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OFFICIAL REPORT
(HANSARD)

Wednesday, April 25, 2001

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, April 25, 2001

The House met at 2 p.m.

Prayers

• (1400)

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

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

STATEMENTS BY MEMBERS

[*English*]

SUMMIT OF THE AMERICAS

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, in a democracy we have the right to protest but we must obey and respect the law.

Those people who protested peacefully at the summit of the Americas in Quebec City were exercising their democratic right. However, those people who thought protesting meant throwing bottles, bricks, pucks and iron were nothing more than hooligans and anarchists.

I want to highly commend our police services, especially the Royal Canadian Mounted Police, the provincial police and the local municipal regional police forces for an outstanding show of restraint, discipline and professionalism.

Just for a moment, imagine how police in most countries in the world would have acted if faced with those violent protesters, coupled with the heavy burden and task of protecting 34 heads of government. We can only imagine.

Our police services are second to none in the world. They deserve the gratitude and thanks of a very grateful nation.

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PALLIATIVE CARE

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, recently the Dutch parliament passed a law that formally allows a

medical doctor to euthanize a patient. This action will set back palliative care, which seeks to make the end of life as comfortable as possible and breaks the traditional role of doctor as helper.

My first duty as a surgeon was to do no harm. The Hippocratic oath forbids any physician from practising euthanasia. Having practised medicine for 25 years, I personally dealt with terminal patients over and over again. By creative use of drugs, companionship and kindness, we always found a way to comfort those patients.

Canada needs to concentrate its resources on palliation for terminal patients. Our patients deserve the best care, not the most expedient.

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[*Translation*]

ROGER GARCEAU

Mr. David Price (Compton—Stanstead, Lib.): Mr. Speaker, we were saddened last Thursday to learn of the death of Roger Garceau. He had been battling lung cancer for some months.

This well known actor made an impression on us with his roles in several TV serials, including *Symphorien* and *Les forges de Saint-Maurice*. He also appeared in more than 150 theatre roles.

His talent, enthusiasm and generosity will be greatly missed by Canadians. His significant contribution to our cultural history will be a lasting legacy.

On behalf of my colleagues and myself, I want to offer our sincere condolences to Mr. Garceau's family and friends at this sorrowful time.

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• (1405)

[*English*]

NUCLEAR INDUSTRY

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I rise in the House today to recognize that Thursday, April 26 will mark the 15th anniversary of the Chernobyl disaster.

Early that morning an explosion occurred in Reactor 4 of the Chernobyl nuclear power plant. The release of radiation was almost a million times greater than the release at Three Mile Island. As a result of this accident, 125,000 people have died, 70,000 people

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have become disabled and tens of thousands of hectares of once fertile land are now barren.

In compliance with the memorandum of understanding that was signed in Ottawa in 1995, the Chernobyl facility was closed on December 15, 2000. In return, the signing countries provided much needed financial and technical support to the government of Ukraine. Canada's contribution of \$50 million was used to fund the shelter implementation plan.

I know that the Canadian government will continue to support the recovery of the Chernobyl area and I ask that hon. members and all Canadians take a moment to remember all those affected by this disaster.

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[*Translation*]**RIDING OF BROME—MISSISQUOI**

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, in July 1609 Samuel de Champlain discovered the large lake that now bears his name, Lake Champlain. I am proud that this discovery of one of our great explorers is located in my riding of Brome—Missisquoi.

Samuel de Champlain was a true builder, a man who did everything possible to make his dreams a reality

In our ridings, and I am thinking of my own riding of Brome—Missisquoi in particular, we are surrounded by men and women who work just as hard for the development and growth of rural communities.

For instance, two municipalities in Brome-Missisquoi, Stanbridge East near Lake Champlain and Lac Brome, have recently been honoured in the community beautification competition "Fleurir le Québec". They had more than 260 competitors in this prestigious competition.

I congratulate all those involved directly or indirectly in these community beautification projects. In their own way they too are builders who bring a new face to our rural areas with their creativity and dynamism.

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[*English*]**PARKS CANADA**

Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, park wardens in our national parks have a proud tradition of service. The decision by Parks Canada to replace wardens with RCMP officers at double the cost of fully training and equipping a park warden does not resolve the problem of unsafe working conditions. Issuing shotguns to patrolling war-

dens only heightens the potential for violence when a non-confrontational approach is needed.

The problem is that you cannot look at the activity to determine the danger. Risk is determined by a subject's behaviour. Therefore, being told to back away by Parks Canada management is not appropriate.

The pending decision to locate a detachment of RCMP officers in every national park in Canada is costly and unnecessary and, in the case of Ontario and Quebec, an unacceptable intrusion into provincial jurisdiction.

The Minister of Canadian Heritage should do the right thing and allow park wardens the right to bear sidearms.

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PRINCE OF WALES

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, today Canadians welcome His Royal Highness, the Prince of Wales, to Canada. His Royal Highness is an inspiration to many, a caring and loving father, a champion for social justice and a gracious humanitarian.

He is respected for his strong conviction that we all share a duty to care for the natural world and to use natural resources in a way which can be sustained for future generations.

On behalf of my constituents and all Canadians, I wish to extend a warm and heartfelt welcome to the Prince of Wales.

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[*Translation*]**VOLUNTEERS**

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, this week Pearl Dugas will be one of the 60 persons honoured in Ottawa as part of the International Year of the Volunteer.

Ms. Dugas has been a social worker for 10 years and works as a volunteer administrator for the Société d'aide au développement des collectivités de Ville de la Baie, where she works developing businesses in rural communities.

She also served as the president of the Société de développement de Saint-Félix-d'Otis for four years and helped organize rural economic summits.

I have no doubt that the contribution of volunteers is essential to the development of modern Quebec. In their exceptional work they devote themselves body and soul to improving their community.

On behalf of the regional caucus of the Bloc Québécois in Saguenay—Lac-Saint-Jean—Côte-Nord I pay tribute to the generosity and devotion of Pearl Dugas.

We offer our hearty congratulations.

• (1410)

SECRETARIES DAY

Ms. Diane St-Jacques (Shefford, Lib.): Mr. Speaker, every year the return of the lovely days of April brings a very special day, Secretaries Day.

Today I want to tell the House why this day is set aside in their honour in recognition of the important work they do.

In all sectors, private and public, the people in these positions are devoted. The work they do in their job obviously helps expand our job market.

Over the years the image of the secretary has changed somewhat. Room has been made for men in this job as well. Regardless of the gender of the person in the job, on this day, I say for all to hear "Behind every manager is a great person known as a secretary".

I pay tribute to the excellence of your work and wish you a happy Secretaries Day.

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[English]

WORLD ATHLETIC CHAMPIONSHIPS

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, the countdown begins today. In 100 days from now over 2,000 athletes from over 200 countries will meet on a field of contest unequalled on earth, an event surpassed in size and grandeur only by the summer Olympics and soccer's World Cup.

The 2001 World Championships in Athletics are coming to Edmonton, the city of champions.

Mr. Speaker, you might ask exactly who is invited. Why, you are, Mr. Speaker, with your family and friends, as are my colleagues from all parties and of course all Canadians, along with visitors from around the globe.

It is 100 days and counting until the world arrives in Edmonton. I invite everyone to Edmonton for the opening ceremonies on Friday, August 3 and I invite everyone to join in the fun.

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DISASTER AID

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, the 1998 ice storm paralyzed a number of communities in Ontario and exacted an enormous economic cost.

The Government of Canada has worked hard to assist communities and individuals to recover from this disaster.

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Today the hon. Minister of National Defence reinforced the Government of Canada's commitment by announcing a third payment of \$50 million to the government of Ontario through the disaster financial assistance arrangement program.

This payment brings the total financial assistance provided by the federal government to the province of Ontario to \$105 million.

The payment demonstrates our government's commitment to ensuring the well-being of all Canadians and our guarantee that we will provide assistance for each step on the long road to recovery.

* * *

FIREFIIGHTERS

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, as all of us know, the firefighters are here for their annual lobby on Parliament Hill.

I urge the government to act on their request, particularly with respect to the increased pension accrual rate and with respect to the death benefit for survivors of firefighters who are killed or permanently injured on the job.

They have come here year after year to be told by Liberal backbenchers that they are in support of what the firefighters are requesting. They are told that by other members.

This is a test for us as parliament. If a majority of us support what the firefighters are requesting, then let the government act on what they are requesting. Let us see some progress for these people who come here year after year requesting these changes.

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[Translation]

PREMIER OF QUEBEC

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the Bloc Quebecois would like to congratulate the premier of Quebec, Bernard Landry, for his remarkable attitude in a difficult context, considering that the Quebec national government was prevented by the Government of Canada from formally taking part in the summit of the Americas held in our national capital.

Showing a composure that is the trademark of true heads of state, the premier of Quebec nevertheless seized this opportunity to hold bilateral meetings with other heads of state from the Americas, thus strengthening the harmony that governs our relations with our neighbours in the south.

Mr. Landry also used the forums at his disposal to brilliantly explain why Quebec sovereignty was necessary and to discuss the FTAA in a context where trade between nations of the Americas and of the whole world is increasingly based on the strong and

Oral Questions

serene affirmation of national identity and on the respect of democratic values.

Bloc Quebecois members are very proud of their premier.

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[English]

FALUN GONG

Mr. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, the recent witness testimony and documentary evidence, both national and international, demonstrates that the violations of human rights in China continue unabated, particularly with regard to violations of the rights of the Falun Gong.

These include, first, the criminalization of Falun Gong itself for nothing other than espousing the values of truth, compassion and tolerance, thereby violating their fundamental rights to freedom of conscience and beliefs, freedom of assembly and association, and freedom of expression and information.

• (1415)

Second, the arrest, detention, torture and imprisonment of Falun Gong practitioners for nothing other than exercising their rights as guaranteed under Chinese and international law.

Third, the abuse of psychiatry for political purposes on a scale unseen since the dark days of the Soviet Gulag.

Accordingly, I would like to join my voice with parliamentarians in this country and around the world who have called upon China to rescind the criminal ban on the Falun Gong, release political prisoners, such as ShenLi Lin, husband of Canadian citizen Jinyu Li, and cease and desist from the abuse of psychiatry for political purposes.

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ORGAN AND TISSUE DONATION

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, from April 23 to 29 many people will be wearing a small green ribbon. This symbol represents Canada's National Organ and Tissue Donation Awareness Week.

It is vital to the success of our organ and tissue donation program that Canadians be made increasingly aware of the importance of their participation.

More than 3,700 Canadians are waiting for organ transplants, kidneys, hearts, lungs, livers, and thousands of others are in need of replacement core tissues, such as corneas, heart valves, bone grafts and skin. The success rate of such surgeries is upward to 90%.

I urge all Canadians to give serious thought to organ and tissue donation, complete a donors card and make sure their families are aware of their wishes.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker,—

Some hon. members: Hear, hear.

The Speaker: Order, please. I know there is a lot of enthusiasm in the House today but we do want to hear the hon. Leader of the Opposition's question.

Mr. Stockwell Day: Mr. Speaker, I am deeply honoured by the support of my colleagues and surprised at the support from the Liberals but I do appreciate it.

It was only yesterday that we learned that one of the biggest high tech employers in Canada has laid off another 2,500 workers. Every day we get reports that growth in the economy is slowing down. The dollar is in difficulty. There is neglect by government. Consumer confidence is down. Even the auditor general some time ago asked the question: Who is minding the store?

What specific steps are being taken to restore the confidence of Canadians in the economy?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first, let me simply say to the Leader of the Opposition that he should not be a bit surprised by the great support that the government has for his position and his remaining in that position.

In terms of who is minding the store, when the store was being minded by somebody else here in the House, yesterday the Prime Minister gave the following quote, which answers the hon. member's question. This is a quote from the IMF. It says "The strong policy framework in place has positioned the real and financial economy to cope with any new major economic shock". Then, the IMF goes on to say "The Canadian authorities are to be highly commended by their policy accomplishments".

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister and the Minister of Finance love to talk about the IMF. I am sure that pleases certain bankers and others.

However, I wonder if the minister is aware what Canadians said recently in the Minister of Finance's own polling conducted by the folks at Earncliffe. The poll shows that only a third of Canadians feel that they are better off now than they were four years ago.

Never mind what the bankers are saying. They are delighted with the interest payments that keep coming from a government that neglects debt, but only a third of Canadians think they are better off than they were four years ago.

Oral Questions

What is the government doing in specific steps to restore consumer and investor confidence?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member perhaps ought to go back to his numbers. Real disposable income in Canada is up. In fact real disposable income per family is now at a record level in Canada.

• (1420)

The hon. member talks about interest rates. Interest rates are now down substantially. In fact, as a result of the interest rate reductions now, a typical family with a mortgage has \$750 more in their pocket now than they would have had three to four months ago.

Despite the fact that there is global volatility, problems in Japan and in the United States, if we take a look at the Canadian economy, while signals are mixed, we—

The Speaker: The hon. Leader of the Opposition.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I prefer to use the numbers of the Minister of Finance. His own polling shows that only a third of Canadians feel they are better off now than they were four years ago.

I wonder whether the Minister of Finance or the Prime Minister could tell us, in terms of the accountability that comes from having to table a budget, how many of the presidents from the Americas who were present in Quebec did the Prime Minister or the finance minister advise that we do not need to have a full and accountable budget month after month, maybe up to 24 months? How many presidents did they advise to say that was good policy?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, at the meeting of the finance ministers of the western hemisphere, two weeks prior to the Quebec summit, we did discuss this. The vast majority of the finance ministers said that it was a remarkable turnaround the Canadian economy had seen with the elimination of the deficit, the largest paydown of debt in Canadian history and the largest reduction of taxes in Canadian history.

In fact, most of the finance ministers would have agreed with the conference board today which said that the first quarter of 2001 was one of those rare moments in history when a huge dose of fiscal stimulus was actually occurring at exactly the time that it was needed.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, the finance minister talks about a huge paydown in debt. He has paid down less than half of the amount of debt that he added to the national debt.

Today we learned from Statistics Canada that the leading economic indicator has dropped for the fourth straight month. We also know that retail sales have slipped. Manufacturing shipments are down by 19% over the past four months.

How can he continue to talk about a rosy scenario when all the economic indicators are on a downslide?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I have made it very clear that the signals are mixed. In fact we are monitoring the situation very closely.

I just think that it is really incumbent upon the hon. member as well to be balanced and not to be fear mongering. He talks about retail sales. He is wrong. Retail sales were up 1% above the fourth quarter of the year 2000. His facts are wrong.

As far as the payment of debt, the Alliance Party recommended that we pay down debt by an average of \$6 billion a year. The fact is that we have paid down debt by \$7 billion on average over the last four years, \$1 billion more than it ever thought it could do.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, wrong again. We proposed a legislated minimum of \$6 billion a year, which would add up to a whole lot more, with 75% of unanticipated surpluses going to debt reduction.

The minister talks about the IMF report which reported that over the last three years our productivity growth has been about a third of the productivity growth in the United States.

How can the minister continue to say that Canada is leading the world when in fact our major trading partner sees its productivity growing three times as fast as here in Canada because of his high tax high debt policies?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I just want to understand this legislated debt paydown. Is that the legislated debt paydown that the then Alberta treasurer, now Leader of the Opposition, brought in when he was the treasurer of Alberta and then had to amend six months later when he could not hit the target? Is that what he is talking about?

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[Translation]

FRANCOPHONE AND ACADIAN COMMUNITIES

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the new minister responsible for official languages has inherited quite a challenge.

Assimilation is taking a heavy toll on Canada's francophone and Acadian communities, despite the courageous efforts of these communities. According to Statistics Canada the rate of assimilation is constantly increasing and stood at 36% in the last census.

If the minister truly wants to change this state of affairs, and I hope he does, and come up with solutions, will he first admit that he must recognize the problem of assimilation from which these communities are suffering, rather than deny it, as the federal government has for too long done?

Oral Questions

• (1425)

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the government has never denied that there were problems and we intend to do everything necessary to correct the problems that have been identified.

I simply wish to say that I will be very pleased to receive any advice the member has to give as a parliamentarian, but his political party, with its plan to establish an international border between the francophones of this country, lacks all credibility in this regard.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, those who have no credibility are those who make such remarks because, if there are problems, they are attributable to the federal government, even with Quebec still in the federation. The sovereignists have undertaken to recognize and maintain the rights of Anglo-Quebecers in a sovereign Quebec.

When the minister implies, and this is too often the case with federal ministers, that communities would no longer have rights without Quebec, is this not blackmail, because these communities should have collective rights, whether or not Quebec is there, because these communities exist in their own right in Acadia and throughout Canada, whether or not Quebec is a member of the federation? This is blackmail.

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, it stands to reason that the worst thing that could happen to the francophones of this country would be to find themselves divided by a move to separate, which in no way serves their interests.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, before we hear about blackmail, let us talk about the best thing that could happen to francophone and Acadian communities.

The commissioner recognizes that the best services to minority communities are provided in Quebec. Anglophones have health, cultural and educational services in English.

Will the minister pledge to propose to the provinces to provide services for francophones and Acadians that are equivalent to those provided to anglophones in Quebec? That would be best. Will the minister deal with this issue?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, it is all together that francophones will succeed in promoting the cause of French in Quebec, in Canada and all over the world.

This will definitely not be achieved by a political party that called francophones outside Quebec dead ducks, francophones-poof and paraplegics.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, when I hear the minister continuing to resort to blackmailing these communities, when I hear the Prime Minister say that if there were problems it is because of cuts, I wonder how he explains the cut of \$100 million that he made to his official languages support program, while at the same time investing \$60 million to create the Canada Information Office, which is mostly active in Quebec.

Would it not have been better to use that money to help communities in anglophone provinces across Canada, communities that are in need and do not have access to the same services as Anglo-Quebecers in Quebec?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, for the first time in human history, the number of languages in the world is diminishing instead of increasing.

For the first time in human history, a language, English, will become an international language to an even greater extent than Latin was in antiquity.

Canada is the one country in the world that has shown the way to linguistic pluralism. We have shown that we were right to do so.

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[English]

THE ECONOMY

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, according to the Toronto Dominion Bank, the government's policy to accelerate economic integration with the U.S. means Canada might just as well abandon its own currency and just cede control of its monetary policy to the Americans. That is where the Prime Minister's love affair with the FTAA is leading us.

Canadians need to hear loud and clear that the government categorically rejects this recipe for Canada's demise. Will the government give that assurance today?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the leader of the NDP has somewhat misread the article.

The document by the Toronto Dominion Bank said that dollarization would not be the appropriate policy at this time. It then went on to say "However, it might be at some future time".

If what the hon. member wants is a categorical refusal to go the dollarization route, if what the hon. member is looking for is a reaffirmation of this government's intention to maintain monetary sovereignty, I am delighted to say that is exactly this government's policy.

Oral Questions

• (1430)

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, within 10 years does not seem like much of a future, far off date.

The finance minister mouths words about maintaining control of our currency, yet the government cannot change the rules fast enough to weaken our ability to do that with changes to the financial services act and through propelling us further into an ill conceived FTAA.

The government promises to maintain our currency and systematically erodes the very foundation of the Canadian dollar. Is the government doing this in total ignorance or is it sheer hypocrisy?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, given the positions that have been taken by the NDP and given those criteria and the elements one requires to have monetary sovereignty, it is a little hard to understand her question.

The fact is that elimination of deficits and the pay down of debt are part of that. The NDP has opposed that. Reduction of taxes is a part of that. The NDP has opposed that. In fact in all areas where the government has sought to invest to support the new economy, research and development and regional development, all areas which would build the new economy, the NDP has consistently taken a position of voting against the government.

The fact is that her positions taken in parliament—

The Speaker: The right hon. member for Calgary Centre.

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BUSINESS DEVELOPMENT BANK OF CANADA

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Deputy Prime Minister. The Business Development Bank asked Justice Silcoff for an order that included the destruction of documents. That is a very unusual request, and the judge refused it.

Why did the crown corporation request the destruction of documents? Was the Prime Minister or anyone on his behalf involved in any way with the decision to ask the court to order the destruction of documents?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, neither the Prime Minister nor his staff was involved in any effort to get a court order on this matter. I challenge the accuracy of the hon. member's remarks about destruction of documents.

In any event this was done by the bank, an arm's length agency from the federal government. The Prime Minister was not involved.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, I have another question for the Deputy Prime Minister. The Business Development Bank documents confirm that its own loan

analysis showed that the Auberge Grand-Mère loan was very high risk.

When the Prime Minister was lobbying the Business Development Bank on behalf of Mr. Duhaime, was he advised of that unusually high risk? If he knew that this involved such an unusual risk of public funds, what special circumstances caused him to press for this loan?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it has been put on record many times that the decision was made within the bank according to its usual practices.

A validation of the decision by the bank is through the fact that the local caisse populaire and the Fonds de solidarité des travailleurs du Québec looked at this project and decided to share in its financing. They were not linked in any way with the Prime Minister who made representations properly as a member of parliament.

The decision was made within the bank. It was validated by the caisse populaire and the worker solidarity fund. If the hon. member wants to attack these arm's length bodies, it shows just how weak and empty his arguments are in this matter.

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ETHICS COUNSELLOR

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, speaking of Shawinigate, the ethics counsellor has shown his love of travel. As a matter of fact, other than Canada, he has visited 22 countries in the last three years, all at taxpayer expense.

Could the minister explain how the ethics counsellor can find many international destinations but does not seem to be able to find the Prime Minister's riding in Quebec?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member has now found a new way to sink to a new low, attacking the integrity of a distinguished public servant. He ought to be ashamed of himself. He must have travelled a long way to get even deeper in the mud than he is already.

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Quite the contrary, Mr. Speaker. The call is for an independent public inquiry. We have the ethics puppy dog who has been to South America, Australia, China, and Europe, all on the taxpayer dime. He has never found his way to Shawinigan, Quebec.

This is why Canadians are demanding that we have a full independent public inquiry. When will we get it?

• (1435)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, there is no need and no basis for the kind of inquiry sought by the hon. member. The ethics counsellor, a distinguished permanent

Oral Questions

career public servant, has looked into the matter and found no breach of ethics. The RCMP has looked into the matter and found nothing to go on.

I see the desperation of the Alliance Party by this renewed attempt to detract attention from its own implosion and disruption in trying to raise this matter rather than conditions and questions of interest to Canadians. Why does it not get back on track before it disintegrates completely?

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[Translation]

PRIME MINISTER

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, yesterday the Minister of Industry made the statement that the lease between the Auberge Grand-Mère and the golf club was a forgery. He has now had 24 hours to verify that the lease is genuine.

How can the government justify the letter sent by the Prime Minister to the Conservative leader with statements to the effect that there was no connection whatsoever between the auberge and the golf club and that, on the contrary, they were competitors, whereas once again the lease proves exactly the opposite?

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

The ethics counsellor reported on this matter and clearly stated in a press release dated March 1, 2001, in connection with the company, in which the Prime Minister had an interest, as follows:

The company sold its interests in the Auberge Grand-Mère to Mr. Yvon Duhaime. This company was paid in full by the summer of 1993.

Therefore, there were no continuing financial links between Mr. Duhaime and the Prime Minister after the middle of 1993.

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I think the Deputy Prime Minister is playing the wrong tape.

The Shawinigan property registry—here I am talking about a lease, so let the Deputy Prime Minister not answer about something other than the lease—indicates the existence of a lease signed in 1988, but has no indication of that lease being terminated before it expired in 1998.

Will the Deputy Prime Minister finally admit that the existence of this lease clearly demonstrates that the Prime Minister was in a conflict of interest situation?

Hon. Herb Gray (Deputy Prime Minister, Lib.): No, Mr. Speaker, absolutely not.

[English]

HEALTH

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the Minister of Health will know that one of the concerns surrounding this billion dollars for new equipment for Canadians is that the money is allegedly being used not to buy the needed new equipment but to pay for existing orders, equipment that had already been ordered and would have come anyway. In other words, some of the billion dollars is not buying new equipment.

Could the minister could tell us if he could do anything to ensure that Canadians actually get a billion dollars worth of new equipment that they would not have had otherwise?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the member raises a very good point. It was part of the agreement last September that as the Government of Canada provided the billion dollars and left it to the provinces to exercise their judgment about what equipment to buy, they would report to the public on how they spent that money so the public could see that it went for new equipment.

I am writing my provincial counterparts to ask them to now report to the public on how that money was used so we may all see that it went to new medical equipment.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, this question is particularly critical in light of some of the recent concerns raised by radiologists, for example, saying that tests are not only unreliable but there may need to be some legal warnings to patients that they are not getting good results from equipment.

Could the minister tell us the time line he has in mind for Canadians to know exactly what they are getting for this expenditure?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I will ask the provincial and territorial ministers of health to respond as soon as possible. Obviously I will make their responses public as they have undertaken to tell the public how they are spending that money.

● (1440)

The government believes strongly that Canadians, no matter where they live, have the right of access to the finest, the best, the most effective medical equipment and treatment and need settle for nothing less. That was our objective in putting that money on the table.

[Translation]

GASOLINE PRICES

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, while the oil companies continue to accumulate huge profits and we witness real collusion, the prices at the pump continue to rise.

The former Minister of Industry could come up with no better idea than to order a study by the Conference Board, where the oil companies are represented. As we expected, it produced nothing.

The public wants the government to take strong action against the oil companies. Will the government finally admit that its study is worthless? While they studied and pussyfooted around, the prices kept rising, and the oil companies made unconscionable profits.

[English]

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the study that was undertaken by the conference board was obviously a very independent and professional study. I would point out that the conference board includes in its ranks a number of eminent organizations from the province of Quebec, including the Quebec department of natural resources. The study should have some credibility on that basis.

The issue of the regulation of consumer prices of petroleum products is very squarely within the jurisdiction of the provinces, not the Government of Canada but the provinces. I would like to know from the hon. gentleman if is recommending a federal intrusion in provincial jurisdiction.

[Translation]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the government, the Minister of Natural Resources can think of nothing better to say than increases are inevitable and others are to blame. In the meantime, truckers, taxi drivers, farmers and low income households continue to pay exorbitant prices.

Will the minister acknowledge finally that, instead of preaching resignation, he should consolidate the provisions of the Competition Act, which by the way is a federal jurisdiction, to bring the oil companies into line once and for all?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, we have the competition bureau to receive evidence. If there is evidence, it should be passed along to the competition bureau.

However, regulating the retail price of gasoline is a provincial matter. If the member is serious with his question, why does he not approach his colleagues in Quebec to get this matter settled?

Oral Questions

GASOLINE TAXES

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, in 1999-2000, the government accumulated revenues of about \$333 million by imposing a tax on a tax.

Indeed, the GST is imposed on the federal and provincial taxes on gasoline.

My question is for the Minister of Finance. Will he finally correct that injustice by eliminating double taxation on gasoline?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the hon. member surely knows, this is an issue that was raised vigorously here and that was examined by several of our members, including the hon. member for Pickering—Ajax—Uxbridge.

We did the necessary review. We talked to small retailers and companies. They told us that if we went ahead with that measure, it would really create an administrative nightmare for them and that it would be better to leave things as they are.

As I told the hon. members from our party, we continue to look at the situation.

[English]

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, in 1995 the government raised the federal excise tax on gasoline by 1.5 cents per litre in order to fight the deficit. That battle has been over yet Canadians are still paying that tax, over \$700 million in 1999-2000 alone.

Will the Minister of Finance do the right thing and eliminate this needless tax?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if we look at the taxes on gasoline they are substantially higher at the provincial level than they are at the federal level. That is why the federal government made the offer to all provinces that if they wanted to act in concert on this matter we would be prepared to do so.

The fact is a number of the provinces pointed out, including the province of Ontario, that any reduction in tax would be simply lost in volatility at the pump, and they were not prepared to proceed.

* * *

AGRICULTURE

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, as all members of the House will know, it has been a long and difficult winter for P.E.I. potato producers.

● (1445)

Many warehouses still remain full of high quality potatoes blocked from movement to market by unfair United States trade action.

Oral Questions

It is my understanding that some progress has been made to resolve this dispute. What could the minister tell the House and Prince Edward Island potato producers with respect to the discussions and any decisions which have been reached on this issue?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we all recognize the difficulty this issue has caused for the producers of potatoes in Prince Edward Island. There has been a lot of discussion. The Prime Minister has entered into discussion at least twice with the president. Officials have been in discussions. I have been in discussions with the secretary in the United States.

Yesterday and today officials are again meeting. They are exchanging documents this morning and this afternoon. I am very optimistic that in the very near future we will have the border open between Canada and the United States.

* * *

SUMMIT OF THE AMERICAS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the trade minister. While police were firing tear gas and plastic bullets last weekend on peaceful demonstrators in Quebec City, inside the summit leaders were celebrating their great democracy clause.

Is it not a fact that this so-called democracy clause makes absolutely no link whatsoever between respect for democracy and access to the FTAA? In fact, the only sanction is exclusion from hemispheric summits. Is it not just window dressing to cover up their failure to deal with human rights, the environment and worker rights?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the immense commitment, under the leadership of our Prime Minister, the hemispheric leaders met through the democracy clause has also been supported by the world banks that have committed to work in that direction. I think this is major progress.

As the free trade area of the Americas is also one of the results of the summit of the Americas, one cannot participate in the free trade area of the Americas if one is not part of the summit. One cannot participate in the summit if one does not respect democracy.

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have a supplementary question for the Minister of Foreign Affairs. Yesterday people around the world solemnly commemorated the Armenian genocide of 1915.

When will the Liberal government finally stand up to pressure from the Turkish government and officially recognize, along with many parliaments including the French parliament, this genocide

not just as a calamity, not just as a tragedy, but as a genocide, the massacre of 1.5 million Armenians in 1915?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, first I am very pleased to know that there is a fund being accumulated for the hon. member's trousers. I hope to contribute to it.

I would also like to remind him of the importance that many of us place on his actually coming out and condemning the violence that occurred so often in Quebec City on the wrong side, so that we understand exactly where he stands on the question of how we maintain order and civility in society.

* * *

LUMBER INDUSTRY

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, my question is for the Minister for International Trade. Yesterday the Americans added Atlantic Canada to their softwood lumber countervail charges. Atlantic Canada through industry efforts had been excluded.

What action has the minister taken to deal with this important issue before we have bankrupt mills in Atlantic Canada?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, there were consultations last week in Washington with the commerce department. Our government has made very clear that if the Americans wanted to recognize what they have recognized in the past 20 years, that there are no allegations from the producers in the United States about Atlantic Canada, and wanted to make an exemption, this is something that our government would certainly support.

We are engaged in consultations with the commerce department in order to recognize what has been recognized for many years, that is an exemption for Atlantic producers in any countervailing duty. We will fight for the whole country.

• (1450)

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, on April 9 the Minister for International Trade held a press conference in which he stated that there was no urgency in the softwood lumber issue because "there is no way countervailing duties could apply before August".

This is wrong. The duties could be retroactively charged as of yesterday. Already softwood lumber orders are being cancelled.

Will the minister finally call together the industry from coast to coast and once and for all establish a plan of action the industry can live with?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we have been in consultation with the industry on a daily basis for a very long time. We have been monitoring the

file extremely closely. We will be having a stakeholders conference in the next few weeks when the industry also feels that the time is opportune.

I think it is very important that as a country we remain united. We should not play one region against the other. We should try not to panic. We should not play the game of the Americans, because we know that on this issue, east and west, Atlantic and Quebec, we are not subsidizing our industry and we should say it loud and clear.

* * *

INDUSTRY CANADA

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, another damaging audit has condemned Industry Canada in the handling of the access.ca project.

This audit found that the information highway branch bypassed the federal contracting system, backdated agreements and could not confirm whether those companies paid to deliver the program had fulfilled their obligations.

Will the minister explain why he would tolerate such shoddy and dubious management in this project?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I am also answering for the Minister of Industry today.

The hon. member has asked an interesting question. I will have to check to see whether what he is saying is accurate. I will look into it, and either myself or the Minister of Industry will get back to him before too long.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, while he is looking into it, maybe he could look into a couple of other matters.

This is a follow up audit to another that raised serious questions last October. Despite being given explicit training on correct procurement procedures after the last audit, the director continued to flaunt the rules. In fact this individual pressured fellow employees to approve questionable invoices and told them not to express concerns about the contracting process.

Will the minister or the Deputy Prime Minister assure the House that he will either direct the branch to follow the government's procurement rules or else set them free to the private sector?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, first I will check on the accuracy of what the hon. member has said. We will look into this and provide him with an answer.

In the meantime, I would love to see a management audit of the Alliance Party. I am sure there would be some shocking results in it to date. Where is its management audit?

Oral Questions

[Translation]

CHEESE IMPORT

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, under the WTO agreement, Canada may import 20,400 tonnes of cheese annually. But, without any trade agreement requiring it to do so, Canada last year imported 9,000 additional tonnes of cheese.

Will the Minister for International Trade confirm that the government issued such permits and that it is thus continuing to import cheese in excess of WTO quotas?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, it is clear that the Canadian government always respects its international obligations.

It is true that we occasionally go beyond our obligations when it comes to international trade. This can sometimes arise because Canadian consumers are asking for more of certain specific products. When they justify their need for those products, we can then exceed quotas to meet domestic needs.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I am not sure that the minister understood the question.

This is an issue that is detrimental to the interests of dairy producers in Quebec and in Canada, who already have excess inventory on their hands.

Since Canada is under no obligation in this regard, will the minister undertake not to issue any more such supplementary import permits?

• (1455)

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we certainly do not issue supplementary import permits when products are not requested or required in connection with the needs of certain consumers or of our market.

We definitely have the best interest of our dairy industry's cheese producers at heart. We are regularly prepared to promote their interests outside the country, just as we are going to keep on respecting, but not exceeding, our international trade obligations, barring a specific requirement in our economy.

* * *

[English]

CIDA

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, an internal evaluation conducted by the United Nations development program exposed its west African gun control project as a complete failure.

Unfortunately for Canadian taxpayers the minister responsible for CIDA sunk \$400,000 into this botched project. Why does this

Oral Questions

minister continue to give hundreds of thousands of dollars with no monitoring in place to ensure value for taxpayer money?

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, one of the main priorities of my department is peace building and conflict resolution and to try to bring peace in different parts of the world where thousands of people are still dying.

It is absolutely critical that we continue to assist and work very hard to ensure that peace is negotiated and brought about and victims get the kind of assistance they need.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, the question was regarding gun control in west Africa. According to the minister's draft long term strategy document, "CIDA finds itself managing a large number of projects, with fewer and fewer resources and more and more demands on staff time and resources".

How could the minister guarantee taxpayer value for aid dollars when the number of projects remain constant but the resources to monitor them are shrinking?

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, I assure the member that every program at CIDA is thoroughly monitored. In fact the auditor general in all audits said that 97% of all the programs that were audited showed 100% compliance.

We are very careful and the department is extremely vigilant in all the programming that we do.

* * *

NATIONAL DEFENCE

Mr. Stephen Owen (Vancouver Quadra, Lib.): Mr. Speaker, serious allegations were made in the House yesterday regarding living conditions on Canadian Forces Base Esquimalt. I call on the Parliamentary Secretary to the Minister of National Defence to respond to this allegation.

Mr. John O'Reilly (Parliamentary Secretary to Minister of National Defence, Lib.): Mr. Speaker, the member's question is a good one.

Over \$5 million has been invested in health and safety repairs for married quarters over the last two years at CFB Esquimalt. The health and safety of all members of the Canadian forces is our first priority. We intend it to continue to be our first priority.

* * *

CITIZENSHIP AND IMMIGRATION

Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance): Mr. Speaker, today Canada's privacy commissioner is questioning the practice by Canada Customs and Revenue of opening mail on

behalf of Immigration Canada and other departments. The commissioner had previously suggested that the immigration department obtain a search warrant to open large suspicious parcels. That suggestion was rejected by the minister of immigration.

My question is for the immigration minister. Why did she balk at getting search warrants to open these packages and not protect the privacy of the citizens of the country?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I have asked my departmental officials to verify that the powers which are in the hands of customs and revenue are in compliance with the law which was passed by the House.

Certainly privacy is a paramount consideration. However the member should know that we are very concerned about fraudulent documents which are coming into Canada in packages that are properly opened by customs and revenue to ensure the national security interests of all Canadians are considered as a priority.

Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance): Mr. Speaker, are we to understand that the privacy of our citizens is less important than the convenience of the immigration department?

I am not disputing the need for confiscation of contraband items, but protecting the privacy of Canadian citizens should be top priority, not invading it.

What are the minister's specific plans to ensure that the mail which crosses our borders will not be tampered with unnecessarily?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member should know that Citizenship and Immigration Canada does not have any legislative authority to open mail. The department does not do that.

• (1500)

It is Customs and Excise Canada that opens mail where it has reasonable grounds to believe that the package contains documents which may be fraudulent. Those are then given to the Department of Citizenship and Immigration as evidence and can be seized under the Immigration Act. That is in the national security interests of Canada and, as I said before, privacy concerns are always paramount.

* * *

[Translation]

LUMBER

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, the softwood lumber agreement ended on April 1, and producers in Quebec and Canada are concerned by the turn of events and the attitude of the Americans, who are calling for the imposition of countervailing duties.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]*

Could the Minister for International Trade not show a little more initiative and be a little less professorial with American producers by forming a delegation to explain just what goes on in the lumber industry in Canada?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I thank the hon. member very much for her constructive suggestion.

Every possible way to inform American opinion and to make it clear to the U.S. Congress just how things are and how they work in Canada would be useful.

I can assure the member that the Canadian embassy has done a magnificent job over the past year and that we have more support in Washington than we have had for a very long time.

I invite all of my colleagues visiting Washington or meeting American legislators to be sure to pass on accurate information to build our case.

* * *

*[English]***INTERNATIONAL CO-OPERATION**

Ms. Colleen Beaumier (Brampton West—Mississauga, Lib.): Mr. Speaker, on Monday an historic labour agreement was signed with Costa Rica.

My question is for the Parliamentary Secretary to the Minister of Labour. Could she explain to the House the importance of this agreement?

Mrs. Judi Longfield (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, this agreement on labour co-operation with Costa Rica demonstrates Canada's commitment to promoting and protecting worker rights in the context of the trade liberalization of the Americas.

Both countries have pledged to enforce their laws relating to the 1998 ILO declaration on fundamental rights and principles at work.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the recipients of the Governor General's Caring Canadian Award.

[Translation]

Her Excellency the Governor General presented these awards at a ceremony this morning at her residence. The Governor General's Caring Canadian awards go to persons who make a significant voluntary and unpaid contribution to their fellow citizens and to their community.

[English]

I know all hon. members join me in saluting the selfless efforts of these caring Canadians.

Some hon. members: Hear, hear.

SUMMIT OF THE AMERICAS

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, with leave of the House, I take this opportunity under subsection 32(2) of the Standing Orders of the House of Commons to table, in both official languages, the declaration and the plan of action report of the summit of the Americas.

* * *

● (1505)

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to four petitions.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, pursuant to Standing Order 34 I have the honour to present to the House, in both official languages, reports from the Canadian Branch, Commonwealth Parliamentary Association, concerning the 50th commonwealth seminar which was held in London, the United Kingdom, from March 6 to March 17.

Mr. Speaker, this was the 50th seminar on parliamentary procedure and practice, something I know that you are most interested in. It was an opportunity to share experiences not only with members of parliament in the United Kingdom but with more than 20 commonwealth countries.

This is something the Commonwealth Parliamentary Association has now been doing for 50 years and the possibility of sharing experience with more than 20 legislatures like our own is something that I recommend to all members of parliament.

* * *

NUCLEAR FUEL WASTE ACT

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): moved for leave to introduce Bill C-27, an act respecting the long-term management of nuclear fuel waste.

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

*Routine Proceedings***FOOD AND DRUGS ACT**

Mr. Greg Thompson (New Brunswick Southwest, PC) moved for leave to introduce Bill C-338, an act to amend the Food and Drugs Act (process for approval of new drugs).

He said: Mr. Speaker, this is an act to amend the Food and Drugs Act specifically in regard to the approval of new drugs, because we are concerned that the approval process in this country is too long and too laboured. What we are asking Canada to do is to at least adopt the model used by the European Community, where on average drugs are approved at least six months ahead of ours.

We are also asking that the minister transfer funds from his existing budget into the approval process to expedite the approval of drugs so needed in Canada to help fight disease. In fact, these new drugs will eventually reduce the costs of health care.

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

* * *

BLUE WATER BRIDGE AUTHORITY ACT

Hon. David Collenette (Minister of Transport, Lib.) moved that Bill S-5, an act to amend the Blue Water Bridge Authority Act, be read the first time.

(Motion agreed to and bill read the first time)

* * *

[Translation]

PETITIONS

MINING INDUSTRY

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I am presenting today a petition signed by residents of the city of Val-d'Or, the Vallée de l'Or RCM and workers at McWatters' Sigma-Lamague mine.

The petitioners are asking the government to make the rules governing existing programs more flexible and to ensure they are being used in resource regions.

Therefore, the petitioners call upon parliament to set up a financial assistance program for thin capitalization mines in Quebec's resource regions.

• (1510)

[English]

FREE TRADE AREA OF THE AMERICAS

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I would like to present two petitions to the House today. One of them is a petition from over 200 Canadians across the country who are

concerned that the Canadian government has been negotiating the FTAA in secret.

They believe that the clandestine nature of these negotiations must end. They are requesting that the documents of the FTAA agreement be made public for public democratic consultation.

HUMAN RIGHTS

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, the second petition I would like to present is a petition from 3,000 Canadians who are concerned about the 1993 death of Tracey Latimer.

They are petitioning the Government of Canada to protect the rights of Canadian citizens, especially those with disabilities, by refusing to pardon Mr. Latimer from his conviction for second degree murder or from his sentence of life imprisonment without parole eligibility for at least 10 years, the minimum for that crime.

VIA RAIL

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I would like to present yet another petition from people in the Peterborough area who want to re-establish VIA Rail service between Toronto and Peterborough.

They point to the environmental advantages of commuter service. It will reduce emissions, accidents and stress on the highways. It will also strengthen Peterborough as a centre for tourism, business and education and, by the way, as a commuter centre. Like four or five other MPs, I support this petition.

IRAQ

Mr. Peter Adams (Peterborough, Lib.): Second, Mr. Speaker, I would like to present a petition that is also from people in the Peterborough area. They are concerned about the sanctions against Iraq.

They point out that these sanctions are doing nothing with respect to Saddam Hussein and his government, but they are doing a great deal of damage to the people, particularly the children of Iraq. These people urge that these sanctions be lifted because they are doing nothing to persuade the government of Iraq to change its ways.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Last, Mr. Speaker, I would like to present another petition from Canadians concerned about kidney disease.

They say that real progress is being made in ways of preventing and coping with kidney disease, but they call upon parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in its system, that institute to be called the institute of kidney and urinary tract diseases.

*Government Orders***QUESTIONS ON THE ORDER PAPER**

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

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, I rise on a point of order. Here we go again. I have had a series of questions on the order paper for way over 45 days, which relate to the abuse of shell fishers by HRDC.

How much of this can we tolerate? This is not the first time, as you are well aware, Mr. Speaker, as I see you shaking your head in disgust at this member getting up time and time again.

When will the government respond in a timely fashion to these questions? It limits our abilities as members of parliament when we can put only four questions on the order paper. If we are talking about reforming the House, it can start over there with the House leader demanding that government ministers answer these questions in a timely fashion. That is all we are asking for.

The Speaker: I want to assure the hon. member that I was shaking my head only in sorrow at his plight.

Mr. Derek Lee: Mr. Speaker, we do not want anyone to get too emotional about this, but I want to thank the hon. member for his representation. As usual, preparation of answers to written questions proceeds fairly expeditiously and we will get back to the House with an answer very soon.

The Speaker: Is it agreed that all questions be allowed to stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1515)

[Translation]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

The House proceeded to the consideration of Bill C-3, an act to amend the Eldorado Nuclear Limited Reorganization and Divesti-

ture Act and the Petro-Canada Public Participation Act, as reported (without amendment) from the committee.

Hon. Stéphane Dion (for the Minister of Natural Resources) moved that the bill be concurred in.

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

Some hon. members: Agreed.

(Motion agreed to)

The Speaker: When shall the bill be read a third time? By leave, now?

Some hon. members: Agreed.

Hon. Stéphane Dion (for the Minister of Natural Resources) moved that the bill be read the third time and passed.

Mr. Benoît Serré (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, it is an honour to speak to Bill C-3 at third reading.

The Canadian economy is still strong, thanks in part to the solid performance of the resource industries.

Canadian companies in that area are proving that they cannot only prosper in the knowledge economy of the 21st century but also contribute to its dynamism and vitality.

However the prosperity of the resource sector should not be taken for granted. The industry must be able to make strategic decisions and to better position itself on domestic and foreign markets.

The changes proposed in Bill C-3 will allow two actors in the natural resources sector, namely Cameco Corporation and Petro-Canada, to continue contributing to the economic growth and environmental stewardship by lifting restrictions that have no more reason to be and which prevent them from attracting new investments and concluding new strategic alliances.

Those two companies used to be crown corporations. The Government of Canada sold all its shares in Cameco in 1995. It has kept an 18% participation in Petro-Canada, but it is a carried interest and the government has no say in the management of the corporation.

At the time of privatization the government imposed restrictions on the proprietary interest of the two companies. It had good reasons to do so, but some restrictions have since outlived their usefulness and only prevent the two companies from taking advantage of new business opportunities.

Government Orders

In particular, Bill C-3 changes the restrictions imposed on share ownership and the disposal of property by the Petro-Canada Public Participation Act. It also amends the share ownership provisions of the Eldorado Nuclear Limited Reorganization and Divestiture Act, which governs Cameco.

With regard to Petro-Canada, Bill C-3 will raise from 10% to 20% the limit on individual shares ownership. Moreover, the 25% limit on the total number of shares that can be owned by non-residents will be eliminated. In other words, there will be no more restriction to the foreign ownership of Petro-Canada's shares, except that an individual, of whatever origin, will not be allowed to own more than 20% of the shares of the company.

Despite the abolition of the limit on foreign ownership, Petro-Canada is likely to remain under predominantly Canadian ownership in the foreseeable future.

First, the 20% limit on individual ownership of voting shares in Petro-Canada prevents any potential takeover by a major multinational.

Second, there is far greater interest for Petro-Canada among Canadian investors than foreign investors. As a matter of fact the foreign participation in the company does not exceed 16%, while the existing act allows up to 25%.

Third, under the Canada Business Corporations Act corporations subjected to share ownership restrictions like Petro-Canada are still required to be run by a board of directors comprised of a majority of Canadians.

• (1520)

In order to give Petro-Canada more latitude with the management of its assets, the prohibition on the sale, transfer or disposal of all or substantially all of Petro-Canada's upstream and downstream assets will be replaced with a similar prohibition which makes no distinction between upstream and downstream assets. The bill maintains just the level of prohibition necessary to prevent the company from shutting down operations through the sale of all its assets.

In the case of Cameco, Bill C-3 eases restrictions currently imposed on foreign ownership without eliminating them completely. The limit on individual non-resident share ownership will be raised from 5% to 15%. The limit on collective non-resident share ownership will increase from 20% to 25%. As for the ownership limit for an individual Canadian shareholder, it will remain at 25%.

In spite of the reduction of the foreign participation restrictions, Cameco will always be controlled by Canadians and the majority of its capital will remain held by Canadians in the foreseeable future.

First, the 15% individual non-resident share ownership restriction rules out any possibility of takeover by a major multinational.

Second, with the 25% limit on collective non-resident share ownership, control over Cameco cannot fall into foreign hands.

Third, Cameco generates much more interest among Canadian investors than among foreign investors. Indeed, foreign participation in the corporation does not exceed 6% right now, whereas the current legislation allows a 20% participation.

Fourth, under the Canada Business Corporations Act, corporations such as Petro-Canada which are subjected to share ownership restrictions are still required to be run by a board of directors comprised of a majority of Canadians.

Bill C-3 has the support of both corporations, which see the current restrictions as unfair in that they do not apply to other corporations in their respective sectors of activity.

In my opinion the legislation will be well received by all investors both in Canada and abroad. At the same time it will protect the Canadian status of Petro-Canada and Cameco. The headquarters will remain in Canada and the majority of the board of directors will be made up of Canadians.

I can assure my colleagues that in the case of Petro-Canada the proposed amendments will have no impact on the price of refined petroleum products. A recent study carried out by the Conference Board of Canada confirmed that the price of gasoline is established mainly according to supply and demand and has nothing to do with property rules governing one company of the Canadian petroleum industry.

I can also assure the House that the proposed amendments will have absolutely no impact on the competitiveness of the Canadian oil and gas industry.

Also, this bill is not a prelude to the sale of the government's shares in Petro-Canada. Although its holdings in Petro-Canada no longer serve any of its political purposes, the government is waiting for the right time to sell off its shares. In other words, it will wait until the market conditions ensure optimal yield for Canadian taxpayers.

I also want to inform hon. members that the proposed changes to the Cameco legislation will not change anything in the commitment Canada made toward non-proliferation of nuclear weapons or nuclear security.

Uranium is a regulated substance of strategic importance. The Canadian policy concerning uranium exportation is subject to the support regulations of the Nuclear Safety and Control Act and to permits delivered under the Export and Import Permits Act. Canadian substances, equipment and technology cannot be used to manufacture nuclear explosive devices.

• (1525)

The Government of Canada has not only urged its trading partners to ratify the non-proliferation treaty but it has also entered into nuclear co-operation agreements providing an additional control mechanism.

The Government of Canada, and hon. members can rest assured of this, thinks that it is still necessary to impose restrictions on the foreign ownership of uranium. Bill C-3 gives Cameco better access to foreign capital and allows it to develop new strategic alliances, but it does not in any way compromise the Canadian control of the company.

I would like also to underline that Cameco has the support of another element of the public sector, and I am referring obviously to the government of Saskatchewan. It has indicated that it totally supported the proposed amendments to Bill C-3.

Obviously the bill is consistent with sound management of public affairs. During the discussions in committee there were no serious objections. In fact, hon. members of most parties have expressed their support for the bill.

[English]

This bill is good for Petro-Canada, good for Cameco and good for all Canadians. I urge my colleagues to adopt the legislation.

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, I am pleased to rise once again on Bill C-3 to discuss the amendments to the Eldorado Nuclear Limited Reorganization and Divestiture Act and the Petro-Canada Public Participation Act. These two acts placed restrictions on individual and foreign ownership when Petro-Canada and Cameco were first privatized some years ago.

The bill intends to increase the companies' access to domestic and foreign capital and enable greater flexibility in using share exchanges and asset pooling to make acquisitions and strategic alliances. I cannot help but hope the bill will finally pave the way for the government to sell off its remaining 18% ownership or 49.4 million shares of Petro-Canada.

The bill does a number of things to make room for the sale. It raises the limit on individual ownership of shares from 10% to 20%. The 25% limit on shares that can be owned collectively by non-residents is removed. While it gives the company greater flexibility to manage its asset portfolio, the bill also provides a check against the company winding up its activities through the outright sale of assets.

The parliamentary secretary has told us that the introduction and passage of Bill C-3 does not pave the way for the sale of Petro-Canada. He says that the government will wait for the most favourable market conditions before proceeding with the sale.

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However, I, and I think most other Canadians, cannot conceive of a more favourable time than today. The industry is healthy, the company is strong and the conditions in my opinion could not be more favourable.

Given that, what does all this mean? Petro-Canada was created in 1975 as one of the mechanisms of the national energy program. The feeling of western Canadians, certainly myself and those representing ridings in the region, are well documented when it comes to the national energy program. We never did buy the Liberal line that the program was a vehicle for nationalist dreams and a ticket to energy self sufficiency. At the time Canadians were told we had less than 20 years worth of recoverable oil reserves and that high gasoline taxes were a justifiable means of guaranteeing our future energy needs.

When we look at where the oil industry in Canada currently stands, we see that our skepticism was appropriate. Twenty-five years later we know those empty threats were little more than Liberal hogwash, a simple money grab and a flagrant breach of the principles of Confederation by the federal government, a Liberal federal government. We now have proven oil reserves that will supply Canada's energy needs well into the future.

• (1530)

There is in excess of 200 years of recoverable reserves in the tar sands of northern Alberta alone. The Liberal government might have thought that it had fooled Canadians but we knew that it was the federal government poking its rather large and unwelcome nose into the oil and gas industry, an intrusion that was totally unasked for, unappreciated and clearly unnecessary.

Although the national energy program was eventually dismantled, Petro-Canada lives on, fed by taxpayer dollars without their approval.

Eventually the government changed its mind and in 1991 decided that it no longer needed a crown corporation in the energy business and began the privatization process. In the end, with the fluctuations in the markets, business setbacks and even the present political struggles, Petro-Canada ended up as an oil company much like any other oil company in Canada.

However, the government, or should I say the taxpayers, still owns 18% of the company and is the single largest holder of stock. Only the government could own more than 10%.

Back in 1994 I questioned the government why it would not sell off its national oil company while the industry was strong in order to recoup some of the billions of taxpayer dollars that were used to create Petro-Canada in the first place. I asked the government why it would not do something significant and use the revenue from the sale of Petro-Canada to reduce Canada's debt burden. In 1995 a

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Liberal budget promised to totally privatize Petro-Canada. We can see today how reliable that Liberal promise was and, like so many other budget promises, it is something that we should consider over the coming weeks.

The fact remains that Petro-Canada cost Canadians over \$5 billion. Petro-Canada has never provided any benefit to Canadians that could not have been provided by the private sector. When it was finally privatized Petro-Canada started making a profit and competing effectively in the industry.

Governments, since Petro-Canada was established, have never had the courage to admit to Canadians that they would only be able to recover less than \$2 billion of the original cost of Petro-Canada. If the bill is indeed the first step in the process of the government selling off its remaining shares of Petro-Canada, my first response is that it is about time.

I am curious as to the timing of the bill. On Bay Street investors have driven up Petro-Canada share prices in anticipation of a move by Ottawa to sell its shares. Today Petro-Canada's shares are trading at \$32.75 per share. That is over a 46% increase so far this year. There is the potential for the price to go even higher.

Bill C-3 would remove foreign ownership restrictions allowing for an expanded market and potentially an increased price. If the government were to sell its shares it could optimistically find itself receiving \$1.6 billion. That is a \$3.4 billion loss on what Canadians originally paid for Petro-Canada, a business transaction that anyone could identify as a total disaster.

However, the government could find itself in possession of \$1.6 billion. What would it do with that money? Since it was originally taxpayer dollars that paid for Petro-Canada, the funds should return to the taxpayers in a direct fashion rather than being dumped into the general revenue fund that Liberal cronies could dip into whenever they felt inclined.

I would like to see the money go to debt reduction or into transportation improvements. Perhaps we could really be revolutionary and put the money toward lowering gas taxes. What an original idea. The Liberals recently voted against that in the House. I do not expect that they would really show too much interest in returning taxpayer dollars directly to taxpayers. That is too simple, too clean cut and too direct a responsibility for the government.

Bill C-3 does a number of things that I can support. Petro-Canada is moving toward opening up the ownership of the company to both national and international interests while ensuring that the majority of the company is Canadian. The legislation states that resident Canadians must make up the majority of the board of directors. It also stipulates that the head office of the company must remain in Calgary, which is a common practice of the government and one that is not necessary as it ties the hands of a number of companies that the government has followed this practice on.

• (1535)

The Canadian Alliance also supports the removal of restrictions upon Canadian businesses to allow for both domestic and foreign investing. We expect that Petro-Canada, once it is no longer manipulated by the government, would continue to show profits and growth.

Bill C-3 does not only address issues surrounding Petro-Canada. It also addresses issues relating to the sale of shares of Cameco, Canada's biggest uranium producer. Canada's Kyoto commitments have increased the need for Canada to find green energy. Nuclear energy is one option that is being examined. I do not wish to get into a debate on the merits of nuclear energy. That is a debate for another day. It is clear, however, that it is part of the package the government is examining in relationship to the Kyoto accord, along with the emission reductions that we are trying to achieve.

Uranium remains a source of nuclear energy. It is a vital factor in the world's efforts to reduce CO₂ levels. It has been and will increasingly be a strategically important resource for the country. The bill raises foreign and individual ownership limits for Cameco. Individual non-resident ownership would increase from 5% to 15% and the limit on the total amount of non-resident ownership of shares would increase from 20% to 25%.

I am pleased to see that the legislation is mindful of the possible consequences of high levels of foreign ownership of uranium resources. The lower limits on Cameco shares reflect across the board government restrictions on foreign activity in uranium mining.

While the Canadian Alliance is all for Canadian businesses having all the opportunities to succeed, we must also be conscious of the need to keep such potentially volatile resources within Canadian control. The bill allows for greater flexibility in the selling of shares in Canadian companies, and I support that effort.

If the legislation leads to the government finally selling off its remaining shares of Petro-Canada it would be legislation that is long overdue. We will wait and see if that is the case. If Petro-Canada is sold off, we will see how much the Liberals think Canadians have forgotten the original purpose of Petro-Canada and the amount of money that taxpayers put forth to establish the company in the first place.

The Canadian Alliance and I will be supporting the bill as we have at each stage. We will continue to support the bill at third reading. We are pleased that the government is showing the initiative in opening up these companies to better investment and a bit more flexibility in the way that they operate.

Mr. Dick Proctor (Palliser, NDP): Madam Speaker, I am pleased to take part in the debate today. At the outset I wish to say that my caucus colleagues and I vigorously oppose Bill C-3, an act

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to amend the Eldorado Nuclear Limited Reorganization and Divestiture Act and the Petro-Canada Public Participation Act.

The bill relates to the mandatory provisions in the articles of Cameco Corporation, which was formerly known as Eldorado Nuclear Ltd., and Petro-Canada which was created in 1975.

Bill C-3 was first introduced in the previous parliament and died on the order paper with the dissolution of parliament last fall. The bill provides that the articles of Cameco Corporation would have to contain a 15% individual non-resident share ownership limit for voting shares as well as a cap on aggregate non-resident share ownership voting rights of 25%. It stipulates that the articles of Petro-Canada would be amended to allow for a 20% individual share ownership limit while the aggregate non-resident share ownership limits would be eliminated.

In addition the prohibition on the sale, transfer or disposal of all or substantially all of Petro-Canada upstream and downstream assets would be replaced with a similar prohibition on the sale, transfer or disposal of all or substantially all its assets without distinguishing between the upstream and downstream sectors of the activity.

• (1540)

[*Translation*]

Energy, mining, forestry, geomatics and related industries currently account for approximately 11% of Canada's gross domestic product. They employ directly nearly 800,000 Canadians and account for 22% of new capital investment. The resource sector exported \$97 billion worth of goods and services in 1998 and it drives the economies of over 600 communities across Canada.

Canada is the world's largest producer and exporter of uranium, and Cameco is not only a Canadian state of the art company which accounts for about 25% of the world's uranium production but also the western world's uranium chemical conversion facility.

At one time Petro-Canada and Cameco were both crown corporations wholly owned by taxpayers. The Government of Canada sold its shares in Cameco in 1995.

Although the government currently owns 18% of Petro-Canada's shares it does not influence the management of the company. At the time of privatization certain ownership restrictions were placed on both these companies.

[*English*]

I wish to talk about Petro-Canada because I remember it fondly, not as a member of parliament but as a very proud moment in the life of the federal New Democratic Party. Those with longer memories will recall that in the minority government era of 1972 to 1974, the creation in 1975 of a publicly owned oil and gas

exploration company with downstream stations was part and parcel of this party's support for the Liberal minority government following the 1972 election.

I recall how Petro-Canada was talked about as being a window on the industry with the other multinationals that were operating in the country. Members will recall that at that time we were going through some extreme price shocks following the crisis in the gulf and the six day war in the Middle East in 1973. We had some very sharp price hikes.

There were concerns about the rapid increase in gasoline fuel prices in the country. Some rules were put in place to regulate or to make sure that there was a flow through in terms of how much product there was in the lines at the time. As I recall, it was 60 days before some provinces would allow a price increase after a world price change was announced because that is how the price was determined in terms of the fuel that was in the line at that time. That was a very important time and a very important rationale for Petro-Canada to come into being.

There were additional benefits as well that were well recognized. We talked about the ability to have a two price system to take advantage of some of the enormous resources that exist in Canada. We are a rich storehouse of resources. Canada is blessed with some of the greatest natural resources in the world, such as oil and gas reserves. We talked about a two price system that would not only be a benefit to consumers but would also be an incentive to make our products more competitive and sell better abroad.

The world has changed dramatically in the last 25 years, and in particular in the last 10 years. We cannot do that any more, thanks to the free trade agreement and the North American Free Trade Agreement and undoubtedly the FTAA when it is put into place in three or four years from now. We cannot set a two price system. We cannot have a price for Canadian products or a domestic product in Canada and export our commodities and our resources south of the border, or for that matter to any other part of the world, without running afoul of these WTO, FTAA and NAFTA arrangements.

• (1545)

The Prime Minister was on his feet earlier this week in the House of Commons trying to defend his position on natural resources. He said that he wanted to keep the control of them in this country. We have news for him. We have lost that control already. We lost it some time ago. We lost it when we signed the terms of the North American Free Trade Agreement.

We cannot turn off the spigot any more and say that we want to protect our resources so we will restrict the amount of our exports. We can only do that if we turn off the spigot to our people and our companies. It has to be done in direct relationship, so that the

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whole two price system and our ability to control our resources is very much hamstrung as a result of these agreements.

These restrictions are causing hardship, distress and a good deal of genuine inability to comprehend. I want to take a moment to inform the House that this morning on my voice mail in my Moose Jaw office there was a very worrisome call from an individual named Chris. He said that he was trying to put food on the table for his family but gas prices were going up, natural gas was increasing and electricity was going up. He said there had to be a ceiling on prices because they were getting crazy. "How the heck are we going to live?" was what this individual said in his voice mail.

What this individual fails to understand is that there is very much a restriction on what a government, either at the provincial or federal level, can do any more as a result of these free trade agreements and the WTO. We do not have the ability any longer to step in and say that yes, those prices are rising dramatically and that we will take some action to lower them. That was the case before.

When the government talks about more democracy and that free trade agreements, NAFTA and FTAA will result in greater democracy, people fail to understand because the fact of the matter is that governments are more restricted today than they were before in terms of what they are able to control and regulate. That is what Chris is concerned about, although with great respect to him, he fails to understand the connection between what is happening in the world and the ability of governments to have any bearing on it. The fact of the matter is we are in a time and a society where what we are paying is exactly what the market will bear. The notion that we can have control on prices seems to be a far off dream.

All of this reminds me of what was said by Clay Yeutter who was the U.S. trade representative in 1987-88. He said at the time the initial free trade agreement was signed between Canada and the United States that "Canadians do not understand what they have signed. Within 20 years they will be sucked directly into the U.S. economy". That was 14 years ago, and I would say that Mr. Yeutter's projections are fairly much on target.

We have no answer to the question of more democracy. As I was trying to say a moment ago, governments are no longer able to influence the cost. We have the invisible hand of the marketplace at work.

Let me talk just a minute about the impact this has on the agricultural sector because in 1995 about 12% of total input costs were energy related. They have skyrocketed since then.

• (1550)

Unfortunately I do not have the tables and the information to show how much they have skyrocketed, but if we talked to any

farmer in any province in Canada he or she could give us lots of facts about how much transportation costs have gone up as have fuel bills, fertilizer bills et cetera.

I believe that all these sharp increases in prices run contrary to the government's assumption that we would be and we were on a long term low cost trend in terms of gasoline and fuel products. The fact of the matter is that we have an extremely tight gas market at the moment.

As a world, we require between 8 and 8.5 billion cubic feet of natural gas every day just to stay current. There is a lot of talk about big developments in Alaska and in the Mackenzie Valley. Each of them might bring on stream perhaps one billion cubic feet of gas per day. That is when they are developed in about 10 years from now. We are only going to be standing still at the very best.

The point I am trying to make is that I do not see prices coming down. I see them continuing to escalate in the days, months and years ahead.

With respect to oil, the U.S. requires about 19.5 million barrels of oil each day to maintain all the things that run on oil. A lot of people are talking about the Alberta tar sands as being a big vast rich reserve of oil, which it is. However it is also very costly. As David Suzuki pointed out last Wednesday night at the environmental conference in Quebec City, developing the Alberta tar sands would result in about 1.35 million cars on the road each and the greenhouse gas effect that would have by developing that very costly oil from the Alberta tar sands.

Transportation is the fastest growing cause of greenhouse gases in the world. There has been an explosion in transportation over the last 50 odd years because one day's trade today is equal to about one year's trade 50 or 55 years ago.

The point I am trying to come to is that Petro-Canada was a very good idea at the time. It could still be a viable project if the crown corporation was allowed to continue to work both here and abroad. The government, with its ties to big business and the oil industry, is simply not interested in that at all. That is why we see this legislation before us this afternoon.

What is privatization? It is the commercialization, nothing more nor less, of the public sector, the part of society owned and controlled by the public through government. These include things such as medicare, schools, education, social services, pensions and crown corporations. The privatization of all that is when they are sold off and deregulated. In short, privatization basically is transferring public dollars into private hands at a profit.

From the creation of this country back in 1867, Canada relied rather extensively, probably more so than many countries certainly more so than the one immediately to the south of us, on federal

crown corporations. They played a central role in the economic, cultural and political development of the country.

In 1937 Trans-Canada Airlines was created. The federal government began to restructure many of its economic enterprises into federal crown corporations. Currently there are over 40 federal crown corporations providing a vast array of services to the Canadian public and Canadian business. They range from large national enterprises, Canada Post Corporation being one, to smaller more localized operations.

• (1555)

Although many operate in competitive economic environments providing services which are also provided by private sector companies on a market basis, the purpose of a crown corporation is markedly different than that of private sector companies. While many, such as Canada Post, are supposed to operate on a break-even basis, it is recognized by the auditor general that surplus revenues may be used to help support non-profit oriented endeavours devoted to serving the public interest.

The public welfare orientation of crown corporations was recognized by the federal treasury board. The treasury board's president in 1998, in the annual report, evaluated crown corporations on criteria such as improving service to clients, exporting expertise and contributing to Canada's social and economic development. Profitability was never included in the list of items to be evaluated.

In 1996 the province of Saskatchewan, which I have the privilege of representing, conducted a major review of its crown corporations to determine future direction. Crown corporations form a significant part of Saskatchewan's economy, beginning with the Douglas government back in 1944, and currently make up a little more than 33% of its gross domestic product. Saskatchewan's crown corporations are some of the largest employers in that province.

Several important findings emerged throughout that review. People in Saskatchewan believed that the role of commercial crown corporations was to provide universal access to essential services. They also believed that crown corporations should be used to create employment and promote economic development.

The majority of submissions indicated that public investment through crown corporations had a major role to play in the province's economy, and that even partial privatization of these enterprises would pose a major risk to Saskatchewan's economy. Most people there believed that crown corporations were much more publicly accountable than private corporations.

Despite those findings, at the federal level in recent years we have witnessed a massive privatization of major federal crown corporations. The de Havilland Aircraft of Canada, Canadian Arsenal Limited, Teleglobe, CN, Air Canada and now Petro-Canada

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are but a few of the public assets which have been auctioned off to private sector investors, abandoning the long held belief that a public presence in industry resources and finance is necessary to promote broader public policy purpose objectives.

The federal government has adopted an approach based on the ideological assumption that less public intervention is an objective of state policy. Indeed under the current finance minister, the government adopted a policy of privatizing and commercializing government operations wherever feasible and appropriate. That is what we are seeing today with Cameco Corp. and Petro-Canada.

This policy framework also has been applied to justify the privatization and cutbacks in numerous federal government operations, boards, departments and agencies.

The whole point of all of this is that we need a democratic process in the country. Most of the privatization has occurred without any meaningful consultation with Canadian citizens and certainly without the support or consent of trade unions and associations representing the workers involved.

Privatization has been justified on the basis of misinformation in too many instances. Promises and commitments made beforehand were abandoned soon after the shares were sold and the investors were making their money.

The debate around privatization must be expanded to include societal values in addition to the economic consequences. Public ownership implies a sense of accountability to the collective welfare of society, which is unknown in the public sector. Public ownership implies democratic access to decision making through elected officials and representatives who are responsible to public forums.

Public ownership of major economic institutions provides governments with important economic levers to influence private sector behaviour, both in terms of investment decisions and their employment and managerial practices. The struggle to preserve federal crown corporations is part of a greater struggle to define our values and who we are as a nation.

• (1600)

I will branch off a little and stay with crown corporations. However I will first talk for a moment or two about the Potash Corporation of Saskatchewan which was a huge money maker for the provincial government in the late 1970s and early 1980s. It was sold off when the Conservatives came to power in the province after the 1982 election.

The Potash Corporation of Saskatchewan, PCS, still exists. It is now privately owned and makes record profits every year. What a boon it would have been to the Saskatchewan economy when the Devine government was racking up billions of dollars in losses

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every year and the red ink was flowing widely. The potash corporation could have been a great boon had that government had the wisdom to hang on to it, but of course it did not and it is gone now, probably forever.

The same could be said of Northern Telecom, Nortel. The Canadian market and the Toronto Stock Exchange are dependent these days on how much Nortel rises or falls. People probably do not remember that Nortel was once Northern Telecom, a crown corporation which did a lot of good for the country. It was sold off by an earlier government into private hands and is now making gazillions of dollars for a few investors some of the time. However the only benefit is on taxes paid, and it is not nearly as much of a benefit for Canadians generally now that it is in the hands of the private sector.

I will go back and talk a bit about the new higher price of energy because the bill is on energy. As these price increases reverberate throughout our economy they are causing a great deal of economic and social dislocation.

A number of commentators have reminded us that nearly all economic recessions in the U.S. over the past 60 years have been preceded by a spike in energy costs. Like a new tax or a change in interest rates, the new price of energy benefits a few and costs many others.

We have seen huge profits racked up in the oil industry in North America in recent years, particularly in the last couple of years. The energy industry worldwide is benefiting from a market in which the growth in demand has recently outstripped the growth in supply and from which spare capacity has almost vanished.

Reports in the oil and gas journals cite industry experts who predict a tight natural gas market in North America for years to come as the gas business races to replace wells that are playing out. The industry must find the equivalent of between eight and eight and a half billion cubic feet of gas per day just to stay level.

The Organization of Petroleum Exporting Countries, OPEC, is in firm control of the world market and is successfully maintaining its base price of about \$25 U.S. a barrel. The gasoline market is tight because demand is high but also because just in time management techniques in the refining industry are turning out to be more profitable for individual companies than for the economy as a whole.

Officials are warning consumers in both Canada and the U.S. of price spikes for gasoline this summer. We have seen that in the province of Saskatchewan in the last 48 hours.

What does more expensive energy mean for agriculture? Agriculture uses a great deal of energy. I mentioned the figure of \$4 billion in 1995 while gross farm receipts in the country were just

over \$32 billion. That would be in excess of 12%, and it would certainly have gone up a lot in the intervening six years.

It seems the government has been taken by surprise. It did not expect energy prices to deviate from a long low cost trend. Thus far the government's response to the critical energy situation facing North America has been to offer more, not less, energy to the Americans.

• (1605)

The Prime Minister's new sources of bountiful energy, the tar sands and the gas in the Beaufort Sea, will not reverse the trend toward higher energy prices. These are tremendously expensive resources in terms of both extraction costs and greenhouse gas emissions.

Massive public and private expenditures are required before additional synthetic crude or new Arctic gas can be brought to market. A \$10 billion pipeline might bring a billion cubic feet of gas per day down the Mackenzie Valley, but if we compare that to the eight billion cubic feet of gas per day the industry now needs just to stay even we see the problem.

The U.S. demand for petroleum products hovers around 19.5 million barrels a day. It takes billions of dollars and several years to increase tar sands production by just 150,000 barrels per day. A supply solution to high energy prices is not in sight. Lowering demand would be a more effective route to lower prices.

Many farmers are already lowering energy consumption through techniques such as zero till, or zero tillage, to pronounce it fully. Farmers rightly look to the federal government to redirect money and effort it now spends on increasing the energy supply toward a more productive and effective investment in demand management strategy.

I listened with care to the parliamentary secretary's comments that there is no restriction on foreign ownership and no need to worry about the Foreign Investment Review Agency. Yes, we know that very well, and I think it is to the great regret of the vast majority of Canadians.

We were assured that CN and CP, particularly CN, would not be subject to foreign takeover. However we now know that the vast majority of shares in our two major rail lines, which may soon become one, are held by people who live outside our borders. I already mentioned what we saw with Nortel and the Potash Corporation of Saskatchewan.

All these points suggest that the bill, instead of being named Bill C-3, should be named Bill C-745, the faint hope clause, in the hope that none of these things will come to pass.

What is the New Democratic Party's position? We believe now is not the time to give up our last meagre interest and influence in these vital energy sector corporations. Opening the door to more

foreign control of our energy sector is shortsighted and not in the best interests of Canada.

The government would have us believe the proposed changes to Petro-Canada's ownership restrictions would have no bearing on the price of refined products such as gasoline. However by giving up its last stake in the company the government would guarantee that Canadians have no voice at all in the energy sector in the future.

By abolishing the 25% cap on aggregate non-resident share ownership voting rights, the bill would ensure that Petro-Canada ends up sooner or later in the hands of foreigners.

At a time when high energy costs are hurting many Canadian industries, small businesses and low and middle income families, most Canadians want more government involvement to address the skyrocketing cost of fuel. Instead the government turns its back and walks away.

The Government of Canada sold all its shares in Cameco by 1995. In our opinion it is now, by letting go of any semblance of interest in a sector that has global implications, opening it completely and utterly to foreign control. It is for those reasons that the New Democratic Party firmly opposes Bill C-3.

Mr. Gerald Keddy (South Shore, PC): Madam Speaker, it is a pleasure to stand today to speak to Bill C-3, an act to amend the Eldorado Nuclear Limited Reorganization and Divestiture Act and the Petro-Canada Public Participation Act.

• (1610)

The bill opens up two Canadian companies to greater foreign ownership and expands the individual ownership provisions. The intent of the bill is to allow greater flexibility on the part of the two companies, Petro-Canada and Cameco, to better position themselves within the global marketplace.

Within their industries Petro-Canada and Cameco are national and world leaders respectively. Petro-Canada is familiar to most Canadians because of its retail gas outlets. However it also has significant oil and gas exploration and development initiatives in Canada's north and along the east coast. It is involved in the Alberta tar sands as well.

We all know the oil and gas sector is doing well and benefiting enormously from the high price of oil and gas. Petro-Canada is well positioned within the sector to profit from both upstream and downstream production. However it continues, like any company, to look for growth opportunities. The legislation is expected to give Petro-Canada greater flexibility for strategic management as the oil and gas sector continues to evolve.

While the lessening of restrictions on foreign and individual ownership is one issue addressed by the legislation, the bill would

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also allow Petro-Canada to sell, transfer or otherwise dispose of its assets without separate provisions for upstream and downstream operations.

Upstream operations such as development in the Alberta tar sands, offshore oil exploration in Newfoundland and natural gas exploration in western Canada are some of the core businesses of Petro-Canada. Downstream operations, including the nearly 2,000 retail and wholesale outlets across Canada, make Petro-Canada one of the more recognizable names in the gas delivery business and the second largest petroleum refining and marketing company in Canada.

Petro-Canada has recently focused on its core businesses, specifically the oil and gas production that has proven successful on the east coast and in western Canada. The legislation could provide the company additional leeway to concentrate on areas that have proven successful while allowing it to dispose of operations that do not meet its core focus.

The legislation should allow the federal government to divest itself of its remaining 18% stake in Petro-Canada. Oil and gas companies are profiting from current market conditions and it is a favourable time for the federal government to get out of the industry. We all know to buy low and sell high. If the government wants to maximize its investment now is the time to sell.

How the government manages the windfall from such a sale is another question. It was the Canadian taxpayer who footed the bill when the government established Petro-Canada as a crown corporation in 1975 and it should be the taxpayer who benefits now. That does not mean further health care cuts or increased devolution of services to the provinces without corresponding increases in transfer payments.

The Nova Scotia government has recently been addressing its own problem in the oil and gas industry: insignificant royalties from east coast oil and gas development. Nova Scotia sees only 18 cents of every dollar generated by the offshore. The remainder goes to the federal government.

There must be a more equitable sharing of revenues between the federal government and the provinces. Petro-Canada has its headquarters in Alberta. That province manages to operate in the black because of the substantial royalties it accrues from resource companies like Petro-Canada. Nova Scotia is asking for a similar setup so that it too can realize the benefits of oil and gas development.

Last year Petro-Canada had record net annual earnings of \$893 million, easily surpassing the previous year's earnings of \$233 million and almost tripling the previous high of \$306 million. Petro-Canada is clearly doing something right. Still, no company should rest on its laurels. If this legislation provides greater

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flexibility and allows for strategic positioning within the industry, it is important to support it. The PC Party does so.

The legislation affects another Canadian company, Cameco, the world's largest uranium supplier. Cameco supplies 30% of the western world's uranium, some 18 million pounds.

The legislation would provide greater flexibility to the company in terms of foreign ownership, although a fixed limit of 25% would remain in place. There is a big difference, however, between the oil and gas sector and nuclear energy.

• (1615)

Although both sectors provide energy sources and both have inherent risks associated with them that can have grave environmental impacts, Canadians remain skeptical about nuclear energy and the safe use of such energy. Radioactive waste is one aspect of uranium mining that concerns all Canadians.

I would like to spend some time today looking at radioactive waste and the role that public perception plays in uranium production. With legislation that opens up foreign ownership of this Canadian uranium producing company, the world's largest, I think it is important to understand what issues are really at stake here.

For instance, the briefing material provided by the Department of Natural Resources respecting the legislation clearly indicates that nuclear proliferation standards will be maintained and are not impacted by the legislation. However, when one looks at uranium mining there are serious environmental questions that need to be addressed, not just the issue of nuclear proliferation.

The report, "Inventory of Radioactive Waste in Canada", examines radioactive waste in Canada according to three categories, nuclear fuel waste, low level radioactive waste, and uranium mine and mill tailings. At the end of 1998 the total waste of these three categories were, respectively: 5,600 cubic metres, 1.8 million cubic metres, and 210 million tonnes. Again, those three categories were nuclear fuel waste, low level radioactive waste and uranium mine and mill tailings.

The report estimates that by 2035, the year when the last power reactor is forecast to shut down, the waste totals will be: 14,500 cubic metres, 210 million cubic metres, and 248 million tonnes.

The report goes on to state:

Radioactive waste is currently managed in a safe and environmentally responsible manner by storing the waste away from the public and isolating it from the environment. The management of those wastes meets the requirements of the Atomic Energy Control Board, Canada's independent nuclear regulator.

It is interesting to look at what has been happening recently respecting the organization that oversees nuclear reactors and public safety in Canada. On May 31, 2000, the Canadian Nuclear

Safety Commission replaced the Atomic Energy Control Board. In his December 2000 report, the auditor general devoted a chapter to the review of nuclear safety, with a focus on power reactor regulations.

In his report, the auditor general noted that the risk analysis of power reactors is not rigorous, raising questions about the safety of Canada's 22 existing nuclear power reactors. While Cameco may not be in the business of supplying nuclear power reactors, it is directly affected by undertakings within the industry because of the impact this has on Canadians' acceptance of nuclear products, nuclear energy and nuclear waste.

Supporters of nuclear energy advocate that it is one of the cleanest sources of energy available and one that can help meet future demands as fossil fuel sources are depleted. Certainly it is true that nuclear energy is a possible solution for energy, one that some countries have been more open to than others.

France has embraced nuclear power as its primary energy producer, relying on nuclear energy to supply 75% of its electricity production, the result of a 1974 initiative to be energy independent. However, to be supportive of nuclear energy we must also have a method of dealing with the byproducts and the residues of nuclear energy exploitation.

Cameco addresses these issues on a daily basis because, as a result of its mining operations, the company must dispose of its waste materials. This can range from mine tailings to the protective clothing worn by employees.

Currently the low level radioactive waste produced as a result of nuclear power production is compressed and disposed of within nuclear reactors. This is not a long term solution, however, and other disposal methods have been discussed, including the availability of other sites as possible receptacles for this waste material.

The Canadian shield, because of its stable rock formation and low water levels, could be opportune in this regard and is something that the Canadian nuclear fuel waste management program has discussed since 1978. Public acceptance of such disposal methods will determine whether this is a long term solution to radioactive waste disposal.

• (1620)

Cameco is a well respected and successful company. However, like Petro-Canada, it too needs the flexibility to adapt to new market conditions and strategically position itself within the global marketplace.

While I have some concerns about the application of nuclear energy, particularly in regard to waste disposal and byproducts, the intent of this legislation is to help these two companies grow and

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expand within their respective industries. The PC Party supports this initiative.

A recent Cameco press release announced that reserves at McArthur River in northern Saskatchewan, the world's largest and highest grade uranium mine, is now expected to exceed anticipated production by 50%. As Cameco continues to develop mine sites like the McArthur mine, it will need the flexibility to attract new investment and diversify its holdings. This legislation should be one step toward providing that flexibility. The PC Party supports the legislation for that very reason.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I listened to the hon. member's speech about his points of view on Bill C-3, which would see us doing away with our last influence on or ownership of anything to do with a public sector energy strategy, at least, or an energy strategy in the public interest, if we could put it that way.

Could the hon. member explain to me the motivation, this seeming passion, on the part of government and obviously on the part of his party to divest ourselves of any interest whatsoever in our energy sector? Why do he and his party think that all things publicly owned are bad and all things privately owned are good and somehow better run and better managed just because they are in the private sector?

I will let him answer, but I would argue that many Canadians want more government intervention in the energy sector at this time because they are facing spiralling, out of control energy and fuel costs. They want the government to take an active role. How does he juxtapose that reality with his party's and the government's fixation on privatizing everything in the energy sector?

Mr. Gerald Keddy: Madam Speaker, first of all, certainly the Progressive Conservative Party does not agree with privatizing everything in Canada. There are a number of areas, particularly health care, wherein privatization has no place.

The issue before us is the result of a national energy policy that I do not think anyone any longer supports in this day and age. The fact is that Petro-Canada has basically been privatized at this point. This bill still would not complete that job. We have a company that right now is making some profits, without question, but at the same time its stock is high. Now is the time to move it out. We have to establish a very clear direction on where Canadians want to go. Do we want to be the owners of all of our public resources? I do not think so. Canadians have very much spoken to that themselves at the ballot box in the last number of years in this country.

The other issue is Cameco, which is a more difficult issue. Certainly Petro-Canada is not a difficult issue for the PC Party. There are other issues at stake with Cameco. When we start to supply 30% of the world's uranium production, then we have issues of nuclear proliferation and nuclear safety. We are supplying

nuclear ore, uranium ore, to many reactors around the world and that is the more problematic issue.

At the same time, it is our belief that it is time to privatize both companies. This does not finish the job, but it is a step in that direction. I would have thought that the government would have taken this opportunity to complete the job. It has not done that. We would still have two publicly owned or government owned crown corporations. It is a matter of time before the job is finished. I expect that the government will continue to do that.

• (1625)

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Madam Speaker, I will add my comments on this very important bill a little later, but I would like to ask for a comment from the hon. member.

He will recall that it was his party in 1990 that began the process of selling Petro-Canada. At the time it was seen as a very wise move given the need for capitalization and the changes that were necessary. Ten years later, we see that gasoline prices have now hit their highest levels and that although retail margins are a little weak, we are now seeing refinery margins in the order of 18 cents a litre. By the way, that never gets discussed by the press because for some reason there seems to be a conspiracy of silence, whatever the case may be.

More specifically, to the question of the number of shares held by the Canadian public through the government, it is 49.4 million shares out of 271 million common shares in Petro-Canada, at \$40.72, which is about \$2 billion in potential revenue.

I wonder whether the hon. member has given any thought to the idea that rather than the \$15 billion, if we amortize that over a number of years, that has been spent by the Canadian taxpayer to create Petro-Canada in the first place—and we can debate the merits of whether it was there to remove refinery capacity in the country, because that is exactly what has happened—would he consider or at least give some thought to, based on what Bill C-3 is proposing, the notion of returning \$2 billion in income taxes to Canadians as opposed to simply returning it to general revenue?

Mr. Gerald Keddy: Madam Speaker, in my speech I actually mentioned that we would certainly give some thought to making sure that any revenues generated from the sale of Petro-Canada go back to the Canadian taxpayer specifically. That would be our first choice.

The other part of the hon. member's question is a much more general question. We need to ask ourselves if we want government in the private sector in this country. We have to be very clear. I think the answer is no, we do not want government in business. We want government to do other things.

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We have a windfall of profit right now in Petro-Canada. We do have high oil and gas prices, without question, but there are other ways in which the government can influence the oil and gas sector without being directly in the business. Quite frankly, there is no place for government in the oil and gas business, in retail, either upstream or downstream. The industry is working well.

It has not always worked well. I can give a prime example of that. I worked in the offshore oil fields on the east coast. In 1985 or 1986 we drilled a well off Sable Island. It was 85 miles farther out in the ocean than we had ever drilled before. It was a Canadian government supplied well, so there was a lot of money flowing. We drilled to about 17,000 feet. We had never drilled that deep on the east coast before. Yet the Petro-Canada engineers, the government people involved in that well, insisted that we drill another 2,100 feet. We drilled another 2,100 feet of dust. We never hit any gas reserves. We never hit any oil reserves. What we did do was break the record and drilled the deepest offshore well ever drilled in Canada.

That is what happens when we start putting public money into private business. Quite frankly, I do not think that would have happened with a privately owned corporation.

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I listened with great interest to what my colleague had to say. He obviously has very special experience in the oil business. He made some very thoughtful remarks.

However, I am being approached all the time by citizens who feel that the price of gasoline is simply too high. It has gone up again and is projected to go up yet again during the summer. The people in my riding feel they are being jerked around by the oil companies, by OPEC or whatever.

The hon. member says there is no place for government in the oil industry, but one example of where the government has been very effective is the oil sands, or the tar sands as they used to be called.

I am told that the reserves in the oil sands are as great as the reserves in Saudi Arabia. Despite what was said by an NDP member earlier, I have also been told that the price per barrel now, as a result of government subsidy into research for methods of extracting the oil from the tar sands, is down around \$12 or \$13 a barrel. Yet OPEC is maintaining prices at \$25 or \$26 a barrel.

• (1630)

Would the hon. member comment on the roles of this government and previous governments in the development of the tar sands? How should we manage this resource, which is even larger than the resource he was tapping offshore, in the best interest of

Canadians, particularly fixed income Canadians who are suffering at the present time from high gasoline and oil prices?

Mr. Gerald Keddy: Madam Speaker, the hon. member asks a couple of questions. The first one that I will deal with is the role of government in high risk ventures. The oil sands are an extremely high risk venture. They have been buoyed by the fact that we have had an increase in the value of oil and gas. If we had not had that increase we would not have gone ahead with the development.

We would have continued to put dollars into them and they would never have floated. They would never have been a viable operation. They are only viable because of the increase in the value of the product they produce. The risk period is over. It can now be a standalone venture and be completely privatized. There is no need for Petro-Canada investment being there.

The other question dealt with the price of oil and gas. The government has a lot of leeway. It has an opportunity to show a lot of leadership regarding the price of oil and gas. It can get rid of the 1.5 cent deficit reduction tax on gasoline as there is no longer a deficit. There are a number of areas of excise tax that could be looked at. Part of reducing the cost of oil and gas is incumbent upon the federal government showing leadership, making reductions first and then challenging the provinces to meet it at least part way.

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Madam Speaker, once again I have an opportunity to give a brief illustration of some of the concerns I have with Bill C-3.

Let me state from the outset that I will be supporting the bill. It is a timely bill. We are debating a bill on a day in which Canadians, short of what happened in the House of Commons in the past 24 to 48 hours, are beginning to wonder whether or not a nation so blessed with energy is being put in the situation where it is being manipulated by its own resources. Canadians are seeing prices that they could never have imagined a few years ago.

Some time ago members on this side of the House took under their own wings the idea of looking at the gas and oil industry. I am proud to say that the industry is doing extremely well in Canada, but not as proud to say that for most of my constituents it is doing far too well.

I would like to indicate where the bill could be improved because it is clear that its intention is to divest, among other things, federal government shares which it currently owns in Petro-Canada. Petro-Canada was created out of the national energy policy. As a young assistant I sat in the gallery and watched as the act unfolded. Back then it was an issue for me. Amazingly enough at the age of 38 it is still an issue for me and it will continue to be an issue for most Canadians.

I will provide my colleagues with a description of where the energy sector is going. There has been a lot of interest in the idea

of a continental energy policy. I had an opportunity to make some observations on that during the take note debate last evening. The most interesting comment that I have heard came from the former governor general of the country, Ray Hnatyshyn, who as a young member from Saskatchewan referred to a continental energy policy as it related to Canada and the United States at the time as being a bit like “swapping partners with a bachelor”.

The difficulty is trying to explain to Canadians that when there are opportunities to provide more energy for other parts of the world desperately in need of energy, there inevitably becomes a consequence to one’s own consumption and to one’s own domestic situation as far as the market is concerned.

It would probably shock and surprise Canadians to know when they are fuelling up with gasoline or buying home heating fuel, or truckers who are using diesel fuel, that all our energy is priced in U.S. terms because of the differentiation between the Canadian and the U.S. dollar.

• (1635)

The standard benchmark for oil as set by West Texas Intermediate is about \$26, \$27 or \$28 a barrel in the U.S., which is \$42 or \$43 in Canadian terms. That number has to be divided by 159 because a conventional barrel of oil yields 159 litres of gasoline. That makes it about 25 or 26 cents a litre. That is the breakdown of why people in Ontario are paying 80 cents a litre for gasoline and perhaps more.

Crude oil in Edmonton today is selling for about 26 cents a litre. It takes about one cent to push it through taxpayer funded pipelines which we gave over to the oil industry as an apology for the energy program many years ago, so it is now 27 or 28 cents a litre.

Refiners in Ontario and across the country will then transform the crude product, the bitumen, into a rack price, which is known as the wholesale price. This usually costs them about two or three cents a litre. However the margin today is 18 cents a litre. Of the refinery’s production, 15 cents is going into the pockets of oil companies. I am not so concerned about their ability to do it. They say it is economics 101 and it is their right to do these things because that is the way it is done in other markets.

In the U.S., the average refinery margin is hovering about nine cents a litre. However, because we are Canadians and because it is our own product priced in U.S. dollars, not including taxes, we are being forced to pay an extra eight or nine cents a litre. That may not mean a lot but when we consider that 35 billion litres of gasoline a year are sold in Canada, we are talking about a transfer, for every penny where there is no competition at that level, of some \$350 million from the Canadian consumer’s pocket to the oil companies.

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Some members may wish to nod their heads approvingly or disapprovingly but the facts and the proof are in the pudding.

The record profits that are being made in the downstream, in the refining and retailing of gasoline, is testament in and of itself of the evidence that something has gone completely wrong with the industry and for which there is no oversight.

I would now like to talk about the retail margin. If I am an independent I would be buying gasoline today for about 74 cents a litre including tax. I would have about four to five cents to work on. That is usually what is needed to turn a pump on, to pay for staff and to keep one’s nose above the water line.

Since 1993 we have seen the sustained policy of oil companies, using their huge profit at the refinery level to cross-subsidize. That never gets challenged because there is no competition there. They do not mind losing money at the retail level.

Big, beautiful gasoline sites are being put up by the integrated major oil companies in the country. It costs millions of dollars to acquire the land, to put up the infrastructure and the capital, and yet they are running on margins of one cent a litre or half a cent a litre, and in some cases negative one or negative two cents a litre.

This would be completely illegal in the United States. Shareholders would get upset at losing money at the retail level because retailing and refining gasoline are completely different. Also anti-competitive questions would be raised. To build a facility like that on the most expensive sites to attract people to the site would be prohibitive. It would likely reflect in the cost.

Hence when we go to the United States, and many of us have done that although with our weaker dollar it has been more difficult, we go to a little gas station on the side of the road. It is an ugly, beaten up looking thing. The guy is outside with his dirty hands and his wife is pumping gasoline. The gasoline at this station is 10 cents a gallon less than the Mobil across the street. A product cannot be offered at cost or below cost unless money is being made somewhere else.

There are opportunities for the government to look at the issue of segment reporting. One of the benefits that I hope would not be lost, in any attempt to sell the final 18% of Petro-Canada shares, would be segment reporting. One of its advantages, because it is a publicly held company, is that it tells people what it made at the retail level. It has not engaged in predatory pricing versus what it has lost or made at the refinery level.

• (1640)

Finally I want to talk about what makes up the cost of gasoline. We have 26 cents for crude. We have 18 cents as a refiner margin today in Ontario, particularly in Toronto. We have taxes in the area

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of 24.7 cents, which consist of 10 cents for the federal excise, 14.7 cents for the province and about 5.6 cents for the GST. Of course the GST goes up with the cost of the product. The final point I want to put into this cost, and why it is so important for us to consider it now in Bill C-3, is that in the future when it comes to being able to measure these companies we will have less of an opportunity to do so. Yes, the books will be open, but they will be open for shareholders.

Will there be guarantees, as we see with a current partially held public company, that these companies will be held to a higher standard? Will there be guarantees to ensure that all reporting is not combined and that it is not simply put in and consolidated, as we see with Imperial Oil and Sunoco? They tell us what they made in crude and of course what they made in the entire downstream, which is refining and retailing. As we know, they are two completely separate businesses.

There are opportunities for the federal government and parliament to begin to look at the impact a possible continental energy policy would have on product. For instance, in regard to transferring a certain amount of product from Canada to the United States, priced in U.S. dollars, if we do not take into account the fact that there will be an impact on Canadians, a cost push in higher prices, then I think we are engaging in a fool's errand. There is no doubt in my mind that a continental energy policy must take into account the impact it could have on Canadians.

I believe it is important that we head in that direction and that we begin to look at ways in which we can co-ordinate our valuable energies and our resources. However, if we fail to estimate the impact on Canadians, we will lose the very people who give this place legitimacy.

Right now gasoline is at 80 cents a litre in Toronto and there is an 18 cent a litre margin at the refinery level, which not too many papers, media or members of parliament want to talk about. We tend to spin around and worry about the taxes that are part of gasoline. I think they are important, but there is not a single member of the House of Commons who does not know that those taxes go back into general revenues and are there for the common good of the country. We can dismiss re-election for every member of parliament here if we do not like the way our taxes are spent, but there is no accountability for the chairman of Imperial Oil.

That money that we call taxpayers' money, which is part and parcel of the cost of crude, does not go up on long weekends and every Canadian knows that. Canadians also know it goes to pay for our hospitals and for our roads. Equally, they know that if we are dealing with the subject of taxes we ought to look at how the oil industry is spending those taxes.

It may come as a surprise to some members of the House of Commons that an oil company will charge an independent cash on

the barrelhead, taxes in, for delivery of goods and products, for their product, the gasoline. They demand the taxes up front. However, because they are large companies they get to keep that tax for 30 to 40 days as a float, simply because they happen to be large players. That is part of their general revenue. Never has working with the government been so profitable.

For this reason I find it rather ironic that we are dealing with what appears to be a rather casual housekeeping matter in Bill C-3, that we should proceed with this. However, make no mistake about it. Most of us here know that we are proceeding with the further privatization of a company that has done very well from the marketing point of view considering where its shares were a few years ago. I applaud the company for that. They are now at \$40.72 in trading. That is quite a whack of cash. Some \$2 billion is what the federal government has at stake here if it decides to sell its common shares on the open market tomorrow.

I would argue very passionately that this money is only a small amount of the money Canadians put toward creating Petro-Canada in 1990 as a result of a decision by the House of Commons. I think the time has come to do something, given the high cost of energy and the anticipated even higher costs down the road. The oil companies use the excuses of warmer summers and colder winters or shutdowns in Kuala Lumpur or wherever in order to justify these high prices. The excuses are predictable, but they are certainly not exhaustive.

For that reason I think it is important for the House of Commons to consider taking that money and do nothing else, short of putting it in the general revenue, but to give it to every single Canadian on his or her income tax in the form of a grant, a credit or however the system can be worked. I would advocate very strongly for that because I think it gets us away from the arguments being made by members on the other side that the solution to high costs of energy is somehow related to taxes.

• (1645)

Members on the other side know only too well, as my colleagues here from New Brunswick know, that when the provincial government of New Brunswick in 1992 gave back two cents a litre to consumers, delivered through the oil companies, the public never saw the savings. The hon. member for Peterborough knows this very well and has said it very eloquently to a lot of his constituents.

Consumers felt that the government was heading in the right direction by dropping taxes, for whatever reason, and it was one of the more difficult environments in which to do it, but the public never saw the savings. This was reason the Liberal committee on gasoline pricing recommended that if we were to take the tax off taxes on gasoline, we must ensure that the resulting savings go to Canadians, not to the bottom line of oil companies.

That was true then and we have evidence of it having occurred in real terms in Canada. It is one of the reasons that, yes, even the right wing government of Mike Harris in the province of Ontario agrees with the findings of the committee. It is one of the reasons they have done nothing with their 14.7 cents a litre.

I also take the liberty at this time to explain and remind members of the House of Commons that when it comes to diesel, the fuel that keeps our trucks going to and fro, the federal government takes a mere four cents a litre, not 14.7 cents, not 22 cents and not 25 cents. We recognize the importance of that industry.

As my hon. colleague from Peterborough explained, which I did not know, when a farmer or a construction company buys coloured fuel no taxes are paid from the federal point of view, period. There may GST on it but that is quickly remitted.

The federal government, as it relates to taxes, is on very strong ground. I believe that some day there will be the ability for us to afford a tax cut in that area, but consumers are not fooled. Only six months ago crude oil was at \$38 a barrel and the price at the pump was 77 cents in Ontario. It is now down to \$26 a barrel for crude and the price has gone up to 80 cents a litre and rising.

No matter how many analysts or how much of the public's money is being used to bamboozle the public about how gas pricing occurs, the public is not fooled by these rather shameful tactics to use their money to make them feel like complete idiots when it comes to how pricing occurs.

I would not be so passionate about the question of energy or gasoline if I did not think it was a problem that existed elsewhere in other industries. I have talked to other colleagues about this before. I believe we have some problems with respect to concentration. If the oil industry can get away with this, then I am sure there are other industries that can do the same.

I want to finally end by simply saying that I call upon all colleagues and members of parliament on both sides. I am certainly interested in hearing their questions. Believe it or not, I had no intention to stand and talk on this bill but it begins the process of coming to grips with the changes around us.

If we do not begin to understand the market structure to which we are making changes, we will have done a disservice to the public. We will have failed in our mission to create good public policy. I plan to work with the government. It is a good bill but let us do it in a manner considerate to the context in which Canada currently finds itself with high energy prices.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I think I understood the hon. member for Pickering—Ajax—Uxbridge to mean that he believes there is a role for government to

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intervene in and regulate the energy marketplace that, frankly, is not serving Canadians very well at this point in time.

I realize the member is an authority on the subject. I have heard him speak about energy prices many times in the House of Commons. I firmly believe he is genuine in what he is saying, but I would ask him to clarify something for me.

Is it his feeling or point that government can and should set national energy policies for the well-being of Canadians or does he believe, like we heard from the Tories, that we should let the free hand of the marketplace prevail and it will find its own natural level?

That is what I would like to understand a little more clearly from the hon. member.

Mr. Dan McTeague: Madam Speaker, the hon. member for Winnipeg Centre and I have had a few discussions about this and I thank him for his very kind remarks about my very cursory knowledge of the industry.

I say to the hon. member that I believe all options in terms of the free market should be available to the industry, as others, before we look at the issue of government intervention. I think that intervention by government should be of necessity.

• (1650)

My argument, in very plain words, is that there is a deficiency in the free market as it relates to oil and gas. For anybody to tack on 18 cents a litre as a margin at the refinery when competitors to the south are operating at substantially less, demonstrates to me that if I thought, given that 35 billion litres of gasoline is being sold every year, the opportunity of potentially making \$300 million to \$500 million would invite new entrants in the marketplace, that would be the first indication that the free market is non-existent here.

I also believe that our Competition Act needs teeth. This may come as a surprise to some hon. members, but the Competition Act was written in 1985 by groups represented very heavily by big oil. It was one of the reasons I brought in my bill which would remove the efficiencies defence or excuse in which, if one can believe it, a company, if it could demonstrate that it was acting in a merger which could have competitive, harmful effects, could proceed with the merger as long as it could demonstrate efficiency. We have two players in the case of propane. This was evident in terms of what happened in August. Superior bought out ICG.

Superior went to the competition tribunal because of course the bureaucrats said that Superior would have 100% control of the energy market. They said that it would be competitively harmful and that it would have a negative impact on consumers.

The tribunal, in a two to one decision, said that notwithstanding the fact that it would hurt consumers, the competitive process and

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ultimately the free market, the fact that one company can buy out the other and shut it down is a form of economic efficiency. That defence was put in specifically in 1985 so that we would wind up in a situation where there was a Competition Act that looked a lot more like a concentration or monopolization of the Canada Act. I think we need to look at the economic instruments, such as the Competition Act, to ensure that there is fair play.

I could talk to the hon. member about independents that have lost their shirts because they were too good for the obvious reasons that I mentioned. Cross-subsidization does occur but it should be illegal. It is illegal in the United States.

If shareholders knew that oil companies were engaging in the practice of losing money at the retail level while saving a lot of money at the wholesale level to discipline their competitors who rely on them for supply, they would walk away in droves saying that those companies were not making proper economic decisions and that the government was not paying attention to the fact that this was obviously anti-competitive and obviously wrong.

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, as I understand it, what my colleague is saying is that government or quasi-government organizations have the very important role of ensuring that competition is fair and fair at all levels of industry. I think that is very important.

One thing I have difficulty doing is explaining to my constituents how it has been possible to undertake competition type reviews of this industry or parts of this industry, culminating I think in the conference board review within the last year or so, and yet it is impossible to demonstrate the collusion and the anti-competitiveness that my constituents feel are occurring in the oil and gasoline industry.

Could my colleague take us through and explain what has happened with those reviews?

Mr. Dan McTeague: Madam Speaker, those are very excellent questions. I want to explain to the hon. member that although I and many members on the committee held much promise that the conference board would do a thorough and independent job, it became apparent to us that much of its methodologies were in fact wrong and flawed. For instance, it compared that wholesale market that I was talking about, the refinery level, to 1% of the U.S. market, mostly the market of Plattsburgh and Buffalo, New York, which of course are trailers to the Toronto and Montreal markets. There was an asymmetry in terms of comparison. The board was literally comparing watermelons to apples, with the apples in the U.S. following the situation here in Canada.

However, if the board had taken the whole of the United States and compared it to the whole of Canada it would have found, as I

and many others have discovered in any objective review, that the two are very different. In the U.S., in many respects, one will find that its refineries do not even sell gasoline at retail so there is real vibrant competition at the wholesale level.

The second part of the hon. member's question was a very good one. It dealt with the question of why investigations have not turned up conspiracy collusion. I want hon. members to really understand this. Collusion is not illegal in Canada. The burden of proof to discover collusion and price fixing under section 45 requires not only the establishment of the fact that it has happened and not only the intent of the individual, but that it had an undue impact or an undue standard on the market.

• (1655)

Can anyone believe this? Our Competition Act is similar to someone going in, knocking over a bank, having the intent to knock it over, carrying it out, pistol-whipping whoever is there but not being proven as having committed a criminal act unless the effect of their act is to bring about the collapse of the Canadian monetary system. It means it is a burden of proof not beyond reasonable doubt but a burden of proof that can never be proven.

The hon. member would probably have the chairman of Imperial Oil, Shell or any of those companies, which I am sure they would not do nor should they do, come before the Supreme Court of Canada and swear under oath that they had committed a conspiracy and of course done that by way of affidavit. Therefore the problem is with the Competition Act.

Again, I beg the hon. member and all hon. members in the House to remind themselves who wrote the Competition Act in 1985. If they do not like the way it was written and they do not like the high, unjustified costs of energy that have been fleecing Canadians, then I beg them to ignore the fact that the media has locked the issue down and to start discussing it because their constituents are doing it.

Mr. Svend Robinson (Burnaby—Douglas, NDP): Madam Speaker, I listened with interest to the hon. member's speech. He has talked about the role of government in the energy sector and has spoken about the importance of government being able to play an effective role on behalf of the people of Canada.

I want to put to him that, as a result of some decisions his own government has enthusiastically supported, particularly around the adoption of NAFTA, and now its proposal for the FTAA, it has taken away precisely the tools that government needs to effectively assist the people of this country in the energy sector and, for that matter, in many other sectors. I would like the member to comment on this.

The Prime Minister was bragging recently about the continental energy pact. He talked about how he had educated President

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George Bush about the fact that we have tar sands. My God, we have tar sands. The Prime Minister said “He didn’t know two months ago. I’m a good teacher”. He may be a good teacher but he is an even better person to sell off our resources and the control that Canadians should have over our own destiny when it comes to energy resources and other resources.

Does the member not recognize that as a result of the NAFTA provisions, which now exist, that we are not in a position to decide as Canadians that if, for example, there are energy shortages in this country that we will give preference to the people of Canada? It is not exactly a revolutionary concept, is it, that when Canadians want to have access to their own energy resources they should be given preferential access to them?

Under NAFTA and under the FTAA, as proposed and enthusiastically supported by the government, we have lost that right.

I want to ask the hon. member to explain how it is that he is so concerned about Canada’s ability to protect our own energy resources when his government sold out that ability by adopting NAFTA and now proposing the FTAA.

Mr. Dan McTeague: Madam Speaker, I need no lesson from the hon. member when it comes to speaking out against my own party. I know the hon. member has quite a degree of interest in that area.

I want to point out to the hon. member that there are many countries in this world that have those kind of resources. Russia would be a good example of where it cannot get the investment to get the resources. Sure, it may belong to the people, but ultimately the people will never see the benefit of those resources because they will remain in the ground ad infinitum with that kind of a socialist policy, which we understand to mean not recognizing the market as it currently exists.

I want to tell the hon. member that I am prepared to exhaust the free market and make sure it works appropriately before we have some kind of a command system.

The hon. member had a class example of why gasoline prices are expensive in his own riding. The Atlantic Richfield Company came into his riding, knocked out a few independents, had prices below cost, even below the level of taxation, and the hon. member never once raised the issue. The independents are out of the way and British Columbians in his riding are now paying among the highest prices for gasoline in this country.

When it comes to my position as it relates to gasoline, I would ask the hon. member to once and for all take up this issue, tell his constituents why he did not talk about this and explain to them specifically what international policy or international conspiracy has to do—

The Acting Speaker (Ms. Bakopanos): The hon. member for Prince Albert.

• (1700)

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Madam Speaker, I was not intending to speak on this matter, but there has been such good debate and provocative ideas presented that I could not resist it.

I picked up some of my Liberal friend’s comments which I found very interesting. I give him credit for standing up and not just taking the party line. He gave a fairly damning indictment about competition law in the country saying that it was ineffective, that it was geared against the consumer and that we really did not have competition. He alluded to the U.S. and how good things were there, how much better the consumer was served, how much better the prices were and that it had good competition.

I would invite the government to look across the border at the U.S. competition law and policies and then bring forth legislation in the House that would create a more competitive economy in the country to better serve our consumers. I thank him for pointing this matter out. This has to be heard by other people on the other side of the House, and I give him credit for raising this point.

For people my age in Saskatchewan and Alberta, who I believe are thinking people and can remember things, if they are depressed today, the word Petro-Canada is not like Prozac. It does not have good vibes in my part of the country. It brings back bad memories about a thing called the national energy plan.

My New Democrat friends do something that I have seen very few people do in my lifetime. They are good at forecasting the future, or they think they are. Lenin and Marx predicted the future, and there were a whole slew of socialist thinkers after that time who projected the future of civilization. I would like to know which one has actually predicted the future accurately. I think just about every one of them totally struck out.

Back in the 1970s when we brought in Petro-Canada, the prime minister was worried about the \$100 per barrel oil price. The energy minister at that time talked about the same thing, that the invisible hand of the market would bring prices up that high and Canadians had to be protected. The NDP members at that time were the government’s cheerleaders. They said the government was right, that they could see the future. We have not seen \$80 per barrel oil prices and we have not seen \$100 per barrel oil prices.

Something else concerns me. There is an aspect of the bill with which I have a good deal of difficulty. There are a lot of restrictions on the shares and the ownership of these shares. I do not buy fuel from Petro-Canada. It is a matter of principle with me because I am one of those people who remembers the experience from the 1970s. However I drive by every once in a while to check Petro-Canada’s

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prices. Believe me it is the same price as Shell, Imperial Oil, the Co-op and other competitors in the marketplace. If I and my learned friends over there were somehow going to get a benefit ownership, I have not seen it.

There was much lamenting about how the oil industry gouged the economy with excessive pricing. I would suggest to most folks in the House that if we got rid of the wellhead price, the royalty structure, the excise tax on fuel and so on we would probably see an instant 50% plus reduction in the price. If there are any benefactors out of increased energy prices in this economy, it is the provincial and federal governments.

I would suggest to the members from Saskatchewan who spoke earlier that if oil and energy prices were not at the levels they are today their NDP government in Saskatchewan would have an enormous problem trying to balance the books. It is about the only thing in that province these days that pays the bills.

• (1705)

I am amazed that the member for Palliser would say that we should go back to a two price, made in Canada price. Was he actually saying that we should price 15% to 20% of Saskatchewan's oil and energy for Ontario, Quebec and other regions of the country at a dramatically lower rate than what we would for an export price to the U.S.? I would find it very surprising if people in Saskatchewan would accept that as good logic.

I want to raise a few comments about the share structure. I am trying to figure out why they would have a restriction that nobody could own shares in excess of 15% or 20% or whatever the amount is. I have a lot of problems with that. In my view Petro-Canada is no different than Shell or any other oil company. They are in the marketplace and are privately held companies. Why does the government want this restriction in the bill?

The auditor general commented that a lot of our crown corporations and government owned operations were vehicles to appoint unqualified people to important positions. Many of them are not doing a very good job. I would say the government does not want to lose control of Petro-Canada because it wants to retain the ability to appoint people to the board of directors. It is one of those plums that it still has and it does not want to give it up. That is one explanation why it would be that way.

It was mentioned that the share price of Petro-Canada is \$36 a share. If my math is right, if those shares were sold at \$36 a share that would be \$1.8 billion. If that was paid on our national debt that would mean we would save about \$136 million every year on interest charges. That would go right to the bottom line of this national federal government.

This money could be used to build highways or buy MRI machines for Saskatchewan. Saskatchewan does not really have

many MRIs. It could be used to help children. As my learned friend with the Liberals mentioned, maybe we could do what Mike Harris did in Ontario and pay that money back to the taxpayer in the form of a dividend.

I am glad some of the Liberal members are starting to learn that some of the things Mike Harris is doing in Ontario are all right. There is one over there that is not in agreement with the proposal of her fellow colleague but he was quite bullish on that. I want to point that matter out.

If these restrictions were removed from the shares and these shares could be freely traded, maybe we would be talking about \$45 a share. Then we could be looking at \$2.5 billion or \$3 billion on these things. These restrictions diminish the value of those shares.

What about the head office being in Ottawa? I think that even lawyers who graduated from law school with a D average could find a way to get around that loophole. They could hire one secretary, put a telephone in that office, put up a sign saying head office and that would qualify. I really do not know where this sort of thing comes from. If anyone thinks about this seriously, this could be a way of maintaining some sort of Canadian control. We have too much of this. We have the same sort of problem with Air Canada with that sort of thing in legislation. It is another restriction on ownership. It is about politics and not good business.

I have a few more comments about the province of Saskatchewan. Much was said about our crown corporations. I want to bring up one matter which is Wascana Energy, a crown corporation owned by the New Democratic government. Some Canadian owned companies in Calgary tried to purchase that company. The premier and his cabinet did not want to give up ownership of the company and opposed it. A year or so later, lo and behold they sold it to Occidental Petroleum, an American corporation out of California. Guess who sits on the board of directors of Occidental Petroleum? Allan Blakeney. He lost his socialist past and is part of that corporate agenda.

• (1710)

A couple of other crown corporation ownerships in Saskatchewan were used to balance the budget in that province. Believe it or not the NDP government sold its shares in Cameco and applied it to the public debt. That is amazing.

The Saskatchewan government owned shares in the Potash Corporation of Saskatchewan and sold those. It owned a big stake in the heavy oil operator at Lloydminster. Guess what the NDP government did with its shares? It did what Mike Harris or Ralph Klein might have done and sold them. Then its government members went around Canada and said they were good fiscal conservatives. I am not going to disagree with them. That is good fiscal conservatism.

However I find all these comments about the Saskatchewan family of crown corporations rather strange. I also find it strange that a member from Saskatchewan would talk about returning us to the national energy program where Saskatchewan would sell its oil to other Canadians at well below market prices. I wonder how the premier of that province would balance his books? He would probably come to Ottawa, ask the Prime Minister to give the province more money because it had a shortfall in its budget and needed more financial assistance. I find a lot of those comments hard to defend from a Saskatchewan perspective.

There is one last comment I would like to make. If atomic energy ever takes off, we will be the Saudi Arabia of the world in terms of atomic energy. There are a lot of interesting things on the go in atomic energy. South Africa has a interesting project with a 100 megawatt nuclear reactor, not a 1000 megawatt reactor, and it uses modern ISO standards of construction. If this ever catches on and is a safe way of delivering energy, Saskatchewan will be the place sitting on the energy in North America, not Alberta or Texas.

Saskatchewan is sitting on a great opportunity if it can find the technology to deliver atomic energy safely to consumers in North America. I do not think our governments should close the door to that.

We know coal and hydro are problems. We certainly know with some of the treaties of the problems with hydrocarbons and petroleum. Atomic energy is starting to look like it has some possibilities, especially with modern technology. Most of the nuclear industries we know use 1950 or 1960 technology in developing their plants. We have an opportunity to use much more advanced technology to develop high quality nuclear reactors today that could deliver clean energy to consumers in North America. We should be looking at that as an opportunity in the future.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very glad to be able to join the debate on Bill C-3. I am probably one of those people who the member for Prince Albert was talking about. I firmly believe the federal government has not just a role but an obligation to try to ensure that Canadians have good access to affordable energy, especially in our harsh winter climate. Energy is not a luxury commodity it is a necessary commodity.

• (1715)

Something that is our birthright, something that is our common wealth, something that is part of our Canadian heritage should be accessible to Canadians at a preferential price than we sell it offshore. I am proud to say that on behalf of Canadians.

Many Canadians, especially people in my riding, have phoned me and asked for help, for some relief, for the federal government to stop being so impotent when it comes to giving them access to

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affordable energy. They are asking why it cannot be that way. They sent us here to represent their interests. This winter their interests or needs were better access to affordable energy because they thought they were being gouged, ripped off and cheated by big oil.

There was a time when Canadians collectively decided to try to take steps to represent their interests when it came to energy. That is when people with more vision apparently than those who occupy the House today came up with the idea that perhaps we should not have our entire energy industry foreign owned and foreign controlled because we do not know when we are being gouged or overcharged.

They did not say, as the hon. member for Prince Albert was trying to imply, that we should nationalize the whole industry. They did not come on that strong. They said we should have one oil company, a watchdog, a window on the industry. We would be part of the industry and we would have one company owned by the people of Canada, not owned by the Liberal government.

What is wrong with that idea? What is it about that idea that so frightens small minded people? The hon. member also tried to imply that crown corporations are owned by the party in power. I get tired about hearing about it.

It is very fitting, timely and appropriate that we are having this debate today because I think energy is a top of mind issue for most Canadians. Certainly judging from the calls I have received in recent months, frankly this past winter, Canadians are very concerned about a constant and reliable supply of clean, affordable energy.

I am mostly concerned about the homeowners who live in my riding. They are my primary concern, but small businesses, schools, hospitals, institutions and non-profit organizations are reeling with shock and horror at what is happening to their operating costs, for seemingly no rhyme or reason. Seemingly arbitrary skyrocketing prices in energy are what infuriates Canadians the most. That is why recently people such as me in my private member's bill have been advocating some kind of government intervention, some kind of regulation, no matter what form it takes.

If it bothers the hon. member for Prince Albert so much, we will not call it a national energy program. That seems to irritate him. It seems to set him off. We do not want to provoke him and make him any more hostile than he already is, so we will call it something else. Let us call it an energy price commission. There is a good moderate sort of phrase. It would not have broad sweeping powers to nationalize every oil industry.

All we are saying is we want some stability and some regulations. If we had an arm's length energy price commission, the oil companies would have to come, whether producers or retailers, to

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that commission and justify why they deserve a rate increase, a hike.

We would not let it happen every long week. Perhaps twice a year or perhaps every six months, they could come before that panel and argue the merits of their case as to why they deserve an energy price increase and then that would be it. If it were justifiable, the people of Canada would know the rationale and they would not feel so gouged, cheated and ripped off as they do today.

The hon. member who spoke previously can call that whatever he wants. I call it a good idea. I call it advocating on behalf of Canadians. It is not just the NDP that seems to think that way. The Government of Newfoundland introduced such a thing a short two months ago. We have been talking about it all winter. I am sure it was not our initiative that gave it the idea. It actually learned it from the Government of Prince Edward Island because it had been doing that for 40 years.

The Government of Prince Edward Island had the common sense to represent the interests of its own people and put the interests of its citizens before the interests of big oil. It could stand up on its hind legs and stand up to big oil. Now Newfoundland has followed. Perhaps now it does not sound like such a crazy idea to the small minded people who are afraid of that concept. Canadians would be proud of us if they could hear a debate in the House in which we represent their interests and not the interests of big oil.

• (1720)

We have heard a lot about energy pricing today. I should like to raise another element. The member for Pickering—Ajax—Uxbridge talked about the real costs of margins from the producer to the refiner. I should like to talk about the whole cost of energy.

We have to start viewing energy pricing. We have to look at the whole cost of burning fossil fuels. When we look at the whole cost of oil as a fossil fuel it is amazing. It is not the \$12 a barrel that it costs to produce a barrel of oil in the tar sands. It is not the \$28 a barrel that we are charged by OPEC. It is more like \$150 a barrel when the cost of the American military to keep the gulf shipping lanes open is factored in. When the environmental degradation that takes place every time we burn a litre of fossil fuels is factored in, that is the whole cost.

When it is viewed that way all other sources of alternative energy such as solar power or wind power seem like a bargain by comparison. Demand side management becomes the logical choice. Instead of trying to find ways to get cheaper access to fossil fuels and soiling our own nests to the point where we cannot live on the planet for very much longer if we carry on, we should be

looking at ways to enjoy the same quality of life or even an improved quality of life using less and less energy.

Canada should be a centre of excellence in demand side management. Obviously we have needs that most countries do not have in terms of a harsh winter climate. We should be experts in the field of doing more with less. I certainly advocate that as being the direction we should go.

To meet the actual immediate needs of Canadians I believe there is a role for government to play in intervening to represent the interests of Canadian citizens before the interests of oil companies. The idea of a national energy program should not be frightening. It should not be met with such fear and trepidation. It is not a two headed monster. It is looking after people's interests.

The only real thing that we have seen the government try to do to recognize the plight of Canadians this last winter was the gas rebate, the home heating rebate program. I received a phone call from a person in Cambridge Bay, Nunavut. I do not know how he got my number. It is not in my riding, but the argument was the rebate system was flawed and that we should think about what it does to northerners. Northerners make higher salaries because of the increased cost of living. Nobody in Cambridge Bay, Nunavut, got the \$125 because none of them were at the low income cutoff line that we see in most cities.

Even though they have \$500 and \$600 per month home heating bills in Cambridge Bay, Nunavut, nobody was getting the rebate. The rebate of \$125 would heat their houses for one week but they did not get a penny. It was getting so bad that the home heating retailer would not give credit any more. People had to show up with cash on the barrelhead to purchase a barrel of home heating oil because he was concerned that they simply would not be paying those bills because they did not have the money. That is the kind of crisis we are facing when we do not intervene on people's behalf.

We have heard a great deal about energy supply and energy strategies. Now we are starting to hear about a continental energy strategy, that George Bush has a vision of being able to tap into the resources of the whole hemisphere. We heard recently he now plans to open up the natural gas fields in Alaska, causing the need for the Mackenzie Valley pipeline or a pipeline like it to run down through Yukon or through Alaska into the southern states.

I can see why he is interested. There is 33 trillion cubic feet of natural gas in that one natural gas field. It seems like an astronomical number until we consider that every year the United States uses 22 trillion cubic feet of natural gas. He is going to open up the north and arguably, although I think the argument is pretty good, it will do serious environmental damage to Canada with the Mackenzie

Valley pipeline that has been studied to death. There is no way to build this pipeline without serious interference with the flora and fauna of the Yukon territory so that the United States can have natural gas for one and a half years. He will do all that damage for one and a half years of natural gas.

• (1725)

This is staggering to me. It is probably the best and most graphic illustration I can find to make the point that we cannot continue to do what we are doing. The jig is up in terms of energy consumption in North America.

David Suzuki had a good statistic recently. He said that for everyone in all the developing nations to live with the same level of energy use as we live with in Canada today, we would need six more planets. There are not enough resources on this planet for everyone in China to have 2.2 vehicles in the garage, an outboard motor and all other things we use energy for. There simply is not enough. There simply would not be enough air to breathe if we were fuelling that many vehicles.

We need to take a sensible approach to an energy strategy. I would argue that our energy price commission would comment on alternative forms of energy. This would not only help set the price of energy and the length of time at which those prices would be fixed, but it would also promote alternative sources of energy. It would promote Canada as a centre of excellence for alternative energy sources so that we could develop the technology and export it. This would benefit the planet instead of just flooding the world with more and more natural gas and oil.

If we used an interventionist hand or at least took a regulating role, the Government of Canada could not only benefit Canadians by better access to affordable energy but also benefit the world in terms of showing some vision and some recognition that what we are doing is wrong and sooner or later we need to wean ourselves off fossil fuels.

In terms of being a fiercely proud Canadian nationalist, Bill C-3 seems like the death rattle of a national dream. I hearken back to a time when people in the Chamber had enough sense, foresight and political courage to take active steps to represent the interests of Canadian citizens before the interests of oil companies. That manifested itself in a national energy program, part of the strategy which had one oil company owned by the people of Canada so that we had a watchdog on the industry and a window into how the industry really operated.

That was a time of courage. That was an era when people had some vision and some political courage. That has been eroded and stripped away by the mania that everything must be deregulated, the free hand of the market must prevail and the government must not intervene whatsoever.

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It has not served us well. It was the mantra of the Business Council on National Issues and groups acting out of self-interest and not the common good. We used to have people who were taking steps for the common good. What a concept.

I believe our precious natural resources are part of our common wealth. It is a term we also do not hear too often. Some of us feel strongly that the oil under our feet is part of the common wealth we all share as Canadian citizens. Our children should be proud of it and we should be able to feel secure about it.

One of the galling things is that we have now watched successive governments trade away our ability to intervene on behalf of Canadians when it comes to preferential pricing of energy products even though it is ours, is under our soil and we seem to have quite a bit of it. We have an abundance of natural gas.

I used to work on the oil rigs in Alberta. Every time we hit natural gas everybody would collectively curse under their breath because they did not want more gas. We would cap those wells off and move on to the next well. That is a fact. One cannot swing a cat in northern Alberta without hitting a capped off natural gas well. There is no shortage. There is a manufactured shortage if anything so prices can be jacked up.

Returning to my original point, there was a time in 1975 when men and women in this place with political courage, with vision and with a fierce national pride inspired whole generations.

• (1730)

I was a young man then and I was very proud of the fact that we were taking active steps to represent ourselves and make sure we did not lose whole industries to foreign ownership.

In fact, Liberals such as Walter Gordon and Paul Martin Sr. and people like them were against too much foreign ownership. They passed laws to regulate how much of our industry should be controlled by foreigners. Frankly we want the interests of Canadians to be put before the interests of others. That is only natural.

Why, then, would successive governments, the Tory government under Mulroney and now the Liberal government under the current leadership, trade away to our export market our ability to make sure Canadians have access to our precious energy resources at a preferential price? I call it economic treason when someone trades that away.

The Acting Speaker (Mr. Bélair): 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.

Mr. Svend Robinson: Mr. Speaker, I rise on a point of order. I note that the hon. member from the Liberal Party who was to move

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his motion does not appear to be in the House. I do have a motion on the same subject which I would be pleased, with the consent of the House, to propose. It calls for recognition of the Armenian genocide of 1915. I certainly would be pleased to proceed with my motion in the absence of the hon. member, if there is consent of the House.

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

Some hon. members: Agreed.

Some hon. members: No.

Hon. Don Boudria: Mr. Speaker, I rise on a point of order. I wonder if it would be helpful to the House if we would extend government orders for a while until the member arrives. If the member arrives we could stop immediately at that time to deal with

the item. I would be prepared to agree with that. Otherwise I guess we have no choice but to adjourn.

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

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

The Acting Speaker (Mr. Bélair): The hon. member for Brampton Centre is not present to move his motion pursuant to the notice published in today's notice paper. Accordingly, the order is dropped from the order paper.

It being 5.35 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 5.35 p.m.)

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