.

The Liberal government has dragged its heels long enough. It is time to get to the negotiating table with the Americans to start to do some serious work on the issue.

In a few days the governments of all the Americas will be working on the FTAA. How can we consider entering into this hemispheric free trade agreement when we cannot even be sure the NAFTA rules will ever be followed with the U.S. on softwood lumber?

When will the government get to work on this matter of extreme importance?

* * *

RICHMOND HILL

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, it is with great pride that I rise today to congratulate the budget team of the town of Richmond Hill for receiving, for the second year in a row, the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada.

The finance department team has fulfilled nationally recognized guidelines for effective budget presentation. I would like to congratulate former commissioner Steve Zorbas, acting commissioner Steve Fairweather and each team member for this achievement. I hold their skills and abilities, to not just crunch the numbers but to also easily and effectively communicate and dialogue with stakeholders, including local citizens and council members, in very high regard.

I would like to offer the town staff my personal congratulations on a job well done.

* * *

BELL CANADA

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, here we are in April 2001 and women still have to protest for something as basic as pay equity.

That is what Bell operators had to do today. Ten years they have been at it, ten years of fighting for justice and ten years of trying to resolve a pay equity dispute with Bell Canada.

It has been a decade since Bell Canada has been creating obstacles to avoid paying Bell Canada operators what they are owed. Most of them are women and many are single mothers.

• (1410)

Now the company's actions have frustrated the whole human rights process, effectively derailing hundreds of efforts to seek redress for discrimination.

Do the stalling tactics of Bell Canada sound familiar? They should. They have been the practice, the habit and the pattern of operation of the Liberal Government of Canada. It has done a great disservice to the women of the country.

The concept is simple. It is about equal pay for work of equal value. Let us get on with the job at hand. Let us see some leadership from the government.

* * *

[Translation]

PAY EQUITY

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, the special report tabled in the House by the Canadian Human Rights Commission in February strongly criticized the federal government for its inaction regarding pay equity.

The approach based on the filing of complaints does not at all promote pay equity within reasonable timeframes and it generates multiple legal proceedings, which are complex and sometimes are stalling tactics.

Bell Canada telephone operators are a good example of this. Nothing has been solved since the initial complaints were filed, back in 1988.

The Bloc Quebecois is asking the government to implement the five guiding principles mentioned in the report of the Canadian Human Rights Commission to truly target the social injustice created by not recognizing the true value of the work done primarily by women.

They can rest assured that the Bloc Quebecois will continue to fight against this social injustice and to ensure that the House adopts a truly proactive policy on pay equity.

* * *

[English]

VAISAKHI

Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, this month the Sikh community in Canada and around the world is celebrating *Vaisakhi*, the 302nd anniversary of the Sikh nation.

I wish to thank the Right Hon. Prime Minister for his continued support of the *Vaisakhi* celebration on Parliament Hill for the past eight years and for his support of the Canadian postage stamp depicting the Sikh symbol of the *khanda sahib*, which recognizes and honours the contribution of the Sikh community to Canadian society.

I invite all members of the House to congratulate Sikh Canadians on this occasion by attending a *Vaisakhi* celebration today in the Commonwealth room after question period.

* * *

CANADIAN CANCER SOCIETY

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, when the Canadian Cancer Society chose both April and daffodils as its campaign symbols, it recognized the importance of a positive attitude in the fight against cancer.

This April the Canadian Cancer Society and its thousands of volunteers will knock on doors and organize special events in communities across Canada to reach their fundraising goal of \$19 million. Last year the society contributed over \$41 million to its research partner, the National Cancer Institute of Canada, which distributes the funds to a broad range of projects.

The society is a national community based organization involved in cancer research, education and patient services and is a strong advocate for healthy public policy.

On behalf of all members, I extend sincere thanks to all volunteers at the Canadian Cancer Society.

* * *

THE ECONOMY

Mr. John McCallum (Markham, Lib.): Mr. Speaker, with the exception of a few Quebec separatists, never have I met an individual so loose with his facts as the finance critic of the Canadian Alliance.

[Translation]

According to him, our foreign debt and our government debt rank second among OECD countries. Again, this is false.

[English]

The fact of the matter is that our foreign debt is lower than it has been in 50 years. The fact of the matter is that our government debt fell by more than that of any OECD country in the last five years.

To put the icing on the cake, he says that our income tax is higher than at any time in our history. That is utterly impossible when we cut taxes on January 1.

The member should refrain from trashing the Canadian economy with statements that are utterly false.

* * *

NATIONAL REVENUE

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, the government knows no bounds in its binge to co-opt the privacy of Canadians.

In March, in questioning from me, the Minister of National Revenue confirmed that his officials were not only opening

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Canadians' mail but opening privileged mail between lawyers and clients, photocopying it in an indiscriminate way and then keeping a secret database akin to the one we had last year in the human resources scandal.

• (1415)

Not satisfied with just intercepting and opening incoming mail of Canadians, the stealthy Liberal government has used the back door approach once again and has introduced Bill S-23 in the Senate to give the government even more power to violate the privacy of Canadians.

The bill would now give the Liberal government the right to open outgoing mail of all Canadians. The Minister of National Revenue said that opening incoming mail has been profitable. If he is so proud of his achievements, why is he using the unelected Senate to hide his tracks?

It takes a search warrant to listen to a phone call. It should take a search warrant to look at privileged mail between lawyers and their clients. The bill is undemocratic. It should have been brought to the House. It should be amended drastically before it ever passes into law in the country.

ORAL QUESTION PERIOD

[English]

PRIME MINISTER

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, if I may, I would first like to acknowledge the Minister of Health today and wish him a good return and good recovery.

Some hon. members: Hear, hear.

[Translation]

Mr. Stockwell Day: Mr. Speaker, while the Prime Minister continues to cover up Shawinigate by trying to make us believe that there are no financial connections between the auberge and the golf club, his friend, Yvon Duhaime, confirmed under oath that "agreements, deposits and contracts have been arranged between the auberge and these customers".

Why does the Prime Minister refuse to admit that there are indeed financial connections between the auberge and the Grand-Mère golf club?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this is not what he said.

In any case, the truth is very simple. On November 1, 1993, I sold my interest in the golf club. I had sold the interest that we had in the auberge the previous February. Since then, and this has

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clearly been confirmed, as asked by the opposition, which said “Table the contract” and it has been tabled, since 1993, I have had no interest in either one of these ventures.

[English]

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I point out that the ethics counsellor himself said that all the relevant documents have not been tabled and that a very significant one, one that could show whose names are on the registry, is in fact having some changes made to it before it is release.

With all these and so many other contradictions, why will the Prime Minister not simply allow this to go to an independent public inquiry?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, the Leader of the Opposition in his first question referred to business links between the golf course and the hotel and then extrapolated his version of what was actually said.

Let me read the verbatim quote in translation. It said:

Many wedding receptions, evening meals after golf tournaments, wedding anniversaries, graduation dances and conventions have, for the most part, been reserved for more than a year. Agreements, deposits and contracts have been arranged between the Auberge and these customers.

Are wedding receptions, graduations and evening meals after golf tournaments evidence of a—

The Speaker: The hon. Leader of the Opposition.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, before he says, “I do”, I should also say that on that website it talks about bed and breakfast golf packages with the golf course. He should read the whole thing when he reads it out.

We have heard Liberal members of parliament, the members from Oshawa, Guelph and Vaudreuil, all say that they would like to see this go to an independent public inquiry. We would be interested to see them have a free vote on this. I would be interested to see how the Minister of Finance would vote freely on this.

In light of the fact that just a few weeks ago the Prime Minister forced his members of parliament to vote against their own promise and their own word, why does he not make it up to them now and allow them to vote freely on the question of whether this should go to an independent and public inquiry?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, I will go back and point out again that this so-called evidence that is being cited by the Leader of the Opposition includes graduation dances, conventions, wedding anniversaries, wedding receptions and people who may go to eat after golf.

There is not a golf course or a hotel in the country that does not advertise in whatever way they can to bring business to their doors during the busy tourism season. Surely there is no conspiracy there. It is simple marketing.

• (1420)

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, yesterday, in a Shawinigan courtroom, two of the Prime Minister’s Liberal backers appeared on charges of fraud and theft of up to \$300,000 of HRDC money from the Groupe Force regional development fund. In 1997 they also channelled \$200,000 in loans from the fund to the Auberge Grand-Mère.

Did the Prime Minister or anyone on his staff have any discussions with Pépin and Lemire about directing Groupe Force money to the auberge?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the answer to the question is no.

I want to repeat, for the information of the House, what the hon. member for Edmonton North said in the House on March 15, 2001. She said:

The Prime Minister could get over this in a heartbeat by just tabling his bill of sale for those shares in 1993.

I have one that, and 81% of the Canadian people want the opposition to move on to something else. However, it will not because it has no policy and it is offering nothing to the Canadian people as an alternative government.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, that might have been true had there been an actual final bill of sale. Since there was not, it did not clear up much, did it?

Mr. Pépin and Mr. Lemire were both directors of the federally funded Groupe Force in Shawinigan which gave two loans totalling \$200,000 to the Auberge Grand-Mère. Today, those same men are standing trial for fraud and theft of federal grants.

I ask the Prime Minister directly, did he at any time influence or attempt to influence the loans from the Groupe Force to the Auberge Grand-Mère?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I need to inform the House of Commons that if those two people are before the court it is because my own office advised the police after it heard some rumours.

I should also say that when there was rumour of wrongdoing, it was my office, not the auditors nor the opposition, that faced the responsibility and called the police.

Oral Questions

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is clear that there is a flagrant contradiction between the Prime Minister's statements and those of the owner of the Auberge Grand-Mère, Yvon Duhaime.

In a letter to the leader of the Progressive Conservative Party, the Prime Minister said that the golf club is a competitor for the auberge, while Yvon Duhaime stated under oath that the golf club and the auberge share many of the same clients.

How does the Prime Minister explain that the auberge's owner has stated under oath that there is indeed a financial link between the golf club and his establishment, showing a conflict of interest, while he, the Prime Minister, is claiming the contrary?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I repeat what I said and that is that, without an auberge, all the clients would hang around the golf club's 19th hole, and everyone knows what that means.

The clients who head out to play golf are the ones who are not having a second or third beer at the 19th hole. I think that he knows that. Not many people would put up with a golf club telling them to have their drinks elsewhere when they could have them on the premises.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, nor are there many shareholders, particularly prime ministers, who think that a boarded-up, bankrupt auberge is a good thing for an adjacent golf club. Everyone understands this. That is why people want a public inquiry. It is clear from the polls that that is what they want.

Is the fact that there has been no public inquiry not because the Prime Minister advised Mr. Michaud in a contract in 1999 that, if there were one, his, the Prime Minister's, company, would pay legal costs? Is he generous—

The Speaker: The right hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have answered all these questions. Once again, probably for the seventh or eighth time this afternoon, the ethics counsellor is going to answer. He clearly said that there had been no conflict of interest. He said this in 1999. Since then, the opposition has persisted, and it was the member for Roberval who said, on March 15 of this year: "Does he not understand that the only way to settle this matter...the only way, there are not 50 of them, only one—is to provide us with the record of sale—"

• (1425)

That is precisely what we have done. We have gone along with all the opposition's requests. The RCMP looked into the matter—

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

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, the documents tabled were to dissipate all doubt in this matter. Instead, they have added to its obscurity.

According to the polls, nearly 60% of people want an inquiry into the Auberge Grand-Mère affair, and even 54% of the Liberal electors questioned want an inquiry as well.

The Prime Minister has repeated on a number of occasions that he has built his career on integrity. Does the Prime Minister not realize now that by rejecting an inquiry into the matter in which he is personally involved he is destroying all he has claimed to have built?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not think so.

On the contrary, I myself have created a precedent, because this is the first time a Prime Minister has tabled personal documents in the House of Commons, and I did so last week at the request of the opposition.

Eighty-one per cent or 82% of the people in Canada want the opposition to get on with real business. There are problems in this country, but their only aim is to destroy a reputation rather than deal with the real problems of the country, which the government is attending to quite well.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, when things are not going well, the members opposite usually rise and give thunderous applause.

The Prime Minister can talk about his integrity as he will, but can he not understand that the time has come to stop talking about it and prove it?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all the members of this House should be attending to the nation's real problems.

* * *

[English]

TRADE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the government is deliberately spinning fear and insecurity around the FTAA summit and it is having terrible consequences.

Police officers are contacting bus company owners to dissuade them from transporting citizens to Quebec. Police are knocking on doors to discourage citizens from billeting visitors. Police are even investigating Canadians on the basis of their opinion.

Oral Questions

The government cannot be unaware of this intimidation. I ask the Prime Minister, what instructions has the government given about security at the Quebec summit and what measures are being taken to ensure that citizens can exercise their democratic rights at the people's summit?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I thank the leader for her question. The government wants people to express themselves. Many discussions have been held for months with all sorts of groups in the nation. We will have organizations in Quebec City to permit the people to demonstrate peacefully.

However, the police have the responsibility of ensuring that the security of citizens and visitors to Quebec City is assured. I know that the federal police, the RCMP, the provincial police and the—

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians do not think interrogation and intimidation is the job of the police.

Professor Anthony Hall at the University of Lethbridge is a fair trade advocate. He has researched the FTAA and he has shared his analysis with his university community and on the Internet. Last Thursday Dr. Hall was stunned to receive a visit from a national security officer. RCMP Sergeant Cramer interrogated Dr. Hall on his FTAA views and his role in the people's summit. He also pressed him for the identity of others who would be involved in the people's summit.

Such intimidation—

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, the government clearly recognizes that Canadians have a right to peacefully protest. I am sure the leader would not be asking me or the government to tell the RCMP or other police forces how to provide public safety for the people of Canada. I would hope not.

* * *

• (1430)

PRIME MINISTER

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, on March 28 the Minister of Industry told the House:

—we know the Prime Minister actually lost money on the sale as it was disposed by his trustee.

Could the Prime Minister tell the House how much money he originally paid for the golf club shares in 1988? Did he make a capital gains declaration or a capital loss declaration on his income tax respecting those transactions? If he did that, in what year was that done?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what a fishing expedition. I have to say to the House of

Commons that when this member became the leader of his party the party was in debt and he refused to be paid by the party.

That leader paid himself \$200,000 from a party that was \$10 million in debt. He does not want to tell the Canadian public how much he is still being paid. This money is subsidized money because every contribution to a political party receives a tax credit. Three-quarters of it is government money.

* * *

[Translation]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Right Hon. Joe Clark (Calgary-Centre, PC): Mr. Speaker, I can—

Some hon. members: Oh, oh.

[English]

The Speaker: Order, please. The right hon. member for Calgary Centre has the floor and the Chair has to be able to hear the question.

[Translation]

Right Hon. Joe Clark: Mr. Speaker, I have another question for the Prime Minister. It has to do with the \$6.3 million contract awarded by CIDA to one of Claude Gauthier's companies to install an electrical distribution system in Mali.

Could the Prime Minister tell the House if he or one of his ministers made any kind of representations to CIDA in favour of Claude Gauthier or one of his companies regarding this issue?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Absolutely not, Mr. Speaker. The contract was awarded to this gentleman because his bid was the lowest one by \$2.5 million. In other words, thanks to Mr. Gauthier the Canadian government saved \$2.5 million.

[English]

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, the bill of sale that I asked for recently should have been enough. It could have been enough. It would have been enough except that it was handwritten. It was unwitnessed. It was unnotarized. There was no deposit mentioned and there was no corporate seal.

It was also later repudiated by the other signatory. It is unbelievable that the Prime Minister would think that this is terribly official. Who was there at the signing of that registry and in what province was it signed?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, any lawyer knows that a contract is an extension of the will of people.

Oral Questions

We know one thing. She campaigned in Canada in two elections and told everyone in Edmonton that she would never take a pension. A few weeks after the election, after she called everyone else in the House a pig, she signed and hid it from her electors.

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, it is interesting that the Prime Minister will attack anyone else when he knows his back is up against the wall.

The question was very simple and I would like to repeat it. Who was there at the signing and in what province did they sign it?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, she is reaching very far. I recognize my name on that. It was my name. I had signed it a long time ago. I signed this contract. I was probably in Ottawa because it was the day after we defeated the Tories and I was forming a very good government for the people of Canada.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister refuses to order a public inquiry into the Auberge Grand-Mère affair. Moreover, the government is doing all it can to prevent us from having access to information on this case.

How can the government justify that, 13 months after we submitted our request, CIDA still refuses to give us any information on Claude Gauthier, this other friend of the Prime Minister who is also involved in the Grand-Mère golf club?

• (1435)

[English]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, as I said many times in the House, there were seven companies sent to the minister at the time by the officials of the department.

Of those seven companies three went to bid. Transelec was one of the bidders. It bid 30% below, \$2.5 million less than all the other bidders, and it saved the country that much money. Those are the facts.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we have been asking for the documents for 13 months. CIDA is violating the Access to Information Act. That is the issue. The minister did not understand at all.

In 1996 Claude Gauthier was the one who bought some of the land adjacent to the Grand-Mère golf club, at the much inflated price of \$525,000. The connections between Gauthier, the golf

club, Placeteco, Transelec and the Prime Minister are most obvious.

Should CIDA's refusal for the past 13 months to give us the information not be perceived as another attempt by the government to cover tracks to prevent us from finding out what really went on in the golf club affair?

[English]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, as I have said before in the House many times, the information on that file is very clear. There were seven companies that were sent to the minister's office. That was the procedure at the time.

As a matter of fact we now have an open bid system. That was the old system which we inherited from the Conservative Party.

* * *

PRIME MINISTER

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, the Prime Minister and his apologists claim that he had absolutely no interest in the golf course after November 1993. Yet in the same breath they admit that his lawyer was actively trying to sell the shares up until 1999.

That in itself indicates that the Prime Minister did in fact have financial interest in the shares. Is it not true that unless the Prime Minister found new buyers he would not get paid?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, the Prime Minister ceased to be a director of 161341 Canada Inc. effective October 25, 1993, as per a notice of change of directors, form 6, dated March 8, 1994, and filed with the director of corporations and made publicly available on March 14, 1994.

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, Jonas Prince was able to sell his hotel chain to Canadian Pacific for \$90 million. We can bet that sale or deal was not on a handwritten single piece of paper.

Mr. Prince certainly knew how to buy and sell property without the help of the Prime Minister or his lawyer. Is it not true that Mr. Prince told the Prime Minister that if he wanted to get paid for his shares he had better find another buyer?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, these allegations and the allegations by the Leader of the Opposition are being made by two parliamentarians, and indeed the motion being debated today by the House. They are being made by two parliamentarians both of whom, one in another house, the

Oral Questions

Alberta legislature, and the other in this place, have been found to be guilty of slandering the good reputations of private individuals.

Their practice before is being replicated today. It is not flying with the people of Canada. The people of Canada are saying that it is time to go back to the nation's business.

* * *

[Translation]

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, for some years now, the OECD, the auditor general and the Bloc Québécois have been speaking out against such harmful and negative taxation practices as tax havens and tax treaties signed with these countries.

Canada has one such treaty with Barbados, which benefits the rich but costs Revenue Canada hundreds of millions of dollars yearly in unpaid income tax and other taxes.

While the finance ministers of the 34 countries in the future free trade area of the Americas are in Toronto discussing harmful taxation practices, might it not be a good idea for the government to speak out against this tax treaty between Canada and Barbados as a sign of its willingness to combat these harmful practices?

[English]

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I believe the member opposite is confusing a number of issues.

Canada is a strong participant in an OECD initiative that is dealing with anti-tax competition. In fact last year we brought in very stringent anti-money laundering legislation. We are part of the OECD tax competition exercise. We do have tax treaties with certain countries, and that works for all citizens in a very positive way.

● (1440)

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, does it seem normal to the Prime Minister that the third-ranking country in terms of Canadian investments, after the United States and the United Kingdom, is Barbados, a tax haven per excellence with a population of 269,000?

Does the Prime Minister not feel that enough is enough? Is it because the Minister of Finance has eight subsidiary shipping companies in Barbados that there has been no change in this situation since 1994?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Once again, Mr. Speaker, when people have nothing better to offer to the public, they try to smear the reputation of others.

When he took office, the Minister of Finance made it clear that he had put all of his assets in trust. He has complied with all the

rules since becoming Minister of Finance, and yet his reputation is being attacked.

I have to say that the Minister of Finance is a man with a reputation for integrity, and a man who is respected by all Canadians.

* * *

[English]

PRIME MINISTER

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, in September 1996 the Prime Minister's friend, Claude Gauthier, purchased land worth more than half a million dollars from the Prime Minister's numbered company.

This was just three days after Gauthier's company received a \$6.3 million CIDA contract, a contract for which he should not even have been allowed to bid. Is it not obvious that this was just a trade-off, a CIDA contract for taking the land next to the golf course off the Prime Minister's hands?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the member will withdraw what he said. He said he bought land from a numbered company owned by me. It is not true at all. I was not a member of the golf company since November 1, 1993. What he has just said is completely false.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, if the Prime Minister does not know the answer maybe he can ask his caddy over there for the answer.

After getting the CIDA contract and buying the land from the Prime Minister, Transelec donated \$10,000 to the Prime Minister's election campaign. To everyone's surprise, a year later Transelec's owner received a \$1.2 million HRDC grant, a grant from an illegal trust fund to buy Placeteco, a company in receivership.

If the Prime Minister will not call a judicial inquiry into the mess at Grand-Mère, will he be calling one for this mess with Gauthier?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, again another allegation based on nothing. In fact the police looked into Placeteco and said that there was absolutely nothing wrong with the transaction. It was looked into by the police.

They never accept any report. They just want to slander people and try to destroy personalities, but they will not succeed because this party stands for good governance and giving good governance to the people of Canada.

* * *

FISHERIES

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. New Brunswick and P.E.I. fishermen appearing before the fisheries committee gave

shocking testimony that they, the fishermen, at times have had to supply fuel and pay overtime for fisheries officers to do their job.

They expressed concern that a lack of officers and a shortage of equipment could lead to increased lobster poaching. What, if anything, is the minister doing to correct and strengthen fisheries enforcement capacity on the east coast in the immediate term?

Hon. Herb Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, this is a very important issue. Protecting our marine resources and fish is extremely important.

I thank the Liberal members who have been working on this issue since the time I was appointed fisheries minister. As a result of their input, \$41 million was announced last year for the next three years and \$13 million was spent last year so we could increase the number of officers, improve our equipment and technologies to make sure we protect the resources for all Canadians and continue the excellent work that has been done in the fisheries.

* * *

NATIONAL DEFENCE

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I have another example of the callous disregard the government shows toward our military men and women.

Just recently men and women, the most lowest paid in our military, received a 2.5% increase. The Lord giveth. Now the Lord taketh away. Now their housing rents have been increased by \$50, \$75 and \$100, which nullifies the raise they just got.

Our military is plagued with bad morale. It is tough to recruit new people into our military. With an attitude like the minister displays for those men and women it is no wonder it is difficult.

• (1445)

Will the minister at least roll back the increases on the housing costs to our military men and women?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the hon. member is taking the matter out of context. Yes, a pay increase was given on April 1, but there was also a retroactive pay increase that went back to last year. Those pay increases far exceed anything in terms of rent increases.

The truth of the matter is that all our people live under conditions involving market rental rates. Seventy per cent of them pay to private sector firms on the market. For the other 30%, in order to treat them equitably, we have a CMHC formula on market rentals. Also, any rent increases are limited to 25% of their income.

Oral Questions

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, we will try his boss for the next question. My supplementary question is for the Prime Minister.

The government is not even supposed to be in a perception of a conflict of interest, but just recently David Miller, a lobbyist for Eurocopter, was assigned to the Prime Minister as a special adviser.

The entire maritime helicopter project is riddled with political interference by the Liberal government. Will the Prime Minister not agree that having David Miller from Eurocopter on his staff constitutes the perception of a conflict of interest?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are in the process of asking for bids. There will be bids. It will take months. We checked and were informed that Mr. Miller could change from his job to this job. He was a worker on the Hill for a long time. When the bids are ready, I will demand of Mr. Miller that he not participate in any discussions.

He has the right to work for the government. He worked for the government before and he wants to be back. We think he is a good man from western Canada, and we would like to have him on our staff.

* * *

LUMBER INDUSTRY

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, the minister of ACOA was wrong when he stated the Maritime Lumber Bureau's monitoring system did not apply to all lumber exports from Atlantic Canada. He was wrong when he stated that the new export compliance measures would benefit maritime mills.

How could the minister think that needless duplication of paperwork and an increase in a fee schedule from \$2 per load to \$25 per load would benefit maritime mills?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we have closely discussed this with the Maritime Lumber Bureau. We are working with the Atlantic provinces as well as with provinces from all over the country.

The reason we put softwood lumber on the export control list was that we needed consistent national data. Just last night, Don Evans, the secretary of commerce of the United States, called me precisely to compare notes on its system of monitoring lumber with our system. I think it is important for the two to be compatible so we can compare notes and know what we are talking about.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, in a petition to start the countervail duties, the U.S. softwood lumber industry said:

Oral Questions

Petitioners do not allege the softwood lumber production in the Atlantic provinces benefits from countervailable subsidies. This portion of Canadian production should be treated the same as it was in 1991-92.

The U.S. government agrees that Atlantic Canada should not be subject to countervail. The Atlantic Canadian industry wants it and the four Atlantic premiers have asked for a renewal of the maritime accord. Will the minister get in step now and start the process to renew the maritime accord?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, let us be very clear. Since yesterday we were looking at the petition U.S. producers tabled and we found that the numbers they tabled were absolutely wild and irresponsible.

I was very pleased to see that the American producers, however wild they can get, did not target any program in Atlantic Canada which respects a 20 year tradition of exempting Atlantic provinces from accusation of countervailing duties. This is the first step in the right direction.

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THE ECONOMY

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, it is a dark day for the Canadian dollar which today has just traded at its lowest level ever at \$0.6320.

For 25 years the Prime Minister has deliberately pursued a weak dollar policy through a tax, borrow and spend Liberal policy that led to a 30 year decline in our productivity and our currency and a 25% reduction in the value of the loonie under his government's watch.

• (1450)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have a floating currency and we are not commenting on the level of the decision of the market.

The reality is that all currencies around the globe are going down in relation to the American dollar. In the last two years, the best currency to maintain its position in relation to the American dollar has been the Canadian dollar. We have done better than the Euro, the yen and the pound. However it is for the market to decide, not me.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, that is nonsense. We have lost ground against the Mexican peso.

This seems to be the party of economic nationalism, but under its watch Canada has become the bargain basement of the North American economy. I remember John Turner saying "Canada is not for sale" Under this government Canada has gone up for sale at fire sale prices, at a 40% discount for any American investor who wants to buy Canadian assets.

What will the Prime Minister do to stop allowing American investors to buy Canadian assets at a 40% discount and restore value to the Canadian currency?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, never has Canada invested so much in the United States. We have a free flow of money between the two countries.

Even the Leader of the Opposition said something about a low dollar not long ago. I can quote what he said in the *Edmonton Sun* in 1998. He said:

The main thing about the dollar being low is that it really helps our manufacturing and our export sector. Any increase on the debt side is more than outweighed by what we take in on revenues in the increase of manufacturing and exports.

It is very good for oil. It is very good for gas. It is very good—

The Speaker: The hon. member for Mercier.

* * *

[Translation]

FREE TRADE AREA OF THE AMERICAS

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, a world renowned economist, Ricardo Petrella, expressed serious concerns about the danger of water possibly being an item of discussion in the negotiations on the free trade area of the Americas, since only services 100% under government control would be protected. Accordingly, Quebec could lose its authority over this strategic resource.

In the light of these concerns, why is the minister waiting to make the government's position on these services public?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I think I understand the opposition is asking me about trade in services.

As regards trade in services in the free trade area of the Americas, we have not yet developed even a framework for these negotiations. We will be looking at it next week in Buenos Aires.

I can assure the member, however, that we will do so in close co-operation with the provinces we have consulted and that, in the area of services, any commitment made and whatever route we take will be totally in keeping with the mandate and the position we announced in the negotiations of the GATT agreement on services.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, this is a serious matter.

An internationally renowned intellectual, who cannot be called an extremist, has just said that Quebec risks losing control over its services and water. People have had enough of this sort of mystery.

Oral Questions

Since the minister is still refusing to reveal the texts of the negotiations, could he at least in the meantime table in the House the list of all the items on the agenda for the FTAA negotiations so we may know whether water is included?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would draw to the member's attention the fact that, in 1993, just before we signed the agreement with the Americans definitively, we delayed signing the agreement with the Americans and the Mexicans, because we demanded of both countries that water be excluded from NAFTA. That was done in 1993, and it establishes very clearly the government's position on water in international negotiations.

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[English]

LUMBER INDUSTRY

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, five years ago we knew the softwood lumber agreement would come to an end on March 31, 2001. The Canadian Alliance has been alerting the government to this and asking for months and months and months if there was a plan in place. On April 1 we found out that the April fool's joke was on hundreds of thousands of Canadians.

• (1455)

We are about to be hit with billions of dollars of countervail duties like a logging truck, and we find out the Prime Minister has not insisted that his government have a plan in place. Why not?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when I met with the president of the United States some week ago I discussed that. I discussed oil and gas. Most of the subjects raised with the president of the United States were related to trade. I made it very clear to him that we in Canada not only want to sell our oil and gas to the United States, but we also want to sell wood.

We had a discussion with them, and we knew that it was coming. It is amazing to see the Leader of the Opposition suddenly wake up to some of the real problems of Canada.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, that shows what kind of impact he has with the president of the United States. A logging truck full of countervail duties is smacking us right on the forehead and he has done nothing about it.

We do not need special permission from the United States to appoint an envoy designated to handle this problem for us. Who is the envoy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are in negotiations at this time with the American adminis-

tration. In order to have an envoy, we must hope the other party will have one too. Our envoy has to meet with somebody who will have the responsibility of being their envoy. The Leader of the Opposition should understand that in order to have a dialogue there needs to be another person involved in the same dialogue.

We are hoping to have an agreement very soon. The Canadian person is already known but we cannot make it public until we know what the Americans want to do with this problem.

* * *

[Translation]

ROAD INFRASTRUCTURE

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, my question is for the Minister of National Revenue and Secretary of State responsible for the Economic Development Agency of Canada for the Regions of Quebec.

McWatters Mining Inc. filed a request with the governments of Canada and of Quebec to have the highway 117 section of the Trans-Canada Highway moved in order to give the Sigma-Lamaque mine access to the gold reserves along this highway by May 1, 2001.

Could the minister tell us today whether he is still engaged in positive discussions with the government of Quebec with a view to the work beginning in the month of May? Did the PQ MNA not want the highway moved last year in 1999 and in 2000?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, at last, a serious question affecting all regions.

First, I congratulate my colleague on the excellent work he is doing for all the resource regions, especially in his riding.

Obviously, we at Canada Economic Development are concerned about the situation in his riding and throughout the Abitibi region. We are currently working with the Department of Natural Resources on finding other ways of improving our assistance, because we have developed a special \$8.5 million initiative.

As for the highway of interest to the McWatters mine, the infrastructure Canada program is analysing the situation—

The Speaker: The hon. member for Saanich—Gulf Islands.

* * *

[English]

LUMBER INDUSTRY

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, let us look at a few facts in the softwood lumber

Oral Questions

dispute. Legal fees over the last 20 years have reached \$100 million, and we are back where we started. Over one million Canadians are affected by the dispute. There are tens of thousands of jobs at stake.

David Emerson, CEO of Canfor, Duncan Davies of Interfor, Jake Ker of Lignum and many more have all said that if they end up with a 20% countervail they will have to close mills. Yesterday the minister suggested they would be better off in the long run.

Could the minister tell us how working Canadians will be better off when they do not have a job to go to?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I find it absolutely appalling to hear the opposition today asking where the government was on the softwood lumber issue on April 1. We are exactly where the opposition and the government wanted us to be in reflecting what we hear from coast to coast in our country, that is having softwood lumber governed by NAFTA.

NAFTA will now rule our softwood lumber trade. Of course it means that the Americans might make wild allegations and wild accusations but we will fight them. I will continue to work with Mr. Emerson and Mr. Davies.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, let me tell the House what is appalling. The government has had a year and a half to prepare. It is not even talking with the Americans. It has yet to ask for one meeting with our Canadian industry. It has not called them together.

• (1500)

Yesterday the minister said that he could not appoint an envoy because he did not know the mandate. If he does not know what is the mandate, how could he expect our industry to have an ounce of confidence in the government to solve the problem when it is facing billions and billions and billions of dollars in countervail and our workers will be going home with no paycheques? What is the government doing?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I spoke with the responsible people from the British Columbia Lumber Council today at lunchtime. I can say that they are a lot more confident in the leadership that the government is providing than what the opposition is reflecting right now. The British Columbia Lumber Council is standing by what we are doing. I get this from the council members, because I talked with them today at lunchtime.

I just told the opposition leader that I talked to Don Evans last night, so the opposition should not say we do not talk to the Americans. I will be meeting with Bob Zoellick on Friday in Buenos Aires. We are talking and we will stand by the Canadian industry.

[Translation]

URANIUM

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, according to the Pentagon, British biologist Roger Coghill has calculated that 500,000 depleted uranium shells used in the Balkans have released enough radiation to cause over 10,000 deaths.

As for Dr. Asaph Durakovic, a nuclear medicine specialist who has examined 16 gulf war veterans, he reports that uranium 236 is still present in their bodies nine years after the conflict.

How can the Minister of National Defence remain so passive on the depleted uranium issue, when specialists confirm that people who have been in contact with the residues of this dangerous metal are at risk of illness—

The Speaker: The hon. Minister of National Defence.

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we are not relaxed about any of our troops who are experiencing ill health. All the studies that have been conducted on this matter have not made a connection between elevated levels of uranium and these health problems.

Certainly every effort is being made to continue to examine the health care needs of our troops. We are engaged with NATO in a study on this matter as well, but so far the scientific evidence does not create a link.

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HOUSING

Mr. Tony Tirabassi (Niagara Centre, Lib.): Mr. Speaker, in the absence of questions from the leaders of the opposition parties on topics of interest and importance to the majority of Canadians, I put forward the issue of affordable financing for housing to the Minister of Public Works and Government Services.

Canada Mortgage and Housing Corporation recently announced a new mortgage funding vehicle called Canada mortgage bonds. Will these bonds improve the affordability of housing?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, finally we have a very good question. I am pleased to announce that Canada mortgage bonds will help ensure that Canadians have access to affordable mortgage financing.

These bonds will allow for more investment in Canadian residential mortgages and will provide mortgage markets with a new and competitive source of funds which will have lower mortgage financing costs for Canadians. Let me add that CMHC mortgage

insurance has helped one in three Canadians with financing to acquire homes.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Ms. Sari Bermudez, President of the National Council of Culture and the Arts of Mexico and Mexican representative on the International Network on Cultural Policy.

Some hon. members: Hear, hear.

* * *

• (1505)

POINTS OF ORDER

COMMENTS OF MINISTER

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, in the initial response today from the government during the government House leader's speech in reply to our supply day motion and again during question period, two members of parliament completely misrepresented a situation concerning the member for South Surrey—White Rock—Langley, saying that she had lost a lawsuit and that somehow there was a problem because of that.

Both of those people should know that she has never lost a lawsuit. She has never gone to court nor settled a lawsuit in court. Both members should withdraw the allegation immediately.

The Speaker: I do not know which hon. members the House leader is referring to, except that—

Mr. Chuck Strahl: The industry minister and the government House leader.

The Speaker: This sounds to me like a matter of debate rather than a point of order. Disagreements about facts in speeches are commonplace in the House. All of us have seen this from time to time. Indeed, there are constant allegations throughout our question periods that statements made by hon. members on both sides seem to be incorrect. Sometimes the word false is used.

I know hon. members sometimes feel that the facts are misrepresented. That is just a matter of debate. I am sorry but I do not think it is a case where the Chair ought to intervene.

Does the hon. member for South Surrey—White Rock—Langley have something to add on this point?

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Yes, Mr. Speaker. I would like to say that it was a false accusation that was placed on me. I would like to give notice of a future point of privilege.

Supply

The Speaker: I guess we will hear about it as a question of privilege later.

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, I certainly respect your ruling that this is a matter of debate rather than a point of order.

Let me say, for greater certainty, to the member opposite that I stand by the statement that the member made an allegation about a public servant and had to publicly apologize for that allegation under threat of a lawsuit. That being said, whether or not it finally ever went to court I do not know. I do know she withdrew her allegation and apologized for it.

The Speaker: Perhaps that clarifies the matter. I do not know. I do know that it appears to be a matter of debate. My original views on this are confirmed and perhaps we can move on.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—INDEPENDENT JUDICIAL INQUIRY

The House resumed consideration of the motion and of the amendment.

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, it is funny, but I just got the minister's last point. He did use the word slander pretty clearly. They toss it around fairly freely.

During question period the Prime Minister got up and gave a good rant. He said that we should get back to the real problems of the country. Do members know the real problems of the country? One problem is the lack of integrity in the very Prime Minister's office. That is exactly what we are paying attention to today.

The Prime Minister can huff and puff and say that the golf course had no financial relations with the inn, but there are in fact a number of contradictions. The bill of sale, I think, is the most important one. I find it quite hard to believe that a couple of lawyers actually signed that bill of sale.

I am just a humble English teacher reading this handwriting, but it is hard to imagine that a couple of lawyers tossed this together. With regard to the Prime Minister's name, which appears here, although of course I cannot read it, he has signed his whole name and at the bottom he has signed his initials. The J and the C are completely different from the J and the C at the top of the document.

Supply

I could ask my questions from question period again because they did not get answered. Who was at the signing of this document and in what province was it actually signed? In other words, where were the signatories? The Prime Minister did say Ottawa. We will certainly be checking that out. Dear knows where Jonas was on that day. We will track him too.

• (1510)

On the bill of sale there is no letterhead, witness, authorization, notarization or corporate seal. There is absolutely nothing about any sort of deposit.

Mr. Speaker, if you sold any golf course shares you might happen to have, I doubt if you would put the following on the bill of sale: payment schedule B as follows, principal payments in four equal annual instalments with interest at the institutional first mortgage rates. That was in 1993, as the Prime Minister continues to swear up and down.

You know, Mr. Speaker, because I am sure you have read these files, that there was no payment in November 1994, no payment in November 1995 and it went on and on. Absolutely nothing was paid for. In fact we know Jonas Prince wanted to make sure he got out of the deal and someone else bought it.

This bill of sale looks most suspicious when we look at the fact that it is even handwritten. I would guess that one of those paper napkins is kind of hard to get through the typewriter or computer printer. I know that certainly somebody somewhere, if this was actually official in November 1993, would have been able to put it together better.

We see this whole thing ramping up, as the press has mentioned. I will end my remarks by talking about Warren Kinsella, who was the operative for the Prime Minister during the campaign. He was writing a document and a message went around about it just last weekend. When the report from Warren Kinsella came out there was a directive that said the article "Must appear in all CanWest papers." If there was ever anyone who was just getting into the fray and thinking that he was going to defend the Prime Minister, it only thickens the plot and puts the Prime Minister deeper into the glue. There is only one way out of this and that is an independent inquiry so the Prime Minister can prove once and for all, if he is clean, that he is clean.

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Mr. Speaker, I am certainly not defending anybody. What I am doing is simply clarifying the record. Sadly enough we have come to a situation today where we have aspersions being cast by that side of the House that are completely unfounded and inaccurate. It really bothers me that the level of debate in the House has sunk to the level that it has today with the opposition Alliance bringing forth these heinous accusations.

I sat and listened to the member for Edmonton North, who made a couple of disturbing statements in the House today. It was

something along the lines—I tried to write it down but she was speaking very quickly out of both sides of her mouth so it was difficult to get it down verbatim—of "they have no trust in what he says". I assume she was referring to Canadians when she said they.

Let us examine the record. We have a man who has dedicated 38 years of his life to Canada, to federalism and to raising the quality of life for all Canadians. On three separate occasions Canadians have shown their support and confidence in this individual and this party by electing three successive majority governments. We have to extrapolate on that and keep in mind that as a result of those three successive majorities, we have three successive defeats on that side of the House.

Now we can get to the point. They are personalizing, nothing more, based on the losses they have experienced three elections in a row.

My point for the member for Edmonton North is simply to remind her of and ask her to comment on the following. In 1996 she attended in my riding and made a very clear statement that she felt it was a disgrace and absolutely ridiculous that Liberal members of parliament would accept a parliamentary pension from the House. She said that and said she would never do it. She said her party would never do it. Here we stand when she has in fact done the complete opposite. Who can Canadians trust? Can they trust somebody who went on television and on air and made a commitment and backtracked on it, or a government that has offered good governance to the country for the last seven years?

Miss Deborah Grey: Mr. Speaker, the hon. member started his remarks by saying he is not defending anybody. I can understand why he would not want to defend anyone: the Prime Minister.

• (1515)

I mentioned in my remarks that people have no trust in what he says. I think the member was right when he said that Canadians are frustrated with this. I am sure he would be stunned and surprised to learn that recent polls show that 54% of people who support the Liberal Party want an absolute and objective inquiry.

I know he has been exorcised, but let me address the pension issue. I was in the member's riding in 1996, and have been to lots of places across the country, to address the fact that when I opted out of the MP pension plan I was perfectly happy to continue contributing to RRSPs for the rest of my life. However the member knows, as all hon. members know, that as a result of negotiations last spring the Liberal Party put every member of parliament back into the pension plan, including myself. Because I now must pay premiums into the MP pension plan I can no longer contribute to my RRSPs. He could perhaps mention that to the people back home.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, a brief question to bring some focus back to the debate.

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It is unfortunate that we have seen these personal jibes going on here for the past number of hours. However to get to the point of the motion, the evidence is mounting. There is sufficient reason to take it out of the bear pit that is the House of Commons and put it into the hands of an impartial and objective forum.

I strongly suggest that the only way to bring closure to the issue is to remove the partisanship and give the issue to a judicial or public inquiry. Would the hon. member not agree that would be ample opportunity for the Prime Minister to exonerate himself? If there is compelling evidence to suggest there was no conflict, such a non-partisan forum would be an ideal way to establish the truth.

Miss Deborah Grey: Mr. Speaker, that is probably the best thing. There is bitter partisanship on the other side of the House and on this side too. The best way to deal with the issue is to take it out of this place, because this is where politics reign.

I was attacked about the pension. I find it strange when someone talks about going back on their word. There was a little promise about scrapping, killing and abolishing the GST. There was a little something about the Airbus affair. It was a messy thing, was it not? It seems very strange that the member here is not even in his seat but is wandering all over the Chamber hurling insults. If the shoe fits he should wear it.

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, it is somewhat of a pleasure to speak to the motion put forward by my party today, although it is not a pleasure to speak about its content. We need to set the record straight. We were forced into this debate by the actions of the Liberals and the Prime Minister.

That is unfortunate because the personal ethics of most people would have ensured that the issue was answered in an open and transparent manner two years ago. The official opposition has been following the issue for two years. Many are appalled by that delay and the cover-up it has produced. I say appalled because the issue could have been a simple acknowledgement and resolution by the Prime Minister when it first became public knowledge.

Members on the other side of the House have gone on at great length today to argue that this is nothing but a smoke and mirrors show. They say that there is nothing of substance involved and that the Prime Minister's reputation has been needlessly sullied. I agree that it is a smoke and mirrors show, with a little fog thrown in for good measure. Unfortunately the smoke, mirrors and fog have all emanated from the seats opposite.

Government members have cried out that a non-issue has hijacked the business of the House of Commons. What utter nonsense. If there is no business in the House the government must bear full responsibility. Indeed, when there is business in the House it is often hard to get the Liberals to attend. Witness the fiasco of last Thursday.

• (1520)

It is indeed a sad day when the House of Commons must debate an issue that calls into question not only the person of the Prime Minister but the reputation of the office itself.

I and many Canadians from all walks of life, all regions of this great country and all political stripes, question the ability of the government and the Prime Minister to govern in an open and accountable manner. The truth must be found and it must be spoken. It has been lacking in this matter for some time.

Members opposite can bluster all they want. They can cite old polls and make widespread pronouncements, but the facts are undeniable. According to the latest Compas poll 85% of Canadians feel it is important to get to the bottom of the issue. Sixty-three per cent of those polled believe the Prime Minister's conduct was wrong when he sought money for a business in Shawinigan in which he is accused of having a financial interest.

Canadians are an intelligent and reasoned electorate. They know the issues and they want clarity. Perhaps most telling are the 91% of people who feel it is important for the Prime Minister to behave in ways that appear fair. Therein lies the nub of the problem. There is not the appearance of fairness. There is in fact the appearance of unfairness.

The facts clearly indicate that there is at least the appearance of a serious conflict of interest and that in all likelihood the House has been misled.

These allegations must be cleared before the government regains the moral right to govern the people. Based on the actions of junior and senior ministers in the past weeks and months, I believe I have the right to say this in the House today. When deliberate misrepresentations are made in the House and remain unpunished by the Prime Minister, I am reminded of the adage that leaders must lead by example. Canadians and members of parliament are being offered an unfortunate example of leadership.

All the foregoing has happened today because of certain factors: a complete lack of accountability on the part of the government; the unprecedented use of closure; the dictatorial running of the House and its members by the Prime Minister and his unelected, unaccountable advisers; and the untenable centralization of power in the Prime Minister's Office that began over 30 years ago under Prime Minister Trudeau when the current Prime Minister was cutting his teeth in federal politics.

There has been talk of parliamentary reform. Frankly talk is cheap. It is time for all members of the House, and indeed all Canadians, to reclaim their government. The government of this great country should not be controlled by a handful of people who

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surround the Prime Minister. That is not what the Fathers of Confederation intended the government of the country to be.

Reform of the House of Commons must begin, and it must begin with us. We desperately need an ethics counsellor who is a true watchdog and not a lapdog for the Prime Minister. What person in his or her right and free thinking mind would accept that a person who is appointed by and reports to the Prime Minister would be able to give a full and complete disclosure of the Prime Minister's actions? Members here can reclaim the integrity of the House, but only if they shake off their leashes and muzzles and relearn the ability to think for themselves.

Reform of the House must also extend to the committee level where MPs are supposed to be masters of their own destiny. Instead we regularly see the chair and the parliamentary secretary act on behalf of the minister's office. Why? Simply put, there is an insatiable desire for power and control at every level. The Prime Minister has taken it upon himself to absorb every last control lever into the Prime Minister's Office.

The end result of this exorbitant power grab is a government that acts as if it is above the rules, regulations and laws of the country. What an appalling disgrace. We have seen a pattern develop over the years. We have seen the flimsy excuses used in the Human Resources Development Canada debacle. We have found that HRDC had secret slush funds used by and for ministerial special requests. Canadians are greatly concerned about the government's lack of forthrightness and clarity.

I have a recommendation for government members. They should stop paying lip service to parliamentary reform and make it a reality before it is too late for the country. They should start today.

• (1525)

My colleagues in the House and Canadians across the country want only to know the truth behind Shawinigate. If the Prime Minister has nothing to hide or be ashamed of then let us set the record straight. If there is substance behind the facts then corrective actions must be taken. We simply want to know the truth.

Ethics and accountability must start somewhere. Frankly it must start at the top. We as a nation need accountability in our government and Prime Minister. Sadly, at this time millions of Canadians do not see accountability at our highest levels.

When the Prime Minister is under a shroud of discrepancy and double talk, what are we as parliamentarians and Canadians to expect from those around us?

The big questions remain: Where do we go from here? How do we get there? I think all hon. members of the House would agree that we need to put an end to the issue. No one, including opposition members, wants to carry this further than necessary. However the issue is before us and we must find a plan to bring closure to it.

In so doing we must put the office of the Prime Minister ahead of the man who currently occupies it. The office has been here longer than any of us and will continue longer than any of us. The reputation of the office has been sullied and we must collectively renew it. It goes far beyond partisan values and attacks. The office depends on the goodwill of the public for its preservation.

We come to today's motion calling for an independent judicial inquiry. Sadly the question is not only before the House but on the minds of the majority of Canadians. In order to fully answer the question of impropriety we must have someone in charge who is viewed by all Canadians as honourable, above reproach and impartial.

Sixty per cent of Canadians believe parliament should create an independent judicial inquiry to get to the facts behind Shawinigate. To deny today's motion would raise further questions about the Prime Minister's dealings.

If there is nothing to hide, why have the past two years continued to bring additional facts forward? Why has the Prime Minister not been able to provide clear and concise evidence to clear his reputation? If the government and Prime Minister have nothing to hide they will not object to a public inquiry.

Actions must be taken that will resolve the issue once and for all. If the Prime Minister is innocent of wrongdoing then I call upon him to endorse today's motion. If there is independence among government backbenchers then I call upon them to move beyond partisanship and deal with the bigger question of the integrity of the Prime Minister's Office.

I call upon all members of parliament to seek an answer to the question: What is in the best interests of Canadians?

If members believe like I do that it is in the best interests of Canadians to find a clear and concise end to the issue then I urge them to vote in favour of today's motion. Let us get this thing cleared up. Let us have an independent judicial inquiry.

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I cannot believe what I am hearing from my colleague. The House of Commons is the highest court in the land. We have debated this issue day in and day out, month in and month out, on a regular basis. Today in the House we are listening to my colleagues on the opposition side try to put on record any kind of evidence that would suggest the Prime Minister has done anything other than serve his constituents in the Grand-Mère affair.

The day we as members of parliament stop calling and writing on our constituents' behalf to the administration in the Government of Canada, the private sector, banks, crown corporations or whomever, none of us will get elected. Would my colleague not

agree with that? Our job as members of parliament is to stand up for our constituents and act on their behalf. The day I stop doing that is the day I should stop serving as a member of parliament. That is exactly what the Prime Minister has done to create jobs in his constituency and defend the interests of his constituents.

I am not interested in seeing another public inquiry waste millions of dollars and at the end of the day hear nothing new other than what we have read in the *National Post* and heard from some of my colleagues. It has added nothing to the debate and has only wasted the time of the House of Commons and of Canadians.

Eighty-one per cent of Canadians are telling us to move on and talk about issues that are important to them such as softwood lumber, farming, fisheries and the economy. Those are the issues that are important to Canadians and the issues they want us to talk about. For the public interest, we should move on. We should have the debate today, vote on it and then kill the issue. We can then begin to talk about the issues that are important to Canadians. That is what they elected us for. We had an election on this issue. The people have voted and they told the Prime Minister that they trust him. Does he not agree?

• (1530)

Mr. Reed Elley: Mr. Speaker, that was really something. I am glad to see the hon. member continue his passion inside the House of Commons as he certainly does outside the House.

I find the member's comments very strange. I agree with him that this is the highest court of the land. However, he has been a member of a government that has been in power since 1993 and, over that period of time, the measures that his government has or has not taken in the House has led to a continual decline in the power of parliament to be the lawmakers of the land. How many times have we seen this government fail to take a stand on an issue that concerns the Canadian public and, instead of bringing in legislation, it sends it to the courts? The courts have now become the highest law of the land. That is an absolute disgrace. It denigrates the kind of influence that we as members of parliament have in this place.

This government has been responsible for that decline and it is only the Canadian Alliance, along with other opposition parties, that have brought some power back into parliament in order to take action against this kind of government.

[*Translation*]

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, I wish to advise you that I will be sharing my time with the member for Simcoe North.

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These last few months, Canadians have witnessed a most degrading spectacle in the House of Commons, the spectacle of a bitter opposition that has no ideas or constructive solutions to offer and that has totally dropped public policy issues to engage in a relentless smear campaign against one person in particular.

At a time when Canadians want to hear about the state of the economy, the opposition is obsessed with the Prime Minister's personal finances. At a time when Canadians want to know the position of their federal parties on the future of health care services, on support for families and children, on the status of the environment and on the impact of globalization and of the new economy, the opposition is obsessed with inventing allegations, which are becoming sillier and sillier, about a most ordinary commercial transaction which was conducted, from beginning to end, in full compliance with the spirit and the letter of the ministers' conflict of interest code.

Hiding behind the immunity allowing MPs to speak freely in the House of Commons, members of the opposition have made countless unjustified allegations, cast silly innuendoes and tarnished the reputation not only of the Prime Minister and his family, but of all the people who reviewed the facts and cleared him of any wrongdoing. They even questioned the integrity of the Royal Canadian Mounted Police. Why? They did it because, as the member for Saint-Maurice, the Prime Minister made representations to the Business Development Bank of Canada to secure a loan for a hotel that created jobs for 20 of his constituents, the Auberge Grand-Mère.

This hotel is located beside the Grand-Mère golf club, which has new owners and in which the Prime Minister ceased to have any financial interest before taking on his current responsibilities.

• (1535)

His trustee and lawyer, in close consultation with the federal ethics counsellor, Mr. Wilson, worked on the recovery of a debt resulting from the sale of his shares in the golf club. Let me repeat that this sale occurred before he became Prime Minister and that it was exempt of all debt and charges, as the documents show. His shares never came back in his ownership or control.

Promoting economic development and job creation for one's constituents is the first priority of all members.

I am working tirelessly so that my constituents in Laval East will have good jobs in the future, and I make sure we get our fair share of any federal help for this. The Prime Minister did the same thing.

People in the Saint-Maurice riding have had high unemployment for a long time. The Prime Minister, in his capacity as member for Saint-Maurice, local municipalities, businesses, and the Quebec

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government consulted together and decided to give this region a key promotional tool, tourism, to build a better economic future.

The Prime Minister made sure that his constituency would get federal assistance to support many legitimate tourist projects, and that is perfectly appropriate. The same thing occurs in every riding in Canada faced with a similar economic situation. This was his only concern when he supported the expansion project for the Auberge Grand-Mère.

The ethics counsellor, Mr. Wilson, has repeatedly reviewed the sale of the golf club and the Prime Minister's contacts with the Business Development Bank of Canada. He concluded there was no conflict of interest, but that is not what the opposition wanted to hear.

Therefore, it launched a spiteful and bitter attack against the Prime Minister and against the integrity of Mr. Wilson, an outstanding civil servant and a world renowned expert in public ethics.

The opposition asked the RCMP to conduct an investigation. Again, it cleared the Prime Minister of any wrongdoing. The results of the investigation were also rejected by the opposition, which irresponsibly questioned the integrity of the RCMP.

When, in an extraordinary and unprecedented move, the Prime Minister allowed the ethics counsellor to release private documents to prove, without any reasonable doubt, that there was no conflict of interest, the opposition asked for even more documents. As usual, it attacked the integrity of the Prime Minister's trustee and of the person who bought the Prime Minister's shares in the golf club.

The Prime Minister has been sitting in this parliament for 38 years. Throughout the years, he has upheld strict personal integrity standards. During most of his years here in Ottawa, he held key positions of trust in cabinet. Never has there been a whiff of scandal while he carried out his duties.

What our government and our Prime Minister want, first and foremost, is to preserve the confidence of the Canadian public. As far as we are concerned, integrity is more than a nice principle, it is our ideal. It is a way of life. It is the basis of our whole action.

We believe that trust in institutions is as vital for democracy as the air we breathe is for us. Once trust is destroyed, it becomes difficult and sometimes impossible to rebuild. Once trust is lost, the system can no longer function.

Under the Mulroney administration, Canadians came to believe that public officials placed their personal financial interest before the public interest. It was precisely to put an end to that perception that the Prime Minister established the office of ethics counsellor in 1994.

• (1540)

The Prime Minister often told us that, very early in his life, his father taught him that a good reputation was more precious than wealth, social position, glory or celebrity. In the end, it is the only thing we really own. It cannot be sold nor exchanged and, once it is lost, it is lost for good.

He made that the creed of his political life. He made it a standard and an example for the members of his government. This is why not a single minister of his cabinet has ever had to resign because of a conflict of interest.

Given the high office to which he was elected and the irreproachable uprightness of his personal conduct, the Prime Minister deserves better than being the target of a deluge of unfounded allegations and slander.

What is more, Canadians deserve better than that. They have a government which is determined to deal with real needs, needs and challenges of interest to Canadians, and they deserve to have an opposition which is prepared to do the same.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, at the beginning of her speech, I believe my colleague went a little overboard when she said that the opposition did not address this issue.

She forgets, for example, that the Standing Committee on Human Resources Development unanimously passed a motion, to which the Liberals contributed, calling for more changes to be made to the employment insurance plan and that they would be proposed by June 1.

I could also mention the very positive remarks made by the hon. member for Rosemont—Petite-Patrie concerning international child abduction, and those by the hon. member for Berthier—Montcalm on young offenders. So, when they say that all the opposition is talking about is the inquiry, I think we are quite capable of doing two things at the same time.

But where I totally disagree is when they say that Canadians are fed up with this issue. According to polls, more than 50% of Canadians want an inquiry, as requested by the opposition, so that all the light be shed on this issue.

Have more questions not been raised this week, since the documents were made public, than before?

How can the government say that there was no conflict of interest when, in the documents made public, we learn that if there is ever an inquiry, it will be J&AC Consultants Inc., the PM's main company, that will bear the costs of this inquiry? Is this not a cut and dry instance of conflict of interest?

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Should the hon. member not admit that the integrity of the Prime Minister is being called into question, but that he himself fuelling arguments against him on a daily basis by refusing to go to the bottom of the issue and to put in place what Canadians are asking for?

Tomorrow, when we vote on the motion, those who will represent the will of the majority of Canadians will not be the Liberal majority, which will vote against the motion, but those who have the support of more than 50% of Canadians calling for a public inquiry to take this issue out of this House and let the light be made on the whole issue outside oral question period, where questions are a mere 30 or 35 seconds long and answers just as short. The integrity of the Prime Minister is at stake, and so is that of the entire political system.

In concluding, when the hon. member reads a testimony like that of Yvon Duhaime, which has been published in *Le Soleil* last week end, where he said that there was a direct link between the economic activity of the Auberge Grand-Mère and the golf club, and when we see that the Prime Minister would have to pay legal fees if there was an inquiry, would she not agree that the motion is very appropriate and that it would shed light on a situation that has been kept in the dark by the Prime Minister for much too long?

Ms. Carole-Marie Allard: Mr. Speaker, I think the member opposite has been reading the newspapers too much and not been meeting enough with his constituents.

• (1545)

My constituents are asking me “When is the opposition going to move to other things? We have problems in our ridings. Our families need money, children are left out. There are numerous problems”. This is what we are told.

I think that reading the newspapers too much these days is just what the opposition wants.

[*English*]

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, I could not agree more. There are important issues that should be debated and that have been debated in the House. Important votes have also been held.

I ask the member, as well as the minister of agriculture, just what happened. Where was the integrity? Why were members not standing up for farmers when I brought forward, along with my leader, a vote in the House to give farmers another \$400 million?

Member after member stood on that side of the House saying that they supported farmers and that they wanted them to get that

\$400 million. How did she vote on that issue and does she not feel we were doing our job?

[*Translation*]

Ms. Carole-Marie Allard: Mr. Speaker, I will answer by saying that the assistance provided to Canadian farmers was the result of pressure from the Liberal caucus, not from the opposition.

Since the November 27 election, at every caucus meeting I have attended, members on this side of the House, of the Liberal Party, have been imploring the government to help farmers. It is not the pressure from the opposition—

[*English*]

The Deputy Speaker: The hon. member for Simcoe North.

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, we are again on an opposition day motion. We are talking about an issue that has been around for two years. It has been through the scrutiny of the ethics counsellor, through an election campaign and through an RCMP review. Through all that time no one was able to make a case to justify that the Prime Minister was in a conflict of interest.

The Prime Minister has tabled personal documents in the House. That is a precedent which to my knowledge has never been done in the history of parliament. We have been through all that and yet when the Canadian Alliance has an opportunity to choose the topic of debate in the House, to have a meaningful debate on issues that are important and relevant to Canadians, we talk about Shawinigate.

I have a headline from the editorial of the April 12 *Orillia Packet & Times* which reads “Shawinigate obsession is getting tired”. It goes on to say to the opposition that it is time to move on. There is nothing there. Why does it keep tying up the business of the nation dealing with an issue when there is no case to be made?

We know why. It is really a contest between the Progressive Conservative Party and its leader who has championed this obsession and has carried it forward. The Canadian Alliance leader was a little distracted for a while with some of his own personal problems, but now he is into the contest.

Why? It is very clear. The media has widely reported that Bay Street has said to the right and the righter party that it would cut off their financing if they do not get together. There is a contest between the right and the righter party to try to get themselves together, so they are trying to outdo one another.

This has expanded into an unholy alliance with the Bloc Québécois and to a certain degree the NDP. The NDP is trying to play both sides because if there is any mileage to be made, it wants

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to be seen to be part of the coalition. If it backfires, as I am sure it will, then it wants to keep its distance. The NDP is playing it particularly cozy.

• (1550)

We have to look at the facts and they are very clear. Opposition members said that if they were told who the fourth shareholder was they would drop the matter. We know who the fourth shareholder is and it is not the Prime Minister. However they did not drop the matter.

Opposition members said that if they had the documents and the bill of sale they would drop the matter. The bill of sale was tabled and still the matter has not been dropped. They do not want to drop the matter because they want to play politics with the issue.

The opposition wants to sully the reputation of the Prime Minister, a man who has been in public service for 38 years without any hint of a scandal. It wants to sully his reputation for purely crass and political purposes. That is a disgrace to the whole House. That is something Canadians recognize and they know full well that it is not what it should be.

The opposition then said that it would look at the documents and the bill of sale. However it criticized the bill of sale. It said that there was no date, location or seal on it, et cetera. By law it is not needed. Shares can be sold on a verbal contract.

All discussion on the bill of sale becomes irrelevant because we have the letter from the corporate solicitors for 161341 Canada Inc., the company that owns the golf course. The letter was tabled in the industry committee on March 20 and it states:

[Translation]

On November 1, 1993, the board approved the transfer to Akimbo Development Corporation of all the company shares held by J&AC Consultants Inc. Since that time, J&AC Consultants Inc. no longer appears in resolutions by the company shareholders, and—

The Prime Minister's name appears here.

—no longer appears in resolutions by the company directors;

[English]

That is corroboration that the shares were transferred and that they were acknowledged by the corporation in a resolution. That letter comes from the corporate solicitors.

The opposition will now take the position that those solicitors are either incompetent, dishonest, in the pocket of the Prime Minister, or smoking dope. Opposition members will find some way of discrediting the corporate solicitors because they have not told the opposition what it wants to hear. It is clear that nothing will satisfy the opposition.

The motion put forward by the opposition today calls for an independent inquiry. Even if it got an independent inquiry, I am

sure those members would say that it was not done properly and whoever was appointed was not the right person and so on.

In our legal system there is the onus of proof. There is no onus to prove oneself innocent. The onus is on the person making the allegation of a conflict of interest to show some evidence. In this case we have been through the process for two full years and no one has been able to make the case that there is any evidence whatsoever of a conflict of interest.

What we have is a debt. The Prime Minister sold his shares. It was an unsecured debt. Mr. Prince owed the Prime Minister some money. The Prime Minister or his company retained no interest in those shares. They had no right to retake the shares regardless of what happened to the value of the shares in the golf course. If the golf course went bankrupt or if the shares tripled in value, the Prime Minister was only entitled to collect his original debt.

We see that the Prime Minister's trustee was involved in trying to collect on the debt. As part of the settlement on the debt there was a repurchase of the shares by someone else from Akimbo. We have evidence that shows that Mr. Prince was mistaken in law in thinking he had an option. He acknowledged in one of the subsequent agreements that he obtained a legal opinion that convinced him. I do not know why that would not satisfy the opposition, but it convinced Mr. Prince that he was mistaken in law and that he did retain the shares, so he resold them.

Opposition members quibble about the wording of the release clauses in the agreement or the indemnification clauses. They say there is a double conflict of interest because the Prime Minister's company said that if they dragged it into court it would be indemnified for its legal costs through the whole process. That is a standard legal agreement on any settlement.

• (1555)

As a solicitor I have signed many releases on behalf of clients or prepared them for clients. There is always an indemnification clause in any settlement agreement. It is a normal legal practice, yet the opposition continues to ask questions, et cetera.

The question comes down to what would be gained by having an independent inquiry that the opposition is requesting by the motion. I submit that nothing would be gained. A lot of public money would be spent when we should be dealing with more important issues.

Members throughout the debate have mentioned the question of the vote last Thursday when the opposition moved adjournment of the House. The government was responsible for not maintaining quorum and the House adjourned. Opposition members have not only been wasting the House's time in question period by dominating this one issue but they have also been wasting the time of the House by bringing in mischievous motions of adjournment when we should be dealing with the business of the nation.

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I said to my constituents that as part of the government I assume responsibility for not being there to protect Canadians from the mischief of the opposition. I assume that responsibility, but I assure the House I will not permit the mischief of the opposition to carry the day on this motion. I am sure this side will vote against the motion so that we can get on with the business of the nation.

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, I wonder if the member does not fully understand what is at the root of the motion and what Canadians are asking us to do in this place.

Canadians have made far too many connections between government grants and moneys on the one hand going to parties and then those parties giving money back to either the Liberal Party or to an individual member. There is a definite connection.

The Liberal Party of Canada accepted a donation from a trade group in Shawinigan, Quebec, which happens to be near the Prime Minister's riding and was living off a \$2.5 million grant from the federal government. Then the group made a donation to the Liberal Party for whatever.

Canadians see a connection with this type of activity where taxpayer money goes to someone and then flows back to the government. That is the point I want to make and I would like the member to answer this question. Does he not see something wrong with that?

Mr. Paul DeVillers: Mr. Speaker, people make donations to all political parties, but the issue is not who made a donation to the Liberal Party of Canada.

The allegation is that the Prime Minister had a financial interest in the golf course when a loan was made to an abutting business. That is a stretch anyway. If the Prime Minister had an interest in the golf course, which he legally did not, the whole premise of the allegation of a conflict of interest would be a major stretch.

The golf course had its own 19th hole, bar and dining room. The dining room and the bar at the auberge were in competition with the golf course. If the Prime Minister had an interest, the case is far from made as the auberge was a competitor.

The member raises the question of political donations. We could get into that. We could talk about \$70,000 given to the Canadian Alliance from a law firm in Calgary, but I do not really want to talk about it.

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I wish to get back to the point the member spoke about: the mischievous and frivolous motions our party brings forward to the House. He was making specific reference to the adjournment motion last week.

Some 95 of the 172 Liberals who were elected to the House were here to vote on that motion. There was a photograph in the newspaper that showed cabs receiving instructions to turn around to bring Liberal members back to the House instead of heading for the airport. They were disappearing right after question period on Thursday afternoon.

• (1600)

If those members think that leaving here at 3:30 on a Thursday afternoon is not frivolous, then why are they complaining about the vote we called in the House and they could not even show up. Their responsibility was to be here but they were heading to the airport to go home for the long weekend. He thinks that this is a frivolous motion. Why does the member think that way?

Mr. Paul DeVillers: Mr. Speaker, it is obvious that it is a frivolous motion and it is mischievous. Why would anyone bring a motion to adjourn and then take great delight in the fact that it was not thwarted? This comes from a party where one of the first acts of its new leader was to say that the House should sit four days a week not five. Maybe some folks do not disagree with that. However, why be so mischievous as to bring a motion and then blame the other side for not voting it down. The Canadian people do not go for that kind of nonsense. They can see through that.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, that member, as well as others before him, continually use the term ethics commissioner, which, as we know, has much greater power than an ethics counsellor. The person we have at the present is an ethics counsellor. Why do they deliberately use the other term which is not the correct one?

Mr. Paul DeVillers: Mr. Speaker, the ethics counsellor was someone who was appointed with approval of the opposition parties at the time. It was the ethics counsellor's idea that he remain a counsellor and not a commissioner because of the principle of the independent, accountable government. If we were to have a commissioner telling the Prime Minister what to do, then why not just vote for the commissioner? Why would we have an election every four years and vote for a prime minister?

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, it is a sad day to have to rise and give reflection on, what so many in my riding are concerned about, ethics, truth and basic standards of governance.

I know the Liberal members opposite just do not want to look down into the abyss and contemplate what their leader has done and what they have done along with him. Recoil, deflect and excuse as they may, and uncomfortable as it is, we must go there,

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for the good of the country, to defend the credibility of parliament and preserve the basic idea of what Canada as a nation is all about.

The motion before us says:

That this House calls for the establishment of an independent judicial inquiry to determine if the Prime Minister is in breach of conflict of interest rules regarding his involvement with the Grand-Mère Golf Club and the Grand-Mère Inn: and that the inquiry should have broad terms of reference with the power to subpoena all relevant documents and witnesses.

Sadly, for parliamentary leaders and even previous prime ministers, the problem was often money, combined with opportunity, greed and apparent need which was their eventual undoing. By the Prime Minister's own statements in the House, it appears he had all those elements.

It was thought that we as a nation had to overcome the old style behaviour of arm twisting for one's own riding, using favouritism and personal clout rather than rational program criteria at arm's length from officeholders, but not for the old style Liberals.

By the way, Mr. Speaker, I will be splitting my time.

What did the Prime Minister do to get money into his riding? The experience seems to suggest that the first thing for getting hundreds of thousands, if not millions, of dollars in federal money is to be under criminal investigation. Followers of Shawinigan may disagree and say that having a questionable business record worked better. Others might insist that making the right political contribution is the key. However, in reviewing those who got the money, it looks like having a criminal record, moving to Shawinigan and offering to buy any of the Prime Minister's assets made a lot of tax dollars just appear.

Take the case of the Grand-Mère hotel owner Yvon Duhaine. He has a number of criminal convictions, ranging from drunk driving to threatening fellow constituents. His previously failed venture with the L'Hotel des Chutes, for which at one point left him owing \$150,000 in unpaid taxes as well as other bills, had to be a help to get him the Business Development Bank loan. plus another \$189,000 in transitional job fund grants from the federal government.

• (1605)

Pierre Thibault, a recent immigrant from Belgium, who received \$700,000 in TJF grants and another \$925,000 in federal loan guarantees for Shawinigan's Auberge des Gouverneurs, could have secured federal funding for sure when he made an admission in writing to fiddling away nearly \$1 million from his former business partners in Belgium.

If we wanted a ticket to ride on the Liberal gravy train perhaps it was example set by Paul Lemire and Mario Pépin, two Prime Minister supporters in Shawinigan who ran Groupe Force, a federal business development agency.

Lemire's credentials included being convicted for tax dealings and cheques, but then he and his partner were charged with theft and fraud for systematically diverting millions of dollars in federal development money into their own pockets.

I do not know if the Prime Minister's political friend, René Fugère, would find it more difficult to get federal funds when the police investigation into his affairs yielded no actual charges. However, maybe it is the fact that on some occasions he is the representative of the Prime Minister, which allowed him to get a stipend of 5% to 10% off the top of federal grants, of those it looked like he was able to secure for his business buddies.

Maybe we should follow the lead of Claude Gauthier who was fortunate enough in 1996 to buy some land from the Grand-Mère Golf Club, of which the Prime Minister may or may not have been an owner, but in which he admitted he had a financial interest. Mr. Gauthier paid \$525,000 for the land, which help the golf course retire a \$300,000 debt. In 1997 he was also the largest single contributor to the Prime Minister's re-election fund.

The following year, one of Gauthier's companies, Placeteco Inc., received \$1.2 million in transitional job funds, although it apparently did not create a single lasting job but instead skipped the federal guidelines and just paid off an existing loan. However, in this case the pattern was broken and the Prime Minister's office worked for Gauthier to get his tax money, despite the fact that he had no known criminal record.

It is old style political parties that just have no shame. What values are the Liberals showing? During the last election the Prime Minister declared that the Liberal Party of Canada represented Canadian values. What Liberal values was the Prime Minister demonstrating when he refused to tell about being involved in securing a loan from the Business Development Bank for the man who bought the Grand-Mère hotel for him?

The Shawinigan affair also has a basic economic aspect. Even if we take the Prime Minister at his word, what was the rationale for giving \$615,000 of our tax dollars to a perennial losing venture? The Prime Minister and his defenders declared that it was for economic development, but even if we allowed that charade to go unchallenged, did the Grand-Mère hotel have the greatest potential for long term economic benefit for the region? The Business Development Bank had already turned down the loan for good reason.

Can anyone be surprised that a hotel, which consistently had financial problems and could not pay its bills, would be unable to meet new debt obligations? We must remember that the Grand-Mère never made a single interest payment on the Business Development Bank loan that the Prime Minister lobbied so hard to get.

How little financial sense would one need to go to bat for such a program? Is this really what passes for economic development? I am afraid of the answer, in far too many cases for the government, has been yes. I am afraid that this whole episode gets us to the heart of Liberal values. When one peels back the layers of the white onion, we discover that it is rotten black in the core.

This is not an isolated incident. The auditor general made it clear in October that there is a secret group of unelected Liberal insiders who vet and determine every grant in Quebec. There are four other RCMP investigations into federal grants in this riding.

In the past decade billions of dollars have been handed out solely for political purposes under the guise of economic development. It is crude vote buying with public funds and it does not even cross the Prime Minister's mind that all this is wrong.

This is old time Liberal political values in action. The more important question is how closely these values reflect the values of average Canadians.

A reasonable person looking at the facts would conclude that a conflict of interest is not in doubt at all and basically is no longer even denied. The Prime Minister boasted of what he did and admitted that he had a great personal motive in that he wanted to get paid and that he needed the money as he did not get a top up salary like the Conservative leader does.

The outstanding debt for his shares meant that the Prime Minister had a financial interest in the golf club, yet he was pouring public funds into the adjoining inn. After a halfhearted attempt to explain away the conflict by claiming that the inn had no business ties with the golf club, shown to be utterly false by the way, the Prime Minister and his defenders have reverted to simply reciting balderdash.

Beyond Shawinigan there stretches the great, uncharted wasteland of the Human Resources Development Department and its programs, a billion dollar money pot whose disbursement was overseen not just by Liberal MPs but by unelected party hacks.

• (1610)

Maybe it could be said that the Grand-Mère Golf Club is ground zero for a much larger phenomenon of the government: the politicization of public spending and of public institutions, such as the Business Development Bank and other crown corporations whose boards are packed with Liberal Party friends to the corruption of their legal purpose and to the detriment of the public interest.

What cannot be denied is the historical pattern over the years of sleaze from both the Liberal and Conservative governments in the past, and this one does not disappoint us at all; it is just business as usual.

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The Prime Minister, by his conduct, sets the tone, just as Mulroney did. No one is accusing the Prime Minister of a crime, yet. Nevertheless, rather than compare the Prime Minister's behaviour to that of a criminal, a better yardstick to measure is: What would an ethical leader have done?

When Duhaime approached the Prime Minister, he should have kicked him out of his office and told him that he could not intervene as their business interests were intertwined. An ethical person, indeed a lawyer, would have gone out of his way to even avoid the appearance of a conflict of interest, especially when he was the Prime Minister and had an extra duty to lead by example. Indeed, public office holders are obliged to do so by the conflict of interest code.

However, an educated person would not need such instructions or rules. In a position of public trust, they would know that it is not another person's role to maintain standards and values. It is his job alone to keep himself above suspicion.

The Prime Minister may claim, trying to cover his tracks, that his conduct did not technically violate the code, that the issue involves many grey areas and that maybe he was sloppy as a lawyer and as leader of the country.

However, an ethical person does not need to seek refuge in grey areas and fuzziness. A real leader insists that there should be no clouds over his integrity by behaving properly. A worthy Prime Minister takes the steps that are needed to be sure of standing in the light so he could never be called a crook.

I would ask the Prime Minister, for the sake of the country, to accept today's motion before the House.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am pleased to take part in this debate. I have been puzzled by some of the remarks earlier, and I will come back to it with a question for the hon. member opposite because I know he is from British Columbia.

The leader of the fifth party earlier talked about the former premier of British Columbia, Mr. Bill Vander Zalm, and he talked about a report that had been done by Mr. Ted Hughes. I think he said that in his report Mr. Hughes had stated that the premier was the highest elected position in the province and that he had a duty with respect to conflict of interest.

I was living in British Columbia at that time and what I think the right hon. member forgot to mention was the fact that there was a small matter of \$15,000 or thereabouts in bank notes that were in the safe of the premier's fantasyland gardens, or whatever it was called, just outside of Vancouver, and it happened to be from a land developer, et cetera.

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In this particular case, it is fairly clear that the Prime Minister had no personal interest. He had a debt owing to him but the shares had clearly been sold even though the share register was not updated. As a chartered accountant, I have dealt with many companies with registered shares that had not been updated for years on end. I had to tell them to update.

The shares were clearly sold. The Prime Minister tabled the bill of sale. He had a receivable from someone who was an executive of some means so that the loan could be recovered through the courts. It had nothing to do with the interdependence of the golf course and the hotel. It had everything to do with a receivable from a person who had the means to pay the receivable. It was a fixed sum.

I find the debate is really out of hand. I know the hon. member is from British Columbia so perhaps he will remember the incident involving the former premier, Bill Vander Zalm. I think to draw that analogy is absolutely scurrilous.

Mr. Paul Forseth: Mr. Speaker, what I was trying to point out was that what appears to be surrounding the Prime Minister's riding is just the tip of the iceberg, a part of a longstanding pattern of Liberal governments going back many years. It is just the old style of politics.

• (1615)

It is also obvious, I think, that the average Canadian understands that if all the government money from various departments and programs did not come into the riding by various means, the Prime Minister would not get paid. He stood in the House, put his hand over his chest and admitted how much of a desire and a motivation he had to get paid. Certainly he moved all of government to make sure he did get paid. That is what the appearance is.

However, in the context of British Columbia, I would also say that if this whole scenario were being played out in the legislature of British Columbia we would not be debating this today. This would have been dealt with, because the standards in British Columbia for apparent conflict of interest are much higher than those of the House of Commons.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, I want to get to my hon. colleague's remarks, but I just want to say that I have lived at least 21 years of my professional career under some pretty severe rules of conduct and professional behaviour. As a young man I was a principal. I could have put my wife on staff, but I did not because I could see that and we had a code of ethics as board members. I had a code of ethics before me, all written out, as a member of the legislative assembly. If anyone on the board had phoned a bank to guarantee that a contractor would get a job, bingo, he would have been off the board.

The Prime Minister admittedly phoned the Business Development Bank. It was a total conflict of interest. That fact cannot be successfully denied by anybody in Canada.

I would like to ask the hon. member this: cannot your constituents see that it is a total conflict of interest and the Prime Minister should admit that guilt now and come clean on defending what is supposed to be a code of ethics for all members of parliament?

The Deputy Speaker: I am in a bit of a dilemma because time has lapsed. I will take it as a way of comment to the House, respectfully to the colleague who had the floor.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, it is a pleasure to speak on this motion. I am somewhat disappointed that it has actually come to this, that the House has not been able to deal with more constructive issues. However, we, as an opposition party, and other colleagues on this side of the House are obligated to try to get to the truth of the matter.

Contrary to what the government says, the public does want answers. Eight out of ten people want this issue to end. They want it to be over and done with so that we can get to the real issues affecting Canadians. However, eight out of ten Canadians also want there to be full disclosure of the Prime Minister's papers. They have said to the Prime Minister very clearly that they want to have answers to the questions that are there in front of him, that they want full disclosure and they want the truth, and that then they can move on.

I am sure that the Prime Minister, after 38 years of service in the House and in the winter of his political career does not want to have the stench of Shawinigate hanging around his shoulders as he leaves office. It would do a huge disservice to him and the years of service that he has put into the House and into this country for him to not answer the questions that have been posed, not only by my colleagues here in the House but also by members in his own caucus and of course by the public. The public wants to move on, but it wants answers.

The Prime Minister's tactic of relying on public fatigue, on opposition fatigue, will simply not wash. It will not end this issue. There has been ample evidence presented by my colleagues as to why he should make full disclosure.

This whole issue reflects a more disturbing trend in politics in Canada today. In fact, it reveals the unrivalled power that our Prime Minister has in our so-called democracy. Indeed, no leader of any other western democracy has the power the Prime Minister of Canada has. The president of the United States, I think the public would be interested to know, would do cartwheels down the White House lawn if he had the same powers our Prime Minister has. That must change.

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• (1620)

In fact, this whole issue reflects the unbridled and unaccountable power that the person in that office holds today in our country. When Mr. Trudeau said that MPs were nobodies 50 feet off the Hill, he was merely reflecting the power that he himself was beginning to amass around him. Indeed, it has become more centralized as time has passed.

Many individuals in the House and, indeed, members across the way in the government have spoken quite eloquently on the unbridled and unaccountable power that the Prime Minister and the Prime Minister's Office hold today. It is not something to be proud of. It is not something constructive for the members of the House or, more important, for the Canadian public, the reason being that it muzzles and compromises the innovation and abilities of every single person in the House, including those in cabinet.

Cabinet members unfortunately are unable to exercise their abilities and their rights to the checks and balances that have occurred. I think the public would be very interested to know that the right hand person of a minister of the crown is a deputy minister not appointed or approved by the minister but by the Prime Minister and the Prime Minister's Office. That is an intriguing check and balance on the ability of any minister of the crown to be able to exercise foresight, responsibility and leadership in the area of their chosen field.

It also reflects a lack of responsibility and accountability to the public and a lack of respect for the public. We have, as my colleague mentioned, an ethics counsellor appointed by the Prime Minister and responsible to the Prime Minister, as opposed to having an independent person in that position. We see money spent without accountability or public scrutiny. In fact, the auditor general has repeatedly warned the House and the public of the dangers of that. Year in and year out, he has put forth constructive solutions as to how we can deal with it. Is he ever listened to? No. Are those solutions ever implemented? No, they are not.

What a tragedy for a good man, Mr. Denis Desautels, who is now leaving his position after 10 years. He has worked hard for the public good and has given direction to every member in the House as to how we can improve the use of the public purse. The tragedy that I think the public should know about is that those solutions are rarely, if ever, adhered to and implemented. How disheartening for a good team of people trying to engage in the public good.

We have seen, as my colleague mentioned, where public moneys are used—the Export Development Corporation, the Business Development Bank, crown corporations, the new fund for innovation and \$1.25 billion—without accountability, without public scrutiny. We have seen contracts for CIDA that have often been disbursed not on the basis of what is useful or what would be wise

but on who the friends of the government are or for political reasons.

All this is reflected in the fact that we now see fewer people engaging in the public process and fewer people voting. We saw it in our last federal election, where only three-fifths of the Canadian public actually came out to vote. Why is there this declining number? Because the public sees this institution as increasingly irrelevant to their lives and, indeed, as unable to tackle the big issues that face all of us.

We have seen ministers talk about fictional burning crosses. We have seen ministers call a member in my caucus a pig. Why? I think it is because the members on the other side are bored. They are bored, they do not have direction and they do not have vision, because the Prime Minister is predicating his actions on trying to keep the opposition fractured rather than articulating a vision to deal with the big issues that face our nation.

While Rome burns, the following is not happening. We are not seeing action to save a health care system in a critical state of disrepair. We have a medical manpower crisis where the average specialist is in his or her mid-forties to mid-fifties, including general surgeons, urologists, obstetricians and gynecologists who are all toward the end of their careers. There is a severe lack of individuals in these critical specialties. We have to act now to train those who will replace them.

We are seeing an unsustainable system of pensions in the country that will not provide for members of the Canadian public when they retire. The expectation is that there will be pensions that they will be able to live on. As we know, the people who constructed our pension scheme knew it was a Ponzi scheme and knew it would not be there to provide the moneys that would be needed for our people to retire on.

• (1625)

As a result we will have massive numbers of people in future generations who will not have enough money. They will be part of the elderly poor, individuals who will live from hand to mouth every single day for the remainder of their lives.

We have a dollar that is one one-hundredth of a cent away from the lowest it has ever been. Are we seeing this crisis dealt with by the government? No.

On environmental systems, we are labelled as one of the worst polluters around for an OECD nation. Our government is partially responsible for this.

We have a parliamentary system that is undemocratic.

We have an education system where the cost is so high that education is becoming the purview of only the rich and the connected. We see a dearth of professors and teachers. We have to deal with that now so our children will have people to teach them and so we will develop the excellence necessary to move the country forward in the coming years.

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In our defence system, our soldiers have been given a raise, but the public may want to know that the money is being taken away from them in raises to the rents for private married quarters and in further costs imposed upon our soldiers. These people are worn out and tired and their numbers are insufficient to meet the demands the foreign affairs department places upon them. These men and women who put their lives on the line for our country are worn out and tired and many are suffering from post-traumatic stress disorders.

While Rome burns, this House behaves like a group of people in a sandbox. It is the responsibility of all of us to change that. All I can say is that the Prime Minister has in his hands the ability to answer questions about Shawinigate. He and only he has the ability to put this all out on the table so that he can close this chapter in Canadian politics and move on to the big issues I have articulated.

I wish to say on behalf of all Canadians, Mr. Prime Minister, open the books, answer the questions and let us move on.

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, the gentleman seems to be a reasonable member of parliament. I want to read for him three quotes.

The first one is from the Leader of the Opposition when he was in Alberta in 1996 and an issue affecting some sort of situation in the House came up. He said "It would be an abdication of our role as legislators if we depart from dealing with the internal proceedings of this House and hand it over to some other adjudicating body".

The second quote is from the member for Calgary—Nose Hill. The member on January 2 in the *National Post* in an interview commented on this whole situation. She said "I don't think that warrants a criminal investigation. To be a credible person, especially in public life, you have to go to the facts. . . I don't think it would be responsible to make these kinds of suggestions".

The third and final quote I want to ask my colleague to comment on is from the member for Edmonton North in *Hansard* on March 15 when she indicated that "The Prime Minister could get over this in a heartbeat by just tabling his bill of sale for those shares in 1993".

I want to ask my colleagues to frankly put all of the partisanship aside. With respect to all those statements, the Prime Minister has dealt with each one of them in a very effective and efficient way. He has answered each one of them openly in the House, outside the House and during an election campaign. At the same time, on the issue of the investigation and potential criminal offence the RCMP has looked at these issues and one of our colleagues has said there is no problem there. With regard to the third point on tabling the bill of sale, the Prime Minister has tabled the bill of sale.

We have the House to debate the issue in and we have been doing so for a long time. With regard to the second point, there is no criminal action by anyone. On the third point, the Prime Minister has tabled all of the necessary documentation.

Having heard all of that, does the member really believe that the House should vote for a public inquiry and spend millions of dollars unnecessarily?

Mr. Keith Martin: Mr. Speaker, the Leader of the Opposition was quite correct in saying that things ought to be dealt with internally. The problem with the issue is that the internal mechanisms in the House are inadequate to deal with this.

• (1630)

We tried to make the ethics counsellor an independent officer of the House and the government decided not to. This was against its red book promise. If the internal mechanisms functioned in the House, as the Leader of the Opposition wanted when he was the treasurer of Alberta, we would not be debating this today because these questions would be answered. The problem is that the internal mechanisms do not work and the questions still need to be answered.

The opposition is merely echoing the statements made by the Prime Minister's own colleagues from Oshawa, Guelph—Wellington and Vaudreuil—Soulanges who want to see an independent public inquiry into this matter.

This inquiry does not require millions of dollars. In fact, it does not require one red cent. The Prime Minister only has to put the papers on the table, answer the questions and we will move on.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, one of the things that bothers me about this debate is that there has been evidence presented by the Prime Minister, and I think it is very full and complete evidence. However the accusations remain. I always thought there was a presumption of innocence.

Does the member not feel that what is actually going on here with this call for an inquiry is the Prime Minister is being asked to prove his innocence? Is that not what is being asked?

Mr. Keith Martin: Mr. Speaker, the member is quite right. People are innocent until proven guilty. In all accusations and in a court of law people have to put forth their side of the story.

The fact of the matter is the Prime Minister is not an ordinary MP. Things have taken place of a private nature but public funds were used. Maybe nothing did take place. However questions have

to be answered. These questions refer to public funds being used. Many people have asked these questions, including the Prime Minister's own colleagues.

Since we are all in agreement that questions need to be answered, the member should either get his Prime Minister to answer the questions or have the public inquiry.

Mr. Joe Jordan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, at the outset I want to point out that I will be sharing my time with the very capable member for Elgin—Middlesex—London.

I rise to speak in opposition to the motion before us here today which states:

That this House calls for the establishment of an independent judicial inquiry to determine if the Prime Minister is in breach of conflict of interest rules regarding his involvement with the Grand-Mère Golf Club and the Grand-Mère Inn—

At the heart of this motion is the assertion by the opposition that the Prime Minister had some personal financial association with the hotel he helped in his capacity as a member of parliament for Saint-Maurice and supported its application for funds to expand for a tourism operation in his riding.

Let us take the opposition into some unfamiliar territory and examine the facts.

Prior to becoming the Prime Minister of this country, the Prime Minister sold his shares in a company that owned a golf course near a hotel. The shares never returned to his ownership and the opposition, although it tried, has never presented any credible evidence to suggest otherwise. Its fall back position seems to be that if it says something loud enough and long enough it becomes fact. The opposition is welcome to its opinion but Canadians deserve the facts.

Although the facts that I alluded to were first introduced in the House over two years ago, they resurfaced in earnest during the campaign last November as part of the opposition's strategy to discredit the Prime Minister.

During that campaign, at the request of the opposition parties, the ethics counsellor examined the situation. At the time the Leader of the Official Opposition and the leader of the Conservative Party took great stock, no pun intended, in the fact that the ethics counsellor was looking into this matter. For about three days during that campaign the reference to this investigation was used as part of the opposition's campaign to discredit the Prime Minister.

We did not pull the ethics counsellor off the street. He was the assistant deputy registrar, a career civil servant with an impeccable record. At the time of his appointment we consulted, in conjunction

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with our red book promise, Mr. Lucien Bouchard who was the leader of the opposition at the time. He said:

I want to make clear right away that we fully support the appointment of Mr. Howard Wilson as Ethics Counsellor. We are aware that Mr. Wilson has had a praiseworthy career in the federal Public Service and that we can have every confidence in his ability to take the helm in this matter at a critical time.

● (1635)

The member for Elk Island said at the time:

The person in the position right now is an honourable person. . . He is a man of integrity. He is a man that can be trusted.

During the heat of an election campaign, after touting the fact that this man was looking into it, when he came back with a decision the opposition members did not like, they said "he's a lap dog". All of a sudden this man, a career civil servant, is a lap dog. In my riding the candidate who ran against me held up pictures of dogs as a big joke. It is not a joke. The only person laughing at that is the late Senator Joe McCarthy.

It is a disgrace that they would use this ends justifies the means logic. They do not care who gets in their way. They have one motive in mind and that is to discredit one of the most popular prime ministers in the history of this country. They cannot beat him in the ballot box so they are trying to drag him down in the gutter and have their way. We are not going to put up with it. We are not going to stand by and let it happen.

The leader of the Conservative Party, not happy with the ethics counsellor's investigation, called in the RCMP, the Royal Canadian Mounted Police. Again he said that they were looking into this and that the Prime Minister was under investigation. He said it was a great public relations war that they were winning. The RCMP came back and said that there was no criminal activity. True to form the opposition members moved the goal posts. That is their strategy.

Then the member for Edmonton North said that the bill of sale should be said. He said:

The Prime Minister could get over this in a heartbeat by just tabling the bill of sale for those shares in 1993.

The Leader of the Conservatives on this issue said:

The way the Prime Minister can settle this is to lay upon the table of the House of Commons the agreement for the sale between himself and Jonas Prince.

The member for Roberval put it this way:

Does he not understand that the only way to settle this matter, to exonerate himself—the only way, there are not 50 of them, only one—is to provide us with the record of sale, as we have demanded so many times already? Let him provide that, and the problem will be over.

The Prime Minister provided them with the bill of sale and other relevant documents. In the absence of a human to attack, the

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opposition members started attacking the document itself by saying “It’s a flimsy piece of napkin written in crayon. It wouldn’t fit in a typewriter”. They are not saying that it is not a legal document because they know it is a legal document. If they had any guts they would step outside that door and make that accusation.

If they want a judicial inquiry they will get it in an awful hurry. That is a legal document. It transferred the shares. The ethics commissioner upheld that ruling and they have had no evidence today or in the last two weeks to change that fact. That is the foundation that every subsequent allegation they are making is built on and it is built on sand.

The member for Esquimalt—Juan de Fuca spoke very eloquently. He is a member for whom I have great respect. I listened to the entire debate today and the line he was working on was let us err on the side of safety. Let us just have the inquiry anyway just to clear the air.

The distinguished and respected late Mr. Justice Sopinka of the Supreme Court of Canada criticized such action. He criticized action that was aimed directly at the alleged wrongdoing of specific individuals which needed to operate within the confines of a criminal trial. Mr. Justice Sopinka said that this kind of inquiry based on allegations alone was repugnant.

I do not have to imagine the repugnance because I have witnessed it today. I witnessed it when a member of the Conservative Party compared the Prime Minister’s chief of staff to Rasputin. I ask the members if they are sorry for that. I realize now that they are all nodding that they are. I accept that apology from them. It speaks well to them and I appreciate that. I think they just got a little carried away.

Then we had the member for Calgary—Nose Hill stand up and compare the Prime Minister of Canada to Slobodan Milosevic. This is the kind of nonsense that these witch hunts, these inquisitions and these fishing expeditions are going to result in. At the end of the day they have no case. The RCMP told them that.

• (1640)

This is a partisan smear job and it is pay back. The NDP members are upset because we criticized their role in the summit of the Americas. The Tories are upset because they have not quite recovered from the number that Canadians did on Mulroney. If I understood the member for Esquimalt—Juan de Fuca properly, he said we should do this because we are bored. We should launch a judicial inquiry into the Prime Minister of the country out of boredom. It is nonsense.

The Prime Minister has done nothing more than be a good MP for the people of his riding. The motion before the House is an insult to his good name and an insult to his long standing reputation for the highest ethical behaviour. The member for Leeds—Grenville is not going to be drawn into this nonsense.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I did not get into this debate yet and I did that for a specific reason. Frankly, sometimes I think I have terrible luck because I got stuck being on duty today of all days, and I have had to listen to this debate ad nauseam.

I honestly believe that all the points were made were in the first two speeches. That was much earlier today, and I have had to sit here. I think the public is probably tired of hearing about all of this. I honestly do not know if there is any substance to these allegations or not, neither does the public nor does anyone in this room. This is all the more reason why more and more people are asking parliament to be done with this issue and move on to some issues of substance.

However the reason the House of Commons could be seized by such a petty issue is that the legislative agenda of the Liberal government is such thin gruel that there is very little else to debate. Nature hates a vacuum and when there is one all kinds of things rush in to fill that space. That is what we are seeing with the precious time we have in the House of Commons.

Would the parliamentary secretary to the Prime Minister not agree that there are far more issues of substance that we should be dealing with? We should be dealing with the recent articles we saw from groups like the anti-poverty activists on the growing gap between the rich and the poor, which is expanding to an embarrassing degree. Would the parliamentary secretary not be willing to admit that his government is partly at fault for not having any issues of substance for the country to really get seized on, therefore leaving a vacuum that can be filled by the waste of time we are witnessing today?

Mr. Joe Jordan: Mr. Speaker, let me just say to the member who I have a great deal of respect for, if we are guilty of that, let us be guilty of that. However the frustrations that many of us feel with the disconnect that we are having with voters should not manifest itself in some kind of judicial inquiry based on revenge. I do not think that is the way the system works. We have to keep these issues separate.

I go back to my original point. The critical piece that is missing from the glass house that has been built by the opposition is the fact that the shares were sold in 1993. Without that link, without the potential for financial gain, they have nothing. To walk down the road of a judicial inquiry to the highest office in the land based on no facts, I have to share Justice Sopinka’s view, would be a repugnant act and a disservice to our constituents and Canadians.

The issues that member raises are valid. I think Canadians want this place to start addressing the issues of the day. I had to laugh today when the Leader of the Opposition stood up and said they had been talking about softwood lumber for months. He must be referring to the pine trees on the golf course because that is the only lumber that they have been talking about for four months. They have been absolutely obsessed with this thing, like a dog with a bone.

The leader of the Conservative Party is on a self-confessed fishing expedition. I hope he is outside because it is getting warm, the ice is melting and I know he is not a good swimmer. He is going to go down into a very deep hole if he is not careful.

Canadians want us to move on. In the absence of any facts or proof, when we are standing here with a document from the ethics counsellor and a document from the RCMP saying there is no criminal wrongdoing, then there is no basis to go any further than this. It is just cheap partisan tactics and it ends here.

• (1645)

The Deputy Speaker: Given the co-operation earlier from the member for Elk Island in a similar situation, I will give him the floor.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I am honoured that the Liberal member would quote from one of my speeches back in 1994 when the ethics counsellor was first appointed.

I probably said what he quoted. I do not have a total recollection of what I said that many years ago. I can hardly believe that he quoted everything I said because I would almost certainly have said “too bad that he is not independent”. I trust the ethics counsellor as a person but he is not independent as promised in the election campaign.

I would like the hon. member to comment on the fact that the ethics counsellor was hired by and is answerable only to the Prime Minister and not to parliament directly.

Mr. Joe Jordan: Mr. Speaker, was the member referring to me? I was elected by the people of Leeds—Grenville to represent them.

I quoted the member accurately. For the love of God, I will not go back into the archives and read any more of his speeches to correct it.

Mr. Gar Knutson (Elgin—Middlesex—London, Lib.): Mr. Speaker, I commend the previous speaker and I congratulate him on the fine job he did. I also want to pick up on a theme of my hon. opponent from the New Democratic Party.

It is repetitive because the facts in the matter are not very complicated. The whole issue turns on very simple facts. We debated those facts during the election campaign. Why in heavens name would the opposition want to bring up an issue that was discussed very thoroughly? It did what opposition parties do in a campaign, which is to try to make the Liberals and its leader look bad.

Canadians heard that the Prime Minister called a bank manager about getting a loan for a business in his own riding. The Prime Minister explained that was a normal function of what a member of parliament does. They intervene with businesses like the Business Development Bank. I have called the Business Development Bank on behalf of constituents in my riding.

Supply

While Canadians may have felt some unease about the power of the Prime Minister’s office, they acknowledged that he is a member of parliament, that he sits as an ordinary MP and that he plays by the rules. They knew he had constituents to represent the same way all of us do. They made a judgment and re-elected the Prime Minister with a bigger majority than he had in the previous election.

However the opposition feel that there is some tiny nugget or some huge scandal. Talking to the people in my riding, Canadians are sick of this issue and sick of the opposition tactics. They do not understand why we are not discussing issues of significant merit.

Do members remember the debate we had on free trade years ago and how that was a huge issue for parliamentarians? There was a big debate across the country. We will have an extension of that in a few weeks time with the negotiations in Quebec City. Do we hear about that from the opposition? I agree that we hear about it from the fourth party. The New Democrats are making an issue of it but the remaining parliamentarians are relatively silent on this.

I, like the rest of my Liberal colleagues, will not support the motion. We see it as cheap political theatrics. It is not doing parliament nor the opposition any good, and the polling numbers will show that. If we were to have an election today I think we would come back with even a stronger majority, but I agree that is speculative.

I oppose the motion because we have all the relevant documents. The ethics counsellor has confirmed that there is no conflict of interest. Did the Prime Minister do anything wrong? Most certainly not. He had no personal interest in the hotel. The opposition has tried to string together the business of the hotel with the business of the golf course to say that he did but that just does not wash.

After the Prime Minister sold his shares in 1993 he had an outstanding debt owed to him. Any changes in the value of the golf course had no effect on the value of the debt. That is basic to any contract.

If the opposition members wanted to they could probably make an argument that the Prime Minister had an interest in all Mr. Prince’s affairs. What do we want to do? Do we want to look at everything that Mr. Prince owned and see if the Prime Minister was involved in trying to make Mr. Prince more able to pay back the debt? That would be a huge fishing expedition.

The member for Edmonton North said that the Prime Minister could get over this in a heartbeat by just tabling the bill of sale for those shares in 1993. The Prime Minister tabled the bill of sale though he did not have to do so. When he tabled it the opposition then said that it did not mean anything. That has been typical of the whole scenario.

Supply

• (1650)

If we were to have a judicial inquiry and it cleared the Prime Minister or said that he did not do anything wrong, that he acted as a normal parliamentarian, I am sure the opposition would then slam the judicial inquiry. It would then ask who the judges were and say that they were appointed by the Prime Minister and that they were biased. It would go on and on.

Members opposite made a lot of fuss about the bill of sale. The members for Roberval, Edmonton North, Pictou—Antigonish—Guysborough, and Calgary Centre said that all the Prime Minister had to do was present the bill of sale to the House and the matter would be over. It is now two weeks since he presented the bill of sale in the House. Is the matter over? No, because the opposition wants to keep grinding at it.

This raises the analogy of beating a dead horse. The opposition got the bill of sale and it is not happy because it shows that the Prime Minister did not have a personal interest in the whole affair. His interest was for a constituent and he did what any of us would do as members of parliament. He intervened on behalf of his riding. That is what members of parliament do. That is what the opposition does.

Did the Prime Minister do anything wrong? I ask members in the House who have made representations on behalf of their constituents if they have done anything wrong. This issue of calling the bank came up at all candidates debates during the election. It probably came up in the campaigns of my colleagues. It was an issue that needed some explaining during the campaign and Canadians have spoken.

I came back with a bigger majority and a greater margin of victory than in the last election. Canadians understand it even if the opposition does not.

I hope the opposition will be honest enough to say that in our constitutional system one of the most important responsibilities of members of parliament is to represent the interests of their constituents. It is a fundamental part of our form of democracy. We are elected out of communities and we are supposed to represent those communities.

Did the Prime Minister do anything wrong? We can ask the ethics counsellor who has already told both the official and the unofficial opposition leaders:

—the Prime Minister had no personal financial interest in play. He was dealing as an MP on behalf of a constituent.

In his statement on March 1 he said:

The legal debt owed the Prime Minister was unaffected by the value of the golf course. If the value increased, the Prime Minister had no claims for a higher payment. If the value of the course were to decrease, the debt owed to the Prime Minister remained the same.

The opposition tried to discredit the ethics counsellor, a respected public servant who has only done his job. I wish to say that I believe what he told us when he said:

—it would be unfair and inappropriate to the interest of a minister's constituents to extend to crown corporations the rules which apply in the case of a quasi-judicial tribunal and which limit the capacity of a minister to represent his or her constituents.

In other words, do we want to put constituents of the Minister of National Defence, the Minister of Justice or the Prime Minister at a disadvantage because they elected people who are qualified and honoured to serve in cabinet? I do not believe so. Does the opposition actually think that the constituents of Saint-Maurice have less a right to the service of their MP than the constituents of another MP?

The Auberge Grand-Mère received a loan from the BDC, the caisse populaire and the Fonds de solidarité. The BDC was not the only group to consider the Auberge Grand-Mère a worthwhile investment.

Did the Prime Minister influence those other organizations? Was there something untoward in that? Of course not. To suggest it would be ridiculous. Did the Prime Minister do anything wrong? We can ask the people for whom the expansion of the hotel created some 20 new jobs. We can ask the people in the region of relatively high unemployment who have a source of work today because the hotel has been able to stay open for business.

Did the Prime Minister do anything wrong? We can ask the Royal Canadian Mounted Police who looked into the matter at the request of the leader of the Progressive Conservative Party.

• (1655)

The RCMP found that there were no grounds to launch a criminal investigation. Therefore on what grounds should we have an inquiry? Judicial inquiries should not be created to satisfy the political interests of the opposition. There was no hard evidence of criminal activity. There was none and the RCMP has told us as much.

What would be the point of such an inquiry? The opposition referred the issue to the ethics counsellor and it did not like what he said. It referred it to the RCMP that found no grounds for investigation, but it did not want to hear that either.

The Prime Minister has been subjected to unthinkable scrutiny and questioning and has taken the unprecedented step of tabling in the House the private documents the opposition asked to see. It is still not satisfied. The opposition wants us to spend thousands and millions of taxpayer dollars so that maybe it can dig up something on which to attack the Prime Minister. There is nothing, absolutely nothing, to be found. The opposition still would not be satisfied.

Supply

The government was not elected to waste time and money on this kind of nonsense. The government and all members of parliament were elected to devote time, energy and resources to what matters to Canadians: the environment, health care, international trade, and the well-being of the agricultural sector. Canadians are more interested in having their time and money spent on those kinds of public inquiries.

We are ready to get on with the business of Canada whenever the opposition gets over this and turns to what matters to Canadians. I ask all hon. members to oppose the motion.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, every professional organization I know of in Canada formulates its own code of ethics. Lawyers, doctors, teachers and every local government board that I served on formulate their own code of ethics. They have a living document in their possession. We in the House do not have a living document as to what constitutes a code of ethics.

Would the hon. member who has just spoken not agree that the House and the most senior government in Canada should have a living document that spells out a code of ethics? Should we not have a part in what formulates it so it can be shown to all Canadians that we adhere to one policy on both sides of the House and not the way it is right now? Should we as a parliamentary group not select, much as we do the Speaker, the ethics counsellor?

Mr. Gar Knutson: Mr. Speaker, the member is asking if we need a code of conduct. I appreciate that and perhaps there is a good argument that we should have a code of conduct.

The member was not an MP between 1993 and 1997, but there was a committee that studied the issue of a joint parliamentary code of conduct for private members and members of the Senate. It dealt with issues like accepting money for travelling and a variety of other issues.

The issue we are debating today is not a code of conduct for parliamentarians. It is a code of conduct for the Prime Minister himself.

I remind the hon. member that the Prime Minister, in order to remain as Prime Minister, must enjoy the confidence of the House. He is the one who is ultimately responsible for making sure that his government maintains an ethical standard. As first minister he is the one responsible for that. He is not one of my equals. He is the Prime Minister, and as such he is the one responsible.

If he does not live up to the standards expected of him then presumably he would lose the confidence of the House, and there would be consequences that would flow from that.

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, there are a number of questions that leave the

issue wide open. When people look at an issue and see that questions are half answered, that questions are evaded or that answers do not match the questions, they keep coming back to ask them. These questions will not go away until they are clearly answered.

For example, why was there a bill of sale when no money was ever exchanged? It seems like the bill of sale was a meaningless document. Why did a banker who was either fired or demoted take his problems to the courts?

• (1700)

Why did Madam Marcotte say in the *National Post* recorded interview that this father figure wanted the property for his retirement? These are all questions that Canadians want to have answered.

My constituents are saying that we should get beyond this. However there is a problem: we need the answers or nothing can happen. Would the member comment on the necessity of having questions clearly answered?

Mr. Gar Knutson: Mr. Speaker, I could not disagree more. The questions have all been asked and in fact have been answered.

He raises the issue of the bill of sale. It is normal routine that cash does not always transfer or payment does not always transfer at the time something is bought. I go to the store every day and sometimes I make purchases on credit. There is a wonderful thing called credit. Do I still have a bill of sale when I walk out of the store even though I have not paid for it? I may have bought it on credit but I have not paid my MasterCard yet or whatever. That is a normal part of business.

He talked about the bank manager being fired and raising it in the courts. I will remind the hon. member that this fellow obviously thinks he has a grievance. He was a Mulroney appointment. He was not our appointment. The gentleman thinks he has a grievance in terms of wrongful dismissal, so of course he will whip up as many problems as he possibly can to try to paint himself as a victim of something negative that happened.

Perhaps he was fired for perfectly legitimate reasons. I do not know, but that still does not affect the basic issue. The details of this fellow being fired do not go to the heart of the matter. The heart of the matter has been fully discussed. It has been fully answered. It was fully discussed in the midst of a campaign and Canadians have indicated that they are satisfied with the answer.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I beg your indulgence as I am having trouble with my voice today. I

Supply

guess I will not be able to do what some other members have done, which is to yell louder when the argument is weak. Since I will not be able to do that today, I had better make sure my arguments are solid. I will be sharing my time with my colleague from St. Albert.

I have a very difficult chore today. Actually I am asking for a miracle. My chore is to persuade enough Liberal members to vote for the motion. I think that all or most opposition members will vote in favour of the motion. My chore is to persuade enough Liberal members that the motion has sufficient merit to vote for.

The reason my chore is so difficult is that the Prime Minister, who is actually the subject of the motion today, has the authority by the traditions of the House to tell those members how to vote. I have an idea. I do not have any evidence for it, but I have a strong suspicion that all Liberals on command will vote against the motion. I am aware that the vote has been deferred and will be held tomorrow night. We will see what happens.

We should begin by looking directly at what the amended motion says. It would state:

That this House calls for the immediate establishment of an independent judicial inquiry to determine if the Prime Minister is in breach of conflict of interest rules regarding his involvement with the Grand-Mère Golf Club and the Grand-Mère Inn; and that the inquiry should have broad terms of reference with the power to subpoena all relevant documents and witnesses.

I will now argue in favour of the motion. Many of the speeches today on both sides of the House have been arguing the various aspects of the case, which I believe should be argued in front of an independent judicial committee.

What has happened so far is that accusations have been made from this side that the opposite side vehemently denies or refuses to answer. As a matter of fact, from my point of view it adds credence to the suggestion that there is guilt on the other side. When one evades the answer it is because the answer is self-indicting. I should not use quite that strong a term, but that is what happens.

● (1705)

When we ask questions of members on the other side, whether it is the Minister of Industry or the Prime Minister himself, they do not answer the questions at all. They talk about something else.

It actually reminded me of when I was a youngster decades ago. I remember one in vogue joke that was going around. It was a little riddle that asked how many flapjacks it took to shingle the roof of a doghouse. The answer was 24 because a cow does not have feathers. If you can make sense of that, Mr. Speaker, I will give you the highest mark. It was just the weird sense of humour we had in Saskatchewan when we were youngsters.

However the House can see my analogy is that the answer had no relevance at all to the question. Even the question did not make any sense. Who knows anything about using flapjacks to shingle the

roof of a doghouse? Both the question and the answer were nonsensical.

Liberal members say our questions are nonsensical and so they give nonsensical answers. On the other hand we think our questions have great merit. We ask our questions, but the perception on the other side is that they are nonsensical questions and therefore deserve nonsensical answers. Then we hear the nonsensical answers and we say they totally evade the facts.

I appeal to about 50 Liberals today. I know I will not get them all. They say they trust the Prime Minister. They believe he is clean in this matter. They are tired of this mess. Therefore they feel it is high time to put this matter to rest and to make sure it is put to rest they need somebody who is independent.

I was involved in the joint House of Commons-Senate committee in the 35th parliament where we talked about producing a code of ethics for parliamentarians, for MPs and senators. I had quite a bit of experience at that time. We were talking even then about the necessity of having an independent ethics commissioner, which is vastly different from the ethics counsellor we have now.

It just so happens that in the 1993 election campaign the Liberals campaigned on having an independent ethics counsellor, one who would report to parliament as the auditor general reports to parliament. Instead we got a non-independent ethics counsellor.

The Parliamentary Secretary to the Prime Minister actually quoted me when I said that we trusted Howard Wilson. He is a good man. I probably said that. I know that was my thinking at the time. I presumed he quoted accurately that part of my speech.

Even at that time I was adamant that person should be independent of the Prime Minister. The Prime Minister has shown over and over again an almost unseemly level of loyalty to his ministers. I do not know whether it is at the Prime Minister's instigation or whether they did it by themselves, but I think of the minister of immigration who during the election campaign said things that were totally untrue. She laid accusations at the feet of members of our party that were just not accurate. Did he hold her accountable for that? No.

The same could be said for the junior minister responsible women's issues and whatever else. I do not remember all of her title. She also has made statements lately that categorize people in a most unseemly way. The Prime Minister stands and defends that person.

The Prime Minister says that his ministers can pretty well do anything they want and that his job is to defend them because the Liberal Party can never make mistakes. That weakens the position of the counsellor. Even if the ethics counsellor says things which are accurate, they are not believed because of the relationship the counsellor has with the Prime Minister.

Supply

• (1710)

Many people believe that part of the role of the ethics counsellor is to be on the damage control team. That is very unfortunate and neutralizes a lot of the benefit that we could have if we had a true, independent ethics commissioner with the right to look up documents and to ask people to give accurate information. Instead, we have an ethics counsellor who occasionally conducts media interviews but other than that answers only to the Prime Minister.

It is interesting that the ethics counsellor questions his role. I was intrigued to read in some notes that were prepared for us that he gave a speech in Australia a little over a year ago. It is interesting that when asked about his role he basically said that he had no legal status and no powers of investigation. He answers only to the Prime Minister and sees himself as his defender. He said in his speech in Australia in February 1999:

The system has evolved so that I would be expected to publicly defend the decisions of ministers. I have had to do so to explain the Prime Minister's interests in a golf course.

Basically he was saying that because of his relationship with the Prime Minister he was expected to do that.

I appeal to Liberal members that we do not have an independent ethics commissioner. We have an ethics counsellor. We basically have a spitting match between opposite sides of the story, even between the different media. The *Globe and Mail* says one thing. The *Toronto Star* joins in and then the *National Post* says just the opposite. We are all talking to one another.

It is time that we have an independent judicial inquiry as proposed in the motion so that it is able to get at the truth by having the ability to subpoena witnesses and documents and that when it gives its report it will be believable because it is truly independent.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, for the benefit of the member opposite, I would like to read a precis of what his leader said at the opening of this debate in justification of an inquiry. He said that some of the Prime Minister's disciples have said that the Prime Minister could not be capable of anything less than full disclosure and full honesty. "It is important to note that we are talking about the Prime Minister who ordered men and women to vote against their word. We are talking about a Prime Minister who ordered them to break their word. Would he be capable of contradiction on this file? Absolutely".

Nobody asked me to break my word. When I speak in the House it is my word that is my guide and my conscience. What the leader did in impugning the honesty of the Prime Minister was that he impugned the honesty of every member in the House. This is what the debate is really about. It is about a leader who has in fact broken

his own eighth commandment, which I point out is not just about lies. We do not say he lies. It is about harming the reputation of another individual. That is precisely what was said here.

It is hard not to get excited, but the majority of people on this side and in the House act according to their conscience. When one attacks the leader of this country, when one attacks his honesty based on his ordering people to break their word, it simply is not true.

Mr. Ken Epp: Mr. Speaker, if we had a chance to debate between the two of us, I would simply challenge the member. In the 1993 election he campaigned for an independent ethics commissioner. The vote that he is referring to—

Mr. John Bryden: No, I did not. Read my speech.

Mr. Ken Epp: I am allowing the hon. member to get at me by heckling. I need to ignore it, so I will do that. The hon. member campaigned on that. We put forward a motion which used that campaign promise word for word and then he stood and voted against it. My question would be why he voted against it.

• (1715)

Mr. John Williams: Mr. Speaker, we have heard much about efficiency and working hard in the House. I know we will be adjourning for 15 minutes so I should like to ask for unanimous consent to continue the debate until 5.30, the commencement of private members' business.

The Deputy Speaker: Does the hon. member for St. Albert have unanimous consent of the House?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: It being 5.15 p.m., pursuant to order made earlier today, all questions necessary to dispose of the business of supply are deemed put and the recorded division deemed requested and deferred until Wednesday, April 4, 2001, at the expiry of the time provided for government orders.

[Translation]

Mr. Jacques Saada: Mr. Speaker, I rise on a point of order. If you agree, I suggest we call it 5.30 p.m., so we could move directly to consideration of the bill introduced by my colleague from the Bloc Québécois.

[English]

Mr. Ken Epp: Mr. Speaker, I rise on a point of order concerning the motion about the expiry of government business. In the sense that the vote was already deferred, should we not have continued our debate until 5.30 since we knew there would be no call for a vote on the motion?

The Deputy Speaker: That is a very important and very appropriate question for the hon. member for Elk Island to ask. My

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response would be that normally, had the vote taken place today, the debate would have concluded at 5.15 p.m. The fact that the vote was deferred, the business still concludes at 5.15 p.m. and is not extended by that 15 minute period.

I go back to the deputy whip of the government asking for consent that we see the clock at 5.30 p.m. and proceed immediately with private members' business.

Some hon. members: Agreed.

Some hon. members: No.

SUSPENSION OF SITTING

The Deputy Speaker: The House is adjourned until 5.30 p.m.

(The sitting of the House was suspended at 5.17 p.m.)

• (1730)

[Translation]

SITTING RESUMED

The House resumed at 5.30 p.m.

The Deputy Speaker: Order, please. It being 5.30 p.m., the House will now proceed to the consideration of private members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

INCOME TAX ACT

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ) moved that Bill C-222, an act to amend the Income Tax Act (deduction of expenses incurred by a mechanic for tools required in employment), be read the second time and referred to a committee.

He said: Mr. Speaker, first, I would like to thank my colleague from Sherbrooke who seconded this bill. On behalf of my constituents of Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans whom I am the privilege of representing, it gives me great pleasure to speak to this bill.

For the benefit of the members present and of our viewers, I should mention that this is a private member's bill that will be voted on after a three hour debate at second reading.

I also want to take this opportunity to thank my colleagues on the Subcommittee on Private Members' Business for accepting my arguments that this bill is so important that it should be made votable so that we can get clear directions from parliament.

This subcommittee is non partisan by definition. The best proof of that is that the government is represented by only two members and that all four opposition parties are represented. Therefore, the subcommittee makes its decisions by consensus.

This is the second time that I have introduced a bill on this issue. Members will remember that, before the election, I had introduced Bill C-205, but I will come back to this later on.

The purpose of the bill is to allow mechanics to deduct the cost of providing tools for their employment. In the last 15 years, members from almost all parties have introduced private member's bills to ensure that mechanics could deduct the cost of their tools.

In fact, in the last parliament, I introduced Bill C-205, which was exactly the same as this one. It was not only voted on, since it was made a votable item, but it was supported by a majority of members, with 213 members voting in favour and only 11 against.

I see across the way the Parliamentary Secretary to the Minister of Finance and member for Etobicoke North, who criticized my bill at second reading. But members were able to rise above partisanship and members from all parties ignored the directions coming from the finance minister.

I think the vote on Bill C-205, where 213 members voted in favour of it and 11 against, demonstrated that members understood the hardships faced by young mechanics and came together to offer them a modest tax break.

However, since the bill died on the order paper after the November 27 election was called, here I am once again promoting my bill.

There is so much support for the provisions of this bill that, in the last parliament, even the Standing Committee on Finance with its Liberal majority recommended in its prebudget report that this tax break be granted to automotive mechanics in Canada and in Quebec.

However, the support given to this bill is only one aspect of the importance of issues involved. Several other issues deserve to be addressed once again in the House of Commons and drawn to the public's attention.

• (1735)

We could talk about the inability of the auto industry to attract young people. We could talk about the pressure that mechanics, most of whom earn a very modest living, have to face to buy the best tools possible at a reasonable price.

We could also talk about the lack of fairness in a tax system that allows some tradesmen, but not others, to write off the cost of their tools and equipment.

This bill is becoming more and more necessary as time goes by. The amount of money mechanics had to pay to buy their tools when this issue was first brought before the House 15 years ago has increased tremendously.

Private Members' Business

We know that cars were far less sophisticated 10 years ago. Computer assisted components, which are now standard on most cars, are as much part of the new economy as the most recent Internet technologies and services provided by new high tech companies based in Montreal or in Ottawa.

I appeal to the common sense of my colleagues on both sides of the House because, after all, the main purpose of this bill is to help young people who choose this trade.

In our society, we cannot have white collar workers only, people who work with computers or in businesses where working conditions are exemplary. Our society cannot be made up of white collar workers and professionals only.

Some young people do not mind getting their hands dirty. Because they love auto mechanics, they are prepared to slide under cars. With our climate in Canada, cars often leak and oil and engine coolant literally drip onto the mechanics' faces. Just imagine what mechanics with 20, 25, 30 and 35 years of experience have gone through.

Unfortunately, since this has traditionally been a man's job, the field has been dominated by men and there are very few women auto mechanics. There are a few but, unfortunately, not many.

By the time auto mechanics reach the age of 50 or 55, their quality of life has dropped. For years on end, these people work hard to remove transmission parts, engine parts and tires and they wreck their backs or develop disc problems. They must be recognized for the value of the work they do.

Young mechanics, fresh out of school, often have to pay between \$3,000 and \$4,000 for the most basic toolbox. To get a job at a service station or a car dealership, an apprentice must have his own toolbox.

The first thing that a personnel director, or a garage owner or manager is going to ask is "Do you have your own set of tools?" In order to get hired, he must shell out \$3,000 to \$4,000 for his own tools, not to mention what he has often spent on tuition.

Some young people studying automobile mechanics may have parents who are comfortably off, who have paid all their tuition, but others are graduating with huge debts at the end of a lengthy occupational training course, such as we have in Quebec.

As for specialists, they must come up with close to \$40,000, and this is no exaggeration.

When my office staff and I prepared this speech, and I take this opportunity to thank my parliamentary intern, Jonathan Weier, who worked very hard doing the research for it, I must say that I found \$40,000 a bit steep.

But I checked this amount out. I went to service stations and car dealerships and I asked to see the toolkit of an experienced mechanic. They opened all the drawers.

• (1740)

When I mention the amount of \$40,000, do not think, Mr. Speaker, that I am exaggerating because a set of tools for a specialist can easily cost as much as \$40,000. I do not wish to suggest that you would do such a thing because I am sure that, like the member for Stormont—Dundas—Charlottenburgh, you too have had occasion to visit car dealerships and realize that I am right.

Cars have hybrid propulsion systems now. In all likelihood, in the future, the more cars will have computerized components or hybrid traction systems, the more parts and the toolkit of mechanics used to repair these hybrid systems will have to be adapted accordingly. As we will recall, last year Toyota introduced the *Prius*, which is part electric, part gasoline. This means more expenses.

The only difference between a newly hired mechanic and a young worker at Bombardier or somewhere else is that the Bombardier employee earns a fair amount more and has all the tools he needs supplied by his employer.

Interestingly, in its throne speech on January 30, 2001, the present government made a commitment "to support training programs, support the new economy and encourage continuing education among Canadian workers". However, the government could give workers in traditional sectors some sign of its respect. Ongoing education and training programs seem to apply only to this new active population.

However, it is unfair and shortsighted to ignore those who play such an important role in the economy of Quebec and Canada in the 21st century, even though they work in a more traditional sector.

In a much more egalitarian, more fair society we must recognize that we need all professions. I paid for my studies by doing custodial work at the Chicoutimi hospital. I was just a student, but I was still in a position to understand that while a hospital had its physicians and surgeons, it still needed its cleaners. Without a "mopologist", as we called them at that time in Chicoutimi, to clean the ER and the OR, no great surgeon would operate, unless he was prepared to do so in conditions of minimal hygiene.

As parliamentarians, we have a duty to acknowledge the contribution of certain categories of workers in the rather more traditional jobs. We need to be open to the new economy and to make way for new employment sectors. I am not saying we should go back to horse and cart days. We do need to recognize that there

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are workers who are entitled to help, even if they work in more traditional sectors.

The high costs associated with mechanical work will continue to put pressure on the automobile industry and will make it hard for young people to get into the trade.

In a June 1999 publication, the Canadian Automotive Repair and Service Council stated that "The biggest challenge facing the industry as the 20th century comes to an end will be to attract young people to its ranks". This is one of the major issues in this sector: the serious shortage of young people wanting to join the trade, a shortage that does not seem likely to improve any time soon.

Among the factors that influence the attraction of this industry directly is the cost of tools for young apprentices and mechanics.

As I said earlier, a young person who graduates from high school at age 21 or 22 and wants to apprentice will have to invest several thousand dollars in his work. After paying off thousands of dollars in student debts, he will earn an average of \$23,000, that is what apprentices make in Canada, while a mechanic with some experience earns \$29,000. Whether it is \$23,000 or \$29,000, we are not talking about workers who earn \$50,000 or \$60,000.

• (1745)

Before being elected to the House, I was a director of personnel in the pulp and paper industry. I know the salaries that are paid in the pulp and paper industry. I am not saying these workers do not work hard; they work conscientiously and do quality work. These people are not at the top of the salary scale, with apprentices earning \$23,000.

Most professionals in Canada are provided with the tools they need for their work, but not mechanics. For one reason or another, the automotive industry, gas stations, garages and other businesses employing mechanics decided that providing one's own tools was a condition of employment.

The idea is that mechanics will be more careful with their own tools and will maintain and adapt them to best do the work that they have to do. This is particularly unfair, since there are many other professions where workers are allowed to deduct, for income tax purposes, expenses incurred for their tools.

I know that the Parliamentary Secretary to the Minister of Finance will say: But what about electricians? What about plumbers? An electrician does not have the same tool kit as an automobile technician.

I do hope the parliamentary secretary has changed his mind after seeing 213 members voting in favour of my bill, but we will see soon enough. During his speech, I would like him to think about the performers, the musicians and the chainsaw operators who are entitled to deduct the cost of the tools of their trade.

What we and the auto mechanics and the automotive industry associations are asking for is simply justice and fairness.

This legislation has the support of members from all political parties. It has nothing to do with the differences of opinion between the right and the left, the sovereignists and the federalists. With this bill, and I am glad I was able to convince the Subcommittee on Private Members' Business, I want to rise above party lines. We have to put politics aside. Yes, I am a member of the Bloc Quebecois and I am the one who raised the issue. I was able to convince my colleagues in the House. I was fortunate to win out in the draw. However, I am just a messenger here trying to move forward a vision of fairness and justice.

By the way, I am not a car buff. I invite members to drop by my place and have a look at my toolbox. It is very basic. I have a hard time just putting oil in my car engine. I am not good around cars. However the people I have met during election campaigns and parliamentary breaks have convinced me that something has to be done about this important issue.

I would remind those who have doubts about the possibility of Bill C-222 being passed that the Income Tax Act is amended regularly throughout the year in order to bring it into line with new social realities. As for authorities being able to prevent the use of tools for personal projects, I say that we must trust people. There is no reason to question their honesty and goodwill.

Although the government expressed a certain sympathy, it has still not taken action to resolve the problem by introducing this tax credit in the budgets it has brought down since the 1997 report by the Standing Committee on Finance.

In addition to the broad support enjoyed by this measure in the House of Commons, I have received many letters of support from organizations in the industry, private citizens, labour unions and almost all groups with an interest in the issue. The Automotive Industries Association of Canada, for instance, pointed out the growing difficulty of finding qualified mechanics.

The increase in the number of car owners in Canada and in Quebec is increasing our dependence on the automotive industry. We must address this serious problem facing the industry. In my view, the bill is a matter of common sense, justice and good financial planning. Obviously, the majority of members on both sides of the House agree with me.

• (1750)

I call on all members who voted in favour of my last bill to vote in favour of this one. In the name of justice and common sense, I call on the 45 new members elected in the last general election on November 27, 2000 to vote in favour of this bill.

Finally, I call on the 11 Liberal members who voted against a similar bill to reconsider their decision.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I do not know if I have changed my mind, but this initiative has received the government's attention, and I congratulate the member on his tenacity with this measure.

[English]

Allow me to speak to some of the shortcomings of the bill. First, the private member's bill proposes changes to the Income Tax Act to help mechanics defray the cost of providing their own tools when doing so is a condition of employment.

The changes would allow mechanics to deduct the cost of buying, renting, insuring or maintaining their tools. An income deduction would be available for tools that cost less than \$250. That amount may be adjusted according to inflation. Higher tool costs would be subject to some form of capital cost allowance. The allowances would be set by special regulation.

Canadian employers normally provide workers with tools and other resources they need to do their jobs. Canadian workers nonetheless bear job related costs, whether in getting to and from work, buying uniforms or other work clothes, eating away from home or keeping up with trade journals. All Canadians incur costs when they take a job.

The bill aims to recognize that employed mechanics face exceptional work related costs. The Government of Canada understands that tool costs can be significant, particularly at the start of a career.

Today I will put some of these issues in perspective. First I will talk about the cost of tools. We have heard many estimates. Today the member opposite cited an amount of \$40,000. When we debated this bill previously I was struck by the wildly different numbers members had proposed in the Chamber. Different members stood and told us a mechanic could pay \$10,000 or \$25,000 or even \$75,000 for their tools.

[Translation]

Well, maybe those are possible. Let us look instead at what is normal. The Canadian Automotive Repairs and Service Council surveyed technicians and apprentices a couple of years ago. They found that half of these mechanics owned some \$20,000 worth of tools, but this is just an average. About a third of mechanics said they owned more than \$30,000 worth of tools, for example. Either way, whether it is \$20,000 or even more, these tools obviously add up to quite a bit of money.

[English]

Let us look at it a different way. Let us suppose a mechanic spends \$20,000 on tools and uses them over a 40 year career. It is not obvious whether that is a tremendous burden. I do not believe either of those numbers is right. The numbers that make more

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sense are annual expenditures. Annual costs give us a better sense of affordability. They take into account that tools need to be replaced or updated over time.

A journeyman mechanic who has a basic tool kit probably built it up while learning the trade. How much would he or she need to spend to keep the tools intact and updated? The same Canadian Automobile Repair and Service Council survey I mentioned earlier would suggest that the average expenditure is about \$1,500 per year.

• (1755)

Four in ten mechanics say that they spend less than \$1,000 per year and 23% of mechanics say that they spend more than \$2,500 per year. However there are two key points. The costs are not the same for everyone and one's ability to handle the costs depends on how much money one makes.

[Translation]

The members of this House all know that mechanics are not rich. They do, however, earn a better living than many other workers. Let us try to put it in perspective. In 1996, the average automotive service technician was making about \$38,000 a year, not \$26,000 as the Bloc Quebecois member mentioned.

In that same year, the average university graduate was making just over \$42,000, and people with less than a university degree earned an average of \$26,000. These are real numbers, based on the 1996 census.

[English]

Mechanics are not rich but they do all right compared to the national averages and compared to tradespeople, like bricklayers and carpenters, who make about \$34,000 per year.

Let me go back to the Canadian Automobile Repair and Service Council survey one more time. It asked members to report how much they made. Some 15% said they made less than \$25,000 per year, most of them no doubt apprentices, but 13% said they made more than \$55,000 per year. Again, the point I make is that everyone's situation is different.

That brings me to another issue. When we recently debated a similar bill I was struck by the fact that all but one of the speakers singled out the impact of tool costs on the number of apprentice mechanics entering the field. I will take a minute to focus on apprentices' tool expenses and their earnings.

[Translation]

I guess the first question is, how much does it cost for a starter toolbox and tools? Well, the CARS Council says it can cost between \$3,000 and \$4,000. This is just the basic starter kit. The apprentice would add more tools as he or she progressed through the apprenticeship program. During a typical four year apprentice-

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ship, it would not be unheard of to spend \$15,000 and sometimes more. So let us compare that to what they earn. The average annual income is about \$20,000.

[*English*]

It would certainly be a challenge for an apprentice mechanic to buy \$3,000 worth of tools on an annual income of \$20,000 per year. We understand that. In some cases the costs might even make someone think twice before signing up to be a mechanic.

[*Translation*]

I only want to reinforce my point. That this bill fails to take into account the different circumstances faced by different mechanics. At one level, we have apprentices who pay somewhere around \$3,000 a year for tools, on an annual salary of \$20,000, and we have journeymen spending around \$1,500 a year on tools, while they are making \$38,000 a year.

[*English*]

At another level we have different journeymen with different incomes and tool expenses. Is that what the member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans wanted, to help a mechanic earning \$60,000 a year write off \$500 in tools? Perhaps that is his intention, but what will he tell the plumber or carpenter who must cover similar tool costs out of pocket?

• (1800)

There is merit in the idea behind this private member's bill. The very substantial employment expenses incurred by some employed mechanics are certainly a concern. I would also say that exceptionally high work related expenses should not prevent people from participating in the economy.

However, the bill fails to distinguish between those who can reasonably afford to cover tool costs and those who might really need some help. The government intends to work with representatives from the automobile industry to explore better options to address this issue, particularly with respect to the challenges faced by apprentices. In exploring other options the government hopes to find ways to address some of the shortcomings of the private member's bill. Accordingly, I would ask members to think carefully about this bill before supporting it.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, I am happy indeed to rise to speak to this bill. This probably makes half a dozen times or so in the seven years I have been here that I have risen to speak to it, and it is an important enough issue that I am pleased to speak to it every time I get a chance.

I just listened to the Parliamentary Secretary to the Minister of Finance make his comments as the member for Etobicoke North. Last time, about two weeks ago when it was my private member's bill, which is essentially the same bill that the member was responding to, he had a whole different set of excuses. These

clearly are excuses and it is some of the dumbest reasoning for not supporting the bill that I have ever heard in the House.

It is some of the dumbest indeed. He says mechanics do all right, that some make \$50,000 or more a year, and for that reason they are not in need of a write-off. It has nothing to do with what they are in need of. It has to do with what is fair under the tax act. It has everything to do with what is fair compared to the way others are treated.

It is not an issue that mechanics are making low incomes and therefore they are charity cases so let us throw them a few crumbs. That is not what it is about. The member should know that. He should be disgusted with himself for making that kind of presentation.

Mr. Roy Cullen: I'm not.

Mr. Leon Benoit: He said he is not, but he should be. I think that is an awfully sad commentary.

Let us look at what this is all about. We are talking about providing tax fairness for technicians and mechanics who as a condition of employment must provide their own tools.

The parliamentary secretary said the annual fees are what we should be looking at, that the cost of purchasing the tools, which may be anywhere from \$20,000 to \$70,000 for the total tool package, is not that important because it is a cost over 40 years. If the member knew anything at all about mechanics he would know that, first, tools wear out and, second, get lost. That is why employers make it a condition of employment for mechanics to buy their own tools. If mechanics do not have their own tools, what shop owners have found over the years is that the tools disappear. They are left on vehicles. Maybe some walk out of the shop with the mechanics, although I suggest that is not the most common problem. They are just not as careful with them as they are when the tools are their own.

The issue is that it is a requirement of employment. We already have others under the tax act who in fact can write off the cost of their tools. The member knows that. We are talking about tax fairness.

For example, artists, chainsaw operators and musicians can already do that. Besides that, any small business person, someone on a farm or in a small town who may even be the only employee working in the shop, under that situation, he or she can write off all the costs of providing tools, no matter what the value of the tools is. Any business person can do that.

If people choose to organize in that fashion, where they have their own shop and are doing work for customers out of their own shop, they can write everything off. They should be able to. It is a cost of doing business.

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Mechanics and technicians operate under a unusual set of circumstances where there is a high cost to tools provided. It is not like plumbers and carpenters, I suggest. I would suggest that the parliamentary secretary is right in one regard and that is that everyone who has a high cost of purchasing tools should be allowed to write it off. However, I suggest there are extremely few tradespeople in the same position.

• (1805)

Mechanics are indeed in a very unusual position in that the cost of their tools is extremely high. The \$1,300 or whatever the annual fee was that the member talked about is only one part of it. When the tool package commonly reaches \$30,000 to \$50,000 in total, it is very difficult for a mechanic.

I have a bit of a problem when I hear the member from Etobicoke, the parliamentary secretary, saying that mechanics are not doing so bad, that they earn \$50,000 and therefore we should not grant them the same fairness that is granted to private business people or to chainsaw operators and the other select group.

Perhaps he should be thinking about his own salary. As a member of parliament, the member makes about \$68,000 a year, which is about the same as a teacher in Ontario who is at the top end of the salary range, but he also earns a supplement for being a parliamentary secretary. That is quite substantial. As well, he gets a tax free allowance, much of which is not used for what would be considered legitimate business expenses if he were a person working for a company and had an expense account. Much of that tax free allowance—much more than five years ago certainly—is an income top-up.

The member is talking about \$50,000 being a high income and therefore we should forget about what is fair. It bothers me. Look at who is saying that: a person collecting a very healthy salary. I do have a real problem with that.

This is not an issue of some mechanics making a pretty good income so we should give them some scraps here and there. This is about tax fairness.

The finance committee, which is controlled by Liberal members, has on different occasions said this is the right thing to do. In its prebudget report in December 1997, the House of Commons finance committee, consisting of a majority of Liberal members, this parliamentary secretary's colleagues, said:

The Committee believes that all Canadian employees should be allowed to deduct from their income the cost of large mandatory employment expenses. Special provisions in the Income Tax Act already apply to artists, chainsaw operators and musicians. To deny this tax treatment to apprentices and technicians in the automotive industry is not only unfair, it also imposes an impediment to employment, especially for the young who might choose to work as apprentices. Revising the tax treatment of such expenses would remove the impediment that exists under the present tax rules.

This is a quote from the report of the finance committee from 1997. This member's own colleagues certainly held a majority of positions on that committee. That was supported by the members of the Reform Party at the time, now the Canadian Alliance.

It is something that was supported in debate by all political parties in the House, including colleagues of the parliamentary secretary. The parliamentary secretaries to the finance minister seem to be the only people who speak out against the bill. As the Bloc member who sponsored the bill has said, we had a vote in the House of Commons just before the election was called. The unnecessary early call of the election interfered with its passing. Only 11 people in the House voted against it. Most of the parliamentary secretary's colleagues, including some cabinet ministers, supported this bill.

So what are we doing? There should be no resistance to the bill. It has been well supported and it is time that it was implemented. I speak fully in support of the bill and I know all of my colleagues support it. They think it is an issue of tax fairness.

It is funny how tax fairness for the government only seems to be talked about, considered and implemented when that tax fairness means raising taxes to one group so that it is fair relative to everyone else. Only when the government can get its mitts on more taxes is it an issue of tax fairness. I say that is not the way the country should be going. We should be looking for substantial tax reductions. Unfortunately, that just is not happening.

This is leading to several very serious problems. First of all, people who may otherwise become technicians and keep the country moving with cars, trucks, airplanes and so on are looking elsewhere for employment. Who is going to keep our country going as this shortage increases? The blame should be laid squarely on the shoulders of the government, which refused to act in this issue of tax fairness.

• (1810)

I would encourage members of the House, when the bill does come up for vote after the third hour of debate, to once again unanimously support the bill. It is a very good bill, which is almost identical to the bill I presented, was debated on at least two occasions in the House and introduced on more occasions.

I appreciate the opportunity to speak on the bill. I am very disappointed with the parliamentary secretary and his comments. He made a whole new set of excuses, as I have said. I would be happy to go through the excuses from last time, but let us move ahead, support the bill, get it to committee and implement it so that technicians and mechanics across this country are treated fairly under the Income Tax Act.

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[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, first, I wish to congratulate my colleague from Beauport—Côte-de-Beaupré—Île-d'Orléans on his bill, Bill C-222. It is the second time he introduces such a bill in the House of Commons.

It is also interesting to see that it is the second time the bill is made votable. There is a political will to make the necessary changes to allow mechanics to write off the expenses incurred for their tools.

Members will probably recall that I tabled a motion, Motion No. 248, dealing with this very subject. When that motion was debated, the parliamentary secretary made the same speech. Instead of coming to the House of Commons, he could simply press a button and we could hear what he has already said. He could spend his time doing other things for his riding.

The parliamentary secretary was saying then "It is not right because people who earn less money, who make \$20,000, can pay more for their tools because they are apprentices. They will receive less money from the government, from Revenue Canada. Someone earning \$35,000 may only spend \$1,500 a year, and that is not fair".

I wonder if the government applies the same standard to big companies making billions of dollars and those making much less or even losing money. Everyone within companies is entitled to tax deductions.

The parliamentary secretary used these arguments in the debate on my Motion No. 248, when I asked that the GST on tools of all trades be abolished in order to eliminate discrimination. Today, he is saying "It is unfortunate, but it would only apply to mechanics".

A few weeks back, he used the same argument when I was talking about all the various trades. The parliamentary secretary may have a small problem here. In all fairness, it must be that the finance minister, who is the one who has the money, tells the parliamentary secretary "This is what I want you to say. Tonight, at 5.30 p.m., you will stand up in the House and tell everyone that there is no money left for the workers".

The government member mentioned wages earlier. I did some research back home. Mechanics working in the Brunswick mine spend \$2,500 a year on tools. It may not be the end of the world, but I think a mechanic who leaves for work in the morning, carrying his lunch box, has a tough workday in front of him. He will be covered in grease by the end of the day. The work he does is important for the output of our country. He will be repairing equipment, whether it is in a mine or in a garage. As far as wages are concerned, a service station, not just in New Brunswick but anywhere in the country, is certainly not the place workers are going to get the highest pay, especially when they are still apprentice mechanics.

The hon. member who introduced this bill is merely asking that the government give some recognition, out of respect, for these people who will be expected to produce on the job, all their lives. Give them a little. Someone earning \$35,000 will pay, I don't know, maybe \$10,000 or \$12,000 in income tax. This worker might well say "With all the taxes I pay, I could at least get a little back, say \$175".

• (1815)

The government says "We cannot do so because we are afraid of discriminating against others. We cannot do so because we know some mechanics earn less than others. We cannot do it".

This is ridiculous. The government never has that problem, as I have said, when it is comes to corporations that are making money and ones that are not. They amend the formula for the unprofitable ones, instead of them being penalized. There is nothing more for them to do.

On the other hand, if a mechanic has the good fortune to find a job with a company that supplies tools, the company has a tax deduction.

A mechanic who must buy his own tools, who earns a small salary, who spent four years at a community college, who learned his trade and who incurred debts totalling \$40,000 cannot get this break. He cannot get an annual deduction of \$175 or \$200 even though he has to buy tools. This is not right because he is just an ordinary worker.

As was mentioned earlier, lumberjacks got a deduction, and I am glad they did. For example, a lumberjack has to spend about \$750 or \$850 on buying a chainsaw. He does not work all winter, but come spring, he has to buy one. At least, he will get a small tax deduction to buy his next chainsaw.

A few weeks ago, when I introduced my Motion No. 248, I said that all tradespeople should get a deduction for the GST.

The parliamentary secretary, the same one who is here this evening, said at the time that it would be too hard to manage. I told him that it would not be difficult if the Liberals would follow up on what they had in mind in 1992. When they prepared their platform for the 1993 election, they said they would eliminate the GST. It would be easy to manage such a program, since that tax would simply be removed.

However they did not do that. So, under the bill proposed by our colleague from the Bloc Québécois, these workers would at least get this small tax deduction.

As the hon. member said, whether a private member's bill is presented by a Bloc Québécois, NDP, Canadian Alliance, Liberal or Progressive Conservative member, it is a personal thing. It is something that each member can have a view on.

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If the Liberals across the way refuse to pass Bill C-222 to give mechanics a tax break, this will mean that they are telling all mechanics in Ontario who work in the automotive industry that they do not give a damn about them.

In the November 27, 2000, election, the Liberals must have received some votes from mechanics in Ontario. We know that there are members from Ontario on the other side of the House.

Do mechanics in Ontario know that the Bloc Quebecois member introduced a bill calling for a paltry \$175 tax break for them? I am sure that some automotive industry workers have paid taxes as high as \$20,000. Others have perhaps paid more because of overtime.

Hopefully, this bill will bring the members from Ontario now in the House to their senses. I know they do not know which way to look right now. I wonder if they are embarrassed. Usually, they are right in there.

I hope that the speeches today will shake them up a bit and that they will support the bill, that they will stop complaining that they are backbenchers and that they do not get a chance to vote and must do as the Prime Minister tells them. That is a real shame. The members are on the government side. They could get things through, but they whine that they are not allowed to take decisions.

This evening, I want Canadians to know that each of these members can make up his own mind about this private members' bill. They cannot hide behind the excuse that the parliamentary secretary is against Bill C-222, that the Minister of Finance does not wish to make changes to tax credits for mechanics. They cannot hide. Each decision will be an individual one.

[*English*]

I just want to make sure, and I will repeat this here, that the decision will be an individual decision when it comes to a vote on Bill C-222. It is a bill and will become the law.

• (1820)

For those members of parliament who hide and say they have to follow the party line, this is one where they do not have to follow the party line.

An hon. member: They could stand up on their own hind legs.

Mr. Yvon Godin: They could stand up on their own. I encourage the members of parliament, the majority who come from Ontario where they have all those car plants, to stand up, have a strong backbone and vote for the bill to show the Minister of Finance that we can have some democracy in the House of Commons. That could be done and we could see it with this bill.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with pleasure that I rise today to speak on Bill C-222, which would

actually address what is a significant inequity in our tax treatment, in this case, of mechanics in Canada.

There are 115,000 mechanics across the country, on average investing between \$15,000 and \$40,000 each in tools and equipment. The average wage for these mechanics is not as high as what I have heard some Liberal members opposite claim it to be. In fact, the average income is \$29,000.

I heard one of those members opposite, and I believe it was the Parliamentary Secretary to the Minister of Finance, say that the average mechanic's wage is \$60,000 or something to that effect. I do not know what kind of car he is driving, but I am driving a 10 year old Volvo station wagon and I cannot not afford to pay mechanics who cost that kind of money. Obviously the parliamentary secretary is investing an awful lot more in cars than some of the members here in the opposition.

The fact is that the average income is \$29,000 and the investment just to get through the door to become a mechanic and have those tools required averages between \$15,000 and \$40,000. It is little wonder that we are faced with a critical shortfall of mechanics across the country. This is becoming a real issue. This is a real issue that is going to wreak havoc in the long term and affect every one of us in our own situations as we need the services of mechanics.

It is clear that this piece of legislation is fair. It makes a great deal of sense. It would extend the same treatment to mechanics that we see extended to professionals who, in many cases, have the ability under the tax code to write off professional expenses that are required for participation in their particular job or profession. It is very sensible.

In fact, the House of Commons finance committee in 1996 and 1997 made this recommendation to the Minister of Finance in its prebudget consultation report. It would go a long way toward improving the fairness of our tax treatment, in this case, of mechanics. If we improve the tax treatment or the fairness of our tax system for any segment or group of people within society, we all stand to benefit.

This proposal represents one idea, in this case from one member of parliament, on things we can do with our tax system to make it better, to make it fairer and to make it more effective in creating greater opportunities for Canadians.

I would like to take the opportunity to segue into a related topic, and that is a speech given by Jack Mintz, the president of the C.D. Howe Institute. In the past he chaired a report to the Minister of Finance on tax reform in Canada. Recently he gave a speech where he, not as a parliamentarian but as an individual with a great deal of depth on public policy issues in Canada, provided a four point plan on ways in which he sees Canada becoming a stronger, more prosperous country in the 21st century.

• (1825)

In the same way that the hon. member presented his piece of legislation, this private member's legislation, on a specific means by which to have a better, fairer tax system, I would like to present some other ideas, in this case from Jack Mintz, the president of the C.D. Howe Institute. What he describes is his four point plan.

That four point plan sounds like going to a mechanic or someone servicing a car, again in a related segue. The first point he makes is to reward success, not failure, to judge public programs based on what they accomplish. Successful ones are funded and continue to be funded. Failing programs are not funded. Clearly HRDC or some of the aid programs which have fallen under the purview of the minister of HRDC might find it difficult to achieve funding under this sort of scrutiny.

Public sector workers need to be paid and rewarded in monetary and in non-pecuniary ways according to their success in meeting objectives. This would include civil servants, teachers, professors, medical workers and anyone who is paid from public money. He suggests that we need competition in providing public services and that in fact there has to be a greater ability for market forces to pervade the delivery of public services.

He also suggests as the second point in his plan that of tackling the public debt in Canada. We have a huge debt in Canada that has built up over the years. The total government debt in Canada is \$850 billion. Unfunded liabilities for public pensions and public health care, if we add those in, take us to about the \$2 trillion mark for the total public debt in Canada. That does not include many of the other contingent liabilities. If the problem is left untouched, we will have to levy taxes equal to eight per cent of our GDP just to service these liabilities by 2015.

Mr. Mintz is suggesting that we take a very aggressive approach to our federal debt. To reduce tax burden in the future, he suggests that we tackle our federal debt and use the returns from tackling the federal debt and those returns coming from the reduced interest payments that we see as an expense every year, paid by the taxpayers of Canada.

If we were to take a more aggressive approach to public debt now, as a result we would engage in what would become a virtuous circle of using that reduced level of expense from paying the reduced level of interest on the principal of our debt to actually fund tax reduction, which would of course benefit Canadians and create greater levels of economic growth.

That would reduce the debt not just in real terms but also as a percentage of GDP, by reducing the debt of course in real terms but also by increasing the GDP through aggressive tax measures which would fuel greater levels of economic growth.

In Canada our governments command well over 40% of the economy. That is higher than Australia, Iceland, Ireland, Switzerland and others countries, which operate on a third or less of the national economies. The U.S. is at about 30%. Clearly we have to reduce the percentage of government participation overall as a per cent of our GDP.

We need to address Canada's dysfunctional tax system. We have a tax system that needs significant reform. The hon. member has presented in this case a specific initiative that would improve the fairness as it relates to mechanics. I would suggest that we need to move much further and actually provide a comprehensive, holistic approach to tax reform and in fact start using tax policy and tax reform measures as vehicles to create greater levels of economic growth and opportunity for Canadians.

Mr. Mintz is now president of the C.D. Howe Institute. In a previous incarnation, he was the author of the Mintz report, commissioned by the Minister of Finance but subsequently shelved by the Minister of Finance because it did not contain purely politically palatable recommendations. As he had the courage to address some of the long term competitiveness issues facing Canadians, he has a great deal to offer in this regard.

• (1830)

From a tax perspective he goes further to suggest we need to significantly reduce areas of taxation in Canada that are most out of line with those of our competitors. They include corporate and capital taxes which deny business the necessary capital to achieve greater levels of productivity and competitiveness in the hyper-competitive global economy.

[Translation]

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

SITTING SUSPENDED

The Deputy Speaker: It being 6.30 p.m., I will now leave the chair until 8 p.m., at which time the House will proceed to the emergency debate on foot and mouth disease.

(The sitting of the House was suspended)

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CANADA

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OFFICIAL REPORT
(HANSARD)

**Tuesday, April 3, 2001
(Part B)**

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, April 3, 2001

• (2000)

[English]

SITTING RESUMED

The House resumed at 8 p.m.

EMERGENCY DEBATE

[English]

FOOT AND MOUTH DISEASE

The Speaker: Order, please. Pursuant to Standing Order 52 and to order made on Monday, April 2, 2001, the House will now proceed to the consideration of a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely foot and mouth disease.

Mr. Rick Borotsik (Brandon—Souris, PC) moved:

That this House do now adjourn.

He said: Mr. Speaker, thank you for allowing the opportunity to debate in the House this evening the issue of foot and mouth disease. I thank the Speaker and his office for being flexible in allowing emergency debates. It certainly speaks well of the Chair and your ability to make sure that members of the House are allowed to debate and speak freely as members of parliament. We thank you for that.

The issue that has been put forward today before the House is one of extreme seriousness. I would say at the outset of the discussion that I will be sharing my time with the hon. member for New Brunswick Southwest.

I hope that all members of the House who speak tonight accept the fact that this is non-partisan. The debate is not meant to be a flailing of arms, the gnashing of teeth and finger pointing with respect to what has not been done, what has been done or what should be done.

I would rather have the members who speak to this issue try to be somewhat constructive in their criticism, if there is some, and put

forward some positive suggestions as to how the issue can be dealt with, not only in rural communities but in urban communities in Canada as well as internationally. We well know that the issue is perhaps coming from international communities such as Britain and others.

My riding of Brandon—Souris is totally dependent on agriculture. Yes, it is an urban centre but it is surrounded by a rural community that boasts livestock production in pigs as well as cattle. It has dairy farms and a fairly large sheep operation. All those animals of which I speak are susceptible to the foot and mouth disease.

Canada right now has about a \$15 billion livestock economy. The point of the matter is we do not have foot and mouth disease right now. That in itself is a credit to the government, the CFIA, customs and to people who are currently coming back to this country. That is not to say that we cannot and should not be ever vigilant as to what is happening and can happen.

Foot and mouth disease, for the information of those people who may not have experience with it, is a very highly contagious and highly communicable viral disease that affects cloven hoofed animals. I mentioned the domestic animals that it could affect but I also suggest that it could affect wild animals such as deer, elk and moose. If it ever got into the wild animal chain, it would be almost impossible to control.

My constituents have asked me constantly what is being done, what is can be done and what should be done to prevent this terrible disease from affecting our economy. The public wants to be aware of what precautions should be taken.

• (2005)

It was suggested that this debate could have come forward earlier and I received an e-mail that culminated in the final decision of bringing this issue forward.

I received an e-mail from a constituent of mine who is taking her practicum in Wales. She said she could not find any information anywhere as to how and what she should do when she came back to Canada. She said she did not know what she would find when

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arriving at customs. She did not know what she could bring back so she asked for my help. I sent her the information. However, a section of her e-mail scared me. She had been told that she could not bring back any souvenirs. She wanted to know if there was any way she could get around this so she could bring them back. That comment chilled my blood. She was talking about souvenirs.

I told her she could bring back souvenirs but she could not bring back meat, dairy products like cheese or plants. Just the thought of somebody asking if there was any way to get around this issue as I said chilled my blood. All it takes is one virus to come into this country and we lose a complete industry.

In 1952 when Canada had its last foot and mouth outbreak in Saskatchewan, it cost \$1 billion. Translated today that amount equates to about \$35 billion annually in our industry as a cost to try to control an outbreak. We should prevent it at the onset and not try to prevent it and control it after the fact.

That is why it is so important to have this debate because this is an awareness debate. This has nothing to do with slugging the government. Many media people called me today and asked if I was going to pick on the government for what it had not done? I said "not a chance". The CFIA in my opinion is doing a fine job but it can do more. Let me talk about what we can do more as a society.

The agriculture industry is a part of the solution. I talked with members of a grain company the other day. They told me that all their facilities had been closed to any tours because they did not know where the people were coming from. It is a good precaution that should be given to other members of the agricultural industry and corporations so they too can take it to the next step.

When I was home this weekend I talked to an individual who sells farm real estate. His company has sold a lot of real estate to people from Scotland, Ireland and Great Britain. The company has now sent letters and made telephone calls to its customers telling them not to come here. It wants these people to buy land but not at this time. It will take a hit for six or twelve months but it does not want these people to come to Canada and possibly infect it.

Travel agents have a responsibility when sending people overseas. They have to tell people what to do when they come back. If it is farm to farm and highly risky, the suggestion should be that they should hold back on their travel. If it is urban to urban centre travel it is low risk but certain things should be done when they come back. As a protective measure they should wash their clothes in a vinegar solution and walk through the disinfectant mat at the airport instead of walking over it. That is what the travel agent should be telling people.

The CFIA has done a lot and I know it will do more. I appreciate the minister of agriculture and the minister of defence being here today to speak to the preventative measures that they have put forward in their departments. That is very positive and very wise.

The CFIA should and could do an ad campaign which it may well have planned. It should also put out travel advisories and warnings in multilanguages, not just simply English and French, because a lot of our visitors come from contaminated countries and do not speak either of those languages. It is important that they know what we demand of them when they come to our country in order to be free of this terrible foot and mouth virus.

Travellers must recognize that they have a responsibility. They can be a part of the solution, not part of the problem.

● (2010)

How can they be part of the solution? As I said earlier, they should not bring in products such as foodstuffs and dairy. Also, if one travels to a contaminated country, one definitely does not want to bring back organic materials, dirt, saliva or milk stains. This is very serious stuff. If an individual is going from farm to farm, that Canadian should take 14 days of self-quarantine before going back to one's farm.

I had an interesting call from a farmer in my area a couple of weeks ago. His wife was planning to go to Britain to visit relatives. He said that was fine but when she came back she could not return to the farm for at least 14 days. He was encouraging her to visit her relatives but the message was we must be terribly vigilant.

We want to keep it out of the country. We want to keep it out of our communities. We expect the rural and urban residents to make sure they have the same vigilance when dealing with this terrible potential.

The last thing is that this is not meant to be fearmongering. I have suggested a number of solutions and other things that can be done. The sky is not falling. This is not fearmongering at any level. It simply is to educate and make people aware of what the serious issues are out there.

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, I too want to thank you for allowing this debate to happen. It was a wise judgment and a very timely one. I want to thank the member for Brandon—Souris for bringing the issue forward, as he has on many occasions in times of agricultural crisis. I believe we are looking at a potential crisis in regard to this issue.

While I am throwing away thanks as liberally as I am, and I use that word quite freely, I want to thank the agriculture minister, the member of the cabinet who is here tonight to listen and take part in the debate. It speaks well of him and his department.

Canada has taken a leading role in this. We have a lot of our scientific minds in Europe, members of the department, who are attempting to deal with this and help other nations deal with it. It is very commendable on the part of the government. As Canadians we should all do our part in helping stave off this very contagious disease from Canada.

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I want to go back a few years to 1988, and I know the minister will appreciate this. In 1988 when I first came to the House there was a minister here by the name of John Crosbie. Members and a lot of Canadians will probably remember him, some with fondness and some not so fondly. I remember my first time in caucus as a new member of parliament. Being new to this place, I was anxious to do a good job. I thought that being on the side of government was such a comfortable place to be, and all the satisfaction that came from being on the side that made the decisions.

I remember Mr. Crosbie getting up in caucus and issuing a warning to the greenhorns and some of the older members as well. He said there was a missile headed at the Atlantic fishery. He went on in the fashion that only Mr. Crosbie could and articulated what was happening. He said we were living in a fantasy land believing that everything would continue as normal in the fishing industry. He knew what was happening, and we experienced a collapse in the cod stocks. Being on the government's side was not a lot of fun.

Members will remember what happened. Thousands of people were put out of work. There was a disruption in the workforce, not only in Newfoundland but in all of the Atlantic provinces. It was a crisis.

● (2015)

We debated the issue on the floor of the House of Commons about a year after Mr. Crosbie made his remarks.

How did we arrive at that? One of the mistakes that we made, and previous governments as well, because I do not think we can blame one government or one political party, was to ignore the reality of what was happening to our stocks. We did not interpret scientific knowledge nor understand the situation as well as we could have. We did not rely on our gut instincts or make the tough political decisions when they had to be made and Atlantic Canada paid a big price for that.

As the member for Brandon—Souris said, this is the time to talk about it so that we can avoid a crisis. I know no more about foot and mouth disease than most members of the House. It is something we have heard about but we have never experienced. As we all know, the last outbreak in Canada occurred in 1952. You were merely a baby, Mr. Speaker. I am not even sure if the minister was born at that time, but certainly the member for Brandon—Souris was in diapers. It was devastating to the economy. It cost the economy \$1 billion. If that were measured in today's dollars it would approach \$30 to \$50 billion.

Today the dairy and beef industry alone are worth \$15 billion, without talking about the other industries that tie into them, such as the transportation, delivery and selling of goods. The cost to the economy would truly be immeasurable. That is why, in a non-partisan sense, and this is one of the few times that either one of us will

be on our feet in a non-partisan sense, we have to educate the public.

All of us can do a few basic things. If we have visitors from foreign countries we must let them know what they should do. For example, if we owned a farm we would want to make sure that we had our own disinfectant on the farm, in addition to what people might have been exposed to in the way of disinfectant at the airports. Awareness, obviously, is the critical thing.

The truth is that this disease can be passed on by people. If people even suspect that they have been exposed to it, they must take precautions, including precautions with food that has been imported which could be contaminated. In 1952 they traced the start of this disease in Canada to one small piece of sausage that was randomly discarded, eaten by an animal and then passed on to the beef herd.

If animals are exposed to contaminated materials, such as hay, feed, water, semen or biological organisms, it could help spread the disease. Once it does start, and this is not fearmongering because they are experiencing this in Britain today, it can be airborne and travel up to at least 100 kilometres. It spreads very quickly.

As of today, a total of 946 cases of foot and mouth disease have been reported across the United Kingdom. In order to eradicate this disease, they have had to dispose of a lot of innocent animals as a precautionary measure because there are no safeguards, other than slaughter, which is a horrible prospect in the minds of anyone who deals in cattle and the raising of any kind of livestock. The total number of animals slaughtered or identified as being up for slaughter is around one million in the United Kingdom alone.

● (2020)

Reports show that just under 630,000 have been slaughtered. There are almost 400,000 animals awaiting slaughter. The numbers are just mind boggling. Watching the news on television, we see huge excavators or backhoes digging trenches to throw cattle in that have them slaughtered. It is beyond our wildest dreams. It is a nightmare come true for many of those farmers.

Many farmers are going through what can only be explained as a nervous breakdown. It is awful for them to imagine that their life, their care of cattle and their love of his animals are all for naught because once this starts it is pretty well the end.

It is incumbent upon all Canadians to take the very fundamental precautions whether travelling abroad or for visitors coming into the country. We should do all we can to help the farm community cope with this situation by helping the Government of Canada.

The government up to now has taken all the right steps. We want to make sure that it continues to take the right steps. That is what

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the debate is all about. We look forward to words of encouragement from the minister. The House can be assured that we on this side, in this party, will do all we can to help the minister, the department and Canadians deal with this horrific disease.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I will be splitting my time with the Minister of National Defence. I wish to say how pleased I am to be able to respond to the motion put forward by the hon. member for Brandon—Souris. I thank him for his comments and I thank his colleagues for their comments on this very important information session we are having this evening.

There is no question that if every member of the House does not deal with constituents who have livestock themselves, they certainly know people in their constituency who do. This is an incredibly important issue that concerns all Canadians.

I am pleased to be in the House tonight to outline to Canadians some of the precautionary measures that are being taken to ensure that we keep the dreaded foot and mouth disease out of Canada. We have to do all we can to keep that level of risk as low as we possibly can.

As previous speakers have said, we have a great deal at risk. I will not repeat the size of the industry involved in the clove and hoof animals sector of Canada, but it is a huge industry which affects not only producers but all upstream and downstream parts of our economy that would be and are involved in it.

The very words Canadian food conjure up to Canadian consumers and consumers around the world an image of the highest standards of food safety, animal health and plant protection. We cannot take that reputation for granted. It is a reputation that we must nurture. We have to protect it and we have to build upon it. We have seen how the reputation for safety can disappear in a flash by what has happened with the foot and mouth disease in the United Kingdom and, to a lesser extent but still important, in some other countries in the world.

We have not had foot and mouth disease in Canada since 1952. It was very serious but it was somewhat contained to southern Saskatchewan at the time. It took a lot out of the economy. It certainly injured a lot of people financially and mentally, so we do not want to see that happen again.

• (2025)

It broke out in early February in the United Kingdom and then it moved on to other parts of Europe. It is in Argentina, Saudi Arabia and some other countries in the world. However I must point out that there has never been a time when there has not been foot and mouth disease in some country in the world. Our protection system

in Canada has maintained our protection from the disease since 1952.

It is a major catastrophe when it strikes, not only for individual farmers but for the whole economy. The estimate so far of the cost in the United Kingdom is \$20 billion and the costs are not over yet.

Foot and mouth disease does not significantly affect human health. It can be spread by meat or animal products infected with the virus, raw or improperly cooked food products containing infected meat or animals.

We must do all that we can to protect our borders. I will outline a few things but not all the things that are being done by the Canada Customs and Revenue people as well as the Canadian food inspection staff. We have put many emergency measures in place and we will continue to add to those as we build on this. It is not something where absolutely everything can be done at the first hour, but we are building on that every day. It is a partnership and co-operative approach among governments, travellers, producers, farmers and visitors to Canada.

We have stopped the import of products into Canada that are susceptible to foot and mouth disease such as live animals, embryos, semen, meat, unpasteurized cheese and equipment that would have any soil on it. Extra inspection efforts are taking place at airports and seaports. We have increased inspection activities in the international mail sorting plants and courier ports of entry sites. There is increased surveillance of passengers and baggage arriving on international flights. Officers are questioning travellers. There is signage informing travellers and instructing them to cross over disinfection mats.

Travellers originating outside the United States are referred to customs secondary inspection. However I point out that travellers have a responsibility as well. As has been pointed out, they seek information. Information is being provided to the best of our ability to all those people as they come to Canada. The foot mats are there. We are using maximum use of the CFIA detector dogs that can detect plant and food material. We have increased investigations for the handling and disposal of international garbage at airports.

I know the Minister of National Defence will speak to the efforts that DND is taking. This week a shipload of U.K. military equipment was sent back because it was not as clean as it needed to be for entry.

The media has been given opportunities to observe the disinfection procedures and I thank them for helping with the information dissemination. Articles on this disease have been published in the Canadian Veterinary Medical Association journal. It is on the CFIA website. There is a new brochure called "What can I bring into Canada?" The CFIA has issued a notice to visitors and livestock owners.

TV commercials are being prepared. They will go on air just as soon as they are completed. Videos will be completed in the next day or two in English, French, Spanish and German for use on airplanes.

There is also a contingency plan. People have asked me what the contingency plan would be. We are a member of the North American foot and mouth disease vaccine bank if we have to use it. We know there is a debate in the U.K. now on whether it wants to use it.

The CFIA has sent letters to the industry across the country. We sent one team of veterinarians to the United Kingdom. Once its members return and go through quarantine they will be travelling across the country talking to veterinarians, to the livestock industry and to the public.

• (2030)

We have a partnership with the Office of Critical Infrastructure Protection and Emergency Preparedness, which we know as Emergency Preparedness Canada, to use its command centres, authority and resources. The Department of National Defence, the RCMP, and provincial and municipal police forces are included in that relationship.

We are also building on the relationship with veterinarians across the country. I could go on. Early detection is essential and the field staff is involved in that. There are partnership and co-operation by everyone across the country, including travellers and the industry.

I appreciate the opportunity to outline some of the steps being taken. I will close by saying how much I, the livestock industry and Canadians appreciate the fantastic work that has been done. It is a well worn phrase, but the people at the Canadian Food Inspection Agency and the Canada Customs and Revenue Agency have been burning the midnight oil to get these procedures in place as quickly as possible and thereby keep the risk as low as possible.

[Translation]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the object of this evening's debate is an issue that concerns me directly as member of the House and as Minister of National Defence.

[English]

The Minister of Agriculture and Agri-Food has already outlined the measures put in place by the Canadian Food Inspection Agency for all persons entering Canada. The Department of National Defence shares the responsibility of preventing the introduction of foot and mouth disease. That includes minimizing the risk of the disease being introduced through foreign military training which takes place in a number of locales across the country.

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As the House knows, foreign military training is an important activity for the Canadian forces and for Canada. Our allies recognize the value of training here. Canada's vast military training areas and uncrowded airspace are ideally suited to that purpose.

Offering training and exercise opportunities is an important contribution we make as an active member of the NATO alliance. It also contributes to the overall readiness of our allied forces. Canada also benefits from the presence of foreign troops because training jointly with allied forces, as we do in some cases, directly enhances the interoperability of the Canadian forces. That is vital to the effectiveness of our forces when we deploy them with our allies.

Communities across Canada benefit from the economic activity generated by the more than 13,000 foreign military personnel who train in Canada each year. For example, in Suffield, Alberta, some \$30 million a year go into the economy from the British training facilities. The British have invested some \$200 million in Suffield and have a lease on facilities they use year in and year out. There is NATO flying training in Moose Jaw, Saskatchewan, and Cold Lake, Alberta. There is low level flying in Goose Bay. As the hon. member for Brandon—Souris well knows, the Germans used to train at the base in Shilo.

Under the present circumstances I understand and share the concerns of many Canadians about the possibility of bringing foot and mouth disease to this country. That is why the Canadian forces are working closely with the Canadian Food Inspection Agency and our allies to ensure, as best we can, that European military personnel do not bring foot and mouth disease into any part of Canada.

A number of precautionary measures are already being taken. All military personnel from the European Union and NATO countries are required to provide signed declarations that they have visited neither a farm nor a training area used for livestock nor a quarantine area in the NATO EU region in the 14 day period preceding their arrival in Canada. Because of the particular situation in the United Kingdom, the period has been extended to 28 days for British military personnel.

• (2035)

In addition, preventive decontamination has been conducted before arrival in Canada by our allies, particularly the United Kingdom. This means that all clothing is laundered before departure, that all personal items are clean and free from soil and that all footwear has been packed in separate and sealed bags. Upon arrival here, foreign military personnel walk over a disinfectant mat and all footwear in bags is disinfected. That is a very thorough process.

[Translation]

We are also receptive to the concerns of the communities located close to training zones.

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[English]

Certainly some areas in Canada, due to the volume and type of foreign military activity within them and the proximity to large numbers of livestock, are more sensitive to the risk of this disease being transmitted. We appreciate these concerns and are alert to our responsibility to ensure everything possible is done to prevent an outbreak of this disease in Canada.

Let me reiterate that we are taking the issue very seriously. Vigilance and pro-activity are the order of the day.

The Canadian forces have also taken precautions for CF personnel arriving or transiting from the United Kingdom by air to our military air bases. Upon disembarking from CF aircraft, passengers must clean and thoroughly disinfect footwear. The forces are also delaying the re-entry into Canada of any military vehicles that have been operating in the United Kingdom or any other areas where the disease is breaking out. This measure will be in effect until the outbreak of the disease has been stabilized.

In short, in concert with our colleagues from the Canadian Food Inspection Agency, with whom we co-operate extensively, we are taking every appropriate step to manage the risk and to prevent an outbreak of the disease in Canada. As we would expect, our European allies are being very co-operative. They fully understand our concerns on the matter and we are working in full collaboration with them.

I will conclude by saying that we believe the measures taken by the government, including the Department of National Defence, as well as those taken by our allies, are sufficient to prevent the risk of this outbreak in Canada. I assure Canadians that we will continue to monitor the situation very closely and take further measures that may come to be warranted.

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, I am pleased to be here tonight to debate the foot and mouth outbreak in Great Britain. As has been previously mentioned, the disease first occurred on February 20 and within about 40 days it has spread to Ireland and some other countries in that vicinity.

Mr. Speaker, I will be sharing my time with the hon. member for Yorkton—Melville.

The Canadian Alliance fully supports the minister and the government on the issue. We need to concentrate on preventing and keeping the virus out of Canada. We also fully support the Canadian Food Inspection Agency and the Department of Citizenship and Immigration. However, due to the seriousness of the issue, the efforts of these agencies must be maximized. I am sure there will be some suggestions about that tonight.

We have called this an emergency debate but those are just the rules of the House. We are not in an emergency at this time, and we

do not want the general public to assume something has happened when it has not. We do not have foot and mouth disease in Canada.

The Canadian Cattlemen's Association has released information to the effect that the risk is minimal if proper precautions are observed. It stated:

The Canadian Cattlemen's Association (CAA) reminded cattle producers that the risk of introducing Foot-and-Mouth Disease into Canada is minimal so long as the proper precautions are observed.

● (2040)

This is where I have been coming from on behalf of the Canadian Alliance over the past week or two. I have been trying to ensure that the standing committee on agriculture, the minister and the various departments are maximizing their efforts in this regard.

A couple of warning bells went off. One was the auditor general's indication that the Canadian Food Inspection Agency's veterinary service is understaffed and that there is inadequate preparation to bring in the next generation of animal inspectors. That is an indicator that we must ensure maximum efforts are put toward.

The comment of Dr. McLeod, who went to Britain, was that since Canada was not heavily populated with vets and training personnel that we needed to review contingency plans to make sure we have trained people and resources if they are needed. We should do that.

What I wanted to see happen here tonight and what I tried to make happen in the Standing Committee on Agriculture and Agri-Food was for the Canadian Food Inspection Agency's plan to be reviewed and analyzed in that committee by members of parliament.

I want to point out that I am a cattle producer. Elected members like myself and the ranchers, cattlemen and hog producers we represent, have a lot to offer the minister.

The disease, as has been pointed out, can be carried in dirt, in infected food products, on clothing, on footwear and even on the wind. I know that the Saskatchewan outbreak in 1952 was caused by a contaminated piece of sausage.

Another unusual statistic I have heard during the course of this debate is that the virus can live inside the human respiratory tract for up to three days. As a precautionary measure, anyone who comes into contact with a diseased animal should wait at least three days before going near other ruminant animals.

The cost of not preventing the disease in Canada is virtually immeasurable. The estimated direct cost of an outbreak for the cattle industry and the export industry of beef, hogs and sheep is \$20 billion to \$30 billion. In Britain the damage to the tourism industry is believed to be about eight times the damage that has

been done to the livestock industry. That damage will go on for years and years.

What should the government do? The minister of defence and minister of agriculture have spoken here. However, I have pointed out that the efforts of the government must be maximized to keep foot and mouth disease out of Canada. It then must prepare to implement an emergency containment and elimination plan should an outbreak occur.

I am a bit nervous about what the auditor general said and about the fact that we have not been able to examine the plan. The plan may not be as foolproof as it could and should be. It must be examined in the immediate future because until the threat in England recedes or actually stops, we face the possibility of an outbreak in Canada.

The government should do a better job of getting information out to travellers. I know this is improving as time goes along but here again it has to be maximized immediately.

• (2045)

The national advertising campaign that I have been advocating to ensure that all Canadians are adequately informed about the risks of the disease and how to prevent its spread, is now being put into place. I understand that material is actually being handed out to travellers at the airports and that frontline inspectors are questioning travellers, visitors and Canadians returning from Europe more closely.

The Canadian Food Inspection Agency has not been doing a full job to this point to adequately communicate the measures necessary to contain an outbreak. The CFIA has prepared a detailed manual on how to contain an outbreak but, to my knowledge, being a producer and also a member of parliament, it has not shared the information with farmers, local communities and local veterinarians.

It may be well and good for the director of the CFIA to know how everything is supposed to work, but if I were a farmer near the scene of an outbreak and I all of a sudden saw government inspectors in blue Suburbans coming in to take action, I would wonder why I was not told about the outbreak nor told what to do should one occur.

As we go through the issue with the Standing Committee on Agriculture and Agri-Food, which is probably the best place to have it examined, farmers will become more aware of what is going on and what their role is and the role of other participants.

I understand that the minister just recently received the manual. While it has not been shared with members of parliament, I was a little concerned about the fact that the media seems to have had access to the whole document or a portion of it. Through this all-inclusive, non-partisan effort that we are trying to make as

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members of parliament, I would think that the Canadian Alliance and all opposition parties should know what is going on and be provided with all the information.

I think the Canadian Food Inspection Agency should be holding numerous regional meetings to explain to farmers and to communities the possible effects the disease could have.

The last point I want make in the time remaining is about the funding level for the Canadian Food Inspection Agency. In order to carry out preventative measures and to carry out the implementation plan, it must have the resources. Even if it were multi-millions of dollars, that would be nothing when we consider the tragedy of our country losing multi-billions of dollars if an actual outbreak were to occur.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, I would like to continue from where my colleague from Selkirk—Interlake left off.

The vast majority of Canadians purchase fire insurance for their homes hoping they never need it. They cover themselves adequately and within reason. We are saying that we need to use the same approach on this issue. We have a \$20 billion industry, possibly even more, that deserves protection. A few billion dollars, maybe \$100 million, spent to protect the industry is not too great a price to pay to ensure that it is adequately protected. We are talking about our dairy industry, our beef and cattle industry and hog industry. These are the industries that are directly concerned with the outbreak of foot and mouth disease.

I have received a lot of phone calls in my riding on this issue. People are concerned about the security at our airports. People are concerned about other farmers coming across to Canada and establishing themselves in our farming sector. These people want to be sure that the government is doing all that is possible to protect them in this area. That is what we refer to as a little bit of insurance to protect the industry.

• (2050)

We must also assure consumers that they do not need to be concerned about the quality of their food supply. We believe that there is adequate protection in place so that our consumers of these products in Canada do not have to be concerned.

I want to begin my remarks by talking about how farmers and ranchers feel about this issue and what message they have for the government.

I would like to quote directly from a news release put out by the Canadian Cattlemen's Association.

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The Canadian Cattlemen's Association (CAA) today reminded cattle producers that the risk of introducing Foot-and-Mouth Disease into Canada is minimal so long as the proper precautions are observed. These precautions include keeping away from farms and ranches anyone who has been in a country with Foot-and-Mouth Disease within the past 14 days, and if they must come to the farm or ranch, ensuring that their shoes, clothing and equipment are disinfected.

"Many countries in the world have Foot-and-Mouth Disease and we have successfully kept it out of Canada for almost 50 years," says Carl Block, Chair of the CAA animal Health Committee. "With the heightened awareness of this disease and the increased surveillance taking place at points of entry into Canada, we may well be less at risk now than in the past when it was next to impossible to get travellers to take this disease seriously".

Block points out it is neither practical nor possible to ban the movement of people to and from countries where Foot-and-Mouth Disease exists. "Let's not forget, we're not just talking about Europe. Foot-and-Mouth Disease exists in many countries around the world including India, China, and parts of South America, Africa and Asia. We cannot shut ourselves off from the rest of the world".

Block points out that the most important precaution is for individuals to take the threat of this disease seriously and not attempt to smuggle meat or other agricultural products into Canada. Those caught illegally bringing agricultural products into the country can be fined up to \$400 on the spot, with further prosecution possible for more serious offences. The cattle industry is supportive of fining all individuals who break this law.

CAA commends the extra precautions now being taken by the Canadian Food Inspection Agency and the Customs and Revenue Canada Agency to ensure that this disease is not introduced into Canada. CCA has long advocated stricter surveillance at border points. CCA is urging that these precautions be maintained after the current outbreak in Europe is brought under control.

The reason I quoted that news release is that these people have put into words what we are trying to express. We need some common sense on this. We need to be vigilant. Foot and mouth disease has been around the world forever. We need to be continually vigilant against this disease. We urge the government to ensure that all the resources and precautions are being taken and that there is a plan in place to deal with this if by some remote chance it would be introduced into this country.

I want to emphasize that one of the reasons a debate like this is important is that it gives us the opportunity to raise public awareness on this issue and to inform them in a rational and sensible way on what is happening. We need to let tourists know that they are one of the greatest risks to our beef, pork and dairy industry. It could take carelessness on their part to introduce into Canada a problem that may risk the entire livelihood of some people.

We need to put this into context. We have a farming sector now that is experiencing one of the worst possible crises that it has had in a long time. If this disease were to be introduced into this country, it would devastate a part of farming that right now is profitable. We need to ensure that this does not happen and a debate like this raises public awareness.

What can travellers do if they are one of the more serious risks that we have in this country? Travellers who are entering Canada should ensure that all the meat, dairy and animal products that they are bringing into Canada are declared at the border so that customs

officials can be aware of that. If travellers are visiting a farm abroad they should make sure that the clothing and footwear they wore during their visit are free from soil or manure. They should also clean and disinfect their footwear and dry clean all their clothing. That is the least they can do to protect our cattle industry. The footwear would not just be what they are wearing when they cross into Canada, but anything they may be carrying in their luggage. They should stay away from Canadian farms for at least 14 days after returning to Canada, as recommended by the World Organization for Animal Health. We ask them to please protect our farmers by doing that.

● (2055)

If one farms in Canada one should prevent farm or ranch visits by anyone who has been to countries with active foot and mouth disease in the last 14 days.

Although humans are not susceptible to foot and mouth disease, they do serve as carriers and Canadians travelling abroad need to know that and farmers here need to protect themselves by not allowing someone from another country like that to come on to their property immediately upon their return.

If visitors must visit a farm, they should take additional sanitary precautions, such as washing and disinfecting all personal effects and equipment that accompany them. It is particularly important to clean and disinfect footwear, as I have already mentioned.

Livestock owners should increase precautionary measures to protect their own herds. For example, farmers must exercise caution before allowing visitors on their farms and all visitors must be made aware of the risks of transmitting the disease and follow additional precautions. Visitors must take additional sanitary precautions, such as washing and disinfecting all personal effects and equipment that have accompanied them. It is particularly important to clean and disinfect footwear.

All visitors, including vets and livestock buyers, should use footwear provided by the farm instead of their own.

In conclusion, I would like to outline what we, as the Canadian Alliance, have done to bring about some kind of precaution, some kind of safety and to ensure that the government is handling this properly.

We of course were the first ones to raise this foot and mouth issue in the House of Commons. We have had at least eight questions and statements already in the House of Commons. We have made repeated presentations to the minister involved, through letters and so on, to ensure that adequate measures are being put in place and universally enforced.

On March 29 we issued a plan of action calling upon the government to improve its security measures at the ports of entry as well as improve its information campaign. I hope the debate tonight will assist in that.

The Canadian Alliance has pushed the CFIA to release its plan to the public and to members of parliament. Because of our efforts, the CFIA and the Department of National Defence will be appearing before the Standing Committee on Agriculture and Agri-Food.

The Canadian Alliance has also initiated its own communications campaign that includes direct mailings to constituents as well as detailed information posted on our agricultural website. I would like to make the public aware that at www.canadianalliance.ca/agriculture, Canadians can find out more about this issue.

I urge the government to continue to push the information out on this issue and to ensure that our farmers are properly protected.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, it gives me pleasure to take part in this debate. I will share my time with the hon. member for Champlain, who is our deputy critic for agriculture.

I believe it is extremely important to have this debate this evening to make the public aware of the seriousness of foot and mouth disease, but also to ask it not to push the panic button. While it is important to discuss this issue, the expression emergency debate is somewhat out of proportion with what is going on in Canada right now.

• (2100)

I must begin by congratulating the Canadian Food Inspection Agency. We have met with representatives in the standing committee on agriculture and will be meeting them again later this week.

The authorities' decision to send back to England the ship containing the British army's equipment is reassuring. There is cause for some considerable concern that Great Britain has not taken all the measures we wanted to see taken when it sent its army over here. We had clearly asked for everything to be cleaned but it neglected to do its cleanup.

Someone made the comment to me today that we could have let them do it here, that it was not worth turning the ship back. But if they had done so, there was a risk of our facilities getting contaminated in the process. It was therefore justified for us to turn the ship back, to do its cleanup back in the UK.

I would even go so far as to say that this might raise questions about the British army's lack of social conscience and about whether it might not be better to cancel the entire exercise altogether since it will be held in the very heart of cattle country, in western Canada.

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We have also been reassured by the explanations given by the people from the agency about how Canada, Mexico and the United States have tested their emergency plan. All this has been reassuring. And when we look as well at the American plan, we realize that our experts are in contact with each other and that every means must be taken to prevent the disease from reaching here.

What can be done to eradicate this disease should a case present itself? I hope that will never happen, but if there were to be a case, a series of measures would occur, up to and including isolating the farm or establishing a safety perimeter or slaughtering herds, if necessary. As members can see, there is a plan on paper that provides for a series of measures in the event of an emergency.

It is also important to know that, at the moment, a drama is unfolding in Europe, which requires extreme sensitivity.

I have had the experience of a terrible drama in my own riding with another type of disease known as scrapie. Livestock at home was particularly affected by this disease. I was present at meetings with families, parents and their children who were supposed to follow in their footsteps, who had to decide to allow the agency to come and slaughter an entire herd of sheep.

We have no idea of the human dramas occurring at the moment. Having seen it up close, I know that when they have to kill an entire herd people have no more income and no more animals. If they do get compensation to replace the animals, they do not necessarily get an income for the time it takes to build up their livestock.

According to information I obtained, people in Europe are experiencing real human tragedies. Some are even committing suicide because they just do not know what they are going to do.

We must think about that aspect of the problem. So far we have heard about prophylactic measures to protect health or to eradicate the outbreak but we have not heard much about the human dimension.

We should immediately set up a plan to help these people, to support them should we have to reach the same conclusion as with scrapie in sheep.

• (2105)

It is important to realize that the government has also taken a very interesting measure. The last outbreak in Canada was in 1952. Now they have a new word, or at least a word that I did not know before, namely the term "epizooty", which is more accurate. Chances are that those who were veterinarians in 1952 have all retired since.

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It was an excellent idea on the part of the Canadian government to send young veterinarians to help their colleagues in Great Britain, thus allowing them to gain some experience and see firsthand the effects of that disease. This means they will be more familiar with it, better able to diagnose and identify it, and take the necessary measures to act more quickly.

When people study the theory but never see these diseases firsthand, they do their best, but if they have the opportunity—what an unfortunate term, in this case—to be in a situation like the one experienced by our veterinarians in Great Britain, they gain some valuable experience. We hope they never have to use it here, but if they do they will have it.

Where does this disease come from? It would be quite hard to say where it comes from. Apparently, according to the data we have, it came from Japan, passing through Mongolia and Russia before ending up in Great Britain. The British government took measures but they were not enough. The disease passed into France, Holland and other countries, probably.

The Canadian government has measures planned. I think what counts is that everyone living in Canada realizes that it is a matter of individual responsibility to keep this disease out, by being reasonable, prudent, following the guidelines given, for instance, not bringing food back from Europe, and properly disinfecting things when they come back. Each person must feel a part of the operation.

I know some farmers who have taken very interesting measures. For example, they have refused to let interns come to their farms this summer because they do not want to take risks. They have changed their practices. Now they meet suppliers in their kitchens, rather than let them come to the barn. There are all sorts of very practical and very simple measures that can be taken in order to take a part in preventing this disease.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I thank my colleague for sharing her time with me so that I might add my voice to the interesting and highly worthwhile debate we are having this evening.

I would like to congratulate the hon. member who initiated this debate. It is, as others have said, not an emergency debate in the sense that there is some panic situation. We must not panic but I do think we need to realize what danger we are in. We must be level headed enough to be able to take the necessary precautions to avoid being affected in this epidemic.

The 1952 epidemic has already been referred to. The disease was brought in by a contaminated sausage, probably brought home by a traveller. It must be kept in mind that the 1952 epidemic cost the Canadian government \$1 billion.

While not an economist, I do know enough to realize that \$1 billion in 1952 would be the equivalent of several billions now.

• (2110)

In my opinion, this would be the equivalent of between \$16 billion and \$20 billion today. Besides that, herds are different now than they were in 1952. Now we have megafarms. It is not unusual for one swine operation to have 10,000 or more animals.

Without being an alarmist, one can easily imagine what the effects of an epidemic here would be. I am thinking of Quebec in particular, where there are real megafarms. Such an epidemic would cost a fortune and I do not dare do the calculation.

This evening's debate will make it possible to increase our awareness and that of the public. I am thinking particularly of the travelling public. We are at the beginning of the tourist season.

Last year, on returning from Paris, where I had been visiting the forests near the Château de Versailles, I arrived in Mirabel with bits of sand and earth adhering to my boots. I must be honest and say that I found the inspectors a bit overzealous when they asked me to go in the back and disinfect my boots. Today, I realize that these inspectors did their job well.

I think all tourists, those coming into the country after visiting not necessarily just farms but anywhere in the countryside, should take all imaginable precautions not to transmit this virus, which is so easily transmissible.

We are told that this is a disease of animals with cloven hooves, such as animals with horns. We are told that dogs and cats cannot catch this disease but can be carriers. It can be carried in hair. It is therefore extremely easily transmitted and that is why the epidemic is so serious.

I was happy to hear the Minister of Agriculture and Agri-Food say that he was taking all the necessary precautions, as we speak, to warn passengers in planes, for instance. He mentioned videos and all sorts of measures that have been taken. I hope these will be implemented as quickly as possible.

Someone mentioned that a traveller had visited a farm last week without having taken the necessary precautions. No chances must be taken with this disease.

I think a good insurance policy—and it is a cheap one given the risks involved—is to take the measures the minister mentioned earlier. As my colleague also pointed out earlier, the decision to send back the armed forces ship was the right decision, but it is probably also necessary to increase the number of inspectors.

I remember asking the Standing Committee on Agriculture and Agri-Food this question. It is true that the Canadian Food Inspection Agency is doing a good job but the auditor general told us it was short-staffed. It is perhaps time to increase the number of employees with the Canadian Food Inspection Agency in order to put all the chances on our side.

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We know that an epidemic such as this one will not make it here, I am sure, but we must do everything we can to see that it does not. If there were such an outbreak, it would be serious for farm producers, but also for consumers. Everyone must feel involved.

Consumers told me that the price of food had begun to go up.

● (2115)

I would rather not think about what would happen if the disease made its way here. We cannot keep destroying whole herds of cattle, sheep or pigs without eventually creating a shortfall.

Every precaution must be taken to prevent the epizooty from reaching America. The public must co-operate. So must tourists. Perhaps people should refrain from visiting farms or travelling to areas in Europe where the disease exists.

I am asking the Minister of Agriculture and Agri-Food to look closely at the possibility of improving security measures, for example by increasing the number of inspectors at the Canadian Food Inspection Agency. This is something many people, including us, have asked. It is important to ensure that these inspectors receive the best possible training and that the public is as informed as possible, so that everyone feels it is his or her duty to see that our territory remains free of this disease. This is for the benefit of everyone.

Again, I thank the hon. member for raising the issue. I think that, for once, we are unanimous in this House. We are not blaming anyone. We are all saying that we must do something, that everyone must do what is necessary so that the disease does not reach us.

[*English*]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I am pleased to take part in the debate tonight. I will be sharing my time with my colleague, the member for Winnipeg North Centre. From the number of my colleagues in the NDP caucus here tonight we can see how seriously we feel about the issue. Some of them will be taking part in the debate later on.

It is good that we are having this debate because I believe many Canadians genuinely feel the issue is of more concern to them than it appears to be to us as politicians, the Canadian Food Inspection Agency, and the government.

I am not saying that is the case but from the faxes, phone calls, letters and e-mails some of us have been receiving Canadians are extremely concerned about the possibility of a foot and mouth outbreak in North America, and specifically in our country.

They know from the farming community that potentially billions of dollars are at stake. Some of them from Saskatchewan and Alberta who are familiar with what we call feedlot alley in the Lethbridge area know of the hundreds of thousands of cattle that are there and of the damage that would ravage that sector if indeed this virus were to spread to our country.

Canadians from whom I have heard would like more detail from the government. I listened carefully to the two ministers who spoke this evening and welcomed the commitments they made and contributed to the debate. Canadians would like reassurances. They would like to know when travellers are returning from international trips that without exception they are using the disinfectants supposedly at airports. I will have a little more to say about that in a few minutes.

Overall they would like to know what are the rules of the game. What is the Canadian Food Inspection Agency doing in this regard? What is requested by customs and immigration of their employees? Canadians are saying that they will let us know from a firsthand basis if those instructions are being followed.

Yesterday I received a call from a constituent in the Moose Jaw area who hauls a lot of cattle throughout western Canada and into the States. He reported a conversation he recently had with an American border guard. She asked him how he thought the vigilance against the potential for foot and mouth disease was going. He said that he did not think it was going all that well and she assured him that it was not.

● (2120)

I am reassured by the Minister of Agriculture and Agri-Food and the Minister of National Defence, but I can tell the House that Canadians are very concerned about a potential outbreak. We know that students in western Canada have cancelled trips to Europe, specifically to the U.K. They may be out some money as a result, but they have done it because they do not want to be in any way responsible for bringing home this contagious disease.

Just as an aside, we know that Air Canada is reviewing on a case by case basis that some individuals have initially been told they will not get their entire refunds back. My office has been in touch with Air Canada today, which told us that it would look at it on a case by case basis. In a situation like that of the students from the Edmonton area and from Shaunavon, Saskatchewan, I think they will get full reimbursement at the end of the day.

Our office was in touch with someone else today who reported that he had landed in Vancouver about a week ago from Belgium and Holland. He was pulled out of the line when he said that he had been on a farm in the past 14 days and was going to a farm because

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that was his job. He said that he was asked a lot of very good questions, but he was never asked to use disinfectant.

In this case the gentleman in question had taken precautions before he left Holland. He had dry cleaned his clothing, sanitized his footwear, showered and did all the necessary things. However the fact of the matter was that he was not requested to walk on the disinfectant pad when he landed at Vancouver airport.

Was this just an isolated case or not? I quote from a reporter or a writer named Morris W. Dorosh who wrote in an *Agriweek* article dated yesterday the following:

The other day I came off an airplane from an international flight at the Toronto airport. It was the end of the spring school break and the place was even more crowded than usual. People were coming through Canada Customs four or five abreast. An official of the Canadian Food Inspection Agency stood beside this human river meekly inquiring whether anyone had any meat products from abroad. Not one passenger in five even noticed him. Diseases and infections of all kinds are ultimately spread by people. It is now believed that foot and mouth disease was brought into the United Kingdom in the luggage of an airline traveller from China who passed through the customs inspection process without detection and subsequently provided the meat to a Chinese restaurant in northeast England. The infection may have been active for 10 or 15 days before the first diagnosis.

It is not just an isolated case. Canadians want to be assured that there are rules out there and that they are being adhered to religiously.

In my riding I am privileged to represent the air base in Moose Jaw. Last week concerns over foot and mouth disease in Europe had inspectors scouring British made jets that were arriving. This is the NATO flight training centre that has been converted to a 15 wing base. They have taken delivery of several training jets coming from England aboard Russian cargo planes. Precautions were taken to ensure that there was no soil on the crew members' shoes. Their inflight garbage stayed on board and the wooden crates used to carry the wings of the jets were in fact burned.

I know that the member for Brandon—Souris has said that this would be a non-partisan debate. I certainly intend to abide by those Marquess of Queensberry rules, but I will refer to a call that the NDP caucus initially received and which my office returned. It was from a veterinarian in Ontario who expressed a great deal of concern about the fact that the provincial government seemed to be shifting responsibility from veterinarians to what they call lay inspectors.

• (2125)

There is a cost factor involved. They are alleging that it is too expensive to have vets. This is particularly prevalent at community auction sales during pre-sale screenings of livestock where they segregate the animals that appear to be less than sound. They are then quarantined or set aside for a vet to examine at a later time.

The veterinarian is extremely concerned. He is working in this area himself, but he notes that there is basically no formal training

going on for so-called lay inspectors. There are very serious implications for food and animal safety in the opinion of this veterinarian. He is urging that the government of Ontario seriously look at reassessing what is being done in terms of the lay inspectors who are replacing the vets at these auction sales.

The Canadian cattle industry and particularly the Canadian Animal Health Coalition have been in the forefront of facilitating discussions among the industry and the CFIA to plan in case the disease does get here. They deserve a lot of credit because they have come up with a plan for a voluntary cease movement which has been approved by the Animal Health Coalition for immediate development. They have also worked in conjunction with the Mexicans and the Americans.

I see that my time is up so I cannot go into the details on the Canadian Animal Health Coalition, but it deserves a lot of credit for the work it has done.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to be able to follow my colleague, the member for Palliser who is the agriculture critic for the New Democratic Party. He is very informed and very concerned about the issue we are dealing with today.

As part of my introductory remarks I wish to thank the member for Brandon-Souris who has initiated the debate before the House this evening. I also wish to comment on the decision by the Speaker to allow for the debate, to ensure that parliament has an opportunity to address a matter of very significant public concern and a matter of considerable urgency.

There is not a person in the House who would dismiss the matter of foot and mouth disease as unimportant. We are dealing with a very critical and potentially dangerous problem for our nation. It is very timely for the House to address the concerns that we and our constituents feel right across the country.

There is a very important role for parliament to play in identifying potential problems before they become serious and critical matters. It is very important for the House to speak early to such issues. Many times it has been suggested to us that we should not raise an issue out loud before it becomes a problem, because that does more to spread fear, concern and anxiety than the situation warrants. We are all here this evening saying it is better to act now than to be sorry later. As the old cliché goes, it is better to be safe than sorry. That is the message we bring to the House tonight.

We recognize that the government has been taking steps to address the possibility of foot and mouth disease entering the country. We are here to show our vigilance, to give the government encouragement and ideas for ensuring that we are absolutely protected in the face of such a devastating disease spreading across the land.

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• (2130)

Parliament has a role to play in this regard, not only as the Alliance has mentioned in terms of public awareness, and certainly that is one benefit of tonight's debate, but I believe Parliament's role is also to inform the debate and convey the sense of urgency to the government about the need to take the most significant steps possible and the most courageous actions imaginable in the face of the looming crisis facing the country.

Certainly colleagues in the House have mentioned the lessons we can learn from Britain. We have heard tonight about just how serious a crisis the United Kingdom is facing as a result of foot and mouth disease. That should impress upon us the need to take urgent action and to plan based on the worst case scenario.

It is certainly scary to read some of the statistics around the incidence of foot and mouth disease in Great Britain. Just yesterday we learned that 946 cases of foot and mouth disease have actually been identified in that country. As of yesterday, the number of animals slaughtered or to be slaughtered because of foot and mouth disease numbered well over one million. That represents about 2% of all the cattle, sheep and pigs in that one country.

We have also heard here tonight and from news reports how the virus has spread to France, the Netherlands and the republic of Ireland. We have also heard tonight how it can happen here. We may not have a case of foot and mouth disease in Canada today, and it is very likely that Canada has kept the disease out of the country for the last 50 years, but we also know based on the experience of Britain and other countries that a serious outbreak today would lead to the slaughter of possibly thousands of animals, would cost our agricultural industry dearly and would certainly cost our federal government billions of dollars.

The questions we have to ask tonight that need to be addressed by the government are around preparedness. Are we truly prepared and ready in the event this virus should enter Canada? Some of the experts in the field have questioned whether we are prepared. I think our job tonight is to put on the record some of those concerns and to encourage the government to take those concerns very seriously.

For example, I think of a report just last week in the *Ottawa Citizen* that quoted one of Canada's leading veterinary professors, a person by the name of Otto Radostits. He is a farm animal veterinary professor at the University of Saskatchewan and has co-authored a textbook on the diseases of cattle, sheep, pigs, goats and horses. This expert says:

There is no question, that if we have not been handling these kinds of crises in Canada, we are not as prepared as we should be.

He suggests, in fact, that the government must take this issue more seriously and put in place a far reaching plan in the event of this virus entering Canada.

We have also heard in the last couple of weeks from the president of the Professional Institute of the Public Service of Canada, Mr. Steve Hindle, who suggested that there is a veterinarian shortage in the country today which could mean a risk of a foot and mouth disease outbreak. That individual said on March 13 by way of a press release:

The inability of the Canadian Food Inspection Agency to address serious recruitment and retention issues within its veterinary community could endanger Canadian livestock.

He goes on to suggest that the outbreak of foot and mouth disease currently sweeping the United Kingdom and threatening Europe has led his union, representing some 500 veterinarians and other professionals at the Canadian Food Inspection Agency, to question whether Canada is prepared to deal with a similar threat. I think this is a reputable source of information that needs to be taken seriously. That is the purpose of tonight's debate and I trust that the government will be listening to these concerns.

The member for Palliser also mentioned the concerns of the Canadian Cattlemen's Association, as quoted in the *Western Producer*, indicating the belief that there is no emergency response plan available to all players which could go into effect within hours of disease detection. That is another serious concern being raised by a very reputable farm organization in the country. It needs to be taken seriously.

• (2135)

The question of whether we are prepared needs to be addressed very specifically by the government. Why are Canadians concerned and why are members of parliament registering concerns here this evening? There is no question about it. We know from reports by the auditor general that there are problems in the Canadian Food Inspection Agency. There is an under-resourcing in that agency. We know we fall short of important inspection capacity. We know there are real questions about a dual mandate in that agency which could compromise speedy decisions in the interests of animal health and well-being and Canadians' health and well-being.

We know there are also sometimes concerns about openness and transparency with regard to the government. Those concerns have to be addressed because they are at the heart of this matter. Secrecy and silence breed suspicion and concern, not the other way around. It is by being open and transparent that we can deal with the concerns of Canadians and be more prepared than we are now.

I would like to point to one example. Often we raise concerns where a potential problem is arising and the government suggests we are only fearmongering and raising unnecessary fears. That has happened in the case of mad cow disease, where we have seen similar concerns raised and a similar reaction by government in terms of secrecy and silence and a tendency not to be totally forthcoming around problems identified or actions taken. Certain-

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ly we have seen that on the health front. I am quite familiar with some of the difficulties in that regard.

Tonight is an opportunity to open the doors, to lift the shroud of secrecy, to ensure that there is full public awareness and that the plans of the government with respect to foot and mouth disease are fully disclosed and outlined for the public. That way all Canadians can be prepared and every Canadian can do his or her share in ensuring that this virus does not enter Canada and is contained at all costs.

Ms. Sophia Leung (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I am splitting my time with a colleague.

I am very pleased to have the opportunity to be able to support my colleague, the minister of agriculture, during this critical debate as our agencies work together to prevent foot and mouth disease from entering Canada.

The Canada Customs and Revenue Agency has long played an important frontline role in assisting the CFIA with the administration of its import requirements. The threat of this disease approaching our shores has intensified our partnership in recent weeks.

My hon. colleagues should be aware that the CFIA and the CCRA have a dedicated team that is working non-stop to try to prevent an outbreak of foot and mouth disease in Canada. Our partnership is not new. We have worked closely and successfully in the past to protect Canada from the damage of the Asian long-horned beetle and from mad cow disease.

Even before foot and mouth disease was found in the United Kingdom, the CCRA normally referred all commercial shipments of meat and animal product to the CFIA, regardless of origin. When the outbreak was confirmed, the CFIA immediately banned all commercial imports of meat and meat products and CCRA customs inspectors were alerted to increase their monitoring of those shipments. Immediately senior CCRA officials met with their colleagues at the CFIA to identify ways in which the CCRA could support one of their highest priorities: the security of all Canadians.

• (2140)

We are responding. With the guidance of the CFIA, we are addressing all the different points at which foot and mouth disease could enter Canada: by ship, by air, through the postal or courier systems and across the border. We are going well beyond our usual procedures to minimize the risk of this disease arriving in our country.

As many members have seen for themselves, the CFIA has placed disinfecting foot mats at airports. The CFIA detector dogs are also being used. One of the ways in which the CCRA is supporting the CFIA is through intensified questioning of all

travellers at major airports, including travellers arriving from the United States.

We are asking all travellers for their responses to customs declarations on food products, about their intentions to visit a Canadian farm and whether they have visited a farm in the European Union or Argentina in the last two weeks. If the answer is yes to any of those questions, they are referred to CFIA so their belongings can be examined for signs of disease.

That is why, against the threat of foot and mouth disease, the CCRA has also forged a partnership with Canada Post, due to the concern that people in Europe and Argentina are sending packages containing meat and animal products to relatives in Canada. We at the CCRA have stepped up our efforts so that virtually all packages from the European Union and Argentina are being examined. We do not want to take any risks.

Our fears have not been without basis. In the last two weeks, the CCRA has detected over 120 kilograms of meat products, 100 kilograms of cheese, 38 plants and even a litre of milk in the packages received at one customs mail centre alone.

In the case of shipments by couriers, the risk is low. Nevertheless we have increased our examinations of European and Argentinian shipments and more parcels are being opened.

As for our land border crossings, we are aware that the United States is free of foot and mouth disease. We know that the U.S. department of agriculture has announced that it has stepped up security, scrutiny and inspections at border points. The USDA has also prohibited shipments of animal products from high risk countries. Those actions lead us to conclude that the risk from the United States is low.

However, the CCRA realizes that foot and mouth disease is not something to be taken lightly. The CCRA stands ready to assist other government departments and agencies to keep our country safe, healthy and prosperous. We will continue to work with the CFIA and to monitor the situation at the land borders carefully.

I want to reinforce for my hon. colleagues the fact that the CCRA is taking its responsibility of protecting Canadians seriously. This is our highest priority. During this tense period, though we work hard to keep the stream of trade and tourism flowing, fighting foot and mouth disease comes first.

The CCRA is prepared to take additional action in co-operation with the CFIA to deal with the threat of foot and mouth disease. Not only are we ready to assist other government departments and agencies, but we are getting support from other organizations such as the Canadian Cattlemen's Association. In fact the Canadian Cattlemen's Association recently commended the CCRA and the CFIA in a letter. It said:

We have been pleased and grateful for the diligence and the dedication of the staff from both agencies during this stressful time. Of special note is the implementation of the disinfection systems at the ports of entry, which have been exceptional.

• (2145)

I would like to say that CCRA supports the hard work and dedication of the CFIA in preventing foot and mouth disease from entering Canada. We are ready and willing to assist any way we can.

[Translation]

Mr. Claude Duplain (Portneuf, Lib.): Mr. Speaker, I am extremely pleased to be able to speak to this issue this evening. Portneuf being in a rural area, agriculture is one of its priorities.

When I came here, I chose to be a member of the standing committee on agriculture, as well as of the rural caucus. These two bodies provide us with the opportunity to hold many discussions on agricultural problems.

We have heard various points from the Minister of Agriculture and Agri-Food and the Minister of National Defence on the problem being addressed this evening, foot and mouth disease.

I wish to assure everyone that the foot and mouth disease epidemic in the European Union and Argentina is one of this government's absolute priorities. Like the hon. member for Brandon—Souris and everyone here in this House, we want to stop this terrible disease from entering Canada.

I would like to remind the House of the steps we have taken to promote animal health in our country. Canada has, it must be said, carved out a world reputation on the basis of the quality of its food safety system. The respect we enjoy is in large part due to the attention we give to animal health issues.

The Canadian Food Inspection Agency is mandated to provide efficient and cost effective federal inspection services, as well as other services relating to animal health, food safety and plant protection.

The agency's expertise has gained it international recognition. The inspection standards it has established, based on science and on regulations, enjoy a worldwide reputation. These standards ensure that Canada imports safe and quality products and exports products that are of equal safety and quality.

As for animal health, the CFIA sets policies, performs inspections, and monitors compliance with the law as well as industry performance as far as animal and plant health is concerned.

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In recent years we have seen what a serious threat animal diseases represent for Canada's animal resources. There are a number of factors responsible for escalation of this threat. Among these is the increase in international trade and in population movements. Climate change also affects animal habitats and health. Recently, we have witnessed the emergence of new animal diseases and the return of old ones, such as foot and mouth disease.

Faced with all these challenges, the CFIA has kept Canada free of the communicable diseases considered the most serious in terms of public health and socio-economic consequences.

Canada is one of the leaders of the International Office of Epizootics, the OIE. This is an international organization whose standards on animal diseases are accepted worldwide. Signatory countries are required to report to the OIE all cases of disease within their borders, as prescribed by the international animal health code.

• (2150)

Diseases appearing in list A of this code are communicable diseases which may spread exceedingly rapidly and may have a profound effect on public health or on the economy. These diseases are of great significance to international trade in animals and animal products. Foot and mouth disease is a good example of a disease on list A.

We may be proud of the fact that Canada is one of the few countries that can claim to be free of diseases on the OIE's A list. This is a singular accomplishment. In addition, through its screening and eradication activities, Canada controls and limits the spread of other animal diseases in the country.

We have been quite successful to date, in part through the speed and hard work of the Canadian Food Inspection Agency. It is on the lookout for and identifies diseases and fights them. It manages the health of animals services, inspects imports, screens for pests and exotic diseases and ensures that animals are transported without cruelty.

The CFIA's health of animals activities play a vital role in protecting public and animal health in Canada. The outbreak of foot and mouth disease raging in the United Kingdom and in Europe will put our health of animals system to the test. Canada has been free of foot and mouth disease since 1952, and we intend to keep it that way.

The Canadian Food Inspection Agency is taking rigorous measures to keep the disease out of Canada. The agency has suspended all import permits from EU countries and Argentina for susceptible products. These products include not just live animals, meat and unpasteurized cheese but also embryos and animal semen.

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Visitors must answer a series of questions and declare any plant, animal or other products on arriving in Canada. Inspectors are patrolling major airports with dogs specially trained to detect the odour of any concealed food, plant, animal and fish products.

The CFIA is enforcing special measures at airports where international flights could introduce the disease from Europe. It will also be launching an ad and media campaign to warn international travellers of the risks they run of inadvertently bringing the disease into Canada.

And here I wish to point out that despite all these measures it is very important that members of the public themselves take care when returning from a trip.

The CFIA recently sent Canadian veterinarians to the United Kingdom to help with the fight against the outbreak of foot and mouth disease and with efforts to eradicate it. This is a valuable opportunity for our veterinarians to acquire firsthand experience with a disease that does not yet exist in Canada. This experience will help us better prepare for the possible appearance of exotic animal diseases, particularly with respect to surveillance, diagnosis and management of sources of outbreaks.

I also wish to reassure the House that the returning veterinarians are subject to a full quarantine and disinfection before leaving the United Kingdom. They are highly aware of the importance of cleaning and disinfecting organic material such as soil, manure and hay.

We can congratulate ourselves on the fact that Canada has been spared a good number of the more serious afflictions that have hit the livestock industry of many of our trading partners. However our good fortune comes at the price of constant vigilance. The outbreak of foot and mouth disease now raging in Europe is forcing us to step up our vigilance. We are fortunate to now be able to count on a firstclass system of animal health. We must give it our unconditional support.

[*English*]

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, it is good to be here tonight to talk about foot and mouth disease. I would like to recognize the member for Brandon—Souris and congratulate him on bringing this issue forward tonight.

• (2155)

It was interesting to read in the paper that there has only been a total of 991 cases of foot and mouth disease in England. However, the consequences of that are that one million animals have either been slaughtered or are due for slaughter.

I would like to talk a bit tonight about the kind of disease with which we are dealing. As we know, it is a virus and is very communicable. It has an incubation period of about 14 days. Because of that the discovery of it lags the infection of the animals.

This disease weakens and debilitates animals. It causes blisters on their hooves and mouths. It affects cattle, swine, sheep, deer, goats and all ruminants. It does not affect humans but we can carry it for a limited time on our clothes and shoes. It can be found in dirt, in food products, in our respiratory tracks and it can also be transferred in the wind. Interestingly enough, it can survive freezing.

The costs of this have been enormous. If we look at the European Union and the piles of burning carcasses that we have seen on TV, we recognize that there is an economic cost to this. However, there are other costs as well. There is a political cost in Europe right now. The election has been delayed because of this disease. We read today that animals were being dug up and reburied because people were afraid they were contaminating water supplies.

The psychological damage in Europe has also been great. We see a way of life being destroyed. I had a lady tell me that if they were going to take her husband's cows away they may as well bury him with the cows. We understand what European farmers are going through as they watch their livestock being destroyed.

The United States has paid a cost as well. In response to the recent foot and mouth outbreak it has taken some measures. It has moved swiftly to protect its borders. It has included things like prohibiting shipments of products from high risk countries and increased personnel and surveillance at ports of entry. It has tightened regulatory enforcement and strengthened its federal and state industry co-ordination, which has accelerated its research and implemented education campaigns. It has also sent experts, as we have, to Great Britain to study this disease.

The cost can be high in Canada as well. I would like to quote from our press release of last Thursday after the news conference. I will quote the member for Selkirk—Interlake who is the chief agriculture critic for the Canadian Alliance. He said:

Livestock industry experts have estimated that the cost of an outbreak of this disease could cost up to \$20 billion in the first year. We all must work together to prevent this disease from occurring here.

People are concerned. The Canadian Alliance is working together with the government on this issue. I have raised this issue at least four times in the House and tonight is the fifth time. It is good to see that it has moved on to the agenda for Canadian people.

It is important that we do not politicize this issue. We have tried to avoid that. However I have a couple of questions for the government tonight. There are two areas where there have been some problems with politicizing this.

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One MP from Alberta asked CFIA people to come out to meetings in his riding and discuss this issue with ranchers. He has had a very difficult time getting permission to do that. Permission has to come from the people in the minister's office. He is having a hard time because they think it is going to be a political meeting. The member is trying to make sure that does not happen.

I saw in the media some details of the plan the government has created to deal with foot and mouth disease. We have yet to see the plan. I would ask the government to come forward with it and lay it out so we can see what will happen if we have to deal with this problem in Canada.

It is time to talk publicly about this issue. We need leadership from the government. We need cautious but very aggressive measures. We need to avoid overreaction.

Foot and mouth disease existed before this spring. There were only 48 countries in the world that were seen as being free of it at the beginning of the epidemic. We need to present a balanced and safe way of dealing with this disease. Overreaction will end up with consequences, particularly with trade, and those are consequences that cattlemen do not want to experience. We need good inspection and a good border patrol.

I would like to talk a bit tonight about what is being done. We see that the border has been closed to swine and ruminant products and the importation of fresh, chilled and frozen meat products. That is a good beginning. We have restrictions on bringing products back to Canada. We have upgraded our inspections. However, do we have enough personnel?

● (2200)

The member for Palliser spoke earlier about whether our personnel are adequate and whether they are trained adequately. We need to take a serious look at that. The consensus indicates that we do not have extra field staff right now.

I have one example to bring forward tonight. A constituent of mine came back from Europe about 10 days ago and wrote to me the following:

The attendants also passed out declaration forms which we all filled out. One of the questions asked was "Are you going to be on a farm in Canada in the next 14 days?" I answered yes. All the other questions had a "no" answer so this one was quite obvious, and it was the last question.

Once into the airport we went through customs, the customs officer looked at my passport and declaration paper and put me through. I am not sure he even noticed the "yes" to the "on the farm" question.

Upon stepping on the mat, I said to the fellow, that was in charge of the process, that I had better clean my feet good because I was going to be on a farm in the next 14 days. After saying this to him he said to me, "Oh! Oh! Oh!" He then proceeded to tell me some of precautions to take.

In her letter she asks the following question:

What if I had not mentioned to the man, at the cleaning mats, that I was going to a farm in 14 days? He would not have told me a thing, I would have walked through just like the thousands of other people coming from Europe into Canada.

We need our border people to be very vigilant in looking after this disease.

I was glad to see this morning that we turned back a ship which was filled with military vehicles. We were led to believe that they were washed and disinfected in England and apparently they were not. They had dirt on the vehicles and I was glad to see we caught that and sent them back.

One of the things we also need is education. Our greatest danger from the disease is probably from tourists entering Canada who do not understand what they are doing or what they are bringing with them when they come. Travellers must know the facts. We need to have signage at our airports and we need to have brochures available on airplanes. That is happening and it is not too soon. It is good that it is taking place right now.

I also suggest that farmers need to take some responsibility. They need to restrict access to their livestock. Many of these people have spent years establishing their herds. They are just like family to them and they need to take the responsibility of making sure that they are not in a position of allowing the disease to come on to their farm.

I will be splitting my time with the member for Lethbridge. I would like to raise another point. I acknowledge the sacrifice that some of our citizens are making. I raised this with the parliamentary secretary for agriculture. I also raised it on Friday night during members statements. It is about our young people who are trying to do the right thing.

In my constituency there are students from Swift Current, Shaunavon and Bengough who are trying to decide whether they should take school trips to Europe over the Easter holidays. They are trying to do the right thing out of a sense of obligation to their home areas. The communities are responding, as they typically do, by helping out.

I would like to know if the government will issue a travel advisory dealing with foot and mouth disease so that when these people make a decision not to go they will be refunded their airfare by Air Canada. Many of them are having trouble dealing with the airline companies, with the tour companies, and they are not getting full refunds. I believe they should be receiving refunds.

In conclusion, I should like to make sure that this does not become a partisan debate. I realize that this is the end of a long and in some ways fractious day. I am a new member here. I came here to try to work with people together on issues. I say tonight that I would like to work together with the other parties. I am glad the motion came from this side of the floor and that we are dealing with it together. All members should work together to make sure that this disease does not become a problem in Canada. We cannot afford it and we do not need it. We have to keep it out.

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Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, it is a pleasure to rise to speak to an issue that must be brought to the attention of Canadians. The seriousness of the issue is something that we all need to address. I support the comments of my colleague in that this is a non-partisan issue that we all have to tackle as best we can.

I come from a town called Picture Butte in southern Alberta. Our motto, which we adopted a few years ago when I was mayor of that town, is that Picture Butte is the livestock feeding capital of Canada. That is a motto that we carry proudly because we have that industry in our area. We are glad to have it there. We work hard to keep it safe and to keep it on the right side of the environment. A lot of people are involved in that industry.

• (2205)

Alberta has 25% or 26% of the national livestock business. We have cattle and calves, over five million animals alone; hogs, 1.7 million; and sheep and lambs, 167,000. Processed animal sales are \$3.2 billion; dairy products, \$1.5 billion; and feed manufacturing, \$533 million. We have cattle and calf receipts at the farm gate of \$3.3 billion; \$505 million for hogs; sheep and lamb, \$14 million; and livestock purchases altogether, \$970 million.

If there is an outbreak in Canada of this disease our borders will be shut down immediately. The whole industry would come to a grinding halt. We are not only talking about meat products but dairy products as well.

Exports out of Alberta for beef and veal, \$1.4 billion; pork, \$177 million; live cattle, \$511 million; and hogs, \$92 million. This is a huge industry. These figures are a quarter of what goes on in Canada.

If this plague comes to Canada it will lower the standard of living of every Canadian. It is important that we get this information out. This is not a rural issue. This is a Canada-wide issue. It is very critical that all Canadians take part in making sure that Canada remains foot and mouth disease free.

Referring to the employment figures in Alberta, in animal production there are 40,000 people involved; in mixed farming, 8,000; and in the processing end of it, 10,000 people. They would be affected immediately. I am not talking about trucking, handling facilities, auction marts or the customs work. Those people would all be out of a job the day after foot and mouth was discovered in the country.

It is imperative we do all we can to keep it out of Canada. Our party has offered some suggestions to the government. It is good to see that it is moving on them, that there is an advertising campaign to educate every Canadian on what it means if it does come into the country.

Information must go out to travel agents to educate travellers leaving or coming to Canada. In my riding I have sent some information out to all the school boards. I am glad my colleague mentioned that the government should issue a travel advisory so that students who are planning to leave Canada during the Easter break have an option on whether or not to go. Many of them will not go because they appreciate what the industry means to them at home. It would help with their travel plans if some options were available to them and if the government would issue a travel advisory advising them not to leave the country. The airlines would support something like that.

We get calls from people every day that see exceptions at airports. That is something that we have to absolutely make sure does not happen. The luggage of anyone who has meat or brings anything illegal into the country should be taken away and disinfected. We have to make sure that every item is seized. We must have maximum patrols at the airports and maximum inspections of all equipment and people coming into the country. Thousands of tourists come out of the United Kingdom and Europe every week. We have to be absolutely sure that this disease cannot be carried into Canada.

The CFIA has to work hard. All of us have to support the government in releasing the resources necessary to make sure that our borders are protected. Our party will work co-operatively with the government to do that. We have to make sure that the information gets out through whatever means.

I have information from the United States, New Zealand and Australia. They have put information on the web, advising their producers what would happen if it enters their countries. They are advising of the things they are doing to make sure it does not enter their countries. They are also indicating the steps that producers need to take if it does happen to get into their countries. This is the type of information we have to get out to the public.

We need a national strategy involving all departments of government: agriculture, customs and health. All these people need to get together and have a plan in place to keep the disease out of Canada. We have kept it out of Canada for 50 years. It has been in the world for 50 years and has not come to Canada. If we are diligent we can make sure that it does not happen now.

If we have a national strategy with all the people involved, all the resources from all the departments put together, we can do a better job. We can bring the possibility of it coming to Canada down as close to zero as possible.

I hope the government will take our offer of support. I have not mentioned the member for Brandon—Souris. I thank him for bringing the issue forward. It is something we support and an issue we were looking at ourselves. We need to devise a joint plan and national strategy by all departments.

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• (2210)

I have had two or three cases back home where groups of students have come to me and said that they do not want to go on their trip. They could not get their money back so they were trying to find some options. The travel advisory is something that needs to be done in a hurry. I do not know which department would need to do it. Hopefully the agriculture minister could talk to his cabinet colleagues and have it issued so that these people would have some options.

I cannot emphasize enough that this is a national issue which will affect every Canadian. Perhaps we could imagine our standard of living dropping immediately by 20% right across the board, no matter where we are or who we are. That is how important and how big the issue is. It would cost \$20 billion, and some estimate it would be as high as \$26 billion, in the first year alone to eradicate the disease if it did get into Canada. It would take years and years to get over it.

In my riding people are not sleeping. It is a nightmare to even think what would happen if it came, evidenced by some of the pictures we have seen coming from England. We cannot allow that in this country. The cost of keeping it out will be minuscule in comparison to the cost if it does get here.

We must work together and put the money in place. We need to put the resources in place. We must do whatever we need to do to keep that disease away from our borders so that we do not have to see the same visuals that we see coming out of Europe.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, the one thing that we have heard tonight is how serious it would be if the disease ever came here. We have seen what has been happening in the United Kingdom where tens of thousands of animals have been shot and buried. There might be a possibility that it has also infected the deer population. This is a problem that will not be solved quickly. It has jumped the channel and is on the continent proper. It is in France, the Netherlands, Iceland and Argentina. This gives us a rough idea of how extensive it is.

The minister said tonight that it would cost the United Kingdom over \$20 billion to get it under control, not to eradicate it but to get it under control. On the continent itself the cost in Europe could be over \$100 billion. These are things that the government takes very seriously.

The member spoke about an outbreak in Saskatchewan in 1952. I did some research on it to get a rough idea of what happened, because at that time I was only one year old. In 1952 it cost \$1 billion to get it under control and to eradicate it. The member has been talking about \$20 billion. In 1995 dollars, using the Saskatchewan example, it would cost well over \$30 billion in just the one instance. This is one of the reasons we have to be very careful with it.

It is an amazing little virus too. According to the website for the Ontario ministry of agriculture and food and rural affairs, the foot and mouth virus survives freezing temperatures. It has an incubation period of 8 to 21 days. It has been found viable in milk pasteurization of 72°C for 15 seconds. It has been removed from cattle stalls 14 days after the removal of cattle. In addition, it has been removed from urine after 39 days, soil after 28 days in the fall and soil after 3 days in the summer. That tells me right off the bat that it is sensitive to ultraviolet rays. It has been removed from dry hay at 22°C after 20 weeks of storage.

• (2215)

It can be carried by people for up to 14 days after contact with the disease. It can be inhaled and trapped in a human's respiratory tract for up to 36 hours and then expelled in saliva or breath. It can travel 300 kilometres by water and 80 kilometres over land. It can cling to clothing, shoes or luggage for at least nine weeks.

When we have travellers coming back to Canada from the United Kingdom and Europe, here is what they should do. They should declare all meat, dairy and other animal products they bring into Canada. The items should be left at the airport where they can be destroyed.

If the traveller must visit a farm he or she should make sure that clothing and footwear are free from soil or manure, clean and disinfect footwear by washing with a 50:50 solution of vinegar and water, machine wash clothes in hot water or have them dry cleaned. It is also recommended to stay away from a farm for at least 14 days after returning.

Livestock producers and organizers of shows, which is another point where livestock will come together, should exercise caution before allowing visitors on farms or to livestock events. They should make them aware of the risks and the precautions to take. Although humans are not susceptible to foot and mouth, they are carriers. They should advise tourists to take additional sanitary precautions such as washing and disinfecting all personnel effects and equipment that accompanies them.

It is particularly important to clean and disinfect footwear as described above and to provide protective footwear and clothing. Organizers of shows and events must take extra precautions in installing disinfectant footbaths and foot mats at the facilities.

It has been raised a couple of times tonight, are we doing enough? I want to tell everybody that in November 2000 we did a national and an international simulation exercise. That included representatives of the livestock industry, the provinces and Emergency Preparedness Canada. It was very extensive. It was how to isolate and eradicate the virus so it cannot spread. Right now we are doing a follow-up workshop to ascertain what we learned by doing that exercise.

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The next thing we did was put forward a foreign animal disease manual. That is being put on the website of the Canadian Food Inspection Agency. The website is www.inspection.gc.ca

Another thing I would like to see as the vice chair of the standing committee is a contingency plan brought before the Standing Committee on Agriculture and Agri-Food so we can assess it. I would like to see that done as quickly as possible. I believe it is important.

I have to say again that we are committed to continuous learning. We did that by sending over some veterinarians. They were in the UK and experienced first hand what the disease was like. They were brought back to Canada. They went through the disinfection procedure. They stayed away from livestock. We are now going to have them talk to our animal science people and give lectures on what they experienced while in the UK.

Who can teach somebody else better than somebody who experienced it first hand? They experienced the hurt and pain of having to go into somebody's farm and shoot all their livestock. They experienced having lines of cattle, sheep and pigs out in a field. They experienced the fact of having a huge hole dug at a former air force base and having the livestock buried in it. They experienced all that first hand. They also experienced what the British veterinarian service has gone through to try to contain the virus. They have all that very pertinent knowledge and information that they brought back to help us put together a good contingency plan so that if the worst ever happens, we can have this under control as quickly as possible. That is imperative.

• (2220)

The Canadian Food Inspection Agency is also prohibiting the importation of susceptible animals and animal products from the EU and Argentina. It has also suspended the issuance of import permits of live animals, semen, embryos and animal products of susceptible animals. We have control over any import permits that have been issued but not used. These are being cancelled. We are working on tracing any products coming into Canada to know exactly where they are.

In closing, I would like to put it on the record that we know this is a very important issue. It is a problem we do not want to see get out of hand. Quite frankly, I feel that we as a government are doing everything physically and humanly possible to make sure that foot and mouth disease does not get into Canada.

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I am pleased to participate in this emergency debate initiated by the hon. member for Brandon—Souris.

When he called for this emergency debate on foot and mouth disease, the hon. member gave credit and applauded the Canadian

Food Inspection Agency for its advertising campaign. I agree wholeheartedly that this agency is addressing this potential problem.

Foot and mouth disease does not have significant human health effects but it is easily transmitted by humans. It can travel on clothing, on vehicles, on the person and in prepared foods. An important line of defence in protecting Canada from foot and mouth disease must be to make people aware of the precautions that they can take to help keep this terrible disease out of Canada.

That is why the government has taken the initiative to provide Canadians and travellers to Canada with information about what travellers coming or returning to Canada can do to prevent the disease.

I want to focus my remarks tonight on the government's communications plan.

The Canadian Food Inspection Agency, the CFIA as it is commonly known, has established a task force to co-ordinate the dissemination of information about foot and mouth disease. It is collaborating with the Canadian Veterinary Medical Association and other federal and provincial partners to provide veterinarians, producers and the public with information about foot and mouth disease and has provided a toll free number. Maybe I can use this forum to give that toll free number. It is 1-877-227-0677.

Many of my constituents travel outside Canada as tourists and on business. They need to be aware of the care they should take, so the government will increase its campaign to keep foot and mouth disease out of Canada with advertisements in the travel sections of major dailies across the country.

Last week, I am sure hon. members were watching the show, the CFIA had a five minute segment on CTV's *Canadian Farm Show* and more television public service announcements are planned.

The Canadian Food Inspection Agency also has foot and mouth disease related materials available on its website, including information bulletins and fact sheets on key topics.

• (2225)

Copies of those fact sheets are displayed at various locations in the airports. Most of us come through the Toronto airport and the Ottawa airport. The information is there for us. The agency has established a toll free information line to respond to Canadians' concerns. A travel advisory has been given to customs officers across the country to hand out at airports. There is signage at the airports informing travellers of disinfection procedures, and members earlier referred to those disinfection procedures.

In the print media two articles on foot and mouth disease have been placed in the *Canadian Veterinarian Medical Association Journal* and an article will be placed in a supermarket journal which is distributed to 10,000 supermarket retailers across Canada. Most of us, when we visit the supermarket on the weekend, can be assured that information will be there for us.

As well, an article has been prepared and will be electronically distributed to more than 1,000 community newspapers. Ads will also be run on inflight airline TV presentations and in agricultural trade publications. We want to warn travellers and farmers of the dangers of the disease. We want to send a clear message. It is up to all of us to keep this highly contagious disease out of Canada.

We have taken other steps. We plan to release travel information cards to passengers, alert travel agencies and increase content on the CFIA website.

These are some of the recent communication initiatives but others are being prepared. Communication activities such as information on the outbreak in Europe, we take very seriously. We recognize that everyone has a role to play to help keep the disease out of Canada. We want Canadians to be aware of the role they play in prevention. It is up to all of us. We must all be involved in prevention.

Canada has kept the disease out of the country for over 50 years. We will increase surveillance. We will continue to ask international passengers to walk through a disinfectant footbath. We will continue to educate the public and travellers. We will use communication as a powerful tool to prevent the disease from coming to Canada. We will talk about this in our communities, our schools, our churches and in our public avenues.

I am glad that we are in agreement on all sides of the House that prevention is really the route for us to go.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I appreciate the opportunity to speak on this very important issue in Canada. My party and I thank the hon. member for Brandon—Souris for bringing this important issue to the Speaker's attention so that we can rise and debate on this issue.

A lot of people are asking why someone from Nova Scotia would be debating the issue of foot and mouth disease. In the Musquodoboit Valley I have many dairy farmers who are extremely concerned about what would happen to them if this disease ever came into Nova Scotia, and for that matter, the rest of Canada.

We heard a lot of facts and figures about the costs to Canada if the disease came in. It was anywhere from \$20 billion to \$26 billion. Those figures are just on estimated losses from the producers themselves. Everyone tends to forget what this would do to tourism and other aspects of the economy. In fact the losses

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would be immeasurable. It would be absolutely scary to see what would happen. We heard that school groups throughout the country have cancelled or plan to cancel trips into England and other parts of Europe. That also figures into economic losses.

I echo the sentiment of many speakers here tonight who said that we as a parliament, we as a country, must do everything we can to prevent foot and mouth disease from coming into Canada.

Members spoke about the stories they have heard or the e-mails, faxes or phone calls they have received from various people who have gone through customs at airports at various points of entry into Canada and the lack of attention to detail that various customs agents have portrayed.

• (2230)

As a former airline employee for 18 years at the Watson Lake airport in Yukon and for 8 years at the Halifax airport, I can assure the House that the customs people there do an excellent job of trying to prevent not only drugs and illegal immigrants from coming in but also those various diseases that should not be coming in either through meats, cheeses or other contraband items. The problem time and time again is that our customs agents just simply do not have the resources in terms of human personnel or finances with which to do it.

We understand tonight that the minister of agriculture is working very diligently in this regard. He has said very positively in the debate tonight that they will do all they can to be extra vigilant at our points of entry throughout the country to try to prevent the disease from coming in.

The minister should be congratulated on his words tonight. We will work with him as a political party, the New Democrats, along with our other colleagues in opposition to ensure that various agencies throughout the country have the human and financial resources to do the job they would actually like to do.

As a former airline employee I would also like to say to the House that tomorrow I will be calling the airlines, Air Canada and others, to see if it is not possible for them to institute a total 100% refund policy for anyone who cancels a trip overseas because of the fear of spreading hoof and mouth disease.

I believe the airlines could do this as a sign of goodwill. It is also good business practice. I do not believe they need an act of parliament to be able to do it. As an airline employee I will be calling my contacts tomorrow to see if indeed airlines like Air Canada can take the lead, become good corporate citizens and do their bit to help eradicate the disease in the country.

I should also like to send kudos to our agricultural critic, the member for Palliser, on his comments tonight on the disease. He and other members come from the prairie provinces. I come from a

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area with small farming in Musquodoboit Valley. For western producers it would be absolutely scary to see what they would go through. I can only imagine, as was mentioned before, that many of them are not getting very much sleep at night worrying about their livestock and what it would mean in terms of losses.

A few weeks ago we had an emergency debate on the farm crisis in the oil and grain seeds sector and what was happening to our farmers and other producers. We talked about the ramifications of trade deals, their losses of revenue, people leaving the farm by the thousands, and the young people not taking up agriculture. Can anyone imagine now what the livestock industry is thinking about and what it is going through? Again it makes anyone kind of wonder why a young person would ever get into agriculture of any kind.

We encourage young people to take up agriculture because it is a wonderful career and a great livelihood. It is something they can make money at and actually help feed the rest of the nation forevermore.

I also wish to say on behalf of the people of Nova Scotia that we have a tremendous amount of people coming from various points such as Iceland, England, Europe, the United States and other areas into the Halifax airport.

In a private conversation the member for Windsor—St. Clair suggested that many people in Windsor actually go to Detroit to fly overseas. When they come back to Detroit it is just a matter of getting in their cars and coming back again.

My suggestion to the government would be to ensure that it is extremely vigilant on all travellers coming in from the United States. We tend to have a fairly porous border where a lot of people come back and forth. To prevent the disease from coming into Canada, we must be extremely vigilant with all those entrants from the United States. A lot of our exports go to the United States. If hoof and mouth disease came into this country we know that border would be shut down in a heartbeat, which would have a devastating effect upon agricultural producers in beef and cattle.

We as a parliament must do everything we can to ensure that we convince and give confidence to our producers that we will support them in every effort we can to prevent the disease from coming in.

Any person with a heart would have to send their love and prayers to the people of England right now. There are horrific pictures of thousands upon thousands of what look like healthy animals being crated up with backhoes, put in a pit and burned. That is just not what is supposed to happen, but that is the only way they can prevent the disease from spreading.

• (2235)

Those are the types of pictures and newscasts that we do not want to see in this country. We should be doing all we can to assist

the people of Britain to ensure the disease does not spread. It is already in other parts of Europe. We should be doing everything we can to ensure it does not spread any further.

Education equals prevention. It has been said before that we must tell our embassies and consulates around the world to be ever vigilant in telling people what they must do when they come to Canada. Every person coming into the country must take responsibility to ensure they do everything they can to prevent the disease from coming in.

Again I wish to thank the member for Brandon—Souris for bringing forward this important debate. I also thank the Speaker for allowing us the time. I know we cannot take any questions or comments, but I want to thank you, Madam Speaker, for being here with us to listen to this important debate. By working together I am sure we can keep this terrible disease out of Canada.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Madam Speaker, they call it the isle of tears. It is also called the island of death. It is an island in the St. Lawrence, 50 kilometres downstream from Quebec City, called Grosse Île. This island was Canada's quarantine station from 1832 to 1937. It is where all the immigrants coming to Canada had to spend a quarantine period before they went on to Canada proper.

I mention this because I believe this debate on foot and mouth disease, and the problem and indeed crisis we are facing now, actually signals a larger issue, an issue that is going to perplex the next generation of Canadians. Indeed I think what we are facing with foot and mouth disease today is a symptom of a hazard that is the result of this global village that is occurring.

Let me first, Madam Speaker, just give you a little bit of history of Grosse Île. Grosse Île was set up in 1832 as a result of a cholera epidemic that broke out in India in 1826 and spread across the Middle East, arriving in Moscow in 1831. By 1832 it had reached Great Britain.

In those days people did not know much about disease. They only saw the impact of disease. It was called Asiatic cholera and people died in the thousands. The Canadian authorities faced with the great ships and sailing vessels that were coming over with the great waves of immigration were faced with the dilemma of immigrants coming into Canada who may or may not have been carrying diseases that may infect the rest of the population. What they did was erect at Grosse Île facilities for holding immigrants for several weeks and for sterilizing their clothing.

Madam Speaker, you can visit Grosse Île today. It is now being turned into a national park. You can see at Grosse Île the installations where the immigrants came. They were in a large building. They were forced to strip, take all their clothes off. Through one door they walked through a series of hot showers to wash them clean. Through another door their luggage was carried into a

primitive autoclave in which their clothing was sterilized with hot steam.

Despite that many people sickened and died at Grosse Île. They estimate about 20,000 Irish alone died as they tried to enter Canada in the years between 1832 and 1937.

• (2240)

The worst time was in the 1840s when this time it was typhus. Typhus is carried by lice. They did not realize at the time that this was the problem. They did know, however, that certain primitive sterilization procedures seemed to combat the disease.

The reason that story, this little bit of history, is significant is we move forward 60 years and what we find is that people come to Canada through our ports, but mostly through our airports with no quarantine period, with no thought of sterilization, with no concern up until this foot and mouth disease crisis that they may be carrying infectious diseases.

What this foot and mouth epidemic tells us is that we now have a situation in the global world we are living in, this global village, where diseases are worldwide. Today we are facing a crisis with respect to an animal disease which threatens to kill a large quantity of our agricultural industry. It has the potential of devastating our cattle industry. We have seen the pictures of course in Britain of thousands and thousands of animals being slaughtered and buried.

I must take a break and note that I am splitting my time. It is such an engaging topic that I actually would like to speak at some length because I am an historian and I am interested always in the way the past has instruction for the present and future.

The point I am trying to make is now suddenly Agriculture Canada, suddenly the government and suddenly the public are activated by this need to look at the security of our ports of entry when it comes to the possibility of infectious diseases arriving in the country. Suddenly we have an emergency on our hands.

I have listened to the earlier speakers and I am confident the government is doing all it can under the circumstances. I think what we are faced with now is a harbinger of further dangers to come, other dangers that may affect our food crops but other dangers that may also affect our people.

In my riding just recently we had a terrible scare where a person had come in from the Democratic Republic of the Congo and suddenly became ill. She showed all the symptoms of Ebola virus. She bled out of her pores and every symptom indicated that she was carrying one of the most highly infectious and most fatal diseases known to man.

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The happy story is that after she was put in isolation and all the medical expertise was applied to the situation, it was discovered that whatever it was, and they still do not know what it was, it was not this particular infectious disease.

What this says to us and what the foot and mouth crisis says to us is that we as a nation, we as a government and we as a people have to be aware of the fact that we are moving into a new century in which there is a new type of threat to national security. It is not enough to suddenly put together defences which involve mats on the floors of airport corridors that sterilize the soles of shoes.

We have to create a game plan that puts us in a position where we are prepared to respond to another crisis that might affect our food crops. There are diseases that affect rice and there are diseases that affect wheat. I do not want to sound alarmist, but there are also very scary diseases out there that affect humans.

I think one positive thing we can get out of this crisis that is facing us today is that we as parliamentarians and we as the Canadian public should support our government in setting up long term strategies that look at this problem in a long term fashion, and looks at it not only in terms of the agricultural industries but in terms of national security in the broadest sense.

We have to co-operate not only with other government agencies. It should not just be the department of agriculture because it happens to be a disease that affects cattle. It should be co-ordinated by Emergency Preparedness Canada and it should embrace all departments including Health Canada. It also should affect of course the way we train our customs officials. Even more than that, it is not just a national issue. It is not just a federal issue. It is a provincial issue.

• (2245)

I think the time has come when the provinces and the federal government have to get together. They have to talk and they have to develop strategies between them and share the costs that look to the security not only of our food supply, not only of our agricultural industries, Madam Speaker, but also to the security of the generation of Canadians to come.

Mrs. Sue Barnes (London West, Lib.): Madam Speaker, I am pleased to be among my colleagues in the House today and participate in a debate in which I believe the goals of all of us are the same. We really do want to prevent a tragedy happening in Canada, a tragedy that is taking place in other countries in Europe at this time.

We have to examine this not only from the point of view of what the government can do for me, what industry can do, what all of

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the agencies who will communicate the message can do, but what I can do. What have I been doing that might inadvertently harm Canada?

I think of the number of times I have come home through Pearson airport and ticked the form that shows I am not going to a farm in the next 14 days. I wonder to myself how many times after I have ticked that box I went to my cottage on the weekend. As I went to my cottage on the shores of Lake Huron I moved through the farm country in beautiful southwestern Ontario. I think of how many times I may have stopped at the local farm to pick up a dozen eggs or to walk along the paths in that area.

It is a rural area. I am an urban member. Most of the people in my riding would consider that they do not very often visit farms. I do not think this is true. We are very mobile in Canada. I think of all the school trips that my children have taken to a farm in the springtime. I think of what might happen this spring. Maybe this year we should not continue those innocent children's trips to a dairy farm or those school trips to visit barnyard animals. Maybe our farmers would be well advised to be a little more protective of their livelihood by keeping out people who are not necessary to the operation of their agricultural business.

There are world travellers who travel for business and pleasure and who come back to their places of employment and engage in normal conversation and contact with other employees who they know live in a rural environment. I think of how it would be wiser, maybe, to stay away from these people for the protection of all of us for a period of 48 hours, and how it would be wiser for sure not to visit with friends who we normally might visit with in the country during a time when we have just returned from a trip overseas.

These are things we can do. We have to be knowledgeable and not panic. As I walk over a mat coming through an airport from an overseas country, I might want to consider the other two pairs of shoes that might be in my luggage. Maybe before I come back into the country I should do something to disinfect those shoes. I know that customs officials have dogs that will likely, through their training and from scent, pick up manure or ground and dirt that could be on my luggage. However, there is something I could do. When I come home I could make sure that my clothes are dry cleaned and washed. I could wash my hair and use that 50:50 vinegar-water solution on those shoes or the outside of my luggage or whatever I care to do. I do not think we should panic, but I do think we can all do our part. We do not have to be experts, but we do have to take care.

Annually, tourism in Canada is a \$50 billion industry, with 70% of that tourism within Canada by our own citizens and 30% coming from the exterior into the country. We still have a travel deficit in our tourism. Maybe this is the year I could take a Canadian vacation and see this beautiful country from sea to sea to sea. I

could take along my children and show them what Canada means. Maybe it means a visit to Quebec. Maybe it means a visit to Atlantic Canada or to the north or out west. It is something that I could do and that other families could do.

• (2250)

I do not want to see devastation in the tourism industry. I know what will be happening in Britain this summer. I know that their rural paths are closed. I know that Stonehenge is closed. This is an economic tragedy, but it is a tragedy that must affect so many people's lives and so many different levels of their experience.

We can do something to prevent this tragedy from coming here. I think we have confidence in our government, in our farm organizations and in our communications materials. We are getting the co-operation of our print media, our airlines, our farmers, our veterinarians and our scientists. We are getting the projects through training and the implementation at our borders through the customs officials.

Many people are working toward the goal together. It is the partnership of civil society, the civilian population of the country, that at the most basic level is the most responsible party for making sure this disease does not enter our country.

We can do our share. I think it is incumbent on each and every one of us to look at our own decision making and our own actions and make sure that we are not accidentally the entry point when we can use very simple means of prevention, many of which have been outlined by members in the House tonight.

I am very grateful to the member who initiated the debate. I am pleased to work in the House in a collegial manner. I am pleased that we are finally talking about something that is worth getting up and speaking about.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Madam Speaker, it is a pleasure to rise this evening to address the issue of foot and mouth disease, a very serious issue and something that is of great concern to farmers and ranchers in my riding of Medicine Hat.

As you may know, Madam Speaker, and no doubt you do, Medicine Hat produces a tremendous amount of beef, a lot of which is exported to the United States. Not only is this a concern for people within Canada, but obviously if foot and mouth disease ever came to Canada again it would have a profound impact on our ability to export beef. Consequently it would have a huge impact on the economy in Canada. It is a multibillion dollar industry in Alberta alone and tens of billions of dollars when we talk about how it would affect the livestock industry right across the country.

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I do want to put this into perspective if I can. I have a press release in my hand from the Canadian Cattlemen's Association, a group that speaks for the industry. These individual members have a lot of stake. They are producers themselves. I think this puts it into perspective. The release states:

The Canadian Cattlemen's Association today reminded cattle producers that the risk of introducing Foot-and-Mouth Disease into Canada is minimal so long as the proper precautions are observed.

Then it goes on to describe some of the precautions people can take. It states:

"Many countries in the world have Foot-and-Mouth Disease and we have successfully kept it out of Canada for almost 50 years," says Carl Block, Chair of the CCA Animal Health Committee.

Carl Block comes from my friend's riding, from the Cypress area in Saskatchewan.

Mr. Block goes on to say:

With the heightened awareness of this disease and the increased surveillance taking place at points of entry into Canada, we may well be less at risk now than in the past when it was next to impossible to get travellers to take this disease seriously.

The release continues:

Block points out it is neither practical nor possible to ban the movement of people to and from countries where Foot-and-Mouth Disease exists.

He says:

Let's not forget we're not just talking about Europe. Foot-and-Mouth Disease exists in many countries around the world including India, China and parts of South America, Africa and Asia. We cannot shut ourselves off from the rest of the world.

Those are wise words. People need to put this in perspective. This disease has been around forever. We have managed to deal with it successfully by taking some simple precautions. Today, with such heightened awareness, we are taking far greater precautions and it should give people some comfort.

Having said all of that, we need to make sure that the precautions the government has announced are in fact being implemented. That is where those of us in the Canadian Alliance have some concerns. I trust members across the way do too. This is not a partisan issue. I think that people in the House want to make sure Canada is doing everything it can to block the spread of foot and mouth disease, which could obviously have a devastating effect on Canada or any country it enters.

● (2255)

There are really two things that we need to emphasize when we talk about what we can do. One is knowledge and the other is action. I would argue that if there is something the government could have done better and still could do better when it comes to

foot and mouth disease, it is to ensure that people know about foot and mouth disease, that they have the knowledge.

To a large degree, the government to this point has relied on the media to get its message out. I would argue that this is perhaps a little dangerous. When we rely on the media, what we tend to get is a very skewed and sort of hysterical view of what is going on. When people see the media, what they see are big piles of burning cattle. I think that frightens a lot of people. They should be concerned, but that does not really tell us the true story.

As the CCA is pointing out, this disease has been around forever. The chance of it coming to Canada is minimal if precautions are taken. The government should be advertising and letting members of the public know exactly what they can do to stop the spread of foot and mouth disease. The government should explain to the public that it is not harmful to human health, but that humans can carry the disease. The government needs to do that but it has not.

It has advertised in the past for things that were, I would argue, a little less essential. Now when we have a serious issue that Canadians need to know about, whether they are travelling to Europe or planning to travel to Europe or any other country where there is foot and mouth, or when it comes to preventing this from being spread if it ever does enter into Canada, people need to know how to prevent it. People need to know what precautions they can take on the farm and that kind of thing. The government should be advertising. That is one thing the government could do to really help, but it has not done that yet. I and my colleagues, many of whom are sitting around me right now, held a press conference the other day to emphasize that this is a positive step the government could take.

I came back from the U.K. a few weeks ago. One of the things that surprised me was that there were no signs in airports warning travellers to be aware that if they had been in a rural area in Europe or wherever they should declare, for instance, whether they had muddy shoes in their suitcases. To me that would be a common sense, simple thing that customs and revenue could do at airports. The shoes could come out, be put on the slurry mat and cleaned up with disinfectant. Then away the travellers go. It is dealt with.

However, there were no signs like that. Not only were there no signs, but when I went through customs I was not asked a question about that. I was asked pointedly if I had food. I was glad to hear them asking about that. However, they did not ask the important question about muddy clothing. They did not ask me if I had been to a farm. I did have to fill out a form stating whether I would be going to a farm, but they did not ask me if I had been to one.

Those are the sorts of questions that customs officials should be asking and up to this point have not been asking. We would sure like to encourage them to do that. That is a common sense step they could take.

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Officials should be letting schools know that there is a danger of children carrying foot and mouth disease if they go to Europe for some kind of school trip. In some cases there is money at stake and maybe the kids will go anyway. If they do go, they need to know what the precautions are. That is something the government could do. It could give the message to children.

The other thing is action. I have already touched on this to some degree. We need to make sure that we have all the slurry mats in place. We received reports just the other day that in a number of airports these mats were still not in place. That is not acceptable.

We have sent 10 veterinarians over to the U.K. to help them with the outbreak. This is great. I am glad we did that, but surely one of the things they found out was how easily this disease spreads. One would think that the government would talk to these people and learn from them that we should have the necessary precautions in place.

I do not understand why we would not have slurry mats in place with a vinegar solution on them to kill any foot and mouth disease. That is so straightforward. It is one thing for the government to announce these things, but it is another thing for government to actually implement them.

• (2300)

We must make sure we have slurry mats in place 24 hours a day in airports. I am sure members will be pushing the government to do so. When people get off a plane from a country where there is foot and mouth disease, especially the U.K. where it is seemingly out of control, they will pass over the mat.

I will talk briefly about British soldiers. CFB Suffield is in my riding. A lot of people are concerned about British soldiers bringing foot and mouth disease to Canada from the U.K. However the precautions they take are far greater than those a regular traveller takes. The equipment and clothing of the soldiers are completely disinfected not only on British soil but also at this end.

Today, as we found out, the system seems to work. Some vehicles arrived from the U.K., brand new vehicles that had never been to a rural area. They got as far as Montreal and were discovered to have mud on them. Our people, wisely, said it was unacceptable and sent the vehicles back.

I got a call from the British High Commission today. They are sensitive to the fact that I have Suffield in my riding. They said they were sorry and that it would never happen again. Apparently the vehicles were driven from the U.K. base on a lowboy trailer. As they drove to the port to be loaded on to the ships some mud splashed on them. It should have been dealt with at the port and that would have been the end of it. Unfortunately the vehicles got as far

as Canada, but our people caught the problem and wisely turned everything around.

All the clothing was disinfected. Everything else was done right. The system did work and we are assured the British will be more careful in the future and not let it happen again.

We are trying to offer common sense ways to deal with the issue. We urge the government to ensure the measures it has announced are implemented, because if they are not there is a potential for real problems. We certainly do not want see that.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Madam Speaker, it is an honour to participate in this emergency debate, a debate that has far reaching implications for the Alberta livestock industry and all parts of the economy of the country.

A number of weeks ago we had the supply motion on the state of agriculture. A lot of my research for the talk tonight was done in preparation for that supply motion. I am happy to say that a lot of positive things have happened and that we have seen the government move on this non-partisan issue.

The government has reacted to some degree to the concerns brought forward by agriculture and other affected groups in the country. However we always wonder if it is enough. It is a fearful disease but we believe, as my hon. colleague for Medicine Hat said, that we can minimize the threat by taking proper precautions.

This is the forth time I have stood in the House to voice the concerns of my constituents who have called and written my office on a daily basis. To say there have been hundreds of calls would not be an exaggeration. The letters and phone calls that have poured into my office, and the people who have visited in person, have all expressed absolute horror and fear about this infectious livestock disease.

Although I welcome tonight's debate I have reservations, given the lateness of the hour, about how effective it will be in disseminating this important and necessary information. I challenge members from all sides of the House, particularly those who live in predominantly rural Canada where the business sector relies on a strong livestock industry, to take the debate to the constituencies, to their home towns and to townhall meetings to meet the people who are most concerned about it.

Last week I took the initiative and arranged townhall meetings throughout my constituency beginning next Wednesday in Stettler, which is the most central location in my riding. That evening guest speakers will include a representative from the cattlemen's association and an import-export specialist from the Canadian Food Inspection Agency.

• (2305)

I applaud the government. Tonight we heard a number of members say they did not want to be partisan on the issue. There were reservations about the government allowing the Canadian food inspection agent to come to my riding. However he has been granted the go ahead and will be coming to Stettler on April 11. On the following evening of April 12 he will be in Camrose, the largest urban riding in my constituency of Crowfoot, for another educational forum on this infectious disease.

The best and the most effective way to reach the people of Canada and our constituents is to go to them. We cannot conduct a two way dialogue in the House with the people who are most impacted by the decisions we make and the courses we chart. Our constituents may have specific questions and very plausible solutions. The only way to hear their opinions and address their concerns is to meet them in person.

I therefore urge all members of the House to follow the lead and host townhall meetings during the breaks. I encourage them to put the disease at the forefront of newsletters to their constituents and point out the seriousness and the threat it presents to the Canadian cattle industry.

As I have stated on more than one occasion in the House, and in local papers throughout my riding during the last couple of weeks, farmers are plagued with problems that negatively impact their industry and their ability to produce safe and fine quality foods. We certainly do not need to import a problem that could decimate an already fragile agricultural sector. Precautions must be taken to stop foot and mouth disease from entering this country.

As I have just stated, I receive on a daily basis constituents from throughout my riding who express their concerns about the disease. I empathize and share their anxiety. The largest portion of Alberta's agricultural income comes from the cattle industry. It would be absolutely devastating to the financial well-being of our province and our country if this virus were to attack our cattle.

It would go far beyond the cattle industry. It would affect the whole economy of the country. It would affect the entire agricultural sector. It would affect tourism. It would affect the rural way of life. It would affect the family farm.

As many of my colleagues have already noted, according to livestock industry experts the estimated cost of an outbreak of this disease could be higher than \$20 billion in the first year alone.

To fight the 1952 outbreak of foot and mouth disease in Saskatchewan, which affected only 42 farms, we had to put down 1,300 cattle, 300 pigs and 100 sheep. The cost to the Canadian taxpayer and the federal government was \$1 million. In today's economy the cost would be close to \$7 million for the same 42

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farms, and we would be unlikely to contain it to 42 farms. In my constituency there are more than 42 farms in some of the smaller counties alone.

The United Nations food agency has cautioned that no country is completely safe from foot and mouth disease. This is due to a number of factors such as increased international trade, increased international tourism, and the movement of animals and animal products.

Three weeks ago the huge concern in my riding was with the military coming in. The military has understood the concerns about the disease and has reacted to them. It has listened to people's concerns and has moved to rectify the problem. However we still need to take precautions.

Foot and mouth disease was, according to news reports and the Canadian Food Inspection Agency, confirmed in the United Kingdom on February 20. It was confirmed in France and Argentina on March 13. Since that time it has moved into the Netherlands and Saudi Arabia and the whole of continental Europe. Foot and mouth disease is extremely serious. It is one of the most contagious of all animal diseases which causes losses in the industry.

• (2310)

Canadian animals are very susceptible according to the Canadian Food Inspection Agency. If an outbreak occurred, the virus could spread rapidly to all parts of the country through routine livestock movement. Unless detected early and eradicated immediately, losses could reach billions of dollars in the first year alone.

We have talked about wildlife. The member for Cypress Hills—Grasslands spoke about the deer, elk and bison and what would happen if infections were carried in them. They would remain like a reservoir for the virus.

Last week the Canadian Cattlemen's Association was here in Ottawa. I had the pleasure of meeting with Dave Salverson, Wilbur Stewart, Kevin Boone, Arno Doerksen and others from Camrose who were very concerned about the outbreak of foot and mouth disease.

Western Canadian ranchers are nervous about the potential of a Canadian outbreak, but their largest fear is that even if it was to come into continental North America, the United States, the borders would be closed. Protectionism would come in and it would negatively affect the industry.

With 50% of our beef exports destined to the United States, western cattlemen say their industry would take a huge hit if their market was closed. The cattle industry is one of the bright spots of Canadian agriculture. We enjoy extremely good beef prices such as we have not seen for a long time. Roughly one in two Canadian

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steers heads to external markets. Canada does not have a domestic demand like the United States.

We must protect and safeguard the disease from coming in. I implore the government to take every precaution necessary and to ensure that those precautions are stringently being enforced to prevent foot and mouth disease from entering Canada.

What can we do without causing the whole country to break into fear? First, we need to be sure that the public is educated. We need to see posters. Every person travelling internationally needs to have a brochure to understand this type of disease. We need to be sure that travellers understand the ramifications of breaking the law and bringing in, as the hon. member from the other side said, meat and dairy products from other countries. They need to understand that it is severe.

I also implore the government to have a plan ready that the cattle industry would understand. It would help people to realize that they have a government that is listening.

We can combat the disease and we can prevent it from coming into the country by taking safeguards. We need to minimize the threat, but we need to realize how severe it is.

Next week is Emergency Preparedness Week. Communities will be discussing recovery plans from severe weather, fire, flood and other things, but there is nothing that may have as large an impact on society as this disease. We cannot afford to wait. We must be prepared if it strikes.

I thank the member who brought the debate to the House tonight. I believe it is the issue that many Canadians see on the media every night. I appreciate the motion as it was brought forward and the opportunity to come to the House to speak to it.

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Madam Speaker, in view of the late hour I will only speak for a few minutes. It is a very serious issue and I appreciate that many members have participated in the emergency debate this evening.

I wish to make sure that my colleagues on all sides of the House realize that in my northern Ontario riding there is a lot of agriculture. There are dairy farmers in the Algoma district, the western areas of the Sudbury district near Massey, the Lee Valley

area, and over to Manitoulin Island. We have a surprisingly large number of dairy farmers. In addition others raise beef cattle. On top of that vast tracts of land in my riding are a habitat to moose and deer. The tragedy of the foot and mouth disease raging in the U.K. right now hopefully will never reach our shores. If it does, we have to protect, not only domestic animals that are husbanded by our farmers but the wildlife which is also our responsibility.

• (2315)

I received some comments from constituents such as Mr. and Mrs. Hoback of Thessalon who expressed their concern. Bill Orford, a farmer on Manitoulin Island, has also expressed concern. They wonder whether we should close our borders to tourists.

I am not sure we are at that stage yet but I think the government is prepared to look seriously at the problem and we will see what happens. We know we need to protect our agriculture and the tourism industries. We have a very responsible government. I am sure that members on all sides are will put partisanship aside.

As we witness the unfolding of this crisis in Europe, England and Argentina it is something like a volcano. We cannot plan for volcanoes but when they happen they come fast and furiously. Hopefully this will not be a volcano but it could well be.

I wanted to say a few words in support of the government's efforts so far to protect Canadians, Canadian agriculture and Canadian wildlife. Today we saw a British ship, which was bringing in equipment in support of some British troops training at Suffield, turned back because the equipment had soil on its tracks and tires.

The government takes the matter very seriously and I am pleased to participate, albeit briefly, late this evening.

The Acting Speaker (Ms. Bakopanos): There being no further members rising, I therefore declare the motion carried.

(Motion agreed to)

The Acting Speaker (Ms. Bakopanos): Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 11.17 p.m.)

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