



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, April 26, 2001**

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Thursday, April 26, 2001

The House met at 10 a.m.

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*Prayers*

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• (1010)

## BOARD OF INTERNAL ECONOMY

**The Speaker:** I have the honour to inform the House that Mr. Dick Harris of the electoral district of Prince George—Bulkley Valley has been appointed as a member of the Board of Internal Economy in place of Mr. Chuck Strahl, member for the electoral district of Fraser Valley.

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## ROUTINE PROCEEDINGS

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

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

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### PROCEEDS OF CRIME (MONEY LAUNDERING) ACT

**Hon. Don Boudria (for the Minister of Finance)** moved that Bill S-16, an act to amend the Proceeds of Crime (Money Laundering) Act be read a first time.

(Motion agreed to and bill read the first time)

\* \* \*

### QUESTIONS ON THE ORDER PAPER

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

**The Speaker:** Agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[*English*]

### CANADA ELECTIONS ACT

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.)** moved that Bill C-9, an act to amend the Canada Elections Act and the Electoral Boundaries Readjustment Act, be read the third time and passed.

He said: Mr. Speaker, I am pleased to speak briefly today on the bill which proposes a few amendments to the Canada Elections Act and the Electoral Boundaries Readjustment Act.

As members of parliament will know, from time to time we need to revisit our laws to make sure they keep up with the changing needs of Canadians.

[*Translation*]

Sometimes this entails introducing totally new legislation as happened with Bill C-2, the Canada Elections Act, in the last parliament.

While the impetus for change usually comes from the public or this House, it can also be the result of rulings by the courts. An example is the Figueroa case heard recently by the Ontario Court of Appeal.

In this case the plaintiff challenged the constitutionality of the provisions in the Canada Elections Act relating to the registration of political parties. He argued that requiring a party to nominate 50 candidates before it could be declared a registered party, and thus before having its name appear on the ballot, violated section 3 of the Canadian Charter of Rights and Freedoms since smaller parties could not achieve this threshold and were therefore denied some of the financial benefits accorded to registered parties.

[*English*]

In its ruling, the court ruled that it was in fact reasonable to require parties to have 50 candidates before they qualify for financial benefits. I repeat that the court said it was okay. The reason it did so and I quote the court. It said that the requirement "is a reasonable method of distinguishing between parties whose involvement reaches the appropriate level of participation and

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parties whose involvement does not". That was a quote from paragraph 88 of the court's decision.

The provision of the Canada Elections Act pertaining to the eligibility for financial benefit remains unchanged.

The plaintiff also challenged those provisions requiring parties to have 50 nominated candidates before their names could appear on the ballot.

• (1015)

The argument was that having a candidate's political affiliation on the ballot was desirable since it provided voters with important information they needed before making an informed choice. In other words, if there were two John Does on the ballot and one of them was John Doe from such and such party, as opposed to John Doe, independent, voters would have the right to know that it was John Doe from such and such party.

[*Translation*]

In this case the court ruled that this use of the 50 candidate threshold was not valid and represented an unjustifiable limitation on the right of voters to make an informed choice since it denied them important information about candidates, as I have just shown.

As such, it violates section 3 of the charter. Consequently the court referred the offending portions of the act back to parliament and gave it a specific time frame to take remedial action. This is why it is important to respond to its ruling.

[*English*]

The bill before us responds to this part of the ruling by proposing to lower the threshold for including party affiliation on the ballot, in other words the informative part, to just 12 candidates, which is less than a quarter of what it would have required before.

I spoke in committee to why the number 12 was used. It was used because it is a threshold with which we are familiar. It is one that exists elsewhere for political parties, namely 12 is the minimum number of members of parliament to be recognized by the Speaker as a party for the purposes of the House. That would suppose that a party with 12 candidates would elect all of them all of the time. Although that is unlikely it is at least possible, and that is the number we used.

We could have used a slightly higher threshold, namely 15, because it was the one recommended by the Lortie commission. The Lortie commission, appointed by the previous Conservative government, had made such a recommendation in the past. In any case, certainly if 15 works 12 is a number that is even less onerous and therefore would work not only as well but some would argue even better.

All these issues were studied by the parliamentary committee. I thank the committee for the excellent issues that were raised. I did not always agree with everything that was raised by some hon. colleagues in committee, but largely they were very constructive, as they usually are. I hope my responses to them in committee were as equally informative as their questions were interesting.

During these hearings the question of how many candidates should be required was discussed at length. There were members who called for a far greater number than 12, while others wanted to lower the number. As a matter of fact, there is a private member's bill before the House by a member of the Canadian Alliance arguing for a stronger threshold.

There must be a threshold some place. The court spoke to this eloquently. It said the designation on the ballot had to be what it called a party in the real sense of the word. That was the expression used by the court. One person is not a party. I, running under my own party, would not have the status of a party. A party that would bear only the individual's name would not satisfy that criterion. Again the court referred to that in its decision.

The balanced approach was required. To use a threshold that had foundation in law, the number 12 certainly has that and the number 15 as well. Both were reasonable and we used one of them. It is the balanced approach. Mr. Speaker, you will be very familiar with the government's usually balanced approach to most things, if not everything.

Voters could be, as I said, misled if a ballot indicated a candidate was affiliated with a political party that was in fact not a political party. That would not serve to make the system more transparent but could arguably make it less so.

• (1020)

As a matter of fact, one colleague was very concerned about the fact that people could put their names on a ballot for the purpose of giving publicity to a commercial enterprise. In other words they could simply satisfy the criteria for the ballot and advertise. One hon. member gave the example of her real estate office or something like that. That is not what the ballot is designed to do. It is difficult to reconcile all these things, but we tried to use the number that would make it all work.

As I mentioned, the rationale for choosing 12 is already found in our parliamentary system. Once passed, this measure would allow political parties with at least 12 candidates to have their names appear alongside those of their candidates. In other words the ballot would say that John Doe is running under the XYZ party, if that happened to be the name of the particular group of people.

[*Translation*]

As to the other provisions, I will mention them briefly before concluding. These tend to be technical amendments designed to

correct a few anomalies that have become apparent since the new Canada Elections Act came into force and terminological changes aimed at making the English and French versions more consistent. As such, they should make our existing electoral laws even better.

I wish to thank parliamentarians from all parties who took part in this exercise, and I mean this sincerely. I also wish to thank those who worked hard on drafting Bill C-9: the people at Elections Canada, the Department of Justice, Privy Council, my own team, and of course all those working on the bill right now.

I will conclude by repeating the promise I made to the parliamentary committee. What we have before us today is not an overhaul of the Canada Elections Act. It is simply a response to the court and the correction of certain technical details, certain anomalies.

Nevertheless, we remain committed to again overhaul the Canada Elections Act, as must be done, particularly on the heels of an election and following the report and recommendations of Canada's chief electoral officer, which will probably be released shortly.

Later there will have to be consultations with the political parties, not just in the House but within the parties themselves because sometimes political parties have important things to say and they are not just said by parliamentarians. There will have to be this kind of consultation with them and with the general public in due course.

That is not what is before us today. We are looking only at the corrections I have just mentioned, but the firm undertaking to improve the Canada Elections Act in general remains and I wanted to take this opportunity to reiterate this in the House, as I did in committee a few weeks ago.

On that note I will close because I know that parliamentarians will soon want to move on to Bill C-24. In order to speed things up a bit, I will conclude my remarks here.

I thank my colleagues in advance for the contribution they will make to this debate.

[English]

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, I will be dividing my time with the hon. member for Surrey Central.

**The Acting Speaker (Mr. Bélair):** I am sorry to interrupt the hon. member, but he needs unanimous consent to split his time. Is there unanimous consent for the hon. member for Lanark—Carleton to split his time?

**Some hon. members:** Agreed.

### *Government Orders*

**Mr. Scott Reid:** Mr. Speaker, I am not sure if unanimous consent was gained because hon. members realize I will have 10 minutes less to speak, but at any rate I am grateful to the other members present for giving their consent.

• (1025)

I want to start today by making a few general observations, by dealing with some philosophical points, by creating a larger framework, and then perhaps by delving a little into the details of the bill.

Our parliamentary system in Canada is derived partially from that of the United Kingdom and partially from that of the United States. This surprises some people who think it is entirely derived from the United Kingdom, but we have a written constitution like the Americans, a Senate with set membership like the Americans, and a charter of rights similar to the American bill of rights.

We can learn about the motivating spirit of our democracy by dipping into the writings of the great constitutionalists of both of the world's streams of democratic thought. From the British, for example, we can read Bagehot, Dicey, Acton and Sir Henry Maine. We can go back in history and read Blackstone. When it comes to the Americans we can look and learn from the writings of Madison, Jefferson, John Taylor of Caroline and of Alexis de Tocqueville.

I draw the attention of the House to a particular well known statement made by Thomas Jefferson. He made the observation once that the natural course of things is for liberty to give ground over time to tyranny. He then tried, through his great student Madison who was present at the constitutional convention in Philadelphia in 1789, to build institutions which would prevent that natural course of events from taking place.

I should point out that Canada's constitution was designed with exactly this purpose in mind, but unlike the Americans we had a wealth of experience upon which to draw. We had the British example and we drew upon that extensively and wisely.

The Fathers of Confederation also drew extensively upon the American example, so much so that A. V. Dicey, the great British constitutionalist, made the observation that although the preamble to the Canadian constitution, the British North America Act, talks of a constitution similar in spirit to that of the United Kingdom, the word kingdom could have been withdrawn and the word states put in its place and it would be equally true, according to Dicey. We could learn from both these examples and from what has been said by the great scholars of both these traditions.

Some of the protections in the American system for individual liberty and freedom that we built into our own system are federal-

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ism, being the most obvious and powerful example, and a Senate with a fixed membership and regional representation. Of course the British house of lords does not have a fixed membership and it does not have any form of regional representation built into it.

The dates for elections could not be postponed beyond five years. That was written into our constitution without very substantial consent within parliament itself, whereas in Britain parliament has always had the unilateral right to change the period between elections without notice. This was done in the 18th century when the period between elections was changed from the traditional level of three years to seven years which remained throughout the 19th century. It was then changed again to five years. In Canada the five year level was set.

These are all indications that we looked at the British model and saw much that was wise there, looked at the American model and saw much that was wise there, and together tried to integrate them to build truly profound protections for liberty to ensure that Canada would be the freest country in the world. To a large degree the Fathers of Confederation were successful.

We also gained, in our initial constitutional arrangement, certain benefits for liberty that were taken from the British model. I would like to cite some of those. Initially judicial review of our laws was placed in a non-resident institution, the house of lords and typically the judicial committee of the privy council. That was done to ensure that we could not have any kind of political control ultimately over rights. There was an institution that would protect us from that.

We were subjected originally to the colonial laws validity act which was designed to ensure that no law repugnant to the laws of Britain could be passed in Canada, or indeed in any of the other countries that in those days were characterized as British colonies, which would take away rights from individuals. That law was subsequently removed in 1931 by the statute of Westminster. Again, it is an indication of the number of protections that we thought were important for liberties and democracy in the country.

• (1030)

The most important protection in the eyes of our founders for liberty in the country was that we were a monarchy. We had a monarch chosen by the lottery of birth who, as Bagehot said, would bear the dignified portions of the government, whereas the efficient portions of governance would be carried out by the House of Commons and our Senate. This was seen as a way of ensuring a tremendous respect for liberty and a protection that would go beyond that which was available either in Britain or in the United States.

I take a bit of time to make the point that our tradition is one which is very respectful of democracy, of liberty and of the full right of participation for all Canadians regardless of their political

views in the process on a level playing field. It seems to me that in recent years we have seen an erosion of some of these rights. That concerns me a great deal.

We have seen, for example, a persistent effort on the part of the current government to ensure that third party advertising is restricted as much as possible. This has been pursued with a tremendous amount of tenacity by the government in order to ensure that private parties are unable to participate in the electoral process and that competition is largely shut down.

We saw a refusal to implement legislation that would permit citizen initiation or review of legislation on the Swiss model. We saw the erosion of rights of members of parliament. We saw the extreme use in this place of votes of confidence. Everything is a confidence motion. That has had the effect of enforcing rigid party discipline and taking away the ability of members to speak their own minds freely in a way that would reflect the will of their constituents and of the Canadian people.

We also saw an absolute refusal of the government to make non-partisan appointments to the Senate or to recognize Senate elections. There was a very reluctant willingness on the part of the prior prime minister, Mr. Mulroney, to allow one elected senator from Alberta, the hon. Stan Waters, to take his seat as the voters had decided. Similar respect for the voters of Alberta has not been shown in its choice of Professor Ted Morton and of Bert Brown, who were fairly elected.

When we looked to the United States, which at one point had an appointed senate, we saw that the process of developing elected senates started when the state of Oregon elected its senators and the senate itself allowed them to sit. This led to a rapid spread of senate elections and eventually an amendment to its constitution. These are all valuable changes that would make the country more democratic. Preventing them from occurring keeps the country less democratic.

In addition to the prevention of an expansion of democracy, we see an actual clamp being put on free democratic expression and the ability of parties to compete on an equal playing field. This is what we see when we turn to the present piece of legislation and the ancestral pieces of legislation passed over the prior eight years by this government and the prior government.

There has been a systematic attempt to cut off the privileges of minor parties. If we go back to 1993, legislation was passed at that time which was clearly designed to make it impossible for two new parties, which at that point did not have substantial representation in this place, the Reform Party as it then was and the Bloc Quebecois to compete on a level playing field.

The legislation said, among other things, that if there were less than 50 candidates on the ballot the name of the party could not be placed on the ballot. The party could not issue tax receipts. The party could not have assets. Its assets would be forfeited immedi-

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ately to the Receiver General for Canada and money could be spent only on activities that related to that forfeiture.

This did not of course have the intended impact which was to ensure that the Reform Party and the Bloc Québécois could not contest an election on a level playing field or indeed on any terms at all because both parties were able to produce more than 50 members in that election. Even though the two parties for which this was intended managed to overcome the hurdle, the law remained in place and was clearly a pernicious law.

● (1035)

Let us consider an example. There are 75 seats in Quebec. The Bloc Québécois naturally had more candidates than the minimum amount permitted under this legislation. However let us say there was a smaller region that wanted to put forward candidates to represent its interests, for example, a maritime rights movement. I remind the House that in the 1920s there was a maritimes rights movement which was very active and represented some very legitimate interests.

Let us say for the sake of argument that advocates of the maritime rights movement wanted to put forward candidates. There are not 50 seats in the maritime provinces, therefore they would be deprived of the right to issue tax receipts, put their name on the ballot, to have assets and function in any way as a party. Yet that would be a legitimate interest.

There could be other regions of the country where the same thing could occur. I will return to this a little later, but it is interesting to note that right now the 50 candidate rule still remains law for certain provisions of the original law and has not been struck down by the courts. It is still impossible to issue tax receipts. This law does not deal with that.

No longer does a party has to forfeit its assets if it has less than 50 candidates. That is not because of anything this government has done. The original court ruling that dealt with the Figueroa case struck down that provision of the law and the government realized it was constitutionally indefensible chose not to appeal it. However it attempted to appeal the ruling that the name could go on the ballot with less than 50 candidates but it was struck down again. This time the court said a lower number had to be put into the law within six months.

The government waited until three days before the six month period and let an election go by which ensured parties could not function during that election under the new rules mandated by the court. It then puts forward an absolute minimum rule, which is applied in the minimal manner possible with the court's ruling, and allows 12 candidates as the standard for getting a name on the ballot. However it has done nothing else which the court has not forced it to do. That is clearly highly objectionable.

The minister spoke very eloquently in favour of the merits of using 12 as our number. An equally eloquent argument can be made in favour of two. However there seems to have been a consensus among small parties before the court case that 12 would be okay.

If that is such a good rule for putting names on the ballot, then why on earth is it not also acceptable to issue tax receipts, or having access to advertising that is set aside by the Canada Elections Act, and for all the other privileges? The only reason I can think of is that there is still an attempt to freeze out small parties. We have the parties which exist now but perhaps there are future problems that could arise for the government. I think the government wants to keep on ensuring that no one else can enter into this place. It wants to make it is impossible for other parties to get in.

I should point out that this is a pattern we see occurring elsewhere. It is a regrettable pattern. We are not unique in the world in having this.

I want to point out some of the dangers that can occur if we go too far down the road of trying to restrict the free right of small parties to contest elections on the same terms as the major parties.

Let us look at the United States for example. The tangle of election laws in the United States has ensured that incumbents in the house of representatives enjoy a 98% re-election rate. They are nominally the Democratic Party and the Republican Party. On some issues they differ but in many respects there are critics who say it is really one party, the incumbent party. When it comes to dealing with electoral law that is a fair statement to make.

The whole focus of American electoral law reform for the past 30 years has been to ensure that independent candidates cannot make it in. That is if a Republican is the incumbent in the seat it is hard for a Democrat to make it in and if a Democrat is the incumbent in the seat it is hard for a Republican to make it in. Therefore congress becomes a cozy little club in which there is a great deal of collegiality. It is a club in which democracy is not operating as it should, as Madison and Jefferson would have wanted it to operate. Both of men would have been absolutely appalled by this spectacle.

● (1040)

We can see how this works. From the point of view of a ruling party, the ideal is to have a permanent division of seats in which the smaller parties are ensured some representation and some privileges. However they never actually contest the ability of the dominant party to control at least half the house and therefore 100% of the legislation in the house. This is absolutely contrary to the beliefs of our founders, the Fathers of Confederation. This is a terrible shame.

While I do not think it is intention of the government to take us down the same road as the Americans, the danger is there. The government ought to reconsider very carefully what it is doing. We are well on our way down that road.

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I do not think Canada wants to head in this direction. I would never impugn that kind of motive to anybody. The danger is a country could wind up with the kind of situation that existed in Poland in the mid part of this century, from the late 1940s to 1989, with the de facto one party rule.

There were three parties represented in the Polish Sejm, that is the Polish Diet or legislature. The three parties were the Polish United Workers Party or the Communist Party, then the United Peasant Party and the Democratic Party which were smaller parties that had a limited number of seats, no influence on legislation and served essentially to provide the illusion that there was a functioning multiparty democracy.

That is the extreme. I do not believe Canada is heading that far but that is the model we have to avoid. The government should be proactively saying what it can do to ensure that smaller parties have the right to contest elections on exactly equal and fair terms with the larger parties like the Canadian Alliance, the Liberal Party and the other parties represented here.

When we heard the testimony that was given at committee by the leaders of the Christian Heritage Party, the Communist Party and the Green Party, we heard tremendously eloquent and thoughtful people. They were presenting points of view that were not the same point of view that the minister nor I share. However they were profoundly intelligent points of view that deserved to be heard by the Canadian people on exact and equal terms.

If Canadians decide that they should put their trust in one of those parties, the parties should have the right to receive that trust. Those parties must have the right to present their case on exactly the same terms that those of us who are here today enjoy. Anything less is undemocratic, unfair and unacceptable to the spirit in which our constitution was crafted and to the spirit that is the heart of every Canadian, which is that this is a truly free, truly democratic, truly pluralist country in which every point of view is valid unless it is intolerant or hate filled. None of the people who represent those parties have that kind of sentiment or intolerance.

We need to set an example that shows that we are, as our founders intended us to be, the freest and most generous country in the world. Anything less is unacceptable and that makes this bill unacceptable. I urge every member of the House to consider those facts and to vote against the bill.

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, on behalf of the constituents of Surrey Central, I am very pleased to participate in the third reading debate on Bill C-9, the Liberal government's proposed changes to the elections act.

Before I begin my remarks I want to commend the hon. member for Lanark—Carleton for his significant contribution to this debate. His comments are highly appreciated.

The bill has two main focuses. First, Bill C-9 would amend the Canada Elections Act so that candidates, other than those of registered parties, may have the option of indicating their political affiliation on the ballot. Second, it provides for various technical amendments that would correct certain details of the new Canada Elections Act. The bill is supposed to amend the Canada Elections Act that became law on September 1, 2000 in the last parliament.

The Liberals passed the bill only a few months ago. The bill we are debating today is the Liberal government's attempt to correct the mistakes they made in the previous bill in the 36th parliament.

• (1045)

The official opposition is continuing to try to force the government to do its work, as we asked it to do in the 36th parliament. I spoke to that bill in the last parliament and I warned the government about the pitfalls which it did not prevent.

As I said at second reading of the bill, I do not mind helping the Liberals to do their homework. I will present some ideas which the government can listen to and adopt amendments to the bill so that it does not have to amend it again after a little while.

The chief electoral officer appeared before the procedure and House affairs standing committee that conducted hearings on the bill last month. He said that these technical amendments did not raise any administrative concerns, apart from the fact that they were not exhaustive. The chief electoral officer also said that he had discovered other provisions that would warrant revision since some of these technical amendments created undesirable effects. The light is flashing, but I do not know if the Liberals are listening.

For example, Bill C-9 does not resolve the incongruity of the situation in which eligible and suspended parties are considered exactly like third parties. There should be some difference between a small political party and one that has been suspended. These two types of party status are seen as the same. However they are different and our laws should reflect that. At this late stage of the bill's progress, that is third and final reading, I ask the government what will it do about the fact that suspended parties are treated the same way as a small party. It is unfair.

There is also a concern that parties, which are not represented in the House regularly, raise questions about their participation in the electoral process. The chief electoral officer is concerned about the frequency and wide range of complaints about how smaller parties are treated and the obstacles they face trying to compete with large, more established political parties like the governing Liberals. Our electoral system should be fixed so that everyone is treated fairly and equally. The weak Liberal government that lacks vision is not addressing these problems in the bill.



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The chief electoral officer will be tabling a report in the fall of 2001 wherein he will suggest ways to improve the current system. We look forward to his report, but I am sure that members on the government side do not.

The bill's provisions regarding the identification of political affiliation on ballots raises another question. It creates a two tier political party system, with different kinds of benefits accruing to political parties, depending on whether they are large parties with 12 or more candidates or small parties. The Liberals are only passing the bill because they want to limit their competition. That is undemocratic.

During the debate at second reading we heard many speakers indicating the problems they had experienced with Elections Canada during the last election and in the previous election. The government could make improvements to the way we conduct our elections. The Liberals have refused to pass Canadian Alliance amendments proposed at committee stage. Those amendments would have made the bill more acceptable to smaller parties.

• (1050)

For example, leaders of Canada's smaller political parties testified before the procedure and house affairs standing committee on the invitation of the Canadian Alliance critic for intergovernmental affairs. Ron Gray, leader of the Christian Heritage Party; Chris Bradshaw, leader of the Green Party; and Miguel Figueroa, leader of the Communist Party testified to the discriminatory spirit of the bill.

Under the bill proposed by the Liberals, large parties with 12 or more candidates or registered parties would have the right to receive final electors lists, issue tax receipts, reimbursement of partial election expenses, broadcasting time on national TV and preferential rates during prime time. Smaller parties and independent candidates are barred access to those resources.

At committee stage of Bill C-9, the Canadian Alliance tried to have several amendments passed but the Liberal dominated committee refused them. We tried to have the Liberals adopt the following amendment:

The Chief Electoral Officer shall deliver a printed copy and a copy in electronic form of the final lists of electors for each electoral district to each candidate.

We wanted to change the word party to candidate. This would make the act more democratic. There is no reason to prevent any candidate from receiving that list. It would be undemocratic if candidates were not treated fairly and equally and were not given the electors list so that they could do their campaigning. How could we prevent them from having access to the final electors list while candidates from established larger political parties have access to that list? That is very unfair. The Liberals refused to accept that amendment.

Another amendment submitted by the Canadian Alliance would strike the phrase, in the preceding election, from subclause 12(2)(d). In the case of a general election a party has candidates whose nominations have been confirmed in at least 12 electoral districts.

The way the clause reads now and would continue to read prevents a candidate in a byelection from having the party name with which he or she is affiliated appear on the ballot unless the party was qualified to have its name appear on the ballot in the previous general election. This again is an unfair situation that new political parties would face in a byelection.

The Liberals should not be afraid of new political parties. The government should be careful not to put any barriers in the way of new parties. This would encourage democracy to flourish, but the Liberals do not want that.

In clause 17 of Bill C-9 we tried to have subsection 335(1) of the act replaced with the following:

In the period beginning with the issue of the writs for a general election and ending at midnight on the day before polling day, every broadcaster shall, subject to the regulations made under the Broadcasting Act and the conditions of its licence, make available, for purchase by all political parties for the transmission of political announcements and other programming produced by or on behalf of the political parties, six and one half hours of broadcasting time during prime time on its facilities.

Once again, the official opposition was pleading the case of smaller or newer political parties. We wanted to remove the word registered from appearing before the word party so that any party could have access to broadcasting time, thus giving all parties an equal opportunity.

We tried to make it possible for a party to become a registered party if it could obtain the names of 5,000 electors who were members of that party or who supported the right of the party to be a registered party. It would be fair and make our democracy more open and transparent. However the Liberals refused it.

• (1055)

Most Canadians feel that under our electoral system every candidate in Canada must have equal access to the electoral list and the ability to issue tax receipts regardless of political affiliation, but the Liberals do not want that. They are so arrogant and heavy-handed and into power and control that they want to crush even the smallest voices in our electoral system. The bill is all about incumbency protection.

It is apparent that the Liberals would go to any length to protect their seats and even deny the democratic rights of other Canadians. We must not forget that the bill is the government's response to the Ontario Court of Appeal ruling on Communist Party leader, Mr. Miguel Figueroa's challenge to the limitations imposed on smaller

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parties as a result of Bill C-2 that came into effect in November 2000.

Bill C-2 was flawed. The Liberals did not listen to the opposition, other Canadians and witnesses who appeared before the committee. I spoke in the debate on that bill in the previous parliament and I warned the Liberals that their phony bill would be challenged in the courts. I warned them that they would lose the case. It was challenged and they did lose the case.

The Communist Party has pledged to sue the government as soon as Bill C-9 is passed. I warn them again. I may have to speak again when the bill comes back before the House. I remind them that it is the opinion of the four political party leaders who testified before the committee that the Liberal government is only grudgingly complying with the Ontario court's decision. It is doing so in the narrowest possible sense. Anyone supporting Bill C-9 is pulling up the drawbridge to the House of Commons.

If these measures had been in place 10 years ago, new parties like the Reform Party of Canada would have been barred access to the vital resources that facilitated its rise to the office of the official opposition and now the Canadian Alliance Party.

Among other technical matters Bill C-9 also stipulates that if the chief electoral officer wishes to examine alternative voting processes such as electronic voting, the alternative cannot be used without the approval of both the House and the Senate committees. Under the current legislation only approval of the House of Commons committee is required to give the chief electoral officer the freedom to examine alternatives that are innovative and could help modernize our electoral process, which is a good thing.

However on this side of the House our ears perk up when we hear the word Senate. Are the Liberals preparing to have the Senate kill any innovative ideas the chief electoral officer wants to propose? We know for sure that we cannot trust the government.

At committee hearings the Canadian Alliance proposed to amend this part of the bill but our amendment was again struck down. We know that the Senate is not elected. How could it interfere with the election process when senators are not elected? It is very unfair and undemocratic. The Canadian Alliance policy declares:

To improve the representative nature of our electoral system, we will consider electoral reforms, including proportional representation, the single transferable ballot, electronic voting, and fixed election dates, and will submit such options to voters in a nationwide referendum.

Bill C-9 does not go far enough to democratize our electoral process. We believe all parties should be treated equally and fairly, not merely those with 50 or more candidates or 12 or more candidates.

• (1100)

It is unfortunate that when the House was debating Bill C-2 in the last session the Liberals ignored the Reform Party's recommendation to drop the 50 candidate rule. As usual, the Liberals were forced into action not by the wishes of Canadians but by a court ruling.

When Bill C-2 was before the procedure and House affairs committee, constitutional lawyer Gerald Chipeur made it clear to the Liberals that the 50 candidate rule would be struck down. The Canadian Alliance always rejected the Liberal's claim that the 50 candidate rule was designed to protect voters from frivolous parties.

The Canadian Alliance believes that voters and not the government, this arrogant, weak Liberal government that lacks vision, should decide whether a party or candidate is worthy of their vote. If Canadians feel a candidate or political party is worthy of their vote then they should vote for them. It should not be up to the government to tell Canadians which candidate or party is worthy of their vote.

The Canadian Alliance is very unhappy that Bill C-9 creates two classes of political parties. There should be an equal and fair opportunity for each party and candidate in the electoral process. However the bill denies that. It creates two classes of parties.

The Canadian Alliance believes the Canada Elections Act should be neutral and treat everyone equally and fairly. Bill C-9 is not neutral because of the reasons I have mentioned. It creates two classes of political parties and does not give equal opportunity to all candidates. We are therefore left with no option but to oppose the bill.

The government still has time to give Bill C-9 a second thought. I know it is late, but the government should have given it a second thought and accepted the amendments, listened to the witnesses in committee and given every candidate and party an equal opportunity.

The bill is not only undemocratic; it is anti-democratic. We have an elected dictatorship in Canada and that will not change if the bill is not changed. Let us see how Canadians feel. We on this side of the House oppose the bill.

[*Translation*]

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, I am pleased in turn to speak to Bill C-9 at this final stage.

I would like to indicate right away that our political formation will support this legislation, but without any great enthusiasm. I would even say that we do it out of pique, in a way, because we recognize that parliament must abide by the court decision in the Figueroa case.

We also recognize that there are in the current Canada Elections Act, resulting from the reform adopted in the last parliament, a number of mistakes, all in all minor, that could nevertheless have had some rather dramatic effects in certain respects.

There are problems of agreement between the two texts, of poor translation from English to French since this bill was obviously first drafted in English.

There are also a number of mistakes in the numbering of some subsections and paragraphs. Again, this may seem trivial at first sight, but on closer look this could have had in the last election effects that although not dramatic could certainly be described as prejudicial.

Basically we should correct these difficulties, these small problems, these technical mistakes as I call them, in the Canada Elections Act.

• (1105)

If some technical mistakes were introduced in the elections act, I think we have to recognize that it is simply because we have proceeded hastily—unwillingly, I may add—with the elections act reform in the last session of the last parliament.

We proceeded with too much haste and this haste was dictated to us by the government, whose motives were—we saw it later, but we had suspicions at the time—essentially political and partisan. The government wanted to campaign under the new act, and since the government party was planning an early election we had to pass the new elections act as quickly as possible.

We had to proceed hastily, which prevented us from doing the work as conscientiously as we wanted to or as we should have, and the main result was that we were unable to make substantive changes to the elections act.

There were certainly very interesting changes, which had the effect of improving the act or the Canadian electoral system. However the fact still remains that we should have certainly examined changes that were much more substantive, but with the limited time available we obviously were unable to do so.

I must tell the House that as representatives of the people of Quebec and Canada in this House we should be deeply troubled and concerned by the rate of participation in elections, which is constantly declining.

We were able to see, particularly during the last federal election, that the rate of participation was dramatically low. We were able to see, particularly during the last federal election, that the rate of participation was dramatically low in spite of all the efforts made by the chief electoral officer to inform Canadians and Quebecers of the procedure to be registered on the voters' list and to exercise their right to vote.

### *Government Orders*

This drop in the rate of participation also occurred in spite of the many changes made to the act to make it easier to vote. In fact, it is possible to vote under almost all circumstances in Canada and abroad. Some would even say that the Canada Elections Act is written in such a way that makes it easy, and a few journalists demonstrated this in the last election, to vote fraudulently.

We facilitate as much as possible the exercise of people's right to vote. In spite of that the participation rate is getting lower at each election. As I said, as parliamentarians I think this worrisome trend in our democracy must be cause for great concern.

If people are losing interest in politics and in the election process, we must draw certain conclusions and make certain changes.

We must carry out a reform of parliament that takes the expectations of the people we represent into account. They must be absolutely convinced that what we are doing here is being done on their behalf, that we are representing them, that we are protecting their interests and that we have a real say.

There is cause for concern with regard to for what I would call the democratic drift that threatens the process of globalization we are going through and the negotiation of the FTAA in which parliamentarians are definitely not involved.

• (1110)

We do need to change our parliamentary system, and that includes an indepth reform of the Canadian electoral system.

When we examined Bill C-2, which was supposed to be one of the most major reviews of the Canada Elections Act, we could havemade substantial changes. We agreed with those changes but for political and partisan reasons we did not make them. That resulted, as we know, in the participation rate during the last federal election being one of the lowest since 1867. We missed a unique opportunity to carry out an indepth reform.

We must recognize that since the beginning of this new parliament the government has been dragging its feet somewhat on parliamentary and electoral reform. With this bill we could have started afresh, but no, the government has chosen to make cosmetic changes, to correct some technical mistakes to which I alluded and to abide by the court's decision in the Figueroa case. I will come back to these two issues a little later.

I would like to talk briefly about what we could have done. I hope the government House leader is listening to what I am saying. I hope we will have the opportunity very soon, after the chief electoral officer tables his report or his recommendations following the last federal election, to review, amend and reform much more thoroughly the Canadian electoral system so that our fellow

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citizens will feel that this system is relevant to the decision making process.

We might examine the voting procedure and the representation system. We had a debate in the House some time ago and we discussed the possibility of striking an all party committee to look into all these issues. The government has unfortunately shown very little interest in the idea of even discussing a more thorough reform of the electoral system.

I was surprised to hear the government House leader say that we would have the opportunity to examine more thoroughly the issue of the electoral system once the chief electoral officer has stated his position on the subject. I must say that he missed an excellent opportunity of showing tangible interest in this when we debated a motion brought forward by the New Democratic Party.

We might examine the representation system. Would it be relevant or not to integrate into Canadian legislation an element of proportional representation in our electoral system? Should we adopt a purely proportional electoral system? Of course there are pros and cons. We have already had an opportunity to discuss this.

As for the advantages, there is the fact that it would eventually allow for a better representation of women and young people in parliament. As far as the electoral process is concerned, minority groups would be better represented, and election results would better reflect the various points of view and ideologies in society, including some of the more minority ones.

With a proportional representation component the system will avoid the distortions sometimes created by the first past the post system which makes it possible for a government to gather almost 100% of the power with only 40% of the votes. A proportional representation system would allow for better co-operation with the opposition and would encourage government to take into account the opinions of the opposition.

• (1115)

Of course, there are some disadvantages to such a system. We will have to take them into consideration when we consider the system so that the necessary corrective mechanisms can be put in place. Instability can result from pure proportional representation and sometimes from a system with a proportional representation component.

There is also the risk that a proportional representation component could also create two classes of members: those who have ridings and constituents to whom they are accountable and to whom they must provide services and those who are appointed from the party lists.

To whom are the members accountable? To the people who elect them or to the party who puts them on the ballot? Those are questions that still need to be asked if we at some later point come

to question the appropriateness of integrating proportionality into the Canadian electoral system.

We could have examined the system of appointing returning officers, a system that gives Canada the image of a democracy that is somewhat behind the times, somewhat aging, somewhat archaic. I, an opposition MP, am not the only one who says so. Canada's chief electoral officer said the following when he appeared before the Standing Committee on Procedure and House Affairs on October 28:

—when I go out on the international scene I do not recommend that the Canadian system be emulated where it comes to the appointment of returning officers I clearly indicate, as I do in Canada, that the appointment of returning officers under the present system is an anachronism.

The Lortie commission, in volume I of its report at page 483, stated as follows:

A cornerstone of public confidence in any democratic system of representative government is an electoral process that is administered efficiently and an electoral law that is enforced impartially. Securing public trust requires that the election officials be independent of the government of the day and not subject to partisan influence.

It must be acknowledged that in the present system returning officers are appointed by the governor in council, that is to say the government. They are not appointed as the result of a call for nominations. They are not appointed as the result of an independent examination where they will be selected on their intrinsic abilities, their own qualifications. They are appointed as the government sees fit. They are appointed according to their political stripe.

In my opinion this is basically undemocratic and archaic in a democracy that claims to be modern. Returning officers need to be appointed by the chief electoral officer. They need to be dismissable by that same officer. They need to be appointed after a public call for nominations and selected in an independent process of examination of their ability to carry out their duties. They need to be answerable to the chief electoral officer.

I trust that we will eventually have an opportunity to address such an amendment. It is high time we brought this change in the Canada Electoral Act. It will be noted that all opposition parties agree with this and that the only one against it is the government, because incidentally it has the privilege of appointing returning officers.

I hope we will also have the opportunity to examine the whole issue of political party financing, which is a basic issue in a democracy. In a democracy it is one person, one vote; not one dollar but one vote.

It is important that we consider the facts. This government has been elected on a platform of honesty and integrity and of condemnation of the previous Progressive Conservative government for its spending and mistakes, but experience has shown that with the present government there is sometimes a very strong link

between contributors to the Liberal Party of Canada and people who are awarded contracts by the Liberal government.

It is strange and surprising. This patronage system where contracts are awarded to contributors to political parties is a remnant of the past.

• (1120)

That system should be influenced only by those who are entitled to vote on polling day. If the influence must also express itself with a monetary contribution, those who are entitled to vote on polling day should be the only ones to be able to exercise that influence in between elections and during election campaigns by giving money to political parties. Only the voters should have the right to finance Canadian political parties.

That is what we have in Quebec: financing of the political parties by the public. Quebec's party financing system is held up around the world as one of the most modern systems, since we can be absolutely sure of its probity because only voters can contribute.

Members on the other side might tell me "Yes, but it is well known that this legislation encourages people to circumvent the law, since businesses may well contribute to a party through an individual". The Quebec election act clearly prohibits this. Penalties are therefore imposed for contravening not only the letter but also the spirit of the law.

The Quebec election act also provides for a cap on election contributions. In Canada the people watching us and the people in the gallery will be perhaps surprised to know that there is absolutely no ceiling. A company can give any amount to a political party. There is no limit to contributions in Canada. There are limits to election expenses but not to contributions. In Quebec contributions are limited to \$3,000 per voter. There are therefore two components to public funding: the contribution ceiling and a clear definition of who can contribute, that is voters only.

At the very least we might have expected that the federal government would agree to set a limit, a ceiling, for contributions if it did not want to set very strict limits on the source of the contributions, but even that is too much to ask it. Why would the government deny itself generous contributions when we can count on them year after year? The major banks give the party in power tens of thousands of dollars. It would certainly not deprive itself of this manna falling in its lap which it generously repays, as the facts indicate.

We would also have the opportunity perhaps to consider, or we might have had the opportunity if we had made the effort to really do so last time, incentives to increase the proportion of women involved in the electoral process and consequently taking part in public affairs and the political process.

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France has just passed legislation requiring half the assembly to comprise women, which will mean that half the assembly will comprise women. Some of the Scandinavian countries have established legislation setting a minimum for the proportion of women in their legislatures.

There could be this sort of legislative incentive or financial incentives to encourage political parties to promote the entry of women into politics, which might encourage them to increase the number of women candidates in the running at elections. I want to point out in this regard that it was the government House leader himself who, during the review of Bill C-2 introduced in the last parliament, urged members of the Standing Committee on Procedure and House Affairs to propose such an amendment to the Canada Elections Act. At the time the hon. member for Longueuil presented an amendment, but it was subsequently rejected by the government.

• (1125)

Where is the consistency when the government House leader asks members of the Standing Committee on Procedure and House Affairs to propose measures to increase the number of women involved in the political process, only to then have the government defeat an amendment to this effect? There is a lack of consistency and there is a problem in terms of real political will to make substantial amendments to the Canada Elections Act.

We also raised a number of lesser issues such as the tax credits for contributions to political parties. The policy currently followed by the government is fundamentally discriminatory because the tax credit program is unfair to low income taxpayers making contributions to political parties.

If a low income taxpayer makes a contribution to a political party, chances are that the tax receipt which he gets will make absolutely no difference. If his income is not taxable, his tax receipt is absolutely worthless.

What is the value of a contribution by a low income taxpayer who takes the trouble to donate part of his savings to a political party and to make a financial contribution to the exercise of democracy? The state generously rewards those who make handsome contributions and have sufficient income to claim a tax credit but does not encourage in any way low income earners who wish to take part in the electoral process by making contributions to political parties.

We raised this inequity but the government refused to remedy it. The elections act contains another inequity. It was acknowledged by everyone in committee, even the Liberal members, yet they refused to make any changes to the elections act relating to the participation of self-employed workers in an election campaign.

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If I am a self-employed carpenter with my own company the elections act does not allow me to work for one candidate or another, for example to make lawn signs, because that would be considered a contribution or a campaign expense.

There is something abnormal about treating the self-employed differently from any other citizens when they want to take part in the electoral process. If a carpenter working for a company does the work, this is allowed provided he does so as a volunteer. Yet if a self-employed carpenter wants to do the same in order to be part of the electoral process on behalf of one or another candidate, he is not allowed to do so because this would be considered a contribution or a campaign expense.

Clearly there are flaws in the Canada Elections Act. Certain features must be completely overhauled. The government has shown no interest in moving ahead with this until now. I hope that it will demonstrate a much more open attitude in the future, considering the fact that the public's interest in politics is now declining.

We must take note of this and have the courage to make the decisions required under the circumstances so that the electoral system, the political system and the parliamentary system better respond to the expectations of the people we wish and claim to represent in the House.

Let us now get back to the central features of the bill under consideration. First, Figueroa forces the government to reduce the number of candidates that a party must nominate in order to have its name appear on the ballot.

Obviously this has no impact on the 50 candidates that a party must have nominated in a general election to qualify for tax benefits, financial benefits, from the government. Now, however, only 12 candidates will be required in order for the party's name to appear on the ballot.

Obviously there is a rationale behind this. The rules used were those that apply in the House, which require that in order to have party standing a party must have at least 12 members. Similarly a minimum of 12 candidates is required for a political party to have its name appear on the ballot. Fine. This is a formula whose value we can certainly recognize and accept.

• (1130)

This being said, it must also be recognized, as pointed out by Canadian Alliance members, that for all intents and purposes we are creating a new category of recognized political party. Of course this is not what the wording of the bill says but this is what it means. Political parties that can have their names on ballots and those that run a number of additional candidates may be entitled to the benefits enjoyed by the government.

It must also be understood that this new provision, which seeks to comply with the court ruling in the Figueroa case, has one major flaw regarding byelections. A political party can be created between two general elections and be recognized by the public as such, but under the rule just proposed by the government that political party will not be allowed to put its name on the ballot. This is under the ruling of the court itself a violation of the rights of citizens to be informed of the party being represented by the candidate running for office.

We have a prime example of this in the case of a member now sitting in the House. In 1990, when the hon. member for Laurier—Sainte-Marie became the first Bloc Québécois member to get himself elected, no one in Quebec would have challenged the fact that the Bloc Québécois was a political force, a political party in the making but a political party nevertheless.

The rules that prevailed at the time did not allow the current leader of the Bloc Québécois, the hon. member for Laurier—Sainte-Marie, to put the name of his political party on the ballots. However, under the government's proposed rules, he would still have been in the same position because his party would not previously have had 12 candidates running in a general election.

I proposed an amendment to the government House leader that could have corrected this discrepancy. It must be understood that this discrepancy leaves the government open to new legal challenges, which will again be very costly for taxpayers and which it again risks losing. According to the words of the judge in Figueroa, the voter's right to be fully informed of a candidate's political affiliation must be maintained. This applies in a byelection as well.

What I proposed point blank to the government House leader was that a party be officially recognized as a political party as soon as it agrees to present 50 candidates at the next general election. Naturally the reply was "Yes, but what if it does not present 50?" The elections act must provide a way for the government to recover the money it would have given this party. Provision must be made for this, of course.

However this would at least mean that this party's candidate could put the name of his or her party on the ballot in the meantime. The advantage of this proposal was that different categories of parties would not be created and the discrepancy that will remain in the elections act after Bill C-9 is passed would have been removed.

There is also another provision that is somewhat disturbing to us. Before dealing with it I would simply like to say concerning the proposal we made that members of parliament will have understood well what I said, that is that the government House leader rejected this proposal out of hand, saying "You know, this goes beyond the scope of this bill" and so on. The result was the same: the government refused to consider a substantive proposal from the

opposition. This is probably because simply it had not come up with the idea itself, as seems to be its way of running things since 1993.

• (1135)

I was going to say there is another provision in clause 2 that seems unacceptable to me. It is the one aimed at ensuring that when the chief electoral officer wants to test new voting systems, and in this case we are thinking more particularly about electronic voting, he will not be able to proceed without the prior approval of the procedure and House affairs committee which has to examine all matters related to the Canada Elections Act.

The government, after a Liberal senator woke up and said “They forgot to include the Senate”, said “Yes, this is true. Oops, the Senate has not been included. We should also ask the approval of the Senate committee responsible for electoral issues”.

When an unelected institution demands to be given a voice we realize how outdated the Canadian political system is. Maybe we would have agreed, and we moved an amendment to that effect but it was defeated by the government, that the Senate could express its views. There is something of a paradox here when the approval of an unelected house is required for a proposal of the chief electoral officer on the exercise of the right to vote.

Once again the government’s argument has been that as long as the Canadian constitution has not been amended in order to reform or abolish the Senate both houses have to be included in any legislative process.

This is not a legislative process but a consultation process. The chief electoral officer needs the approval of the Standing Committee on Procedure and House Affairs. This is not a legislative process in any sense. We are talking about consultation.

We might have agreed to let the Senate express its views, but that is a far cry from giving it the right to approve a proposal by the chief electoral officer who is responsible for the implementation of the elections act and who is very knowledgeable about our electoral system and the exercise of the right to vote. He would have to present his proposal for approval by senators who are not elected but appointed by the government of the day.

The government’s desire to include the Senate committee in this provision of the bill is certainly questionable because this is not about a legislative process. We are talking about consultation on whether the chief electoral officer should go ahead.

Bill C-9, which we are considering, also raises a number of questions relating to the possibility for an independent candidate, to have access to the revised electoral list.

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Questions were raised and some are still unanswered. There are still many reservations about the bill. I think the government, if it has clear answers, did not give them to the Standing Committee on Procedure and House Affairs. Maybe there was once again too much haste because several members came out of the committee process with unanswered questions and concerns.

According to several of us, every candidate in an election, no matter whether he or she is associated with a political party or independent, must be on a level playing field and have the same tools as any other candidate. In this regard there are obviously unanswered questions in Bill C-9.

I can hear the government House leader saying “No, no”. As I said before, if the government had clear answers on the question, it neglected—I will put this politely—to give them to members of the Standing Committee on Procedure and House Affairs, because some members still had some concerns after the minister appeared before the committee.

Obviously for the government, we disagree, because we have missed the point. For the government the failure to understand always lies with the other party. It is always the opposition which has failed to understand. This is perhaps an indication of one of the problems we have in the Canadian parliamentary system, one which makes us think about the changes that should be made. That is another matter entirely.

In conclusion, since we indicated our willingness to vote in favour of the proposed legislation from the start, we might at least have expected the government to demonstrate a certain degree of openness to our proposals, given that we showed openness by indicating from the start that we were going to vote in favour of this legislation.

• (1140)

In the case of Bill C-2 the government was completely unreceptive to any substantial amendment that might come from opposition members, particularly Bloc Quebecois members since, as I said, we indicated that we were going to support the legislation proposed by the government.

Outside the Liberal Party there is apparently no salvation. If a party other than the Liberal Party makes a substantial proposal, and we have seen this in the past, not in connection with this bill, that proposal can only be a bad one. Regardless of how positive and worth while it might be, it absolutely must be rejected.

I see this as evidence of this government’s narrow mindedness and arrogance once again. It attaches little importance to members of the opposition, although they were elected just as democratically as the members of the government, and any differing views expressed in the House.

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In closing, to give credit where credit is due, despite the reservations I have just been expressing, I must thank all those who made consideration of Bill C-9 possible.

I would like to particularly thank and congratulate the committee members and the MPs from our party and others who have expressed their views in the House on Bill C-9. I also want to thank those who appeared before the Standing Committee on Procedure and House Affairs and the committee staff who provided us with a great deal of support in our consideration of this bill.

I also want to thank all those who were involved in the drafting of this legislation, the Privy Council staff, Michael Pierce, Ms. Mondou and their team; the people at Department of Justice; and of course those at Elections Canada.

Again I thank the staffs of our party and other parties who made a contribution. I would be remiss in not noting the contributions of my own staff, particularly Patric Frigon, for so much support in my consideration of this bill.

I will conclude on that note, with the comment that I hope the government will learn something from the speed with which we put electoral reform through in the last parliament, which now obliges us to make changes, cosmetic ones in some cases because of that excessive haste. I also hope we will be able if the opportunity arises, and I hope the House leader is open to this, to carry out an in-depth reform of the Canada Elections Act to bring it in line with the expectations of our fellow citizens.

[English]

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, I doubt very much if I will take the full 20 minutes, therefore leaving time for members of the government side or opposition benches.

I am very pleased to be able to put forward our party's position on the third reading of Bill C-9, an act to amend the Canada Elections Act.

I would also like to commend and congratulate my colleague, the House leader of the Conservative Party and the member for Pictou—Antigonish—Guysborough, who has the carriage of this piece of legislation. In my opinion he does yeoman's duty in making sure that positions are put forward. In fact maybe even the government could take notice of the quality of the suggestions put forward.

Perhaps it could even accept some of those suggestions for the future because, as was mentioned earlier by the previous speaker, the government has a part to play in this piece of legislation. The part that it has to play is to look at the process used to put forward Bill C-2 prior to the last surprise election called in October 2000.

Bill C-2 came forward and there were many problems with that piece of legislation, as we have now identified. There were many difficulties with that legislation.

• (1145)

Had the government listened to opposition members and looked at the very valid amendments that were put forward, it would not have had to rush through a very bad piece of legislation that now has to come back with another amendment, Bill C-9, to be able to fix the myriad of problems that it faced.

I will deal specifically with Bill C-9 as it is before us. The bill reduces from 50 to 12 the number of candidates a party would have to field for purposes of having its candidates' party affiliation indicated on the ballot. It also clarifies and harmonizes certain provisions in the act and proposes one amendment to the Electoral Boundaries Readjustment Act.

I should also say that we in the Progressive Conservative Party will be supporting the legislation for any number of reasons, one of which is that the Senate still has the opportunity of reviewing it and perhaps making some clean up changes that are necessary.

Also, despite the work accomplished by parliamentarians in a very short period of time when Bill C-2 was under consideration, the government admits that certain translation and concordance errors between the English and French versions slipped through into the new elections act. It was sloppy workmanship and I am sure the government will accept its full responsibility for that.

When Bill C-9 was debated at second reading, the government House leader said that the application of the new legislation had revealed a number of irregularities that had to be rectified. That is in *Hansard* at page 1053. Some of these could have caused problems because, as we see further on, they went beyond a simple act of concordance between the English and French versions.

A member of the government said that the government did not have to worry about that because it was not its job. Well it is the government's job to make sure that legislation is in fact the right legislation for Canadians, particularly when it deals with the Canada Elections Act. This is what is at the heart of our democracy and at the heart of what we as parliamentarians in the House should be dealing with, where the electorate, the public of the country, have the right to put the people who they want in the House for a particular time.

The legislation is too important to simply say that it was not the government's fault. It was the government's fault and we are trying to fix it now.

The integrity of the electoral system is important to Canadians. There is no doubt that errors could have been avoided if the Liberal



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government had given parliament more time to consider the provisions of the new Canada Elections Act with greater care.

I would like to spend a few minutes outlining some of the specific amendments that are dealt with in Bill C-9. As has been mentioned before, and I am sure I will repeat some of the comments that were made, I will touch briefly on some of the areas that are of particular concern to me and certainly to my colleague for Pictou—Antigonish—Guysborough.

The first part that we heard about earlier was party affiliation on the ballot. When Canadians go into a polling booth and look at the ballot they know that my name is associated with a particular political party, as are other names of people sitting in the House. The amendments proposed in Bill C-9 are due in large part to the court ruling in the Figueroa case.

In response to the Ontario Court of Appeal ruling, clause 12 of Bill C-9 would amend subsections 117(2) of the act reducing from 50 to 12 the number of candidates required for their party affiliation to be indicated on the ballot. This new provision would apply only if the nomination of the 12 candidates had been confirmed for the general election or, as in the case of a byelection, in the immediately preceding general election.

While the Lortie commission report recommended 15 candidates as the minimum, the Liberals have chosen 12 because that is the number of members of parliament that a political party requires to be officially recognized in the House of Commons.

The fact that this legislation deals with 12 as being the number for party affiliation is accepted by our party. Certainly most of the parties in the House have been represented by substantially more candidates than have run in previous elections. The fact is that we do have party affiliations. I am very proud of my party affiliation with the Progressive Conservative Party.

Therefore, I believe, and my party accepts the fact, that the affiliation should be identified on a ballot so that when Canadians go to the polling booth they will know exactly who and what party they are voting for to sit in the House of Commons.

• (1150)

Currently section 18(1) of the act currently provides that the CEO may carry out studies on voting, in particular with respect to alternative voting means, and devising and testing an electronic voting process for use in a future general election or byelection.

The use of such a process must be approved in advance by a committee of the House of Commons that normally considers electoral matters. This is an accepted part of the legislation but I do put a caveat on that. We must be very careful when dealing with any type of alternate way of counting ballots. As we have seen just recently in the United States election, there are a number of

different processes used and some of them are not quite as competent as perhaps others. We should be very careful when suggesting that an improvement to the system will make it better because in some cases it does not necessarily do that.

During the consideration of Bill C-2 by the Senate, a number of senators, both Progressive Conservative and Liberal, said that they were disturbed to see that the Senate was excluded from this process.

Pursuant to the commitment made by the government to members of the Senate Standing Committee on Legal and Constitutional Affairs during the consideration of Bill C-2 in May 2000, Bill C-9 would amend section 18(1) to include in the approval process the Senate committee that considers electoral matters. Normally such matters are referred to the Senate Standing Committee on Legal and Constitutional Affairs. The input from our colleagues in the other place is an important aspect of this process and one which I am pleased to see included in Bill C-9.

We heard comments from my colleague from the Bloc who suggested that his party will put forward an amendment or sub-amendment to change this particular clause. Our party agrees with what has been put forward in Bill C-9 which was not put forward in Bill C-2. We can sit in the House and debate the legitimacy and the necessity of the other House but I am not prepared to do that right now. What I would like to say is that there must be a backstop when a majority government puts forward legislation in this House. There must be a second opinion of the legislation.

A perfect example of that particular situation was when Bill C-2 came forward. It was pushed through with very little discussion, if any, and no changes were made to a very bad piece of legislation. It has now come forward again because of that. This is a prime example of why the Senate must have an influence on this legislation. Bill C-9 speaks to that and we are very pleased that the government has corrected this very glaring error.

Another part of the bill deals with the registration of the electors themselves. Subsection 44(1) of the Canada Elections Act requires the CEO to keep a register of electors, in other words, a permanent voting list containing the names of all Canadians qualified to vote.

Under subsection (2) of the act, the list shall contain each elector's family and given names, sex, date of birth and civic and mailing addresses, as well as any other information that the CEO may require under section 55 of the act. Section 55 allows the CEO to communicate information in the register to a province when it decides to establish a list similar to the federal one.

Information compiled by the CEO under section 195 of the act, statement of ordinary residence by an elector belonging to the Canadian forces, may not be communicated to the provinces because the wrong provision is cited in subsection 44(2).

*Government Orders*

Clause 4 of Bill C-9 would amend subsection 44(2) to correct that error, an error that should not have gone forward but did. It is subsection 195(7) and not subsection 195(3) that allows the CEO to communicate to a province information about the ordinary residence and members of the military.

A substantial amount of Bill C-9 deals with third party spending reports. Subsection 353(1) of the act requires third parties to register with Elections Canada once they have incurred election expenses of more than \$500.

Subsection 359(1) requires third parties to file a report documenting the value of expenses and advertising, as well as their funding sources during the campaign and for the six month period prior to the issuing of the writ.

Clause 20 of Bill C-9 would amend subsection 359(1) to specify that only third parties required to be registered with the CEO must file such a report.

• (1155)

When Bill C-9 was tabled, several observers thought that the government would propose amendments dealing with the ceiling on expenses imposed on third parties during election campaigns.

Under section 349 of the act, a third party is defined as “a person or a group other than a candidate, registered party or riding association of a registered party. It could mean an unincorporated trade union, trade association or any other group of persons acting together by mutual consent for a common purpose.

The Canada Elections Act passed in May 2000 provides that, during a general election, the ceiling on third party election spending is \$150,000 at the national level and \$3,000 for each electoral district. In a byelection a third party may spend \$3,000.

On October 23, 2000, Mr. Justice Cairns of the Alberta Court of Queen’s Bench granted an injunction prohibiting Elections Canada from enforcing the third party election advertising spending limits in the Canada Elections Act.

Originally the injunction was to be in effect until Judge Cairns handed down his ruling on the main matter before him, that is, the constitutionality of provisions relating to third parties in the new elections act. The injunction was upheld shortly afterward by the Alberta Court of Appeal.

The injunction was granted in response to legal action undertaken by the National Citizens’ Coalition led by a former Reform Party member, Stephen Harper. The coalition is currently contesting the new provisions.

However, on November 10, 2000, the Supreme Court of Canada lifted the injunction in its ruling in *Canada vs. Stephen Joseph Harper*. Eight of the nine justices were in favour of staying the injunction until the constitutionality of the contested provisions

could be ruled on or by the courts. Only Mr. Justice John Major opposed this decision.

In paragraph 11 of the judgment, the majority opinion of the court held that:

—the public interest in maintaining in place the duly enacted legislation on spending limits pending complete constitutional review outweighs the detriment to freedom of expression caused by those limits.

In response, Elections Canada announced that the provisions regarding third party spending would not be enforced for the period from October 22, 2000, the date that the writs were issued for the general election, to November 10, 2000. They would however be enforced after that up to November 27, 2000 which was polling day.

The Alberta Court of Queen’s Bench has still not ruled on the constitutionality of the Canada Elections Act provisions with regard to third parties.

While we welcome legislation, perhaps this should have been avoided if the government had not done such sloppy work on Bill C-2.

We will be supporting the legislation going forward for a number of reasons, as I have tried to indicate in this dissertation. We would also suggest very strongly that one of the reasons we support it is that it will have an opportunity to be heard on the Senate side. We will have an opportunity to discuss, debate and perhaps put forward amendments to legislation that could be better enforced and put forward better in the Senate.

I hope we have learned some lessons from the inconsistencies and problems that came forward with Bill C-2 and do not repeat them with Bill C-9. Hopefully, when we bring in legislation, put them to a committee, and listen to legitimate concerns, complaints and suggestions as to how they could be made better, that maybe the government will listen to those concerns and suggestions openly and honestly, and make those changes at that point in time, as opposed to taking forward legislation that is inaccurate.

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, this is an occasion for which I as a parliamentarian am deeply grateful that this institution exists and I have an opportunity to express myself when I have serious misgivings about legislation that is passed through the House.

By coincidence, the member who spoke before me, the member for Brandon—Souris, touched precisely on the area of concern that I wish to devote my remarks to, and that is the question of third party advertising and how it was dealt with in Bill C-2, the previous legislation, and how it should be dealt with in the future.

• (1200)

I have to give some background just so people will understand what happened. The member for Brandon—Souris in fact gave some of the background and I am grateful that he has done so because it saves me going over that ground.

I think the general public should understand that the Canada Elections Act sets limits on campaign spending by candidates. In each riding it varies a little according to geography, size and population, but most candidates for a federal election are restricted in their spending during the campaign to usually around \$60,000. I think my campaign ceiling for election expenses is around \$65,000.

Going back a little, during the 1993 election campaign, which was my first experience in running as a candidate, the law was such that there was a limit under the law on third party advertising expenditures. There was also a blackout period.

What is being referred to there is the idea that people or groups who are not related to the political party or the candidate might wish to buy advertising during an election period to support one candidate or another, or one party or another, or to advance a controversial issue during an election campaign, hopefully to get a debate going among the candidates.

In its wisdom, parliament, prior to the 1993 election, put restrictions on third party advertising. The idea was that the limit of expenditure on groups who wanted to take out advertising during election campaigns supporting one candidate or another was restricted to \$1,000. Indeed there was a very long blackout period.

The theory behind that limitation was that if candidates were restricted in their spending, they were restricted in their spending so that there would be an even playing field. Whether one is a candidate from the government in power, an incumbent, a candidate from a party in opposition or a candidate from a small fringe party, everyone faces the same amount of potential election spending. It is relatively modest at \$60,000. Most groups and organizations can raise the amount of private donations necessary to reach that objective in spending, so it is quite reasonable.

However, when we add third party advertising into the equation, as it exists in the United States where there is a great deal of soft money around during an election campaign, then there is a danger of distorting the process. There might be a situation where a special interest group, a corporation or whatever else—and this does happen in the United States—spends enormous amounts of money, maybe hundreds of thousands of dollars even in a single riding, to run advertising election material with the specific intent of seeing that one particular candidate, whether it is an incumbent or otherwise, does not succeed in the election. The restriction in my view in 1993 was very appropriate.

### *Government Orders*

As was described by the member for Brandon—Souris, that provision was challenged prior to the 1997 election by the National Citizens' Coalition on the charter grounds that it limited the right to free expression during an election campaign. This provision prior to the 1997 election campaign was suspended.

This was my second election campaign, Mr. Speaker, and I should tell you that in my first mandate as a member of parliament I undertook quite an initiative to bring special interest groups that were receiving public funds to account. I put out several reports calling for transparencies of such groups and I named some of these groups.

Needless to say, during the 1997 election, when the limit on third party advertising disappeared, what happened was that I was enormously attacked by television ads, by print ads and by radio ads. The spending to attack me as the candidate by these special interest groups, some of them charities but most of them not for profit organizations linked to various charities, was easily far more than I spent. In fact in the 1997 campaign, even though my election spending ceiling was about \$65,000, I only spent \$32,000.

• (1205)

The reason is that I am very much a grassroots candidate. I have no corporations behind me. I have no big interests behind me. My campaign donations are exclusively from the ordinary people in my riding who have confidence in me as an individual. It is more their confidence in me as an individual than my party affiliation that has enabled me to raise the money in my riding that permitted me to run the campaign. I have received no money even from the party during my election campaigns, not only in 1997 but in the year 2000.

After the 1997 election campaign the government undertook, through Bill C-2, to address the challenge that the National Citizen's Coalition had succeeded in. When the Alberta court ruled that the limits on third party advertising expenditures were unconstitutional, the government undertook to redraft the law in Bill C-2 in which it defined limits on third party advertising expenditures.

What it said basically in Bill C-2 was that third parties that wanted to engage in buying advertising during an election campaign should be required to identify themselves and they would be limited to only spending \$3,000 in each riding, to a maximum of \$150,000 across the country.

There is the problem, and that is why I am here speaking today and why I am so very concerned. When Bill C-9 came forward it was an attempt to correct the problems that exist in Bill C-2, but there was no opportunity to address the problem of third party advertising because Elections Canada had still not reported on the effect of third party advertising under the new rules, who indeed had registered and what they had done.

*Government Orders*

I have here a printout from Elections Canada that describes the registered third parties that participated in campaign 2000. I got this only when Bill C-9 was in committee, so there was no opportunity to discuss it before committee and I have to bring it before the House. What we have here is the name of the registered third party and the name of the applicant who submitted an address, and that is the complete information.

Not surprisingly, what we have here is a number of special interest groups and organizations. We have unions. We have the Canadian Medical Association. We have an animal rights organization. None of that is surprising. We also have third party organizations that identify themselves only by name. We have Rick Smith of Red Lake, Rod Gillis of St. John's and Liz White of Toronto. That is all we know about them.

Bill C-2, the law that exists, requires no more information. It is sufficient to register a personal name. The people who are making the application are the people who take the name of the third party that is actually buying the advertising, presumably to take one stand or another for or against a candidate or for or against an issue that may be before the electors.

There is one set of third party registrants that I would like to draw to the attention of the House. The first one is the coalition for the Liberal member for Edmonton West. The next one is the Edmonton supporters for the Liberal member for Edmonton West. The third one is Edmontonians for the Liberal member for Edmonton West. The official titles of these third party organizations contesting this election name the member for Edmonton West. That member is the sitting justice minister.

Here is the problem. I am pleased to be able to say that there was no attempt to hide anything. These three organizations made it very clear that they were taking out ads under the law to support the Liberal member for Edmonton West. The problem is that under the current legislation, given that each third party organization that wishes to take part in the election campaign in a riding can spend \$3,000, these three organizations were enabled to spend \$9,000 in advertising to support the member for Edmonton West, the justice minister.

• (1210)

Indeed, had there been 10 such individuals who wished to be third party organizations buying advertising during an election campaign, they would have been able to spend \$30,000 supporting the hon. member for Edmonton West. Twenty individuals would have been able to spend \$60,000 supporting the hon. member for Edmonton West.

We can see the problem is that there is no control whatsoever on individuals, separately indeed, deciding to support an individual candidate in a riding and investing more money than that candidate

himself or herself would spend in the riding. We have a problem there. The whole spirit of a ceiling on candidates' expenses could be circumvented by all the members of a riding association, for instance, deciding to take out third party advertising.

This is a dramatic example. I am actually very grateful that these people who were supporting the justice minister were upfront so that I can actually present this very dramatic example of what is wrong with the act.

Mr. Speaker, if you do not think that is meaningful you should be aware that the hon. member for Edmonton West won her seat by a single vote in 1993, and that in the year 2000, when these three third party organizations were buying ads in support of her, she won her riding by only 730 votes. If anyone should think that third party advertising does not have a bearing on an election campaign and cannot influence an election campaign, I assure them they are wrong, particularly if the campaign is closely contested.

When campaigns are closely contested, the real problem is that Bill C-2, as it exists now, makes it possible for organizations that we cannot clearly identify as to intent to spend enormous amounts of money to support one particular party or candidate in an election. In other words, Bill C-2, because it is loosely written, opens up the same opportunity for abuse in election spending as now exists in the United States.

I should say that it is not just a case where, as in the case I cited, an incumbent is getting support. There is also another organization which very amusingly calls itself the Zap-a-Rock organization, and it was obviously raising money in Etobicoke and we presume that it was aimed at the health minister.

What we do not know is the intentions of organizations like the International Fund for Animal Welfare, which is a very aggressive international for profit animal rights organization that makes a great deal of money by promoting animal rights causes. We have even here the Christian Heritage Party of Canada which has taken out third party advertising spending status and it, in the previous election, was a registered political party.

The point always comes down to this. As the legislation is written now, we have no guarantees as individual candidates that there cannot be spending on advertising in our riding by a dozen, 60, 50 or 100 special interest groups whose combined spending can more than overpower the campaign ceiling on expenditures that we are required to meet ourselves as candidates and that is defined by the Canada Elections Act.

It something so fundamental to our democracy that anyone in this country should be able to run for high office, for federal office, and not have to curry favour among outside organizations to enable them to spend money on advertising either across the country or in their ridings.

*Government Orders*

• (1215)

In my particular case, as someone who had alienated an entire sector, the not for profit sector, by criticizing numerous charities and by criticizing numerous non-profit organizations, in the election of 1997 they banded together, they grouped together and brought out advertising against me. The current legislation prevents that from happening, but there was nothing stopping every organization that I criticized from separately taking out \$3,000 worth of advertising and going after me.

That is a chill on a member of parliament doing his duty, whether it is not for profit organizations or for profit organizations or any other special interest group out there. If members have to worry about organizations being able to buy more advertising against them during an election campaign than members are entitled to spend on the entire campaign, then I am afraid sitting members of parliament will think twice before they speak their minds in the House, will think twice before they aggressively go after those organizations they feel are not doing a proper job in this society or, indeed, are even questionable in the most literal sense.

We as members of parliament need to have a situation whereby the spending limits during an election campaign are known, are precise, and if organizations are dissatisfied with individual candidates, then the way they should go after those individual candidates is by investing in the parties in opposition to those candidates or in the candidates themselves of those parties, but, Mr. Speaker, it is very, very wrong, very, very wrong and dangerous if we have a situation where individuals, be they individuals as groups or individuals as persons, can separately, buy advertising during an election campaign, separately, that cumulatively might be an expenditure in the hundreds of thousands of dollars against an individual candidate. This is a very serious threat to our democratic process.

I would suggest to you, Mr. Speaker, that when it comes to the charter and freedom of speech, it is understood that there have to be reasonable limits on freedom of speech. If freedom of speech is interpreted as allowing an open field of election spending against candidates when the candidates themselves are restricted in that spending, then I think we are all in serious trouble.

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, I listened to the speech just made by the member opposite and I know he has made this type of speech in the past, indicating that he really does not like third party advertising. I think it is most unfortunate that he somehow misrelates spending to voting. He thinks somehow that the amount of money spent determines the outcome of an election or a referendum or any electoral event. That is simply not the case. There is not a scrap of evidence from anywhere in the world showing that the amount of money spent on an electoral event can guarantee the outcome.

We can look at the Charlottetown accord, for example, as one of the cases. It was a big referendum here in Canada, where the yes side spent 10 times as much as the no side but the no side won. There are studies of referendums in Switzerland and in the United States. In all the states that have referendums there have been studies done comparing the amount of money spent by people arguing the yes side or the no side. There is absolutely no correlation between the amount of money spent and the electoral success, because it is the issue that counts. It has nothing to do with the amount of money spent. If voters have a valid issue to consider, they will consider the issue and they will make the right decision, because the voters are not stupid.

I think one of the things, unfortunately, that the member opposite assumes is that the voters are so stupid that they can be bought, that somebody who comes into the riding and spends 10 times as much money automatically has 10 times as much success. As I said, there is not a scrap of evidence to show that is the case.

• (1220)

There is plenty of evidence and there are plenty of studies from everywhere in the world where there are democracies that exactly the opposite is the case and that it is the issue that determines the outcome.

The member defeats his own case by talking about the charities that organized opposition to him in his own riding. He complains that they organized and they ganged together against him, but he was re-elected. He defeats his own case with that argument, because the charities did not have an issue that was valid.

The public understood that the member opposite had a valid complaint about these charities, that he was justified in questioning the way they spent their money, that he was justified in challenging their books and asking them to show the validity of their operations. The public understood that and that is why he won.

It had nothing to do with how much money was spent by the third party. That is why the government has had every one of its gag laws struck down as unconstitutional. It has not been able to prove any connection between the amount of money spent and the outcome. The expert witnesses it has had in court have never been able to cite a single study that shows any correlation between the money spent and the outcome.

That is why when the supreme court delivers its decision on the latest challenge of the National Citizens' Coalition to this elections act I am certain it will again strike it down. Four attempts have been made by governments in the last 10 years to institute these gag laws. They are unconstitutional. They are undemocratic. They cannot be supported. The member defeated his own argument when he stood here 10 minutes ago.

*Government Orders*

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

*And the bells having rung:*

**The Deputy Speaker:** Accordingly the vote stands deferred until next Monday at the end of government orders.

\* \* \*

**CRIMINAL CODE**

The House resumed from April 23 consideration of the motion that Bill C-24, an act to amend the Criminal Code (organized crime and law enforcement) and to make consequential amendments to other acts, be read the second time and referred to a committee.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, it is a privilege and a pleasure to stand in the House again to debate a bill that is being brought forward. Our party commends the government for bringing forward Bill C-24.

Organized crime poses an enormous threat to Canada. It poses an enormous threat to Canada's national security and economic stability. Therefore we on this side of the House welcome Bill C-24, the subject of today's debate. It is a piece of legislation that the Canadian Alliance has been demanding for some time.

In the Canadian Alliance Party we believe we need to put in place the resources to fight crime, to fight all elements of crime. As we look at the daily papers and as we turn the television sets on, we see that organized crime is becoming more prevalent on a daily

basis. In 1998 the commissioner of the Royal Canadian Mounted Police, Philip Murray, said:

Organized crime in Canada is now so pervasive that police have been reduced to putting out isolated fires in a blazing underworld economy.

What Philip Murray was saying was that in regard to organized crime there is a huge bonfire, with the whole land ablaze, and our police force has very limited resources to put out what we might call small brush fires.

• (1225)

An Ottawa *Citizen* article dated March 3, 1999, explained the prevalence of organized crime. It states:

Canada is particularly vulnerable to drug trafficking—the principal source of revenue for most organized crime groups—according to the Drug Analysis Section of the RCMP. Smugglers are attracted to Canada because of the low risk of arrest due to limited police resources that have stymied investigations, relatively light penalties, and our sprawling, largely unmonitored borders.

This article highlights three of the huge concerns dealing with drug trafficking as well as organized crime. The first is limited police resources. The second is light sentences. With the light sentences being handed down, people understand that crime sometimes does pay. Of course the third point is the geographic location of Canada and the fact that it has such huge, long, unmonitored borders.

International drug trafficking is an organized criminal activity that threatens democratic institutions, fuels terrorism and human rights abuses and undermines economic development. Drug trafficking is an inherently violent activity. Violence is used by involved organizations to protect turf, settle disputes and eliminate those who oppose them. Some of those who oppose them are government members, the judiciary, investigative journalists and reporters, individuals who are willing to take a stand. We all, as a joint body here, need to be willing to take a stand.

The Canadian government estimates the revenue involved. It shocked me when I heard that the amount of revenue our Canadian government estimates is in the underground illegal drug market in Canada is \$7 billion to \$10 billion.

The Canadian drug market is dominated by many foreign organizations. We know of many of the countries that are involved. There are Italian based organized criminals who are involved in upper echelons of the importation and distribution of many drugs. Asian based groups are active in heroin and, increasingly, in cocaine trafficking at the street retail level in Canada. Colombian based traffickers still control much of the cocaine trade in eastern and central Canada. As well, outlaw motorcycle gangs play a major role in the importation and large scale distribution of cannabis, cocaine and other chemical drugs.

Motorcycle gangs and those involved in organized crime are not in only one or two provinces. Provinces throughout this nation are

now recognizing and understanding the concerns in regard to organized crime as they deal with the motorcycle gangs and especially the drug trafficking of those gangs.

Most illicit drugs arrive in Canada by aircraft, marine container or truck. More than 9 million commercial shipments enter Canada each year, 75% at land borders and the rest at international airports, marine ports, postal facilities and bonded warehouses. Approximately 1 million marine containers holding illegal drugs enter Canadian ports annually and another 200,000 enter by truck or rail after being unloaded at United States marine ports and then moved out.

In 1995, 5.2 million trucks entered Canada from the United States. Three years ago it was estimated that by the year 2000 this number would reach 6 million to 6.8 million. We have a customs inspection rate of less than 2% and we are talking about 5.2 million vehicles that are estimated to contain drugs and are crossing the border.

At least 100 tonnes of hashish, 15 to 24 tonnes of cocaine and 4 tonnes of liquid hashish are smuggled into Canada each year. Some 50% of the marijuana available in Canada is produced in Canada, but the other 50% is brought in from other countries.

• (1230)

The domestic production of marijuana is estimated to be at 800 tonnes. In 1994 an RCMP operation found that \$10 million worth of marijuana was exported from British Columbia to the United States.

To exemplify this point I again quote from a news article, this one appeared in the *Globe and Mail* in April 1999, just two short years ago:

Dale Brandland, a sheriff from Washington State, testified that many marijuana growers have moved to Canada in recent years to escape harsher U.S. drug laws. U.S. police have said that organized crime groups, including the Hells Angels and various Asian gangs, are shipping the highly popular drug back into the United States, sometimes swapping it pound for pound for cocaine.

The 1998 sentiments expressed by the former commissioner of the RCMP regarding the prevalence of organized crime was recently echoed by the president of the Canadian Police Association who has said that organized crime is gaining the upper hand on law enforcement and it is time for tougher laws. Canadian Police Association president, Grant Obst, said:

Things are going out of control and it is time to do something about it. The biggest problem organized crime has is they have too much money. And our biggest problem is we do not have enough.

Regarding resources this is what the president of the Canadian Police Association said:

We are fighting a battle with a group of individuals who have it would seem an unlimited amount of dollars available to them.

### *Government Orders*

The old saying goes that it takes money to make money. In Canada it takes money perhaps to be involved in organized crime and it would be very obvious that they seem to have that money.

We need to put in place resources for those individuals who are willing to fight organized crime. It is time our country takes a stand and provides them with the right resources.

Through Bill C-24 the federal government is injecting \$200 million over the next five years to implement the legislation and related prosecution and law enforcement strategies. This funding is to build on the \$584 million that the RCMP received in the 2000 budget to help fight organized crime.

Although the money is a welcome addition it simply is not enough. I have already discussed that the drug trafficking could be close to \$10 billion per year and we are throwing \$200 million more at the problem. It seems to be a drop in the bucket.

Canada's national police force cannot fulfil domestic obligations, let alone our international obligations to provide legal and police assistance in countries such as Colombia and Peru due to the previous cuts. The report on plans and priorities for the RCMP funding for 1998-99 to 2000-01 showed a continuous decline in spending for federal policing services.

The cuts affected policing services in the area of drug enforcement, customs and excise, proceeds of crime and international liaison. The cuts affected policing services in the area of drug enforcement. That is organized crime. The area of customs and excise is directly related to organized crime. The area of proceeds of crime and international liaison is also related to organized crime.

There was to be a 65% reduction of the 1996-97 funding levels for the anti-smuggling initiative despite the fact that larger sophisticated criminal organizations continue to successfully engage in the smuggling and distribution of contraband goods.

Without adequate increased funding and more highly trained skilled provincial police and RCMP officers, the bikers, the Mafia and the Asian based organized criminals will continue to have a free run and to smuggle drugs across our borders.

• (1235)

As we have seen in Edmonton and Calgary they will have the ability to kill innocent bystanders who are caught up in turf wars and caught up in money laundering. They will continue to intimidate and threaten. They will continue to injure and kill members of the judiciary, crime reporters, correction officers, and maybe even some day members of parliament.

I would therefore urge and recommend a significant increase in the expenditures proposed in Bill C-24. I do so with the confidence that the majority of Canadians would agree that fighting organized crime is a top priority.

*Government Orders*

A 1998 report of a national survey on organized crime and corrections in Canada revealed that Canadians support increased funding for the RCMP to combat organized crime. I will quote from page 3 of that document:

Virtually all respondents want government to spend more money to fight organized crime; in a forced-choice situation, respondents picked organized crime as a spending priority over all other proposed options except health care.

I have only scratched the surface of this most important piece of legislation. I hope to get another opportunity in the near future to speak again to this criminal law bill. Some of the other points in the bill are well worth supporting.

We need to have a concentrated effort on everything it would take to fight organized crime. Canadians want to feel safe. We want to feel safe in our homes, in our communities, in our provinces and in our country. When we look at the survey we understand why Canadians want more money for health care. They want to feel safe. They want to feel if they become ill that the resources are there to help them.

Canadians want to be safe on their streets. They want to know the Canadian government is absolutely committed to keeping communities safe. The great fear many Canadians face is the onslaught of crime. I do not mean petty crime although we want to fight that as well. They fear organized crime because it is a direct threat to our society, to the well-being and safety of our communities, and to our children and our grandchildren.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I have a question for the hon. member for Crowfoot. I acknowledge there is no question the federal Liberal government has been absolutely irresponsible in its failure to properly fund social programs, the RCMP and a number of other departments and programs throughout the country. As a result, we have a very critical situation in a number of different areas.

The hon. member mentioned a number of different things such as the need for people to feel safe and to attack organized crime. The people most vulnerable to organized crime are people who are poor and living in very austere conditions. They end up buying drugs or becoming victims of the abuse that goes along with organized crime.

The Alliance Party has been absolutely brutal any time there is a suggestion that funds should go to improving housing, to people living in poverty, to improve conditions or to provide programs to help such people. His party has been absolutely brutal in attacking any kind of funding for those programs.

His party and its pressure, its constant bickering and belly aching about government expenditures, were ultimately behind the cuts in those services and in policing. It gave the government the opportunity to cut various things to make sure it had a balanced bottom line. It was his party that did that.

Did he not see the domino effect of that kind of attitude and the consequences that Canadians would feel as a result?

• (1240)

**Mr. Kevin Sorenson:** Mr. Speaker, I thank the hon. member for a very good question. She suggests that when we are dealing with something as important as criminal law and fighting organized crime it comes back to a housing project or education. Perhaps we should take a look at a whole umbrella of things that have caused it.

The answer is that obviously we need to look at social concerns. We need to have social programs, but police forces are asking for the resources to fight organized crime and the New Democrat Party is saying that we need housing programs. Our party has talked about balance. We want strong legislation that would give the resources to the police forces and all people who fight crime so that they have the ability to do so.

The president of the Canadian Police Association says that the forest is ablaze and we are standing there with our squirt guns trying to put out a little bushfire. The New Democrats, I would suggest, are coming forward with the same rhetoric we hear day after day, hour after hour, of throwing another social program at the problem.

We need balance for all. Provincial and federal governments need to work together in areas of their own jurisdictions. When we are talking about justice and bills, the federal government needs to say we need social programs but we also need resources.

Some other parts of the bill I want to discuss at the next opportunity in the House deal with the application of the criminal code which we have been concerned about in the past. Certain parts of the bill would give police officers the opportunity to fight and would provide for indictable offences under the criminal code and other acts of parliament when police forces are fighting crime. It would give them the ability to go in quickly with pre-emptive strikes to fight organized crime.

Again my answer to the hon. member is that we unquestionably need social programs, but with organized crime it is not only those who are impoverished. It is not only those in organized crime who get caught up in drug trafficking and living off the avails of drugs. It is a blue collar problem. It is a problem in every area of society. Much work needs to be done internationally as well.

I was reading in the paper this past week about other governments being concerned about the war against drugs. A terrible atrocity took place, I believe in Chile or Peru or one of those countries, two governments that are very proactive. It was thought that aircraft were leaving with drugs on them and an error in judgment was made. We saw a tragedy where three or four missionaries from the United States were travelling and the plane was shot down. A mother and small child were killed.



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We need to be very aware that we need to fight crime where it is. It is an unfortunate situation and circumstance, but we need to fight crime. The bill moves us in the right direction. I encourage members of the New Democratic Party to say is good legislation and they will support it.

There could be amendments to it. We would like to see more money given to the police forces, to the Royal Canadian Mounted Police, but let us applaud the Liberal government when it finally brings in something for which we have been calling for years. Let us give a bit of credit and say that it is moving in the right direction. Let us all jump on board and support the bill.

**Mrs. Bev Desjarlais:** Mr. Speaker, with regard to the member's comments, without question we must fight organized crime and we must ensure the resources are in place to deal with organized crime, but it is crucially important that we get to the root of the problem and address all the issues.

• (1245)

In my question to the hon. member I was suggesting that the government go beyond just looking at this issue of organized crime. The government should start putting some of the dollars needed into other areas to also help with that problem. It should not always come out with that last minute attempt to get some press and some headlines by saying it wants to keep people safe, when a lot of what it is doing is what is making it impossible for everybody to be safe.

**Mr. Kevin Sorenson:** Mr. Speaker, this is not a war on headlines and press. This is a war on crime. Without doubt the New Democrats would suggest that we need to throw money at the problem. We need to direct money. It not just more money continually thrown at something that is going to solve the problem. It is a balanced approach to directing the moneys that are available to programs that are needed.

I agree with the member wholeheartedly that if there are social concerns we need to dwell on them. These social concerns are the root of much crime. We need to support the measures this bill would put in place, the deterrents that would fight crime.

[*Translation*]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, you know how much I have been concerned about organized crime and the fight against organized crime as the member for Hochelaga—Maisonneuve.

I have to say right off that I find this bill introduced by the Minister of Justice and her colleague, the Solicitor General of Canada, extremely positive. We will certainly have to work in committee to improve it, but I think our colleague, the member for Berthier—Montcalm and Bloc Québécois justice critic, has also said he is relatively pleased.

I recall that in the early 1990s, we learned as parliamentarians with some stupefaction just how deep the roots of organized crime went in our societies. We were used to calling ourselves a country of law and order, where basic freedoms thrive and where there is essentially no political corruption. This remains the case and continues to be relevant.

We came to realize in the early 1990s that the real threats we faced as parliamentarians representing a challenge for the future for all of our societies included those related to organized crime.

I think members will remember that the catalyst, the event that triggered this realization, was the killing, the car bomb that went off in Hochelaga—Maisonneuve on August 9, 1995, which for the first time in the history of crime claimed an innocent victim, a young lad of 11, Daniel Desrochers.

I do not think I am wrong to say that because of this event we as politicians realized the scope of the threat of organized crime in our societies.

This was followed by action, which I and other parliamentarians joined in. Not only did politicians realize the scope of organized crime. So did the agencies responsible for law enforcement. Police forces also called for more resources.

Members will also remember that in 1997, two years after the car bombing, the House passed a bill creating the new offence of participation in a criminal organization. A new offence was added to section 467.91 of the criminal code, namely the offence of participating in a criminal organization, of gangsterism.

• (1250)

That bill was passed very quickly. We were fairly convinced that it would provide a useful additional tool to law enforcement bodies and police forces.

One must admit that we had underestimated the incredible adaptability to change of biker gangs.

When we think about organized crime there are two or three realities to keep in mind. The first one is that organized crime exists across Canada. There are 36 biker gangs in all the provinces. The most powerful ones are those that have ties with the Hell's Angels which have managed to set up chapters across Canada. For a long time they had been excluded from Ontario, but last year they managed to move into the Ottawa—Vanier area.

Organized crime has three features. It is a criminal organization that is motivated by the prospect of money and it is generally a transborder organization. It must be realized that organized crime is involved in the import-export business. Some conditions must exist for organized crime to prosper.

In the early 1990s, when I began to take an interest in this issue as a member of parliament, I met a number of police officers. The officer who has been the most helpful, the best trainer and the one

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who gave me the most judicious advice was at the time the officer in charge at the Canadian Association of Chiefs of Police and the officer in charge of organized crime in the Montreal urban community police department. This officer was Pierre Sangollo, who today is on duty in the small city of Sainte-Julie.

Pierre Sangollo had told me "Never forget that in order for organized crime to proliferate, prosper and expand in a society it needs at least three conditions". It needs a society with a minimum of wealth since organized crime gets richer through extortion, plundering, robbery and fraud. Therefore organized crime needs an environment where there is a minimum of wealth.

It needs a society where there are rapid means of communication. When we look at the strategies used by organized crime we see that its members often have contacts in the harbours, in air traffic and in areas where one can make rapid connections with various continents.

To proliferate, organized crime also needs a bureaucratized society. The Canadian charter of human rights is a positive document, in its own right. Everybody is in favour of a society where the rule of law is paramount, where everyone is equal before the law and where constitutional protections exist. I am sure parliamentarians who passed the charter of human rights in 1982 never expected there would be such obstacles to the fight against organized crime, for the charter has proved to be in certain respects an ally in the proliferation of organized crime.

I will give you an example of this. Some clauses of the charter provide that everyone has a right to full justice. Some natural justice principles are entrenched in the charter of rights. My colleague and friend, the member for Chicoutimi, knows that principles of natural justice are entrenched in the Canadian Charter of Rights and Freedoms.

In the early 1990s the supreme court handed down a ruling called the Stinchcombe ruling. Under this ruling, crown attorneys have to disclose all the evidence they have against the accused.

• (1255)

When the subcommittee of the justice committee was struck it travelled across Canada. Crown attorneys told members that a criminal investigation involving some shadowing of members of organized crime can easily cost the state, the crown, \$1 million.

With the Stinchcombe ruling members can imagine the reproduction and reprography costs involved when there are tons and tons of documents by the boxful.

When I travelled to Vancouver I was shown, while the crown was preparing the trial of some members of organized crime, a room the size of the House containing full boxes of documents used by

the crown to prove its case. These documents had to be copied and provided to the defence.

This had to be done because of a principle entrenched in the charter of rights. One can imagine how complicated it can be for those implementing the act to deal with such situations.

In order for organized crime to prosper a certain number of conditions are required: a bureaucratized state where there are constitutional guarantees for all, a society where routes allow transborder trade, and, a society which is bureaucratized and often acts as an ally of members of organized crime.

In spite of all this, in 1997, we passed it in good faith. I remember that the five parties in the House at the time were unanimous. We passed the bill in less than one week at all stages. In committee everyone worked in good faith; everyone acted quickly.

We had with Bill C-95 a new tool that we thought would be effective in the fight against organized crime. What was that tool? It was a definition in the criminal code creating an infraction for gangsterism. When five people were convicted of a crime punishable by a five year term in prison they were considered to be a gang. To take part in a gang crime, to take part in its money making schemes and to commit a crime for gang members was punishable by a 14 year prison sentence.

We were convinced that with this tool, Bill C-95, we could bring down the heads of organized crime. In 1995 there were 36 biker gangs: Hell's Angels, Rock Machine, the Outriders and so on. There were 35 of them across Canada. Believe it or not, in five years, with Bill C-95, we have been able to press charges in only three cases.

Between 1995 and 2000 no more than three trials in all of Canada were conducted on the basis of Bill C-95 and the new infraction in the criminal code.

Why were we not able to bring the leaders of organized crime to justice? Because organized crime is smart. Organized crime has means. Organized crime is rich and has a formidable capacity to adapt.

What did the leaders of organized crime do? They set their various groups up as satellites. The Hell's Angels created affiliate clubs: the Spartiates and the Nomades, to name them. These affiliates recruited young people without records, people who had not in the previous five years committed an offence punishable by five years' imprisonment and who could not therefore be brought before the courts.

• (1300)

This is why the crown prosecutors told us "The tool you gave us with Bill C-95 does not work, and the definition of organized crime has to be changed".

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I would like to give an example of how ineffective the tool we adopted was. I have to say that the government did not drag its feet with respect to organized crime. There are at least six laws that were amended, including the proceeds of crime legislation, the Witness Protection Act, and the law that permits shadowing and setting up storefronts legally. As lawmakers we have been extremely busy with legislation on organized crime. It has not been a partisan issue in recent years.

I have a number of examples. Dominic Tozzi, one of the greatest money launderers ever caught in Canada, got out of prison two years after being sentenced to 10 years in penitentiary for laundering \$27.2 million. Dominic Tozzi laundered \$27.2 million. He was sentenced by a court of law to 10 years in prison, but with the applicable rules of law he was released after two years.

Antonio Volpato, one of the major figures in the Montreal Mafia, was released after serving one year of his sentence instead of six. The sentence arose from a charge of plotting to import 180 kilos of cocaine. It is rather a lot in terms of an offence.

There is also Joseph Lagana, a former lawyer and financial adviser to the mafia who served two and a half years of a 13 year sentence for importing 558 kilos of cocaine and laundering \$47.4 million.

Even after passing Bill C-95 and amending six acts, recently, there have been situations involving known members of organized crime. We are not dealing with young offenders subject to the Young Offenders Act but rather known criminals capable of laundering \$47 million with the support of a huge network.

These are all challenges we had to overcome in order to fight organized crime. I am sure members all have in their ridings, and there may even be some in the gallery today, people who think it is easy to crack down on criminal organizations. As parliamentarians we now know that it is extremely hard and that we need much more powerful tools than the ones we have now.

Faced with this problem the justice minister, with whom I regularly train in the gym, introduced a bill that would change the definition of organized crime slightly. The organized crime offence will be much easier to prove in court. It will no longer be necessary to have five people who have committed punishable offences in the last five years. Organized crime and the related offence of gangsterism are now defined as participating in or contributing to any activity that helps a criminal organization achieve its objectives.

It is also provided that a well known leader of a criminal organization like Mom Boucher is liable to life imprisonment. This is interesting. For a long time that was the problem. We were able to convict members of criminal organizations but not their leaders.

• (1305)

With the proposed amendment to Bill C-24 this should be much easier to do.

I will conclude by pointing out another positive aspect of the bill. The notion of offence related property will be broadened so that the proceeds of crime money laundering act will be used a lot more. This is another very positive aspect of the bill.

In conclusion, every citizen must feel concerned by the issue of organized crime. Organized crime affects all communities. It does not affect only poor communities.

I believe that Bill C-24, which can be improved on in committee, is an excellent piece of legislation. I will be pleased to work with the hon. member for Berthier—Montcalm and with members from all parties to improve this bill in committee between now and the month of June.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Deputy Speaker:** I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Justice and Human Rights.

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

\* \* \*

[English]

#### **ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT**

The House resumed from April 25 consideration of the motion that Bill C-3, an act to amend the Eldorado Nuclear Limited Reorganization and Divestiture Act and the Petro-Canada Public Participation Act, be read the third time and passed.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-3, an act to amend the Eldorado Nuclear Limited Reorganization and Divestiture Act and the Petro-Canada Public Participation Act.

I do not think there has been any doubt where the New Democratic Party is on the bill. It was indicated yesterday by speakers from our party that we intend to oppose the bill.

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I just want to give a bit of a summary for Canadians who are listening to what is happening in the House. I am pleased to indicate that when I go around my riding there are a number of people who watch what goes on in the House, so it is important that we take the time to have some discussion in debate and to maybe let Canadians know exactly what is entailed in the different bills that come before the House.

The bill relates to the mandatory provisions in the articles of Cameco Corporation, formerly Eldorado Nuclear Limited and Petro-Canada. Bill C-3 was first introduced in the 36th parliament as Bill C-39 and subsequently died on the order paper with the dissolution of parliament in the fall of 2000 for that wonderful election time.

The enactment provides that articles of Cameco Corporation will 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 will have to be amended to allow for a 20% individual share ownership limit, while the aggregate non-resident share ownership limits will be eliminated.

In addition, the prohibition of 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 on the sale, transfer or disposal of all or substantially all of its assets without distinguishing between the upstream and downstream sectors of the activity.

I am sure that left a lot of people out there guessing just what the heck we were talking about. The bottom line is that once again it is the sell off of Canadian resources to foreign companies with no other party in the House speaking out against it except the New Democratic Party.

• (1310)

Yesterday the Parliamentary Secretary to the Minister of Natural Resources made some comments about it not being a big worry because there was only a certain percentage of foreign shares in Petro-Canada. Even though it could be as high as 20%, there are a mere 6% or thereabouts that are under foreign shares. We are going to open the door wide and say that we are for sale.

Petro-Canada, the last hold on any kind of control over that energy resource in Canada, is up for sale. We are going to throw it out on the open market. This is the last opportunity for any kind of control, as limited as it is, because the previous federal governments put it up for sale like they did with so many of our other very important national programs.

The Parliamentary Secretary to the Minister of Natural Resources indicated that he did not see it as a big issue, that he did not

see anyone buying it and that it would still be controlled by Canada. People will have to excuse me for not having much faith in that because that was the same argument the previous governments used for CN and CP, and will probably be the same one this government will use for our airline industry. Little by little it is chipping away and saying that Canada is for sale. Canadians will no longer have control over our important resources and programs. Therefore I obviously have very little faith in that.

When it was indicated that I would get an opportunity to speak today, I reviewed the debates that took place yesterday. I was extremely impressed with my hon. colleague for Palliser and I want to thank him for his in-depth speech. If anyone wants to really get the true picture of what is going on, one needs only refer to yesterday's *Hansard* and read the hon. member for Palliser's comments, his experiences and the situations that are out there.

As I read his comments, as well as some of my other colleagues' comments, I also had the opportunity to read the comments of one of the Alliance members. I was shaking my head and thought that this is truly the form of the Alliance. It was the ultimate double speak that I had ever read at any one point, and I want to make reference to it.

I have been quite surprised that politicians literally speak out of both sides of their mouths. They are in favour of this or that because they want to use their householders or ten percenters and have everyone on their side. The bottom line is there are differences. We cannot always be on everybody's side because there are times when there are important issues and politicians want to be there for Canadians and support what is beneficial for them. A politician does not want to get every vote. There are principles involved.

I want to reflect on the double speak from yesterday. It was the member for Athabasca who was speaking. His comments were:

I am pleased to see that the legislation is mindful of the possible consequence of high levels of foreign ownership of uranium resources.

The New Democratic Party has always been concerned over the possible consequences of foreign ownership of our very important natural resources. The Alliance member is acknowledging that, but then goes on to say:

The lower limits on Comeco shares reflect across the board government restrictions on foreign activity in uranium mining.

He is saying that because we do not allow more foreign shares to be sold that is a real issue. That means we have to be concerned about foreign shares, but then we are concerned that we cannot sell them. He goes on to say:

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.

He used the words volatile resources in Canadian control. Then his next line is:

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The bill allows for greater flexibility in the selling of shares in Canadian companies, and I support that effort.

Has anyone ever heard more double speak in such few short paragraphs? It got better when he went on to talk about Petro-Canada and basically said much of the same thing.

• (1315)

I say to parliamentarians and to all Canadians that uranium is a volatile resource but so are our oil and gas resources. Are they not crucial resources to Canada? Should we not be concerned over the total sell off of those resources to foreign companies?

I wonder if members of the Alliance, Liberals or Conservatives believe that it is okay if they are bought up by Americans? There is a serious risk in selling off our resources in totality to any foreign company. We as Canadians must retain control of those resources.

I would like Canadians to recognize the type of doublespeak that goes on here and to emphasize the importance that the New Democratic Party places on having Canadians controlling our natural resources. We felt that way about our railways, our airlines and our water because they were serious issues.

When I hear this kind of doublespeak from members of other parties, I wonder how they would protect our water resources. Would they do things any differently when all they can see in their minds is the ideology of privatization? Their answer is that everything is for sale.

I am sure that if they could find out how to privatize the sweat off somebody's back and make a profit from it, and they do those kind of things anyway through their labour legislation, they would figure that is okay too. They believe anything can be privatized. It is time that members of parliament and all Canadians take a serious look at the drastic consequences of allowing open season on all our natural resources.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, the member who just spoke raised some very interesting questions. I faced the same dilemma with one of my neighbours not very long ago when we got into a debate. He has a little farm in Alberta that he wanted to sell because it was just not viable any more. He wanted to get rid of it. He did some advertising and he was offered \$100,000. A foreign buyer came along and said that he would give him \$250,000.

Here is the dilemma. I object to foreigners buying land in Canada and yet how could I say to the farmer that he should be forced to take \$100,000 for his land and not accept the \$250,000, which is a little closer to what it is actually worth? What mechanism do we use to assure that Canada stays Canadian? It is a concept in principle with which I agree. However, what is the New Democratic Party policy? Do we compensate people with government tax money or do we make it illegal for them to sell their product or property at the higher price?

**Mrs. Bev Desjarlais:** Mr. Speaker, there is no question that Canadians do not want to see all of Canada for sale. They do not and that is the issue here. We had legislation in place and I see no reason that it had to be changed. I would have preferred seeing these companies continue as totally Canadian government owned, the way they were at one time.

We have legislation in place and these companies are doing well financially. Why is there a need to suddenly change it, unless it is to say that there is an open sale on resources in Canada?

It is an issue in the area of farming, but some provinces have rules in place where they have limits on the amount of foreign ownership allowed, whether it be in farming or in tourist areas. It is a concern right now in Nova Scotia where a great length of the coastal shore has been bought out by foreign individuals who do not live there.

• (1320)

That is the same situation with farming. If a farmer moves to Canada my guess is he will end up being as Canadian as most of us if he is farming that operation. No one would argue about that. We need that balance.

When we reach a limit we need something in place to make sure that other farmers or industries that may wish to sell are able to get a reasonable price for their property. Banff went through the same as far as foreign ownership is concerned. There are ways of doing that without selling our country.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I have a comment to make on the issue of privatization. There is one story I like to tell about privatization that for me says it all. It has to do with the privatization of the Manitoba telephone system which was done by a Conservative government. It said that it would never do such a thing and then did after it was elected. Many friends of the government made a lot of money by buying cheap shares and having them escalate in value.

The story is about a phone located on the perimeter highway in Winnipeg. The phone was placed there for people whose cars broke down or who had some kind of emergency or whatever. As long as the phone was publicly owned it was fine because it was cross-subsidized and was available as a public service. It was there to serve a public need.

As soon as the Manitoba telephone system became privatized and shareholder value became the guiding principle of that corporation, rather than a public service all phone stations were evaluated. The company felt that phone did not pay because it was only used 75 to 150 times a year. Boom, out went the phone. To me this says it all.

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With privatization comes a value system. Only those things which are profitable for shareholders are to be valued. Things that at one time under a different ethic and a different form of ownership served other needs, other than the profit strategies of the corporations and the needs of shareholders, were put in place. With privatization we see the disappearance of these things.

It is true with railways, airlines and telephone companies and it will be true with water if we allow our water system to be privatized. Water is the next thing on the hit list of global corporate privatizers. We make no apologies for having been against this trend when it first began and we are still against it.

**Mrs. Bev Desjarlais:** Mr. Speaker, I am glad that my colleague raised this issue. I had the opportunity in my comments but I had so many other things to say that I never got to it.

The situation he talks about with the Manitoba telephone system is one of the most despicable things the Conservative government in Manitoba did. We had a viable telephone operation that was beneficial to the whole province and people in my riding.

I have a very remote riding. Some 27 communities do not have all weather road access. A number of communities had a few phones and most often they were pay phones. MTS came in and that is where the pay telephone story comes into play.

The school and the nursing station got a phone and one other phone went in. These were not pay phones. The only pay phone in town was pulled out because there were now three other phones that everybody could run and use. That is the type of approach taken when profit is the only motive.

One of the partners in that process is now the hon. member for Portage—Lisgar. There was an open sale of MTS. The people of Manitoba ousted the Conservative government directly as a result of the sale of MTS because they were not happy about it.

● (1325)

It increased the cost of phone service on an ongoing basis. The cost of a phone has been increasing. The service is far less than it ever was. We had by far the best phone system in the world. Now there are problems after problems. MTS does not put any money back into the service. It is willing to sell it at whatever the rates and does not put the money back in. It is definitely a big issue.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I will take only a few minutes. I know the government is anxious to bring this to a close. The hon. member for Churchill said that the privatization of MTS was the most dastardly thing the Conservative government of Manitoba had ever done. That reminded me of an even more dastardly thing that was done by the Liberals when they came to power in 1993. I am referring to the privatization of

Canadian National Railway which was perpetrated by the Benedict Arnold of transportation, the hon. Doug Young. We are forever grateful to the member for Acadie—Bathurst for removing that political scourge from the House of Commons.

**Mr. Yvon Godin:** He is a lobbyist now for CN.

**Mr. Bill Blaikie:** Now he is a lobbyist for CN. I am sure he is doing quite well. I do not know what the ethics counsellor thinks of that. I suppose he passed through the required time of cleansing and everything is being done by the rules, however inadequate those rules may be.

It was a travesty. I remember when we had a publicly owned Canadian National Railway infrastructure from coast to coast. It was operating on business principles but nevertheless from time to time could do things that served the needs of particular communities or regions.

Now we have that same Canadian National Railway, no longer worthy of that name, which is becoming more and more of an American railway. It merged with the Illinois Central. There are more and more American senior managers coming up and running the CNR according to American railway principles.

Who really owns the CNR? Up to 60% of its shareholders are Americans. We had a vast public infrastructure paid for over the years by the Canadian public which was turned over for a very cheap price to what are now American shareholders. We no longer have control of that enormous piece of transportation infrastructure.

It was part of the common wisdom of the country and of parliament for years that given the size of Canada transportation was a critical thing the government had to have some say in. Through the privatization of the CNR and through their relaxing of the regulations that used to attend the regulation of railways we now have a toothless organization. Whatever Paul Tellier wants Paul Tellier gets. Whatever the CPR wants the CPR gets.

Some members may remember when we had a Canadian Transport Commission that could actually make railways do things they did not want to do because it was in the public interest to do them. The CTC could prohibit them from doing things that were harmful.

● (1330)

When the history of Canada is written it will probably be in the past tense and will focus on the major decisions that led to the country's disappearance. Today we hear the Toronto-Dominion Bank saying that in 10 years we will be American dollarizing our economy. When the history of Canada's disappearance is written, the Liberal government of the day and its minister of transport, Doug Young, will figure prominently in its demise.

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It is the most shameful thing the Liberals have ever done. There are Liberals over there who cannot say so, but many have told me privately that it was not one of the high points of their political life. They did what not even a Conservative government would do.

Even during the Mulroney years the Conservatives did not have the nerve to do what the Liberals did. They might have thought or fantasized about it, but they did not have the nerve to actually commit such a foul deed. That was left to the Liberals.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, by speaking about my predecessor, Doug Young, my hon. colleague has given me the opportunity to tell a little story and make some comments.

As the hon. member has said, Doug Young left politics in 1997. In the fall of 1998 he was quoted in the *Telegraph Journal* as saying he had privatized CN himself and that it was now the best client he had ever had. This was Doug Young, a Liberal minister on the other side of the House. That same article quoted him as saying he was one of the directors who had privatized the four lane highway in New Brunswick. There again he was making millions of dollars on the backs of New Brunswickers.

They sold CN to the New Brunswick East Coast Railway and we lost a bridge in Bathurst, New Brunswick, about 10 months ago which had been owned and maintained by CN. The federal government had also been involved with the bridge. It was on one of the busiest streets in Bathurst and now everyone must go around it. This has forced businesses to close. We lost CN in Bathurst because of privatization. The government has simply washed its hands and said it has nothing to do with it.

I have a question for the hon. member for Winnipeg—Transcona. He has had more than 20 years of experience in parliament and has seen privatization coming all along. I am sure he has seen other cases where Liberals were involved in privatization after leaving politics. Does he wonder whether they are doing it in the best interest of Canadians or the best interest of their own pockets?

**Mr. Bill Blaikie:** Mr. Speaker, there is no question that newly privatized companies, not just in Canada but around the world, are rife with former government officials. They tend to move into sectors which have been privatized and are doing very well in terms of shares, stocks, contracts or whatnot. None of that is necessarily illegal but it does raise questions about what the agenda really is.

There are plenty of examples, both provincial and federal, which arouse the well founded suspicion, shall we say, that while it is done partly out of ideological fixation it is also done to serve the interest of certain friends of the government who are doing the privatizing.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, we have a problem right now because of our very low dollar. The business of the country is for sale at bargain basement prices on the international market, so it is a problem indeed. One thing the bill deals with is privatization, and I believe it includes elements of the Petro-Canada deal.

• (1335)

The hon. member who just spoke will recall that it was a number of years ago that Petro-Canada was created. I do not know whether he was in the House at the time. As part of the bill we are now divesting ourselves of Petro-Canada. I would like to know whether the hon. member supported a nationalized oil company at the time and whether he supports the part of the bill that would now get rid of it. How far would he take the nationalization of these industries? Would he encourage Canada to gain control of all its major oil companies? How far would he take it?

**Mr. Bill Blaikie:** Mr. Speaker, this is a bill to divest the last vestiges of government ownership in Petro-Canada. If the member knew his history he would know that the NDP was instrumental to the formation of Petro-Canada. It was one of things the NDP leader, David Lewis, and his caucus pressed for in the minority parliament of 1972 to 1974. Petro-Canada came into being shortly thereafter and perhaps even during the life of that minority parliament the groundwork was laid for it.

We had always felt it was a good idea to have a publicly owned oil corporation but we were not always happy with the way the Liberals ran it. Over time the Liberals gave public ownership a bad name. All too often they saw it as an opportunity for patronage rather than a chance to do something better than could be done by the private sector.

One of the problems we therefore had, along with others who saw a role for public ownership in certain sectors, was that the Liberal Party of Canada gave public ownership a bad name. It became something we wanted to defend in principle but not always in practice.

We still think a measure of public ownership in the oil industry would be a good idea. That is why we have opposed the privatization of Petro-Canada. However Petro-Canada was not created through nationalization as the member suggests.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

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**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

*And the bells having rung:*

**The Deputy Speaker:** Pursuant to Standing Order 76(8) a recorded division on the proposed motion stands deferred until next Monday evening at the end of government orders.

\* \* \*

**INTERNATIONAL BOUNDARY WATERS TREATY ACT**

**Hon. John Manley (Minister of Foreign Affairs, Lib.)** moved that Bill C-6, an act to amend the International Boundary Waters Treaty Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I begin by asking consent to divide my 40 minute time slot with my colleague the Minister of the Environment.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

• (1340)

*[Translation]*

**Hon. John Manley:** Mr. Speaker, I am pleased to address the House on second reading of Bill C-6, an act to amend the International Boundary Waters Treaty Act.

All Canadians recognize that water is a natural resource unlike any other. It plays a key role in every aspect of our daily lives: at home, at work and many other places or occasions. A bountiful supply of fresh, clean water is the basis for much of Canada's economic and agricultural development, and the towns and cities of our nation. Last, but certainly not least, it plays an absolutely critical role in ensuring the continued health of Canada's ecosystems, and every living thing that depends on them.

Canadians look to all levels of government to take action now to protect Canada's water. We must ensure that our children and grandchildren inherit a Canada in which our freshwater resources are secure.

*[English]*

For decades Canadians and the Government of Canada have given a consistent response to extravagant schemes to redirect the waters of the North American continent: Canada's water is not for sale. Many such designs have involved the Great Lakes, which contain 20% of the world's fresh water.

The government is taking action now. Bill C-6 would protect boundary waters, including the critical resource of the Great Lakes, from bulk removal under federal law.

The existing act implements the 1909 Canada-U.S. boundary waters treaty. It is one of our oldest treaties and a landmark in Canada-U.S. relations. With over 300 lakes and rivers along the Canada-U.S. border, the drafters of the treaty recognized the critical role played by water and the importance of providing a structure and mechanism to prevent and resolve disputes between the two countries. Ninety-two years later we are using the same mechanism to ensure these waters will be protected for future generations.

*[Translation]*

The amendments to the International Boundary Waters Treaty Act in Bill C-6 are based first on Canada's treaty obligation to the U.S. not to take actions in Canada which affect levels and flows of boundary waters on the U.S. side of the border. I would note that the U.S. has the same obligation to Canada, that is, not to take actions in the U.S. which affect levels and flows of boundary waters on the Canadian side of the border.

The amendments also have a second objective, to protect the integrity of boundary water ecosystems. The amendments have three key elements: a prohibition provision; a licencing regime; and, sanctions and penalties.

*[English]*

The prohibition provision imposes a prohibition on the bulk removal of boundary waters from the water basins. Exceptions will be considered for ballast water, short term humanitarian purposes and water used in the production of food or beverages.

While many boundary waters along the Canada-U.S. border are affected by the prohibition, the main focus would be on the Great Lakes. This would enable Canada to stop future plans for bulk water removal from the Great Lakes.

There would be a licensing regime separate from the amendments dealing with prohibition. Licences would cover dams and other projects in Canada that obstruct boundary and transboundary waters if they affect the natural level and flow of water on the other side of the boundary. Under the treaty such projects must have the approval of the International Joint Commission and the Government of Canada.



The process of approving such projects has taken place under the general authority of the treaty for the past 92 years without any problems. In essence the process would not change except that it would now be formalized in a licensing system. The licensing regime would not cover bulk water removal projects. These, if proposed, would be covered by the act's prohibition provision.

• (1345)

[*Translation*]

Bill C-6 will also allow for clear and strong sanctions and penalties. This will give teeth to the prohibition and ensure Canada is in the position to enforce it.

I would also like to set Bill C-6 in the general context of Canada's strategy announced on February 10, 1999, to prohibit bulk removal of water out of all major Canadian water basins.

Why did the Government of Canada take this initiative? The removal and transfer of water in bulk out of a water basin may result in irreversible ecological, social and economic impacts. We want to ensure, for future generations of Canadians, the security of our freshwater resources and the integrity of our ecosystems.

However, any credible policy approach to the issue of bulk water removal must address two important elements. First, the management of Canadian waters involves multiple jurisdictions. Second, any approach should take into consideration the many factors, man-made and natural, which exert significant stresses on our water resources.

To pretend that one government can solve the issue with a wave of the legislative wand, or that the issue may be simply reduced to one aspect, such as "water export", in the words of some critics, is unrealistic, ineffective and undermines the goal we all share.

[*English*]

Flowing water does not respect political boundaries. In the case of the Great Lakes system, two federal governments, eight state governments, two provincial governments and a number of regional and binational organizations are involved in managing and protecting freshwater resources.

The question of bulk water removal involves the significant pressure and uncertainty of removals, diversions, consumption, population and economic growth, and the effects of climate change and variability. Finally, we must factor in the important influence of the cumulative effect of all these factors on our water resources.

All levels of government must act effectively and in concert with their respective jurisdictions, hence Canada's February 1999 initiative included three parts.

First, Canada would act within its jurisdiction. Bill C-6 fulfils this commitment.

Second is the recognition of the primary responsibility of provinces and territories for water management. The Minister of

### *Government Orders*

the Environment proposed a Canada-wide accord to prohibit bulk water removal out of major Canadian water basins. As of today all provinces have put into place or are developing legislation and policies to prohibit bulk water removal.

Third, Canada and the United States agreed on a reference to the International Joint Commission to investigate and make recommendations on consumptive uses, diversions and removals in the Great Lakes, the greatest of our shared waters.

The IJC in its February 2000 final report concluded that the Great Lakes require protection from bulk water removals and other factors. Bill C-6 is consistent with and supportive of the IJC's conclusions and recommendations.

[*Translation*]

It is self-evident that we must work closely with U.S. jurisdictions, both federal and state, to ensure that the regimes on both sides of the border are as consistent and restrictive as possible. In the years ahead, the Boundary Waters Treaty will remain a critical instrument in protecting Canada's rights on the Great Lakes and other boundary and transboundary waters.

Also, the eight Great Lakes states, and Ontario and Quebec, have been working for over a year on the development of common standards to manage bulk water removal on the Great Lakes. The draft plan, unveiled for public comment in December 2000 by the Council of Great Lakes Governors, attracted a good deal of criticism in both the U.S. and Canada as being too lax. The Government of Canada shared these concerns and made its views known.

• (1350)

[*English*]

Earlier this month Ontario and New York State announced that they could not support the proposed standard. In future discussions we will urge these governments to consider seriously the recommendations contained in the IJC report.

By adopting Bill C-6 parliament would set down in law an unambiguous prohibition on bulk water removal in waters under federal jurisdiction and especially in the Great Lakes. This is a forward looking action which places the highest priority on ensuring the security of Canada's fresh water resources. It demonstrates leadership at the federal level. It affirms an approach which is comprehensive, environmentally sound, respectful of constitutional responsibilities and consistent with Canada's international trade obligations. I urge all members to give their support to Bill C-6.

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I am pleased today to join with my colleague, the

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Minister of Foreign Affairs, in speaking to Bill C-6. The protection of freshwater is a global as well as a major national responsibility. Canadians are deeply concerned about the long term security and quality of our freshwater resources.

There are concerns for Canada's freshwater on a number of fronts ranging from the safety of our drinking water, and I remind everyone of the problem of Walkerton, to pollution, to floods and droughts, and to the potential impact of climate change on the future availability on our freshwater resources. We are working with the provinces, the territories and internationally to ensure that these and other issues are addressed and that Canada's water is protected and conserved for future generations.

Last June my provincial and territorial counterparts and I agreed that we all share the common objective to ensure a clean, safe and secure water supply for our country. In meeting those objectives all orders of government, whether territorial, provincial or federal, and all Canadians have roles to play.

[*Translation*]

Among the issues of concern to Canadians is the possibility of removing and exporting large quantities of water from Canadian watersheds.

In February 1999, the government announced a three part strategy to prohibit the bulk removal of water from large Canadian watersheds.

When we talk about protecting wildlife, we also want to protect watersheds. The strategy recognizes that the safest and most effective way of protecting Canada's water resources is through an environmental approach enabling us to preserve our freshwater in its natural state, and not through an approach based on trade.

Our goal is to turn off the tap at the source, not at the border. The bulk removal and transfer of freshwater from lakes, rivers and aquifers can have profound environmental, social and economic effects.

We could witness the introduction of parasites, diseases and harmful non native species, the deterioration of ecosystems and the disruption of communities that rely on a natural water supply from a watershed.

The impact is the same whether the water is destined for foreign markets or other places in Canada.

[*English*]

Canadians are already informed of these matters based on experience with project effects of all kinds. To cite one instance, we continue to oppose the Garrison diversion in North Dakota on the basis that it would introduce non-native or invasive biota and pathogens from the Missouri system across the continent's divide to the Hudson Bay watershed.

• (1355)

Bill C-6 covers one of the three elements outlined in the government's strategy that I announced in February 1999. I therefore strongly support the bill introduced by the Minister of Foreign Affairs as one component of the federal strategy on bulk water removals, which is intended to cover all of Canada's water resources and at the same time respect the shared jurisdiction in Canada over water.

The amendments to the International Boundary Waters Treaty Act would give the federal government the legislative authority needed to prohibit bulk removals from the boundary waters shared with the United States, principally in the Great Lakes, but also on the New Brunswick-Maine boundary.

However the issue of removing water in bulk from watersheds is a complex one and the consequences can be wide ranging. These amendments are a key tool for assisting us in working with our American partners to protect the ecosystems in and around the Great Lakes which we share.

Freshwater is the glue that sustains the health of the environment, and if we change conditions in the water we risk irreversible damage to our North American ecosystems.

[*Translation*]

This is why the federal government has chosen an environmental approach to deal with this issue. It has to be a cautious approach based on objective scientific principles and an integrated response, taking into account the fact that it is a shared resource.

With that in mind, we must ask ourselves some important questions regarding the long term effects of bulk water removal, particularly in light of the cumulative impact of such a practice and the potential changes in the distribution and abundance of water as a result of climate change.

The need for better quality information brings me to the second component of the Canadian strategy on bulk water removals.

[*English*]

We requested, with the United States, to have the International Joint Commission study how water consumption, removal and diversions could affect the Great Lakes. Our objective here is to provide a basis for ensuring a consistent management regime for water shared with our American friends.

In March 2000 the International Joint Commission presented its final report to the Canadian-U.S. governments entitled "Protection of the waters of the Great Lakes". The report is entirely consistent with and reinforces the federal strategy to prohibit bulk water removals.

The International Joint Commission concluded that international trade law does not prevent Canada and the United States from

taking measures to protect their water resources and preserve the integrity of the Great Lakes. To those watching or to those in Canada concerned about the issue of the exportation of water, I urge them to read the International Joint Commission report. They will find material there of great interest with respect to trade law and water exports.

This brings me to the third element of our strategy which is the development of an accord with the provinces and territories to prohibit the bulk removal of water from major drainage basins of our watershed.

[Translation]

Each and every province and territory supports our goal to prohibit bulk removals of surface water and groundwater. Most of the provinces and territories felt that the agreement was the best way to protect our resources and that is why they ratified it.

In fact, I am pleased to say that all of the provinces have passed or are about to pass legislation and regulations prohibiting bulk water removals.

Such a high level of commitment guarantees that no bulk water removal or export project will be carried out in the near future.

To sum up, Canada's environmental approach, which is to prohibit the bulk removal or transfer of water from its watersheds, is the best way to protect Canadian water resources.

• (1400)

Our approach aims at preserving the ecological integrity of our watersheds. Also, it ensures that Canadians, and not, I repeat, not international trade tribunals, will be able to decide how our waters should be managed.

Since my time is running out, I will not go on with the speech I have prepared, but I do want to emphasize that Bill C-6 must come into effect as soon as possible.

[English]

This law is for Canadians a major indication of our commitment as a parliament and of the commitment of the government as the government of the country in the direction that we wish to go to protect our waters.

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## STATEMENTS BY MEMBERS

[English]

### INTERNATIONAL CO-OPERATION

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, last week I was in China to open the famous Canadian Group of Seven exhibit in Beijing. I thank the Minister of Canadian Heritage

*S. O. 31*

for her support of this exhibition. It celebrates the achievements of Canada's seven greatest artists of the early 20th century.

This exhibit gives a unique opportunity to the Chinese people to understand the land, the people and the culture of Canada. This not only improved relations between our two nations. It also was well received with much interest from people of all ages.

Clearly the Liberal government enhances cultural understanding and the promotion of free expression in China.

\* \* \*

### ORGAN DONOR AWARENESS WEEK

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, 150 Canadians die every year while waiting for organ transplants. Four thousand people are on the waiting list. This will double in the next 8 years and will rise to more than 16,000 in the next 20 years.

What the government has done, despite repeated solutions from the Standing Committee on Health and motions passed in the House, is create a council that will increase awareness. That is not the problem. Ninety per cent of Canadians are aware of and support organ donation.

What we need is a plan. Here is what the government should do. First, it needs to ensure that there is a donor form in every patient's chart. Second, it needs to create a national registry of donors and potential recipients. Third, it needs to implement mandatory reporting of all brain deaths. Fourth, all living donors must have access to EI. Fifth, donor co-ordinators are needed in all hospitals.

This is Organ Donor Awareness Week. The government should act on the solutions it has been given and I hope all Canadians sign their organ donor cards.

\* \* \*

### ISRAEL

**Mr. Irwin Cotler (Mount Royal, Lib.):** Mr. Speaker, today we commemorate the 53rd anniversary of the establishment of the State of Israel, which comes one week after the commemoration of the 56th anniversary of the Holocaust.

Indeed we are sometimes told that if there had not been a Holocaust there would not be a state of Israel, as if the establishment of a state can ever compensate for the murder of six million Jews. The reality is the other way around: if there had been an Israel there might well not have been a Holocaust or the horrors of Jewish history.

In a word, Israel at its core is the embodiment of Jewish survival and self-determination, the reconstitution of an ancient people in its ancestral and aboriginal homeland. May I conclude with the age old Hebrew prayer for peace:

[Editor's Note: Member spoke in Hebrew as follows:]

*S. O. 31*

Oseh Shalom Bimromov, Who Yaaseh Shalom Alenu V'al Kol Israel, V'imeru, Amen.

[*English*]

May God Who Establishes Peace on High, Grant Peace for Us All, Amen.

May this 53rd anniversary herald the end of violence, the protection of human security and a real, just and lasting peace for all peoples of the Middle East.

\* \* \*

### NATIONAL VOLUNTEER WEEK

**Mrs. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I rise today to invite members of the House to recognize National Volunteer Week.

One person can make a difference and nowhere is that demonstrated more clearly than in the volunteer sector. In Canada we have 7.5 million people giving their time to make a difference to our families, our communities and our nation.

I remind fellow members that the year 2001 has been declared International Year of the Volunteers by the United Nations.

In my riding of Kitchener Centre, it is estimated that one in ten individuals volunteers to aid non-profit organizations, charities, sports groups and cultural activities that contribute to the character of our community and its growth. I commend these hard working volunteers.

Today, in room 200, West Block, a representative group of Canada's volunteers accepted the Government of Canada's recognition on behalf of all their colleagues across the country.

• (1405)

We are proud of the accomplishments of the citizens of this remarkable country. More important, during National Volunteer Week and the International Year of Volunteers we thank—

**The Speaker:** The hon. member for Mississauga West.

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### INTERNATIONAL CO-OPERATION

**Mr. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, this year the cities of Mississauga and Kariya, Japan, celebrate the 20th anniversary of their twinning.

In March, a 24 member delegation from Mississauga, including Mayor Hazel McCallion and four city councillors, travelled to Kariya for a week long visit. Thousands of Japanese residents joined the delegation to celebrate the official opening of a four hectare park located in central Kariya and called Mississauga Park.

This event also marked the 50th anniversary of Kariya and kicked off a summer long initiative called Think Canada 2001. An initiative of the Canadian government and Japan, Think Canada

2001 is designed to promote recognition and understanding of Canadian culture, technology and business opportunities through seven months and some 200 events and activities.

I congratulate my city of Mississauga and the city of Kariya, Japan, on 20 economically and culturally prosperous years.

\* \* \*

### UNKNOWN SOLDIER

**Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, I take this opportunity to welcome and pay tribute to Leah McDonald from Elrose, Saskatchewan. Leah is here with her twin sister Abbie, her mother Joan, and her grandparents Helen and Leonard Kutz. I send greetings to her dad Michael, her sister Lorell and brother Joel back in Elrose.

Leah is a 17 year old, grade 12 honour student who recently won the "Who is the Unknown Soldier Writing Contest" sponsored by Veterans Affairs Canada in the prairie region. The contest was held to inspire students to reflect on Canada's wartime past and present and on the ultimate sacrifice made by tens of thousands of our nation's finest.

Leah's poem is a touching reflection on Canada's war dead and is a beautiful tribute to the Tomb of the Unknown Soldier just down the street in the nation's capital. It is wonderful to see that our youth are continuing our great tradition of honouring those who served and died for Canada.

On behalf of all my colleagues in the House I offer congratulations and, more important, thanks to Leah for her inspiring work and her tribute to Canadians who paid the ultimate sacrifice.

\* \* \*

[*Translation*]

### VOLUNTEERISM

**Ms. Diane St-Jacques (Shefford, Lib.):** Mr. Speaker, we are celebrating National Volunteer Week. Altogether, more than 7.5 million volunteers across Canada have a profound influence on virtually every aspect of our society. Through their volunteer work, they are showing the fundamental value they attach to the wellbeing of their communities.

The year 2001 has been proclaimed the International Year of Volunteers by the United Nations. This year, and this week in particular, let us celebrate the devotion, compassion and commitment of all those whose everyday actions make the great Canadian community the strong and dynamic one that it is.

Today on the Hill, a group of 60 volunteers from all four corners of this country received recognition by the Government of Canada on behalf of all their counterparts across Canada.

Special thanks and congratulations to all the volunteers in the riding of Shefford.

\* \* \*

### ORGAN DONATION

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, this is National Organ Donor Awareness Week.

Becoming a tissue or organ donor is an important personal decision we need to discuss with family and friends. What we need to keep in mind during that process is that by agreeing to be an organ donor, we can one day provide the gift of life to someone else.

Organ donation has not, unfortunately, always been a tradition here in Canada as it has in most other industrialized western countries. That is why 150 of the 3,500 or so people on waiting lists for organ transplants die every day for lack of an organ. Yet in this country we have access to the best transplantation technologies in the world, and to top-flight surgeons. What we lack is the needed organs.

National Organ Donor Awareness Week is a time for each of us to think about becoming a donor, to learn more about it, and to make a decision—

**The Speaker:** The hon. member for Mississauga South.

\* \* \*

[English]

### FETAL ALCOHOL SYNDROME

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, this week 95% of the members of the House of Commons voted to support health warning labels on the containers of alcoholic beverages to raise awareness of fetal alcohol syndrome.

As we know, this syndrome is incurable but preventable, and therefore it is timely that today the Government of Canada launched a new tool in the fight to prevent fetal alcohol syndrome. The FAS-FAE tool kit has been developed specifically for senators, members of parliament and other government officials so that they may better understand the dangerous consequences of drinking during pregnancy.

• (1410)

It is my hope that all hon. colleagues will take this message back to their constituencies so that all Canadians can work together to eliminate fetal alcohol syndrome in our communities.

\* \* \*

### UNKNOWN SOLDIER

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I would like to complete for you and the hon. members what my hon. colleague for Saskatoon—Rosetown—Biggar said and read the poem *Who is the Unknown Soldier?*

*S. O. 31*

He is the one who led the way  
So the general could make it home;  
She is the one who saved the child  
And was left to die alone.

His dreams were cut off  
by his untimely death;  
Her innocence shattered  
by her last shallow breath.

He is the voice  
that echoes our pride;  
She is the eyes, that  
for our freedom, cried.

He is the rain  
that waters our souls;  
She is the river  
holding secrets untold.

He's in the wave  
crashing Normandy's shore;  
She's on the wind  
over Dieppe once more.

He's in the song  
that Passchendaele sang;  
She's in the bell  
from which freedom rang.

His death was a pledge  
prayers cannot suffice;  
Her life, a gift,  
at the ultimate price.

\* \* \*

### CHERNOBYL

**Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.):** Mr. Speaker, today marks the 15th anniversary of the worst nuclear accident in the world's history.

This is a day to remember the horror unleashed on the people of Chernobyl and the valiant efforts of the radiation containment crews, many paying with their lives in the fight to save others.

The tragic human cost from the explosion at Chernobyl in 1986 is still being felt. Fifteen years later people are still suffering from diseases caused by radiation.

The impact of the disaster was felt not only in Ukraine alone. As radioactive clouds do not recognize international boundaries, there were obviously impacts.

I commend the efforts of one Canadian organization that provides assistance to children in neighbouring Belarus, children who are growing up in an area that received 70% of the fallout from the explosion.

Since 1991, the Canadian Relief Fund for Chernobyl Victims in Belarus has been bringing children to Canada for health respite visits. In the last four years, this organization has enabled over 1,600 children to spend some time away from places that still contain contamination and the vivid reminders of the immense price to be paid for nuclear miscalculation.

\* \* \*

### ORGAN DONOR AWARENESS WEEK

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I am pleased to make this statement during Organ Donor Awareness

### Oral Questions

Week. I have the longest living kidney transplant recipient living in my hometown and have seen the lifelong benefits of organ donation.

More than 3,700 Canadians are awaiting organ transplants. Last year alone 147 Canadians died while waiting for organs. Canada has one of the lowest organ donation rates among industrialized nations, with fewer than 14 donors per million people in this country compared to more than 31 in Spain.

A national organ donor awareness program would hopefully increase donations in Canada, but a national organ donor registry would be a further lifesaving measure for those awaiting transplant.

Preventing disease and injury is important. Quality treatment of illness and injury is important. Organ donors and a registry are the key to life for those less fortunate. I urge Canadians to become donors. I urge the government to bring forth a national tissue and organ donor registry program.

\* \* \*

[Translation]

### CERCLE DES FERMIÈRES

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the following recommendation of the Cercle des fermières de Rivière-Bleue is one with which I agree:

Whereas 1997 statistics show that 59% of single women aged 65 and older are living in poverty;

Whereas the sole source of income for single women living in poverty is the old age pension and the guaranteed income supplement;

Whereas women have a life expectancy of 81 compared to 75 for men and whereas there are therefore more senior women than senior men living in poverty;

And whereas the income of these senior women living in poverty barely covers their basic living needs;

The Cercles de fermières du Québec recommend to the Department of Human Resources Development that it amend the eligibility criteria for the guaranteed income supplement so that it better meets the needs of senior women living in poverty.

This is a matter of social justice. It is in the government's court.

\* \* \*

### OFFICIAL LANGUAGES

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, today's *Le Droit* contained an article written by Isabelle Ducas headlined as follows: "Bilingualism in Ottawa: federal government does not intend to step in".

First, let me say that I am not criticizing Ms. Ducas; in fact, her reporting was quite accurate.

Unfortunately, the headline has nothing to do with the text. This is not the first time that I have been treated this way by *Le Droit*.

• (1415)

I therefore urge its board of directors to ensure that the person responsible for making up headlines takes the trouble to read the articles, in order to avoid unwarranted sensationalism.

As for my position, let me be clear. In the past, when I was asked if the federal government should step in, I said "yes", clearly. I would prefer that the City of Ottawa and the Province of Ontario recognized the merit of guaranteeing services in both official languages of the country.

Where warranted, I believe that the Government of Canada should become involved in order to ensure that its capital city respects and reflects Canada's linguistic duality.

\* \* \*

[English]

### ST. JOHN'S HARBOUR

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, 120 million litres of raw sewage flow into the St. John's harbour every day. The physical attributes that make it such a good harbour also make it a very poor sewer outfall. As a result, environmentalists have labelled St. John's harbour the most polluted harbour in Canada.

The cleanup of the St. John's harbour is a priority for city council and the provincial government. To date, \$12 million has been spent on that project but only a paltry \$1.5 million of that amount has come from the federal government.

On May 8 I will be sponsoring a private member's debate on the harbour cleanup. I challenge Newfoundland's federal minister to take part in that debate and make a federal commitment to funding one-third of the cost of fixing that national environmental problem.

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## ORAL QUESTION PERIOD

[English]

### THE ECONOMY

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, especially following last weekend's summit, it is very evident that we will increasingly be living in an integrated world with the Americas. That is a positive thing.

The challenge for us however is that the properties, assets and savings of Canadians will increasingly be valued and assessed on an integrated aspect with all the Americas. The present evaluation shows that the homes, assets and savings of Canadians are being devalued because the dollar is so low.

*Oral Questions*

Would the Prime Minister agree with a Canadian economist who said today that we need a much more proactive approach to tax and debt reduction?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Canadian currency is a floating currency and the value is determined by the market. In terms of tax reductions, we have been very aggressive.

On January 1 we provided Canadians with tax cuts that were more than the level of taxes that he proposed for the administration of the government. Every year we have reduced the debt of the government more than any people expected us to do. In fact, some people were complaining that we were undervaluing the surplus so that we could reduce the debt quicker.

[Translation]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the reality remains very different for people who have difficulty paying their mortgage and saving for their future. It is difficult.

The government cannot continue with its head in the sand. It must act now.

Will the Prime Minister stop congratulating himself and tell the people when he will take action to lower taxes and pay off the debt more quickly?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, when we took office in 1993, interest rates were at 11.5%. Today interest rates have been cut almost in half.

In fact, this is the first time in a very long time that, for several years, interest rates have been lower in Canada than in the United States. We are therefore making progress.

As to paying off the debt, as I have just said, we are progressing faster than planned. As concerns tax cuts, we have been very active since January 1 this year, and we have cut taxes quite substantially for 2001.

[English]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the reality is different. The statistics are different.

Statistics Canada, for the fourth straight month, shows a lowering of the index. We hear now that Cisco is laying people off this month. We hear that Bell is looking at the possibility of more layoffs.

Personally, I have been reflecting on a line, I think from T. S. Eliot, which says that April is the cruelest month. Well it is also being cruel to a lot of employees.

I want to know if the Prime Minister is in agreement with a leading Canadian economist who—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. The right hon. Prime Minister.

• (1420)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, in every part of the House everybody wishes we would quickly be in the month of May.

The economy is not performing as well as last year but we still have growth. In the first two months of this year we saw growth occurring in Canada at a much higher rate than the growth in the United States. In fact economists are predicting that growth in Canada this year will be 1% or 1.5% more than the growth in the United States. It will also be one of the best growth rates in the OECD.

**Mr. Joe Peschisolido (Richmond, Canadian Alliance):** Mr. Speaker, the Canadian dollar has been flirting with its all time lows. This lowers the value of all Canadians' savings and makes us all poor.

The former assistant deputy minister of finance has outlined a plan as to how the government can prevent our dollar from becoming the northern peso.

Will the Minister of Finance take immediate steps to reduce our debt faster, decrease personal taxes and restrain government spending?

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, the member opposite has it all wrong, as usual. First, a report from economic forecasters today came out with the headline "Growth outlook sours for G-7, except Canada".

The members opposite have talked about the asset value of Canadians. The national net worth rose 5.9% to \$3.3 trillion in the year 2000. The member knows very well that the policy of the government is not to encourage a weak dollar.

**Mr. Joe Peschisolido (Richmond, Canadian Alliance):** Mr. Speaker, despite all that, our Canadian dollar is still at its lowest level ever. Quick debt reduction and faster personal rate cuts will not only increase our Canadian dollar but will enhance economic growth.

Why does the Minister of Finance want to condemn Canadians to a bargain basement dollar and lower economic growth?

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, the government's finance minister has consistently said that the government will do the right thing at the right time. We have the largest stimulus in Canadian history working its way through the economy. If we look at the Canadian tax cuts and the provincial tax cuts, it is almost 2% of GDP. Let us give that a chance to go through the system.

The government is unlike the Alberta government, which is proposing a huge increase in expenditures. Federal expenditures are at an all time low in relation to the GDP and we will continue with that fiscal prudence.

*Oral Questions**[Translation]***GASOLINE PRICING**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, while the astronomical profits of oil companies continue to soar, Quebecers are paying too much for their gasoline. On Friday, the price of gas even climbed to 89.9 cents in Montreal, because the federal government refuses to take its responsibilities.

Instead of being satisfied with the pro-oil company study which the conference board was commissioned to produce, will the Minister of Industry show leadership and immediately strengthen the Competition Act to help consumers?

*[English]*

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, both the federal government and indeed many of the provincial governments all across Canada have, at one time or another, conducted investigations into gas pricing in Canada. Almost all these investigations have come to the conclusion that there is no collusion in the setting of prices of gasoline.

If the member has any evidence of that or wants to suggest that to the House, I would ask that he refer that information to the competition bureau.

*[Translation]*

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the minister may be the only one who does not see the collusion. If the minister thinks it is a coincidence when prices for a litre suddenly jump from 80 cents to 89 cents, he must still believe in Cinderella. There is a minor problem: it is not a coincidence, it is collusion.

Will the minister realize that the time has come to review the Competition Act to give it more teeth? If they cannot find evidence of collusion, it is not because there is no collusion, it is because the act is not adequate to prove that there is.

• (1425)

*[English]*

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, there is not a member of the House who would not like to see more competitive and lower gasoline prices in Canada. It is a very easy target for the member to go after.

The fact is that all the studies that have been done indicate, first, that there is no evidence of collusion, and second, that gasoline prices in Canada remain substantially cheaper than those elsewhere in the world.

Finally, is the member suggesting that prices for crude oil be set at a prescribed level in Alberta, in Nova Scotia or in Newfoundland and Labrador? If he is, he should say so.

*[Translation]*

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, as weekends and holidays approach, the cost of gasoline rises as if by magic at every gas station, and the Conference Board thinks there is no problem, that market forces are working perfectly and that there is no collusion.

Could the Minister of Industry, who seems to share the Conference Board's conclusions, since he is refusing to tighten the law, explain the economic relationship between the price of gasoline and holidays?

*[English]*

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, given the obvious close relationship between the government of Quebec and the party opposite now making this representation in parliament, I would assume that it is about to stand up and announce that the government of Quebec has unilaterally cut gasoline taxes. I am awaiting the announcement right now.

*[Translation]*

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, in addition to all the people being penalized by having to pay too much for their gasoline, there are those who earn their living by consuming a lot of gasoline. I refer to truckers, taxi drivers and farmers, who are doubly penalized.

Will the government continue to leave these persons at the mercy of the oil companies, which are becoming rich on their backs because it is refusing to review the Competition Act, which has no effect on the petroleum sector, where the concentration is far too great?

*[English]*

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, the member opposite is expressing a concern that every member of the House would share. None of us wants to see gasoline prices higher than they absolutely need to be based on proper marketplace forces.

If there is any indication at all of improper collusion, then of course the appropriate agency of the Government of Canada would act. However, if this is merely for the member to give a speech to say that he is concerned, I would ask whether the member has talked to the government of Quebec and whether the government of Quebec has indicated that it will lower taxes on gasoline.

\* \* \*

**THE ENVIRONMENT**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Minister of the Environment. It has to do with the Prime Minister's commitment to President Bush with respect to the development of the tar sands.



*Oral Questions*

The Minister of the Environment will know that the development of the tar sands itself produces emissions. It is not just emissions produced from burning the product of the tar sands but developing the tar sands itself.

Given the fact that all Canadian governments have been committed ever since the Brundtland report to doing environmental assessment of major policy announcements, has there been an environmental assessment done of the emissions that would be created by the development of the tar sands? If there has not, will the government commit to doing such an environmental assessment?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I can confirm for the hon. member that we have, since the beginning of the development of the tar sands, had ongoing analysis of environmental issues including, of course, emission of greenhouse gases.

I would remind the hon. member though that the Prime Minister has made no commitment with respect to any particular energy source. It may be that Canada will be providing low emission Canadian gas which might in the United States substitute for high emission American coal, which would be very beneficial for climate change purposes.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I wonder if the Minister of the Environment would be willing to make a commitment that should development of the tar sands proceed that there will be just such an environmental assessment, that is to say, of all the greenhouse gas emissions that would be created by the development of the tar sands itself. Some people have estimated it would be the equivalent of putting millions of extra cars on the streets so to speak.

I wonder if the minister could make the commitment that kind of environmental assessment would be done not only for its own sake but in keeping with our commitment to the Kyoto protocol.

**Hon. David Anderson (Minister of the Environment, Lib.):** Once again, Mr. Speaker, I can confirm for the hon. member that we do studies of that type whenever there is a proposal to increase production from any area. It will take place if there are proposals put forward by industry to develop tar sands to a greater degree than they are currently developed.

I simply point out to the hon. member that we are simply following the existing law of the land with respect to impacts, which I believe is adequate. I certainly have heard nothing from him to suggest it is inadequate. I thank him, however, for his concern and representation that the law of Canada should be followed.

• (1430)

**FINANCE**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, my question is for the Prime Minister. Today five provincial finance ministers came to Ottawa to discuss with the federal Minister of Finance the urgent issue of equalization.

The federal minister refused to meet with them. He knew for weeks that they were coming. He is in Kingston for a political party dinner. He stiffed five of his colleagues.

How does the Prime Minister expect this federation to work when his minister lacks the common courtesy to even meet with five provincial finance ministers when they come to Ottawa?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Minister of Finance met these finance ministers not long ago on this very problem and discussed it with them.

Today I do not know if there was something that did not occur properly. I know very well that the Minister of Finance is a minister who talks with everyone all the time. However he could not refuse to be in the riding of the Speaker.

**The Speaker:** Naturally I am sure the right hon. member for Calgary Centre shares the Prime Minister's enthusiasm.

**Right Hon. Joe Clark:** I take it the Minister of Finance is speaking to delegates.

\* \* \*

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, on February 9 this year the Business Development Bank issued new guidelines about interventions by ministers. The new rules instruct BDC representatives to abstain from any decision on any loan application file if they have been contacted by a member of parliament or a minister on that file. The bank has admitted it was wrong. It has cleaned up its own act.

My question is for the Prime Minister. When will he bring to the House of Commons the recommendations of the ethics counsellor that add crown corporations to the list of agencies where it is prohibited for a minister to interfere as the Prime Minister interfered?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we are applying the criteria developed by the Conservative Party government some years ago.

**Mr. Grant Hill (Macleod, Canadian Alliance):** Mr. Speaker, we have obtained a letter through access to information written by

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Jean Carle of the Business Development Bank. It is a request for a leave of absence from the bank for the period of the federal election.

Mr. Carle worked full time on the Prime Minister's election campaign. He then went back to his office at the BDC and got his legal team to conduct an unwarranted search and seizure of documents relating to the Prime Minister. Why is Jean Carle protecting the Prime Minister?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, all the appropriate procedures were followed with respect to individuals, be they at the Business Development Bank or anywhere else, who participated in the election campaign.

**Mr. Grant Hill (Macleod, Canadian Alliance):** Mr. Speaker, Mr. Carle was completely unjustified in his actions. The search warrant was quashed because the BDC "failed to present sufficient evidence or grounds" to warrant those raids.

The connection could not be more clear. Here we have an employee of the Prime Minister working on his campaign and then going back to the BDC. Why does Jean Carle have to look after the interests of the Prime Minister even when he is at the BDC?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, at the rate members of the Alliance are going, we will have to ask the Minister of Finance to put aside a contingency reserve in the event they seek to have public financing of the whole host of suits that will be launched against the party in litigation because of these kinds of smears on individuals who are honourable, individuals like Jean Carle.

\* \* \*

[Translation]

**THE ENVIRONMENT**

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, documents of the Department of National Defence obtained by the Bloc Quebecois under the Access to Information Act reveal that, at five locations on the Bagotville military base, the soil and underground waters are contaminated with arsenic, nitrates and heavy metals.

Can the minister confirm that five locations at the Bagotville military base are highly contaminated by substances that are potentially hazardous to people's health.

• (1435)

[English]

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I am aware that there is some pollution at 3 Wing at Bagotville. The pollution is in the form of substances from the de-icing fluid on the runway and from petroleum products. The

pollution on the site has been isolated to the base itself. I am informed it is not in danger of migrating off the DND property.

In conjunction with Environment Canada, 3 Wing is conducting a cleanup and bioremediation. At this point in time the base is in full compliance with current environmental regulations and no additional pollution is occurring. What is there now is being cleaned up.

[Translation]

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, again from the documents we obtained under the Access to Information Act, the analysis of one of these locations polluted by nitrate indicates that there is a risk of migration toward the municipal drinking water wells.

Given that the pollution at the Bagotville base poses a hazard for the people of the town of La Baie and surrounding area, can the minister tell us what specific measures he intends to take to avoid contaminating the region's drinking water?

[English]

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, that is not the information I have. We are working with Environment Canada on this matter, containing the pollution that is there, cleaning it up and making sure it does not migrate off the property.

The Department of National Defence will do the responsible thing to protect the property and anybody around it with respect to pollution.

\* \* \*

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, it was only yesterday that the courts overturned BDC's raid for documents, judging it to be an illegal fishing expedition.

What a surprise it was that the Prime Minister's former aide, Jean Carle, headed up the legal team that directed BDC lawyers to search for, seize and destroy documents which might implicate the Prime Minister. What are Canadians to think when BDC is allowed to abuse its powers and recover documents to protect the Prime Minister?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, much of what has just been said is incorrect. I know the member must have inadvertently misled the House because he would never do so deliberately.

First, Mr. Carle did not lead a legal team. He is in charge of corporate services. Second, no documents have been destroyed. All the material involved is still available. The records are still there intact.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, I understand that Jean Carle wears a lot of hats. Breaking

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into people's homes is no small matter, especially to search for, seize and destroy documents, and especially when those documents relate to the Prime Minister. That is a big matter.

Less than six months ago Jean Carle was working on the Prime Minister's election campaign. Could the Prime Minister tell the House which hat Jean Carle was wearing when he directed the raid for BDC on the Auberge Grand-Mère documents? Which hat was he wearing that day?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, we know that the party opposite would do almost anything to change the coverage on the front page of the papers of Canada. Having a political leader who enters the phone booth as Clark Kent and re-emerges as Maxwell Smart is not good for business.

Jean Carle did not break into anybody's home, no matter how much that silly accusation is repeated on the floor of the House of Commons.

[Translation]

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, the Prime Minister sent a letter to the leader of the Conservative Party in which he stated, and has also stated in the House, that there was no business connection between the Auberge Grand-Mère and the golf club, and that on the contrary they were competitors.

Yet there is a ten-year lease between the two, which indicates the opposite and clearly shows that there was such a connection, contrary to the statements made by the Prime Minister.

How could the Prime Minister have written and stated that there was no connection between the Auberge and the golf club, when there is a ten-year lease in the property registry which clearly demonstrates that what the Prime Minister is saying is totally false?

[English]

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, the evidence has shown repeatedly when it has been subject to independent audit and review, be that by the ethics counsellor or be that by the RCMP in its investigation, that effective November 1993 the Prime Minister of Canada had no involvement, none, in this asset.

[Translation]

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, when we raised the question earlier this week, the Prime Minister answered from his seat that the lease had been cancelled. Yet there is nothing in the registry to indicate that it had.

I am therefore asking the Prime Minister the following.

• (1440)

How does he know the lease was cancelled, when was this done, and why is there no indication of it in the Shawinigan property registry? Can the Prime Minister answer these three questions?

[English]

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, members opposite can do their very best to try to revive something which in the context of Canadian public opinion has nothing to do with the best interest or public policy of the country.

The fact remains that since November 1993 the Prime Minister has had no involvement with this business whatsoever. The Prime Minister sold his shares in the golf course. No matter how hard members opposite try, the government remains committed and focused on the public policy of Canada.

\* \* \*

**JUSTICE**

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, the Minister of Justice says that Bill C-7, the youth criminal justice act, is a result of extensive consultations with the provinces. Yesterday provincial officials appearing before the justice committee seemed to contradict that claim. While they said there may have been a lot of talk, the federal government just plain did not listen.

Does the minister stand by her claim about consultations and, if so, is she just saying that these provincial officials, who must implement her legislation, have it all wrong?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as the hon. member should know, we consulted widely with the provinces. The hon. member should also know that does not mean we always agree with the provinces.

I listened with some interest to the testimony yesterday and the day before from the provinces. Not surprisingly I understand where they are coming from. They seem to want more resources. What we are doing is providing them with additional resources.

However I think everyone has to come to the table and understand that we have to work together. I stand by my claim that yes, we consulted. Do we agree on everything? No. Will the provinces always ask for more money? Yes, they will.

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, it is more than resources. Those same officials describe Bill C-7 as elegant but not effective or functional due to its complexity. They also say there was no indepth cost analysis done.

*Oral Questions*

Without such an analysis they predict there will be severe problems for many years to come.

These are the people who have to implement and apply this legislative nightmare. Why does the minister refuse to acknowledge their concerns?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we have listened to their concerns. Unfortunately in the country too often the remedy of choice against a young person who gets into trouble is custody. We all know that custody is the single most expensive remedy in the criminal justice system.

What we are trying to do in Bill C-7 is to ensure that only those for whom custody and detention are necessary are placed in those facilities. Hopefully the provinces will be able to save on the back end.

We are investing more resources. In 1999 we got an additional \$206 million. In fact—

**The Speaker:** The hon. member for Niagara Centre.

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**WINE INDUSTRY**

**Mr. Tony Tirabassi (Niagara Centre, Lib.):** Mr. Speaker, wineries, viticulture and more recently ice wine is an example of the new economy of Niagara.

There have been media reports about the European Commission approving the marketing of ice wine from Canada. Would the Minister of Agriculture and Agri-Food explain to the House when Canadian ice wines will be granted access to the very important European market?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, after hard work by the wine industry, this government and the provincial governments yesterday the European Union adapted the regulations which will allow our very fine wine, the best ice wine in the world, to now go into the European market. This is another step forward in the wine and spirit industry around the world, and we will now open that market for ice wine in the European Union.

Following a question, I had yesterday on another issue of a very high quality product, I announced at 1.30 p.m. today that the United States border is now open for Prince Edward Island potatoes.

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**HEALTH**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, it took Health Canada almost five months to stop sales of the drug Prepulsid after Vanessa Young died from an adverse reaction. By that time 12 deaths in Canada and 80 deaths in the United States had been linked to this drug.

Today at committee the health minister expressed concern about Vanessa's death but was short on specifics. Would he now commit to implementing the recommendations of the coroner's jury for which he has responsibility, starting with the mandatory reporting of adverse drug reactions?

• (1445)

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, we must never forget that this case involves the tragic loss of a 15 year old girl whose family will mourn her forever. Our hearts go out to them.

There are tragic lessons to be learned from this episode. We have received the recommendations of the jury. I have asked the deputy minister to examine them to find any way in which we can do our business better, to better serve Canadians and ensure their health.

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**STEEL INDUSTRY**

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, my question is for the Minister for International Trade. As a result of the government's failure to take action to protect Canada's steel industry from the impact of illegal dumping, thousands of jobs at Algoma Steel in Ontario and other Canadian steel producers are at risk. Last year's steel imports increased by 60% and formed 45% of the Canadian market. These imports are threatening the future viability of the whole industry.

In February the government promised to take some action. Will the government today take immediate action in the interest of the Canadian steel industry and the working families that depend on it and implement retroactive penalties to stop the dumping?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, it is clear that the situation on the dumping legislation in the United States does not always meet our criteria. We have been challenging a number of them time and again. We will continue to do so.

I was very pleased that Ambassador Zoellick in Buenos Aires for the first time has accepted to negotiate these in the context of the free trade area of the Americas. There is progress on that front.

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**NATIONAL DEFENCE**

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, the Minister of National Defence has stated the sale of eight DND challenger jets by Lancaster Aviation was "not a sole source contract" and "was reasonably handled".

The minister is wrong on both counts. These aircraft were sold for \$25 million below market value. Is the minister now in a position to confirm that Lancaster Aviation is under RCMP investigation for its mishandling of DND assets, and does the minister stand by his previous statements?

*Oral Questions*

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Yes, I stand by the previous statements, Mr. Speaker. Certainly the information I have is that there were several companies, and I have a list of them in fact, that were part of the bidding process in addition to Lancaster.

I also understand the matter was determined, was looked at by tax officials and not found to be something requiring further investigation. Certainly the RCMP is quite free to look at it if it so wishes.

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**VETERANS AFFAIRS**

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, Canadians cannot trust the government. The government broke its word about revisiting the equalization formula. The Minister of Industry broke his word to the shipbuilding industry and workers particularly in Saint John. The Minister of National Defence broke his word on the replacement of the Sea King helicopters.

Now it looks like the government might well break its word to the merchant navy vets. Will the government and will the minister tell these veterans that they will receive the other 40% of their compensation package today?

**Mr. Carmen Provenzano (Parliamentary Secretary to Minister of Veterans Affairs, Lib.):** Mr. Speaker, I thank the member for her question. Originally \$50 million was allocated to this special fund. That figure was raised to \$70 million.

There were 14,000 applications made. Approximately 2,400 original decisions have been reviewed. The minister has committed to making a decision by the end of April. I am pleased to inform the member of that.

\* \* \*

**THE ENVIRONMENT**

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, on Tuesday in the House the environment minister claimed that he had told Mayor Andy Wells of St. John's how to get money to clean up Canada's dirtiest harbour.

What he actually told the mayor was that the environment ministry had no money, but he should try the Canada infrastructure program. Mayor Wells did. There was no money there either.

Meanwhile the environment minister just announced funding to clean up a harbour. Guess where? It is in his own riding. When will these ministers start working for all Canadians, not just themselves?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the hon. member made the charge two days ago that I

had given no information to the mayor of St. John's with respect to infrastructure programs for sewage treatment.

He has now retracted that statement in the House without the apology I deserve for the statement that he made.

• (1450)

I ask him, in his clear effort to succeed the hon. member from Calgary, in his clear effort on the campaign, that while he regrets not having been moved forward perhaps he might simply stop playing games—

**The Speaker:** The hon. member for Portage—Lisgar.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, during the election campaign the industry minister said that if St. John's votes Liberal they might just get their harbour cleaned up. They did not and it is not.

He also:

The infrastructure program was not the place to get the money for a cleanup.

That totally contradicts what the environment minister claims. That totally contradicts what he said to the House, and that is pretty embarrassing.

When will these two ministers stop playing blind man's bluff with the people of the country and get on with cleaning up Canada's dirtiest harbour?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the very first infrastructure program announced some years ago was for cleaning up the problems with respect to the Fraser River. The Prime Minister attended to it. It was \$206 million in British Columbia, joint federal-provincial-municipal.

The infrastructure program was available from the very first for such cleanup proposals. I would simply say to the hon. member that he has once again said things about a colleague of mine which are false.

\* \* \*

[Translation]

**FREE TRADE AREA OF THE AMERICAS**

**Mr. Stéphan Tremblay (Lac-Saint-Jean—Saguenay, BQ):** Mr. Speaker, during the summit of the Americas, the President of Mexico, Vicente Fox, proposed the creation of a fund to alleviate socioeconomic inequalities between the citizens of FTAA countries, somewhat like the fund set up by the European Union to help less fortunate countries.

Does the federal government intend to support this initiative by President Fox and will it help implement it?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, the suggestion made by President Fox was the topic of some discussions, but was not clearly specified.

*Oral Questions*

There are several approaches to supporting certain economies at a time when we are becoming part of a free trade area of the Americas.

For example, we made a strong commitment to smaller economies that we would help them strengthen their capacity to integrate into and to fully benefit from the free trade area of the Americas.

**Mr. Stéphan Tremblay (Lac-Saint-Jean—Saguenay, BQ):** Mr. Speaker, given Canada's privileged position, does the government intend to assume some leadership in the setting up of that fund by trying, for instance, to convince its American partner to take part in it?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, the hon. member for Lac-Saint-Jean is right when he refers to Canada's privileged position in the Americas.

As was evident both in Buenos Aires and in the discussions on the democracy clause, Canada has an extraordinary voice in diplomacy, because it is a voice that is balanced and respected. Its credibility with Central and South American countries has allowed us to make huge progress in our hemisphere.

These countries now truly appreciate our commitment. So, the hon. member for Lac-Saint-Jean is right about Canada enjoying a privileged position.

\* \* \*

[English]

**IMMIGRATION**

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, today a known member of a terrorist organization who is not even supposed to be in Canada is walking free on the streets of southern Ontario.

For \$20,000 and a curfew, Mr. Rat Naval is living at home with his wife without any plan to deport him. Why has the government failed to protect Canadians by immediately deporting this man?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, first I would say to the member opposite that we do not conduct trials by newspaper, that there is a process of law, and that when my department argues for detention of individuals who may pose a risk on the basis of either criminality or terrorist activity we argue for detention. However those decisions are made by independent adjudicators.

While I cannot comment on individual cases, which might prejudice outcome, I can say to all members of the House that I do not always agree with the decisions of independent adjudicators.

• (1455)

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, the RCMP in sworn testimony, and I have it here if the minister wishes to see it, states:

Rat Naval is a murderer, a terrorist, and a gang member. He has lied to enter Canada, caused a disturbance to prevent his deportation from Canada and now has been released to walk the streets of Canada.

I ask again: Why is the minister refusing to deport this man?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I reject absolutely the premise of the member's question. I am bound by the rule of law and do everything within the context of the rule of law to carry out my responsibilities.

The decision on detention is reviewed by an independent adjudicator. On a case by case basis the arguments are made. I will not and cannot do anything that would prejudice the outcome of the decision, but I will say to her, as I have said, I do not always agree with the decisions made by independent adjudicators.

\* \* \*

[Translation]

**FRANCOPHONIE GAMES**

**Mr. Serge Maril (Beauharnois—Salaberry, Lib.):** Mr. Speaker, will the minister responsible for the IVth Games of La Francophonie in Ottawa-Hull give his reaction to the comments by Minister Facal to the effect that Quebec was not consulted in connection with previous games, and that Quebec is completely absent with respect to the vision for the upcoming games?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, let me set the facts straight.

In connection with the three previous Games of La Francophonie, Quebec supported and signed the agreement between Canada, Canada-Quebec and Canada-New Brunswick. These are the terms in La Francophonie as used by Lucien Bouchard, the "sherpa" who coined them in 1987.

This agreement reflects Canada's status as a member nation of La Francophonie, and the status of Quebec and of New Brunswick as participating governments.

What we are going to do, with the co-operation—

**The Speaker:** The hon. member for Lanark—Carleton.

\* \* \*

[English]

**INFRASTRUCTURE**

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, I rise today to draw attention to the ongoing status of highway 7. This is the most direct route between Ottawa and Toronto. It is also the natural gateway for the explosive growth of Kanata into Lanark county.

*Oral Questions*

Highway 7 should be a divided four lane highway. The province is seeking to expand this and other highways into four lanes. The mayor of Carleton Place has worked tirelessly for this expansion, but it is nearly impossible for a cash strapped province when the federal government will not contribute any revenues from the excise tax on petroleum. This tax is being paid by motorists who use highway 7. Why is the government—

**The Speaker:** The hon. Minister of Transport.

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the hon. member should know that the province of Ontario certainly has the resources to make the kind of repairs and expansion the hon. member desires. There is a \$600 million program. We are hopeful that more money will be put in at the next budget to assist the provinces with their highway needs.

For nearly 80 years the federal government has used its spending power to be involved in highway upgrades across the country. I think the program we have in place is a good one.

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, they got zero in British Columbia last year. In the past few years 11 fatal accidents have occurred on parts of the highway passing through Lanark county. Three have occurred in Frontenac county and still more have occurred on the stretch that passes through rural Ottawa. Companies have refused to locate in Carleton Place because of the dangers and the delays caused by this killer stretch of road.

The federal governments promise during the last election to spend hundreds of millions of dollars on highways and bridges east of the Ottawa River has those of us living to the west wondering how many more deaths, how much more economic damage before the government—

**The Speaker:** The hon. Minister of Transport.

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the hon. member refers to zero in British Columbia. I am not sure exactly of the context of those remarks.

If he is talking about highway funding there has been an allocation announced for all 10 provinces of \$600 million. That will go a long way to meeting highway needs in Canada.

\* \* \*

[Translation]

**OFFICIAL LANGUAGES**

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, last Sunday evening, the flight to the Magdalen Islands by Air Nova, a

subsidiary of Air Canada, was re-routed to Halifax because of poor weather conditions.

In addition to the inconvenience, the passengers, most of them from the Magdalen Islands, were served in English only by the Air Canada crew. This is unacceptable.

• (1500)

Will the Minister of Intergovernmental Affairs ensure personally that the act is respected, so that Air Canada and its subsidiaries provide quality French services to their clients at all times? This is no laughing matter.

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, obviously Air Canada is obligated to comply with the Official Languages Act.

If the hon. member has a specific case to present, I am prepared to speak with the president of Air Canada to improve the situation. There is no excuse for Air Canada not providing services in both official languages.

\* \* \*

**INCOME TAX RETURNS**

**Mr. Gérard Binet (Frontenac—Mégantic, Lib.):** Mr. Speaker, most Canadians have until midnight, on Monday April 30, 2001 to file their income tax returns.

What options does the Canada Customs and Revenue Agency offer to Canadians to simplify this process?

**Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, I would like to thank my honourable colleague for this very important question.

As hon. members are aware, Revenue has changed from a department to an agency. With all the changes to the workings of government, we want to continue to serve the public well.

I would like to inform hon. members that there are, of course, various ways of filing income tax returns: by mail, by telephone, and by Internet as well.

I would also like to inform the House that 13.5 million returns have already been received, 5.7 million electronically.

\* \* \*

[English]

**HEALTH**

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, I just sent over a newspaper article to the Minister of Health that reads "Hepatitis 'C' victim dying in red tape". There is a quote that says:

*Business of the House*

I firmly believe we will all be dead by the time this goes through unless a miracle happens.

That quote is by Charles McLean who contracted hep C through a blood transfusion while undergoing prostate surgery in 1987. He is a class 5 victim. He was approved for \$125,000. A year later he still has not received a cent and has lost his health, his career and his money.

I would like the minister to tell us today that he will take whatever action is necessary—

**The Speaker:** The hon. Minister of Health.

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, I thank the hon. member for his courtesy in raising this with my office and with me in advance of the question.

The member knows that this program is not administered by Health Canada. The court has appointed an arm's length administrator who is responsible. However, I share the frustration of the hon. member. I share the frustration of those who are entitled to money and who are not getting it. I have already written to the joint committee to express that frustration. I am working with that office and with the member's office to see what information we can get about this and other cases. We will continue to work to make sure these people get the money they are due.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I would like to draw the attention of all hon. members to the presence in the gallery of His Excellency Ali Said Abdallah, Minister of Foreign Affairs of the State of Eritrea.

**Some hon. members:** Hear, hear.

**The Speaker:** I also wish to draw to the attention of hon. members the presence in the gallery of the Hon. Greg Selinger, Minister of Finance of the province of Manitoba.

**Some hon. members:** Hear, hear.

**The Speaker:** I also wish to draw to the attention of hon. members the presence in the gallery of the Hon. Joan Marie Aylward, Minister of Finance of Newfoundland and Labrador.

**Some hon. members:** Hear, hear.

\* \* \*

**BUSINESS OF THE HOUSE**

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, it being Thursday, I would like to ask the government House leader what the business of the House will be for the rest of today, tomorrow and even next week if he has it done that far.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, let me begin by congratulating the opposition House leader on his appointment and to extend as well similar words of congratulation both to his seatmate, the new chief whip, and the other officials of his caucus.

• (1505 )

This afternoon we will continue debate on the second reading of Bill C-6, the water export bill. I intend to seek adjournment of the debate after the speech from our colleague from the Bloc Quebecois on this matter.

If there is any time, we will commence the second reading of Bill C-25, the farm credit amendments bill. It would be my intention as well to adjourn the debate after the lead off speech from either the government minister or parliamentary secretary, as the case may be. We would then propose to move immediately to private members' business this afternoon.

Friday we will debate second reading of Bill C-26, the tobacco tax legislation.

On Monday we will return to Bill C-6, which will not be completed this afternoon. We will then continue with Bill C-25 for the same reason, and then, if necessary, to Bill C-26, the tobacco tax legislation, if we do not complete it tomorrow. If we have any time left, it will be spent on Bill C-10, the marine parks bill, as I previously indicated to my colleagues at the House leaders meeting earlier this week. In the afternoon we will debate Bill C-16, the charities bill. I wish to give notice pursuant to Standing Order 73(1) that the government will propose that this bill will be referred to committee before second reading. This should, in essence, take roughly the time between 3.00 p.m. and the adjournment later in the afternoon.

Tuesday shall be an allotted day. In the evening it is my intention to seek the usual co-operation to hold the second of the take note debates on the modernization of House rules. It would be pursuant to consultation with others. My intention is to see if we want to have this debate using the forum we used very successfully earlier this week, but, as I said, I intend to consult with other House leaders on that.

On Wednesday I would propose that we continue with any unfinished business from the previous days, adding thereto Bill S-16 which was introduced in the House earlier this day. Should we be ready to do so, and should time permit, I would then commence the report stage and third reading of Bill C-22, the income tax amendments bill.

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, I rise on a point of order. Discussions have taken place among all parties and I believe you would find consent for that if a recorded division is requested Monday, April 30 on a motion to refer Bill C-16 to committee before second reading, pursuant to



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Standing Order 73(1) it shall be deemed deferred until the end of government orders on Tuesday, May 1.

Discussions have also taken place among all parties and there is agreement pursuant to Standing Order 45(7) to further defer the recorded divisions requested earlier today on third reading of Bill C-9 and third reading of Bill C-3 from Monday, April 30 until the end of government orders on Tuesday, May 1.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[English]

### INTERNATIONAL BOUNDARY WATERS TREATY ACT

The House resumed consideration of the motion that Bill C-6, an act to amend the International Boundary Waters Treaty Act, be read the second time and referred to a committee.

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Speaker, it is a pleasure to rise today on behalf of the constituents of Calgary East to speak to Bill C-6, an act to amend the 80 year old International Boundary Waters Treaty Act.

• (1510)

When the Minister of the Environment spoke on the bill this afternoon he came out very strongly and proudly, with his thumbs pounding, stating that his government has acted decisively to address the concerns of Canadians in reference to the export of water. He proudly said that the bill would stop the export of water and fulfill the commitment made to Canadians about the export of water. He went on to say that his government was putting a tremendous amount of priority on the bill.

I was a little surprised. I would like explain to those who are listening to my speech today what the bill amounts to and what the Liberal government has not done for our water. It is still hanging out in limbo because of the inability of the government to address the issue seriously.

The government said that it put a priority on the bill. I spoke to the bill in the 36th parliament. It was the last bill that was presented to parliament. I made a speech and thereafter the bill was off the table because the government had another agenda. It did not care about that agenda. It wanted to get re-elected.

Today, because the government has no vision for the next three or four years and needs to do some housekeeping, it brings back this bill because there is nothing else on its agenda. Now it is saying that it is committed to stopping the export of water and that

it is committed to this bill. What a contradictory statement and action that has taken place.

Bill C-15, as the water bill was called in the 36th parliament, came up for debate during one of the final days leading up to the election, as I mentioned. The bill was debated only for one day and then disappeared. I think that shows the importance the government places on protecting Canada's waters.

As we know, water is an issue that touches the lives of all Canadians as it is part of our Canadian heritage. Canadians are very concerned by the thought of losing control of our freshwater resources. It is a legitimate concern because a thirsty world will sooner or later turn its attention to our lost freshwater resources.

In fact, water export was never supposed to be an issue in Canada. A number of federal politicians in the early 1990s claimed that Canada had a sovereign right to manage its own water and that water would never be challenged under any international agreement. Unfortunately, this has proven to be false and the water issue is back on the table.

The Liberal government is on the record as saying that NAFTA should be amended to prohibit bulk water exports. Had the Liberals kept their promise, Canadians would not have to worry about the issue of bulk water export and we would certainly not be discussing this matter today.

Regardless of its promise, this government signed the NAFTA deal without a side agreement on water. Raw logs and unprocessed fish were exempted from NAFTA but the best arrangement Canada could get on water was the following side deal signed on December 2, 1993, by Canada, the U.S.A. and Mexico. It states:

The NAFTA creates no rights to the natural water resources of any party of the agreement.

Ultimately, this side deal is of little legal value because unless water in any form has entered into commerce and become a good or product it is not covered by the provisions of any trade agreement, including NAFTA.

• (1515)

Nothing in NAFTA obliges any NAFTA party to either exploit its water for commercial use or to begin exporting water in any form. Water in its natural state in lakes, reservoirs, water basins and the like is not a good or a product. It is not traded and therefore is not and never has been subject to the terms of any trade agreement.

This side agreement worked as long as Canada never allowed water to enter into commerce and become a good or a product. Let me repeat that: this side agreement worked as long as Canada never allowed water to enter into commerce and become a good or a product.

However, with the exception of international boundary waters, the vast majority of water in its natural state is owned and managed by the province. It is a provincial responsibility to manage the

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resource carefully, just as a province manages its forests and its oil and gas. If one of the provinces enters the business of tendering contracts to export bulk water, it must, according to chapter 11 of NAFTA, treat Canadian, American and Mexican companies in a similar fashion.

National treatment provisions give the right to all corporations of our NAFTA partners to help themselves to our water the moment any Canadian company is given an export permit. If any Canadian company is given an export permit by a province, because it is a provincial resource, then it falls under NAFTA where we have to treat the Americans and the Mexicans in the same manner. Now that we are going into FTAA agreements which will be coming up in the next five years, I hope that the government will have water exempted. Otherwise we will be facing the same difficulties.

In fact water is not exempt from NAFTA, as I said. Once water starts being shipped, either the government is powerless to stop it or, if it does, the government would have to compensate for the lost income under the investor state provisions.

The government did not have the foresight to think that some provinces might one day look into the possibility of licensing the export of water, but recent examples show us the opposite.

First, the province of Newfoundland granted an export permit to McCurdy Enterprises Ltd. to export water from Gisborne Lake. Second, in Ontario the Nova Group received a licence to extract water from Lake Superior. Finally, in British Columbia, Sun Belt, a Californian company that wanted to export water from B.C., is now demanding up to \$10.5 billion in damages from the federal and B.C. governments alleging that its rights under NAFTA have been violated. Sun Belt is demanding restoration of a water export licence that the B.C. government cancelled in 1991 as well as compensation for lost business opportunities.

Although the provinces eventually pulled out of these proposals, they renewed the fears about water export and the impact of our trade agreements.

The government, having failed to protect Canadian sovereignty over water during the NAFTA negotiations, is now proposing a backup solution. Bill C-6 proposes to prohibit bulk water removal out of the boundary waters between Canada and the U.S.A., which covers only 15% of Canada's water resources. The provinces manage the remaining 85%.

That is what I meant when I said I do not understand the Minister of the Environment when he talks about stopping bulk water export. His bill would cover only 15% of Canada's water resources. That is fine. I hope he will tell Canadians that it would cover only 15%. The government should not say that the bill would address the issue about water resources.

• (1520)

Clearly, 85% of the water resource is held by the provinces. They control it. It is their natural resource. It is not controlled by the federal government. If any province so desires to sell water from its basins, from its lakes, then suddenly we have a federal government that is powerless. It can run to the provinces but the provinces can tell the federal government no. They can say they want to sell it.

Canadians have a right. It is theirs. Canadians demand that right. However, the government failed to remove water from NAFTA as it had promised in the election platform, because it failed to renegotiate NAFTA and get water out of NAFTA and have it exempted. It was the right only of Canadians to say yes if they wanted to export water. Now we have this jurisdictional problem with the federal government practically unable to have any teeth to stop bulk water export for 85% of our water supply.

The government is trying to have a Canada wide accord to prohibit bulk water removal. It has recognized this problem so it is trying to get a Canada wide accord to prohibit the removal of bulk water. The problem is, as I have just mentioned, that five provinces have refused to endorse the accord, leaving the country's water vulnerable to exportation.

The federal strategy was designed in the belief that all provinces would agree on a national ban. It is quite obvious, after the two day debate in Kananaskis in Alberta in November 1999, that the government has failed to achieve this goal. The parties could not come to an agreement.

It is very important to note that the bill deliberately avoids the term export. With good reason, the Liberals fear that the term export will imply that water is a commercial good. What the absence of the term export really means is that water was in fact part of the negotiations during the NAFTA talks and nothing was done. That is one thing the government should admit.

As it stands now we can say yes or no, but we have lost the right for only Canadians to say yes. What I mean by that is what I just emphasized, that is, under NAFTA if water is exported because it is not exempted that gives the opportunity to allow opening up the doors to American and Mexican companies to come and export our water. This is the real fear.

Canadians have lost the right to say yes to this precious resource. Whether they want to export or do not want to export, this should be a right that should remain with Canadians. They can decide whether they wish to export water. They can decide whether they want or do not want to export water as a natural resource, or whether under certain conditions they want to or do not want to.

There are many options we can use. Some small communities may want to do it as part of an economic reason and we can do so if

it does not damage the environment. However, this right should be the right of Canadians. We have lost that right because the government failed in its election promise to remove water from NAFTA.

• (1525)

In 1993 while the government was busy signing away our sovereignty over water, the Canadian Alliance made a specific statement on the protection of our freshwater. The Canadian Alliance stated that exclusive and unrestricted control of water in all its forms should be maintained by and for Canadians.

Canada possess about 9% of the world's renewable resources and 20% of the world's total freshwater resources. This includes water captured in glaciers and polar ice caps. Protection of our sovereignty over this valuable resource is critical to Canadians and to our national identity.

The Canadian Alliance believes that Canadians should retain control over our water resources and supports exempting water from our international agreements, including NAFTA. An outright ban on water exports could run contrary to our NAFTA commitment because water was not exempt from that agreement. Therefore, a side agreement would have to be negotiated which would exempt water from NAFTA before a ban on water exports could even be considered.

Until an exemption is achieved, we encourage the provinces to place a moratorium on commercial water licensing so that water in bulk form never becomes a good governed by NAFTA rules. Once an exemption from NAFTA is in place, the decision to export water in bulk should rest with the provinces who own the resources. That means once the decision is given to the provinces, which are elected governments, it is up to Canadians to decide what to do with water. They can decide.

I would like to emphasize again that we are heading into an FTAA agreement. The Quebec summit chose that path and the Alliance supports it. We think that if it is handled correctly, free trade will bring prosperity. However, there are always dangers when we sign blindly, as we have found out now with this water issue. No long term thought was given to this. When it was signed, no thought was given to what would happen if the provinces said no. No thought was given to the fact that the government was signing an international agreement on one of the most important resources we have, a resource controlled by the provinces. Its strategy, which was to have a total ban by convincing the provinces to do so, has failed.

As I mentioned, the 1999 Kananaskis meeting clearly showed that the provinces were not on board with the federal government on this issue. They wanted the right to do whatever they wanted to with a natural resource that they feel is their responsibility.

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In the absence of exempting water from NAFTA, the Canadian Alliance will support the bill. We will support it because it represents the only viable approach the federal government can take and the only constitutionally valid NAFTA compatible ban on bulk water export that can be achieved.

The Canadian Alliance has indicated quite clearly that it favours a ban on water export. All export of water should be done by Canadians only. Since the ban is not there, the Canadian Alliance feels that the bill would in some degree ensure that water is not taken away from the international boundaries basins, and it is a NAFTA compatible ban on bulk water exports.

However, I would like to see the government propose real answers to this issue and show some leadership in exempting water from our trade agreements.

• (1530)

I was hoping today that the Minister of the Environment or the Minister of Foreign Affairs, when they presented the bill and talked about the commitment of the government not to export water, would listen to Canadians. In reality they failed to say that the bill was only dealing with 15% of the issues.

I hope the government takes the initiative and try to get water exempted from other trade agreements. It would have been preferable to exempt water from NAFTA but, failing that, Bill C-6 will have to do as second best.

Canadians should realize that we no longer have sovereignty over our water. We have that threat over our heads because of our international trade agreement called NAFTA and the failure of the government to take water out of it.

Future generations would also lose sovereignty over water if something is not done to change this. That is why the government should do something. Bill C-6 or not, the bottom line is that Canada's water resources are vulnerable to exportation.

While I am a strong supporter of free trade, I believe it should not come at the expense of our sovereignty over water. Perhaps one day Canada will decide to export water if it is proven environmentally sound. If that ever happens, and I strongly stress if, the tap should belong to Canadians only.

The Canadian Alliance will be supporting Bill C-6. However I re-emphasize that the federal government should work with the provinces now to ensure that water does not become an export commodity. It should try to get water exempted from our international trade agreement.

[*Translation*]

**Mr. Jean-Yves Roy (Matapédia-Matane, BQ):** Madam Speaker, first I will say that the Bloc Québécois will not support Bill C-6 as introduced, not because we are opposed to the basic principle of

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the bill, which is to prohibit bulk water exports to other countries as well as bulk water transfers within the country, but for a very simple reason.

Natural resource management is the provinces' responsibility. Each province is responsible for managing its own water resources, which belong to its residents.

We can talk about a lot of things with regard to Bill C-6. For example, we can talk about groundwater. We already know that the drawing of water by certain companies in some regions of Canada creates problems for agriculture with soils and wells, as well as problems for residents of the area where underground water is being drawn.

In fact, we had problems in some regions in Quebec. People complained and some companies had to stop drawing water in certain areas.

• (1535)

The other major element for us in Quebec is that when we are talking about boundary waters we are obviously talking about the Great Lakes and the St. Lawrence River. The St. Lawrence River flows across Quebec and its importance is well known. For the past several years, especially in certain areas such as Lake Champlain and the lakes around the St. Lawrence, water levels have dropped so dramatically that shipping may be at risk. Therefore it is extremely important for us to be able to conserve and manage as we see fit this resource which belongs to us.

There is another issue. When we talk about bulk water exports we should remember that it might involve not small quantities, but huge quantities of water. Currently there is no treaty to really protect us against bulk water exports.

A few years ago, in view of the problems that were occurring especially in the southern United States, there was already talk here in Canada about the possibility of exporting water in bulk through a pipeline carrying water from the north, namely Canada, to the United States.

This is a major point and I am not sure that as a country we would be better protected by Bill C-6. I am not sure that in the future Bill C-6 will make it impossible to export bulk water.

The vision this government should have for the future in agreement with the provinces and while staying out of their areas of jurisdiction should be to legislate a true ban supported by international treaties, which would provide us with a real protection.

The pressure to export water will increase in the future. The pressure will increase in view of the water shortage in some countries, especially the United States, our southern neighbours.

Currently the danger if water is misused or if we try to export it is that it will result in the desertification of certain areas and harm

crops and agriculture in a big way. As we know, some western provinces are already experiencing problems with soil erosion and desertification.

Barely 15 or 20 years ago a Senate committee published a report on this. It dealt with desertification of soils in the western provinces, particularly due to a lack of water, a lack of rain and climate change.

Another very important element that has an impact on the quantity and quality of our water resources is the gradual disappearance of our forests. They play a role in terms of water retention, cleaning the rain so to speak, and they are essential to the health of our lakes and rivers.

There are also the dangers of shipping. In Canada we do not have any real protection with regard to shipping, including on the St. Lawrence River, and we should not pretend that we do. We could be the victims of a major disaster considering the number of ships that go up the St. Lawrence River every day and the type of products some of them carry. Once they have reached the Great Lakes these products are then delivered to major industrial centres in the United States such as Detroit and Chicago.

I would remind the House that Quebec has always been a leader in the area of water treatment. I remember that in 1978 Marcel Léger, then minister of the environment, proposed to the government of Quebec a water cleanup program in which the government invested some \$12 billion over the years. We were very much ahead of our time; we were visionaries so to speak.

• (1540)

In the early 1980s, when I was mayor of my home town and we were looking at cleaning up our waters, we figured that it would cost us about \$2.8 million. People thought we were crazy because we wanted to clean up our waters, protect our drinking water and clean the water before we would send it back into nature.

At the time we were concerned about the pollution of our municipal sources of drinking water and even private sources of drinking water in some areas. It was a serious problem and still is, as we have seen recently.

Our drinking water supply is still in danger. We still have a lot of work to do to ensure that municipalities can provide quality drinking water to all Quebecers and Canadians. Consumer confidence is not what it used to be. That is quite obvious.

Also the bottled water industry is expanding and people no longer trust their own drinking water supply systems. They would rather drink bottled water.

This is an expanding market that some businesses would like to take over. We are talking about bottled water and not bulk water removal, but still bottled water export could set a precedent that would eventually open the door to bulk water exports.

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When bulk water exports are involved consideration must also be given to the effects on our ecosystems, the economy and people's lives. Water, we will all agree, is vital to life and essential for humans, for all ecosystems, for animals, for nature and for our environment. It is an essential element. It is a resource that belongs to the community, and the community therefore needs assurance that we are protecting it.

It is absolutely vital that bulk water exports be banned, as the bill states. However agreement would first have to be reached on the principle of the bill, and we in the Bloc Québécois are not in agreement with it. Although the protection of water resources is vitally important, as it stands Bill C-6 strikes us as risky and contrary to the way jurisdictions are divided between the federal and provincial governments.

In fact it has considerable potential of encroachment on to provincial areas of jurisdiction while not providing any additional protection against major water exports.

We have just experienced the Quebec city summit where negotiations were hidden, closed to the public, and civil society was denied access. This same type of negotiation could very easily take place in future on water exports, given the future needs that are going to develop, particularly with our neighbours to the south who as we know are far bigger and far stronger economically.

I have already mentioned the risks to navigation. This is very important to me. The federal government ought to address this matter since it is its responsibility, particularly in the St. Lawrence.

As I said, we are not disaster-proof. It is entirely possible that one day or other in the St. Lawrence catastrophes will occur such as we have seen in Europe, especially in northern Spain and northern Europe.

It would really be a major catastrophe and could affect an entire population, nearly 7 million people in Quebec, living in large part on the shores of the St. Lawrence.

Water represents an inestimable resource for humans. It is commonplace, as I said earlier, to want to protect its export. We have to remember that water has great potential in export terms and the demand will increase. It is vital to prevent its export.

• (1545)

The federal government announced in early 2000 that it intended to intervene more directly in the matter of water export and introduced a three pronged strategy.

This strategy follows from a motion passed in the House of Commons on water protection, which was introduced on February 9, 1999.

There are three parts to the strategy: changes to the International Boundary Waters Treaty Act in order to give the federal government regulatory powers over bulk removal of boundary waters; a

joint reference with the United States to the International Joint Commission to investigate the effects of consumption, diversions and removals including those for export purposes in boundary waters; and a proposal to develop, in co-operation with the provinces and territories, a Canada-wide accord on bulk water removal so as to protect Canadian water basins.

On February 10, 1999, Canada and the United States appointed the International Joint Commission. After noting a growing number of proposals to export water from the Great Lakes and other areas of the U.S. and Canada, the two countries agreed to ask the commission to study the question and make recommendations within the next year. An interim report was presented on August 18, 1999, and the commission presented its final report on February 22, 2000.

In its interim report the International Joint Commission recommended that during the six months it would need to complete its study the federal and provincial governments and the American states not authorize any removal or large scale sale of water.

It pointed out a number of things that warrant mentioning. It indicated that there was no surplus in the Great Lakes system, that large scale removal of water could limit the resilience of the system and that information on the removal of underground water was inadequate.

This point causes problems because, as I said earlier, underground waters can have a considerable effect on the integrity and quality of ecosystems.

The report pointed out as well that we do not know what the demand will be for water in the future. Also, because of the possible climate change and other natural considerations, it is impossible to assess with any degree of certainty what the level and the flow of the Great Lakes will be in the years to come.

In its final report, released in February 2000 and entitled "Protection of the Waters of the Great Lakes", the commission concluded that we must protect the Great Lakes, particularly in light of the cumulative uncertainties, pressures and repercussions from water removal and use, demographic and economic growth, and climate change.

The report includes the following conclusions:

The water of the Great Lakes is a critical resource. On an average annual basis less than 1% of the water in the Great Lakes system is renewable, which says a lot.

If all interests in the basin are considered, there is never a surplus of water in the Great Lakes system; every drop of water has several potential uses.

International trade law obligations, including the provisions of the Canada—United States Free Trade Agreement, NAFTA, WTO

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agreements and the GATT do not prevent Canada and the United States from taking measures to protect their water resources and preserve the integrity of the Great Lakes basin ecosystem.

To the extent that decision makers do not discriminate against individuals from other countries in implementing these measures, Canada and the United States cannot be forced by trade laws to jeopardize the waters of the Great Lakes ecosystem.

Let us note, however, as I mentioned earlier, that no such agreement may override international treaties. It will therefore be possible to challenge such a measure, i.e. the one we have before us, under the treaties which have been signed, and these obviously include the FTAA, NAFTA and so forth. These are overriding treaties with respect to this sort of measure to protect drinking water.

In its final report the BAPE sums up its conclusions as follows. The overall diagnosis is relatively clear. The current approach to water and aquatic ecosystem management is sector based, poorly integrated and not concerned enough with protecting the resource.

The shift must be made to integrated management practices that are more harmonized at the government level, balanced protection and enhancement objectives, and be purposely implemented at the river basin level. Furthermore, action can and must be taken now along the lines of the coming policy.

• (1550)

The BAPE's recommendations indicate that the Quebec government should approve the proposed policies for protecting and conserving groundwater and pass the related regulations, provided that projects involving the removal of more than 75 cubic metres of groundwater a day are subject to the environmental impact assessment and review procedure.

Recommendation No. 4 explains in particular that the Quebec government should make the Water Resources Preservation Act, which bans bulk exports of groundwater and surface water, permanent legislation. The commission is of the opinion that bulk exports need to be forbidden by law and no chances taken, with the uncertainties of international trade agreements such as NAFTA, WTO and the like.

In chapter 1.1 of the BAPE report reference is made to the federal government's position that NAFTA does not apply to water and bulk exports, which is being strongly disputed by a number of environmental groups, as the commission points out in its report.

BAPE also explains its position because, before bowing to such a request which at first blush is certainly appealing, it feels it would be best to examine NAFTA as a whole to determine what Canada

has to gain and what it has to lose by renegotiating it. This goes beyond the mandate of the present commission.

In short, what BAPE wants us to understand is that it is very risky at this time to undertake a procedure such as the one the federal government is embarking on, given the fact that international agreements may take precedence over a bill such as this one.

In conclusion, as I have already said, the Bloc Québécois will not be in favour of Bill C-6 for a number of reasons, including one major one: the bill encroaches on provincial areas of jurisdiction.

[English]

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Madam Speaker, in accordance with discussions among parties in the House, I move:

That this debate do now adjourn.

**The Acting Speaker (Ms. Bakopanos):** Is that agreed?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

#### FARM CREDIT CORPORATION ACT

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.)** moved that Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

He said: Madam Speaker, I am pleased to begin debate today on Bill C-25, an act to amend the Farm Credit Corporation Act. I am proud to introduce the bill as it is important legislation that would position the Farm Credit Corporation to meet the needs of the agricultural industry today and well into the future.

I do not need to remind anyone in the House that agriculture is the backbone of most rural economies in Canada. Bill C-25 builds on the existing Farm Credit Corporation Act of 1993. It expands the depth and scope of services that the corporation is able to offer farm families and farm related businesses across rural Canada.

Through the legislation, the Farm Credit Corporation would help more farm families achieve their long term goals. The corporation would assist a greater number of agricultural enterprises in creating jobs and economic growth in rural Canada. It would have a new name, Farm Credit Canada-Financement agricole Canada, to better reflect its federal identity. FCC would be better positioned to contribute to the long term sustainability and prosperity of rural communities where farmers live and work.

The corporation has a long tradition of anticipating the needs of agriculture. Since 1959 FCC has worked with the industry to introduce services to meet its needs.

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In the past few years FCC has introduced many new financial options that lead the way in meeting emerging requirements. It is estimated that up to 120,000 farmers would be retiring over the next decade, and that \$50 billion in farm assets would change hands. There is a definite need for services that help farm families make the transition from one generation to the next, just as beginning farmers need help in getting a solid start.

• (1555)

That is why FCC introduced the agri-start loans in 1998. These loans recognize the marketplace realities young farm families face today. They provide flexible payment options to help young farms and young farmers grow their operations through the initial development phase. These options also assist existing farmers to pass the farm to the next generation.

Last year the corporation developed flexi-hog loans. These loans offer flexible payment options to help hog producers through the cyclical downturns in their industry. Earlier this year FCC introduced the enviro-loan. It enables producers to upgrade or expand their operations according to the latest environmental standards. FCC has its ear to the ground, listening to the needs of producers in the agricultural industry. It has its eye on the horizon, anticipating the industry's needs in the years to come.

Since 1993 the Farm Credit Corporation Act has served the agricultural industry in good stead for nearly a decade. However the marketplace has changed considerably in the past eight years. Producers are venturing into new crops and livestock production. They are entering into more long term contracts with suppliers and buyers. They are forming alliances with other farmers to increase their purchasing and selling power. Some producers are exploring new generation co-operatives. Others are expanding into value added manufacturing to diversify their revenue source.

The average agricultural operation requires a more complex range of financial and business services than could not have been foreseen when the act was last amended in 1993. FCC has played a leadership role in meeting these needs. The corporation is the only national financial institution totally dedicated to agriculture. Its slogan "Agriculture, it's all we do" is more than a marketing strategy. It is a statement of fact. The corporation's 900 employees are well recognized for their agricultural expertise and most of them come from farming backgrounds.

Through its network of 100 offices the FCC is able to reach producers throughout rural Canada. All these qualities enable the corporation to play an even greater leadership role in building the agricultural industry of the future.

I first met with the FCC senior executives two years ago to explore updating the 1993 act. I asked the corporation to consult with the agricultural and financial associations across the country on whether the act should be adjusted to meet emerging industry needs.

In the winter 2000, FCC staff met with more than 100 national and regional organizations to discuss proposed changes to the existing legislation. The majority of agricultural organizations were supportive of the proposals. They recognized the necessity of updating the act to meet the needs of their members and producers in general.

The major concern expressed by some farm groups was that the FCC keep its focus on family farms and primary production. Let me state without qualification that farming would continue to be the main focus and driving force of the corporation. This commitment is built right into the new legislation. Currently 94% of FCC's lending is directed to primary producers. To demonstrate FCC's ongoing commitment to producers, we have included an amendment to the act that requires farming operations to be the main focus of the corporation's activities.

In their meetings with financial industry groups, FCC representatives went to considerable lengths to demonstrate that the corporation is seeking expanding opportunities to partner, not compete, with the private sector and other government agencies. There is a definite need for increased financial options in rural Canada that could be effectively addressed through partnerships.

The corporation is actively seeking partnerships with other financial institutions and government agencies that combine its agricultural expertise and rural reach with their specialized services.

• (1600)

To date, the FCC has 27 partnerships across the country and plans to grow this number in the coming years.

Using the valuable feedback and suggestions gained from these consultations, the federal government has created amendments to ensure the continued relevancy of this act. The amendments were based on three guiding principles: the need to offer agricultural operators a greater range of options and financial and business services; the need to offer farm related businesses increased access to capital in support of primary producers; and the FCC's need for greater structural flexibility to offer more services through partnerships and to remain viable to serve producers for the long run and the long term.

I will briefly review the major amendments. The first amendment demonstrates the federal government's continued commitment to Canadian agriculture. We seek to change the name of Farm Credit Corporation to Farm Credit Canada. In French it will change from Société du crédit agricole to Financement agricole Canada. This change reflects the corporation's public mandate to serve rural Canada as a federal crown. Adding the word Canada to the

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corporation's name sends a clear and visible message that the federal government plays an active role in rural communities. The name change also supports the new federal identity guidelines.

Another key amendment allows the Farm Credit Corporation to offer business services to producers either directly or through partnerships. As I mentioned, the average producer needs access to a broad range of business management services to succeed. It could be business planning, succession planning or land management. Yes, these services currently exist in some parts of rural Canada, but the FCC can provide the network to make these services accessible throughout all rural Canada. Agricultural operators are running businesses just as complex as any urban based small business. They deserve the same access to services as their urban counterparts.

Let me use the Kaeding family from Churchbridge, Saskatchewan, to illustrate this. If the Kaedings are an example of an average farm family, it is easy to see why the need for more complex business and financing services has grown.

The Kaedings are FCC customers who, in the past decade, have diversified their grain operation to include a pedigree seed business. That seed business includes 50 varieties of grain crops plus specialized crops of grass and forage seed. They say they have stayed with the Farm Credit Corporation because of the corporation's flexibility in meeting their emerging financial needs. Through these new amendments, the FCC will have greater flexibility to keep pace with the changing demands of farm families like the Kaedings.

The new legislation clarifies the FCC's ability to offer lease financing to agricultural operators. While the act as it currently reads does not prevent the corporation from offering lease financing, the scope of these services needs to be more clearly defined. Leasing is a growing financing option for producers who want more flexibility to manage their cash flow. This especially applies to new producers starting out.

The new legislation will enable Farm Credit Corporation to offer equity financing to producers and farm related businesses. Many farming and farm related operations need access to equity as well as term financing. In fact, rural communities cannot develop local value added agricultural industries without venture and equity capital. The Farm Credit Corporation will not only be able to make direct equity investments in local agricultural enterprises, it will also be able to leverage this investment to attract other equity providers.

An important amendment to the act will allow the Farm Credit Corporation to provide financial services to farm related businesses that benefit agriculture. Currently the corporation can lend only to businesses that are farmer owned. If we step back for a moment to look at agriculture as a whole, we will see it is no longer divided into neat categories of suppliers, farmers and processors.

As the industry becomes more integrated, interdependencies grow. The farmer who has diversified from wheat, for example, into chickpeas might depend on a local processor to purchase his or her crop. Increasing investment and farm related businesses from fertilizer plants to food processors will greatly benefit producers directly not to mention contribute to the rural communities as well.

• (1605)

The future of primary production is linked to the growth of farm related businesses, both those owned by farmers and those owned by business people in rural communities. The FCC has provided lending services to farm related operations since the act was last amended in 1993. The corporation will continue to focus on small and medium sized operations that are directly linked to producers and contribute to local communities.

Amendments to the financial structure of the corporation will give it added flexibility to seek new partnerships and offer expanded services. The FCC will be able to create subsidiaries to enter partnerships offering new services arm's length from the existing portfolio.

The corporation will have access to a broader range of financial management instruments to fund services it provides to producers. These amendments help the corporation provide new services that meet emerging needs while protecting its long term ability to serve agriculture.

In the past four decades, the FCC has served producers and agriculture through all commodity cycles and through good times and bad. The corporation has shown great flexibility in working with producers to see them through market downturns and climatic disasters. When times get tough this commitment is especially evident. The FCC employees sit down with customers and work out solutions to address their particular situations.

In 1998 the FCC was there to help Quebec and Ontario producers affected by the ice storm. The corporation has worked with prairie producers through the downturn in cereal crops and oilseeds. In the past year the FCC has helped farmers in southern Alberta weather a severe drought. It has worked with potato growers in Prince Edward Island through the market upheaval caused by the potato wart, which we settled today. The FCC employees work with producers in any commodity group to develop flexible options to see them through.

For instance, the president of a British Columbia cranberry company recently sent me a letter and through me thanked the Farm Credit Corporation for its continuing support through the recent downturn in the cranberry sector. Through the proposed amendments the Farm Credit Corporation will help producers achieve long term success in decades to come.



I have just explained the reasons driving our pursuit for amendments to the Farm Credit Corporation Act. As well, I have outlined the key amendments and their benefit to Canadian producers in the agricultural industry. I would ask members of the House to support this important piece of legislation as it goes forward in the House.

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Madam Speaker, in accordance with discussions among parties in the House, I move:

That this debate be now adjourned.

**The Acting Speaker (Ms. Bakopanos):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

**Mr. Derek Lee:** Madam Speaker, I think there would also be a willingness in the House to see the clock as 5.30 p.m. This will allow us to proceed to private members' business.

**The Acting Speaker (Ms. Bakopanos):** Is there unanimous consent to see the clock as 5.30 p.m.?

**Some hon. members:** Agreed.

**The Acting Speaker (Ms. Bakopanos):** It being 5.30 p.m., the House will now proceed to the consideration of private members' business as listed in today's order paper.

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## PRIVATE MEMBERS' BUSINESS

• (1610)

[Translation]

### GOLD MINES

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.)** moved:

That, in the opinion of this House, the government should table emergency legislation regarding operating assistance for gold mines in Canada, in order to help gold mine operators cope with the rapid increase in production costs, and at the same time guaranteeing a fixed price for the gold they produce.

He said: Madam Speaker, I would like to thank the Liberal member for Shefford, a resource region, for supporting my motion which aims to help gold mines in resource regions.

This motion I am presenting arises primarily from the people at home, in the mining sector and the heads of a number of gold mines in Abitibi—Témiscamingue, mainly in regions such as Chapais and Chibougamau.

### Private Members' Business

Members will remember that in 1948 a debate was held in the House of Commons on the Emergency Gold Mining Assistance Act. A number of members will be intervening, but they should address this emergency measure in their remarks. At home people are asking for help operating gold mines.

If we go back to the 1948 bill people will say it dates from way back, but I have here the text of the law explaining how it worked, including the part on payments as assistance. It is important that people know what it is. I will therefore quote section 3, which reads as follows:

3.(1) The Minister may pay to a person engaged in operating a gold mine a sum not exceeding an amount calculated in the manner prescribed in this section with respect to gold that is produced from the mine during a designated year and that, during the designated year, is sold to Her Majesty at the Royal Canadian Mint or at a branch thereof, or is exported from Canada and sold.

(2) The sum that may be paid under this section in respect of gold produced from a mine and sold in a designated year that does not include any part of the first year of production, is an amount equal to the product of

(a) the rate of assistance for the mine for that designated year

multiplied by

(b) the number of ounces of gold by which the number produced from the mine and sold in that designated year exceeds two-thirds of the number produced from the mine during the base year.

If we keep going in that vein, gold vein particularly for Canada's mines, the marginal note for subsection 3(3) specifies that includes a part or all of the first year of production.

On December 1, 1947, a motion was brought before the House which stated:

That it is appropriate to propose a measure to provide emergency payments, by the Minister of Mines and Resources, to help face the increase in production costs of gold produced from gold mines over the past three years, beginning on December 1, 1947.

It says thanks to improvements in terms of the supply of workers and the help with costs provided under the Emergency Gold Mining Assistance Act. We can also go back to another year, 1953, but it is important for people to understand why we are asking for emergency legislation.

We are asking for emergency legislation to help gold mine operators. Over the last several years Canada has passed emergency legislation to help farmers in the west and in the rest of Canada. Emergency legislation was passed to help the fisheries. There has been no emergency legislation to help gold mining since 1976.

A 1953 amendment to the Emergency Gold Mining Assistance Act raised the price paid to eligible miners by one dollar an ounce produced as compared to 1952. These are all elements we saw and we will see again.

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In 1960 about half of the gold produced in Canada was sold on the free market and the rest was sold to the Royal Canadian Mint under the Emergency Gold Mining Assistance Act. Gold production in Canada reached the highest levels since the second world war, or 4,628,911 ounces of gold.

It should be pointed out that in 1948 when the Emergency Gold Mining Assistance Act came into force the production of gold rose by 14% as compared to 1947, thanks to these improvements.

Let us now look at 1964. People will think that the mining industry got money every year. In 1964 under the Emergency Gold Mining Assistance Act 44 out of 48 gold mines got help to cover their costs. Those that did not get help had not asked for it.

In 1968 Canadian miners were still selling on the free market or were receiving assistance under the Emergency Gold Mining Assistance Act if they were eligible for this assistance. They were then selling their gold to the Royal Canadian Mint for the Canadian equivalent of \$35 U.S. an ounce. The gold bought by the Royal Canadian Mint was in turn sold on the free market.

It is important for people to understand why gold miners must be given assistance through emergency legislation.

• (1615)

In 1968, 35 gold mines were eligible for assistance under the Emergency Gold Mining Assistance Act. Amendments were proposed. In 1972 no mine applied for the assistance available under the emergency legislation because the price of gold on the market was higher than the total of the official price set by the Royal Canadian Mint plus the maximum amount of \$48 an ounce provided under the act.

Then in June 1976—we are getting closer to the present—the IMF auctioned off 121.3 tonnes of gold from its reserves. This was the first portion of the 777.6 tonnes or 25 million ounces of gold it intended to sell over a four year period. The net proceeds were deposited in a trust fund used by the IMF to help developing countries.

The Emergency Gold Mining Assistance Act was no longer invoked as of June 30, 1976. The conditions set out in the legislation no longer applied to the industry.

What happened between 1948 and 1976? Under the emergency act passed in 1948 the amounts paid up to gold mine operators while the legislation was in effect totalled \$303,104,402 for 1,922.6 tonnes of gold. This means that 61,813,545 ounces of gold were produced and sold in accordance with the act.

What is happening now? In the last two years we have seen a sharp decline in the mining industry, particularly in the gold mines in the Abitibi. We know that things have not been easy for the

mining industry, especially in the last two years. Last year low gold prices had a negative impact on the Beaufor gold mine, the McWatters mine, which is called the McWatters Company, and several northern communities. McWatters is developing what is known as the Sigma-Lamaque mine in Val-d'Or.

As I said earlier, hon. members would like to have a debate on this emergency bill like the one that was held some time in the last few months on disaster relief for western farmers because it is important to find a way to help out the mining industry.

As members know, there are many policies supporting the mining industry. We also know that since 1980 Canada's policy has been to sell some of its official gold holdings. The government has opted for progressive and controlled sales in order to reduce as much as possible the impact on the markets. Since gold is not as liquid as other assets and has a low yield our policy has been to increase the yield of Canadian holdings and their liquidity.

People tell us "You are selling gold but that does not help us". I did a little research which shows that Canada's overall annual sales of gold, which represented 800,000 ounces of gold in 1999 and 600,000 ounces in 2000, are far from significant and important compared to all the transactions conducted on the international markets, where 6 million to 7 million ounces of gold are sold daily. The sale of Canada's gold has been to the federal government's advantage.

However I am deeply concerned by the slump in the gold market and its negative impact on Canadian gold mining communities.

We know that the Canadian government strategy was to invest in research, innovation, the infrastructure and the improvement of human resources development programs.

I understand that until March of this year there has been no sale of gold and that as of March 31 Canadian gold holdings were at 1.2 million ounces. This evaluation is based on the March 31, 2001, London afternoon fixing at \$257.70 U.S. an ounce. Today it is about \$263.

If the trend continues and if we do not enact emergency legislation to help the gold mining industry in the next 2 to 5 years, mines will close and 13 of the 15 that will be affected in Quebec are in the Abitibi. That is unfortunate.

Right now the mining industry in Val-d'Or, Rouyn-Noranda and La Sarre where the Casa Berardi mine is located need help. Mines are now closed, mainly because of gold prices.

• (1620)

The price of gold went up to \$300 and then to \$400. Now it is holding at \$260 or \$265. This is why, with the present serious downturn in this sector, I tell the Government of Canada that it is important that it become involved. If it does not become involved,

we are leaving people to sit at home. People are unemployed. If we want to lower costs for the family, leaving workers to sit at home is not going to help matters financially. Neither is it going to help matters socially. People want to work.

What we need is a good emergency legislation program like what was done in 1948. The government needs to look at production costs, the price per ounce of gold, and find a way to come to their assistance. People are not asking for millions of dollars. People are asking for help. Action is required. The federal government says that it will not become involved. The infrastructures come under provincial jurisdiction, but Quebec, Ontario and the other provinces in Canada are helping the mining sector.

I understand that there are transfers, but I will not play the transfer game. I will not play along with the provinces. They are getting involved. We should get involved directly with our provincial friends, regardless of party lines, regardless of which government is in power.

What is important is miners, their families and the children now caught up in this nightmare. The economy has been in decline for the past two years. A way must be found to help. I believe that the Government of Canada should do something. It already stepped in between 1948 and 1976. The legislation was passed. I do not understand why it has not taken action before now.

The ministers, both the Minister responsible for Economic Development and the Minister of Natural Resources, are working very hard. They are finding all sorts of ways of helping with research and development, but there has to be a direct approach with the province. Solutions must be found. Our senior officials in Ottawa, in their ivory towers, do not understand what is now going on in the northern resource regions.

There are senior officials in Ottawa or in Canada who are like hermits in a monastery. They do not know what is going on in the outside world. That is what is important.

These officials must come and see for themselves. Officials of Economic Development Canada from Montreal do come to our region. When a message is sent from Montreal to Ottawa, to our excellent Liberal ministers who try hard to find solutions, it often happens that senior officials do not pass it on. I have a message for them tonight.

The important thing is to help the mining industry. Let us forget about flag wars. That kind of war can be waged during the election.

For the time being, we are in a deep crisis. It is possible to reach an agreement with the Quebec government and the other governments. We did it for agricultural programs. We did it for the fisheries. Right now, in this great capital, Ottawa, many people should wake up.

### *Private Members' Business*

They do not know we have gold mines in the Abitibi. They do not know we have gold mines in Val-d'Or and that the mines in Abitibi—Témiscamingue, Chapais and Chibougamau create 7,000 jobs in the Montreal area.

At present we do not perform secondary or tertiary processing because everything is moved out to the big cities. We have nothing against this. About 3,000 or 4,000 jobs are created in the Quebec City area.

It is important to take action right now. We have to find short term solutions. We have to help these workers who have outstanding experience in the gold mines of Val-d'Or, of the Abitibi, of northern Ontario or elsewhere in Canada. We urgently need assistance and direct action just like the farmers and the fishers.

**Mr. Benoît Serré (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Mr. Speaker, on behalf of the Minister of Natural Resources and the government I am pleased to speak to the motion of the hon. member for Abitibi—Baie-James—Nunavik.

• (1625)

The hon. member proposes that the government table emergency legislation in order to help gold mine operators and guarantee a fixed price for gold produced in Canada. I am aware that the member for Abitibi—Baie-James—Nunavik works very hard to help the mining industry, especially gold mining.

The hon. member's motion illustrates his commitment to the region he represents so well and which depends in part on the development of natural resources.

[English]

For the benefit of members, I will briefly review the history of metal prices. From the end of the second world war until the late seventies, the mining industry enjoyed strong and steadily rising demand. Producers, few in number, went along as a group with the price charged by the industry leaders. The economic prices of the eighties, triggered in part by two factors, that is, the emergence of independent third world countries wanting ownership of their own resources and the first oil price shock, put an abrupt end to rising metal consumption in industrialized countries. On the metals market, the tariff price system implemented by major producers gave way to world prices quoted on commodity exchanges.

In reaction to the new price regulation system, the end of the eighties ushered in an era of mining industries whose strength lay in the quality of their deposits, their energy supply and their ability to develop those resources.

*Private Members' Business*

[Translation]

I have just described characteristics unique to our country. Besides being one of the world's major producers of minerals and metals, Canada has an unequalled expertise in the mining sector. Mining exports, worth \$44 billion a year, represent 13% of our total exports. This sector employs directly 400,000 Canadians from coast to coast. Our mineral resources are without a doubt essential to our quality of life.

However, I must admit like my colleague from Abitibi—Baie-James—Nunavik that the low prices for metals and gold we have been seeing these past few years are a concern. Indeed, as members know, the depressed gold market is due to the fact that the supply remains the same despite low prices.

The supply of gold depends on mining production but also on the sale of gold by central banks, recycled gold, protection programs for mining producers, and on the net sales of investors who believe it is not worth keeping gold as assets.

[English]

There are several factors that affect commodity prices, factors which are completely outside the control of government. To counter fluctuations in those factors, mining companies need to exploit rich deposits at low cost and need to know how to manage the risks that could put them at the mercy of the next stock market crisis. I am pleased to report that our country is in a good position relative to the other major gold producing countries, ranking second in terms of production costs. It is as a result not only of the ingenuity of our producers but also the enlightened policies of our provincial and federal governments.

The Prime Minister, in his response to the Speech from the Throne, focused on our mandate: to bring the best of Canada into the 21st century by building an innovative economy, fostering innovation and know-how and ensuring social inclusion. Natural Resources Canada is in a good position to solidly support the key objectives stated by our Prime Minister and that reflect the minister's priority.

I will demonstrate how the government works unceasingly to strengthen our foundations in terms of the mining industry.

[Translation]

Let us talk about sound economic foundations. A healthy financial climate is not an end in itself but rather the prerequisite without which the government would not be able to make all the socio-economic investments it must make in co-operation with its partners.

In the natural resource sector this prerequisite was reflected in the last mini budget through a 15% tax credit for flow through share investment in mineral exploration projects in Canada. This

measure was put in place as a result of a grassroots campaign led by the Prospectors and Developers Association of Canada, the Canadian Drilling Association and several members, including the member for Abitibi—Baie-James—Nunavik and myself. All have understood the benefits of exploration in their communities.

We all know that generally flow through shares meet federal policy objectives in an appropriate, effective and economical way by stimulating exploration activities in Canada, promoting the purchase of stocks in mining companies and helping small exploration companies. In that regard PDAC announced that flow through financing coupled with tax credits and totalling about \$30 million was confirmed just before the end of the year 2000.

The minerals and metals sector, like the Canadian economy as a whole, can conduct its activities in a sounder context, and it is among the leaders in the race for capital money on international markets.

• (1630)

The Quebec Geoscience Centre, QGC, is working with scientists from the national scientific research institute of the Université du Québec on various earth science projects.

The targeted geoscience initiative is one of the programs administered by the QGC. The purpose of the TGI is to develop the social and economic potential of our natural resources by increasing the scope and efficiency of the mineral exploration work done in the private sector. Five million dollars will be spent on this initiative over three years.

Three projects are currently under way in Quebec: one on ice dynamics; one on exploration for diamonds in northern Quebec; and one on metallogeny, at the Doyon-Bousquet-Laronde mining camp in Abitibi.

The mine laboratory in Val-d'Or is known throughout the world for its innovative research on mechanization and automation technologies for the mining industry. Established in 1991 right where a gold mine used to be, the Val-d'Or experimental mine is a unique facility for on site testing and research in a realistic context.

An amount of \$1.8 million is spent every year on the mechanization program alone, while the vein deposit program was granted a \$2.5 million budget for a period of three years. Almost \$5.7 million of the money invested by the CanMet partners will benefit various companies in Abitibi.

This goes to show that the Government of Canada recognizes the significance of our resource areas and believes in them. I have mentioned some figures, but what about the projects themselves?

Since the current natural resources minister has been appointed, close to 50 projects have been carried out or are under way in the Val-d'Or mine laboratory alone. These projects are wide-ranging,

covering anything from health and security in the mines, research and development on new development techniques for vein deposits, training programs for miners to productivity and innovation.

[English]

Here are a few examples. CanMet formed a consortium to improve the performance of gold cyanidation plants. Eight plants, including five in Abitibi, participated in the consortium. The goal was to achieve a better understanding of the interaction of cyanide, lead nitrate and oxygen, and optimize the use of those reagents, as well as gold recovery.

Two participants in the study were asked to assess the impacts of the project. They estimate that their operating costs have been reduced by \$3.2 million per year and that gold recovery has increased by \$1.3 million, for a total annual impact of \$4.5 million.

The mine automation program is a consortium of privately owned businesses and includes CanMet. The project, which is setting the tone for the future of the mining industry, uses mining robots to detonate explosives from the surface and machines to bring the ore to the surface without direct human intervention.

[Translation]

I would be amiss if I did not mention, before I conclude, how important community involvement is. Strong and confident communities are a vital part of our social fabric.

[English]

I would like to conclude by saying that for all the good intentions of the motion brought by my colleague from Abitibi, the government cannot support it. In the context of globalization and global markets it is inconceivable to set the price.

Also, this morning I received a call from the Mining Association of Canada, the most important mining association in Canada, expressing some very serious doubts about the motion and asking the government not to support it. The association does not support it. The association wants a free market economy and so do we.

**The Acting Speaker (Ms. Bakopanos):** It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Employment Insurance.

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Madam Speaker, I am pleased to participate in the debate on private member's motion No. 295. It states:

That, in the opinion of this House, the government should table emergency legislation regarding operating assistance for gold mines in Canada, in order to help gold mine operators cope with the rapid increase in production costs, and at the same time guaranteeing a fixed price for the gold they produce.

### *Private Members' Business*

I commend the hon. member for bringing his concerns about Canada's gold mine industry and his region to the floor of the House.

• (1635)

However, after carefully listening to the hon. member I am still having great difficulty understanding where the emergency is in the gold mining industry. It is no surprise that the parliamentary secretary refused consent or that the government is unwilling to adopt this motion.

With the motion the hon. member is exonerating himself in the eyes of his gold mining constituency. I guess we can regret that he could not satisfy the concerns of his gold mine constituency in his talks with cabinet colleagues. It seems that they have told him to take his concern to private members' business because as a government his own party will not implement the motion. The parliamentary secretary was quite articulate and very blunt in refusing to adopt the motion. I am not sure that this is the case, but I do not know what else could have happened.

The motion asks for subsidies for gold mining in Canada and a fixed price for the gold these mines produce. In British Columbia we do not like unfair subsidies from this weak Liberal government that lacks vision. The government subsidizes industries destined to fail or which have already failed.

We know the Liberals have destroyed our health care system and are not addressing Canada's \$640 billion debt, but they will spend taxpayer dollars anywhere they think they can buy votes. Canadians do not want the Liberals' subsidies, extra regulations, trade restrictions, price fixing or anything else of that nature. Businesses want the government off their backs.

Let us look at British Columbia's mining industry and gold mining. That will give me an opportunity to discuss mining in British Columbia and gold mining as whole. Mining is a major contributor to the British Columbian and Canadian economies in the form of employment, taxes and exports. Across Canada it generates 60% of rail revenue and accounts for 70% of total port volume.

In British Columbia mining generates over \$4 billion in revenue and \$1 billion in government taxes per year. Mining is a leading employer in British Columbia, with substantial potential to do more. It has 10,000 direct jobs and 20,000 indirect jobs.

Mining is a world leading source of expertise and venture capital. British Columbian companies fund mining projects worldwide.

Mining pays the highest wages and benefits of any industry.

*Private Members' Business*

It is an environmentally and socially responsible industry. Mining lands are reclaimed and at the end of a mine's life the land can be put to other uses.

British Columbia's mineral potential is considered to be among the leaders in the world. British Columbia has over 14,000 known mineral occurrences and untold mineral potential.

Actual land usage for a mine is extremely small relative to the area explored, with less than 28,000 hectares currently being used by mining, which is less than 0.03% of British Columbia's land base. Mining's value in terms of use of land is \$150,000 per hectare compared to forestry at \$5,700 per hectare, agriculture at \$1,400 per hectare, and parks at \$42 per hectare.

There are many other benefits. There were 103 kilometres of roads or trails built for mineral exploration in 1993. At the same time there were 11,400 kilometres of road built for forestry.

In 1999 exploration expenditures totalled \$25 million or less than 10% of 1990 levels. In the past 10 years, two mines closed for every one that opened.

In British Columbia we are against this motion. How can we support subsidizing gold mines and leave out other mines and other industries? At least those industries provide a national purpose. Conversely, the health of the gold mining industry, other than preserving jobs, serves little public interest. Consequently, public dollars should not be spent subsidizing the industry.

• (1640)

There is one gold mine in British Columbia, the Eskay Creek mine, which produces gold at a production cost of less than \$100 an ounce. In Canada it is second in cost production for gold. This is excellent work. There is no subsidy needed. Why should that mine's good work be confounded by a fixed price when it comes time for it to sell its products?

Canada is the second largest country in the world in area and we are very rich in our natural resources. These natural resources, including minerals, oil and gas, are important sources for a brighter future for our country. Unfortunately the federal Liberal government lacks vision and strategic planning in developing, exploring and utilizing these resources. It lacks a balanced approach between resource development and environmental concerns.

We should have more resource based industries in Canada. For example, at the Vancouver port we can see lot of sulphur being exported from Canada. It can be seen from quite a distance. I wonder if we are exporting these raw resources and then importing finished products made from these resources in other countries. Why are we not able to encourage investors and manufacturers who will boost our economy and create jobs in Canada? It is a tragedy under this weak, arrogant Liberal government that rules rather than governs the land.

The story of the mining industry in Canada is a tragedy. The amount of regulation and red tape is unbelievable. The federal and provincial jurisdictions are either overlapping or absolutely unclear. Federal and provincial taxes are way too high. This weak government has a confrontational approach to the provinces rather than a co-operative approach. Mining operations require investing a lot of time and energy as well as the investment of other kinds of resources. It is a long term process to explore for minerals. Adverse government policies have driven miners from all kinds of mines, including gold mines, south of the border. In Chile, for example, we have a \$12 billion U.S. investment, mostly in the mining industry.

In the city of Surrey in my constituency there are a number of companies that deal with the mining industry. I am very proud to mention RAS Industries. It manufactures the largest pulleys in the world for mining operations and exports them around the world. There are many other organizations of international repute in Surrey.

Rather than fixing the price for gold, what the weak Liberal government should fix is the infrastructure, the regulations and the taxation policies. It should at least make a feeble attempt to fix these things rather than fixing the price of gold, which is in the hands of the global market anyway. The price of gold is fixed through the commodity market exchanges or through the intervention of the central banks, the national banks or the reserve banks of various countries. It is a global phenomenon. Canada does not have the jurisdiction, the authority, the power or the resources to fix the price of gold.

The government should listen to our resource based communities and should accommodate the input from them in the policy formulation for natural resources. Simply mentioning in the throne speech of 1996 the need to sustain our natural resources is just not enough. Where is the action?

Natural resources contribute about 15% to our GDP. The government must develop a vision and make policies and regulations conducive to sustainable development, benefiting the economy, creating jobs, benefiting communities and, on the whole, protecting our environment.

Since this is a private member's motion, I have been very kind in my remarks. If it had been a government bill or motion, I would have been quite brutal.

• (1645)

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Madam Speaker, I believe today you have created an interesting precedent. Through a series of circumstances, we received right away the parliamentary secretary's

answer to the motion moved by the member for Abitibi—Baie-James—Nunavik. Finally this will allow us to look at both sides of the issue.

I am rising today to speak to this bill because since private members business was moved up the member for Témiscamingue, who was supposed to be here, was unfortunately not able to free himself. I believe my speech will be a faithful rendition of his own. I was particularly inspired by his vision which reflects regional needs.

In this regard I was saying earlier that the fact the parliamentary secretary answered the motion moved by the member was very instructive. Even if he comes from a mining area he seems to have put his interest as a parliamentary secretary, as a representative of the government, ahead of his interest as a member of parliament.

What is important in the motion is not necessarily every comma. I am going to read it, but it should be understood that it is really a cry for help, because in one area of Quebec and in northern Ontario there is one industry which is facing major difficulties.

As we know, the mining industry as a whole is going through a major crisis, especially gold mining, a mineral ore which has gone through ups and downs. Transactions regarding the sale of this product have been very active over the past decades due to the way its price was set, the importance it was given and the fact that some countries had pegged their currency on gold. There has been a lot of changes which eventually lead to the situation which is denounced by the motion.

I am now going to read the motion:

That, in the opinion of this House, the government should table emergency legislation regarding operating assistance for gold mines in Canada, in order to help gold mine operators cope with the rapid increase in production costs, and at the same time guaranteeing a fixed price for the gold they produce.

One may not agree with the wording of the motion. I find it difficult to understand the government's position because, after all, that industry is in a state of crisis. There is a need for some kind of emergency response plan in that sector, and the government must respond. It must do more than talk; it must take positive action. The government is not only responding with words but also extremely negatively.

We have here a member of parliament who presented a motion to get things moving to help an industry that is experiencing difficulties, but the government shuts the door tight, saying "let us simply let the market do its thing". As previous speakers have said, in two, five or ten years we will count the number of gold mines that will have shut down in a given year. That will be due in part to the federal government's failure to act.

### *Private Members' Business*

The government cannot invoke the fact that there are international agreements not to do anything. It must show some imagination and innovation. Why could the federal government not promote research in that sector?

We know that this industry is already highly productive. It is in our best interest to make sure that it can continue to be productive and competitive, but that industry needs help to continue to be productive. There is always room for improvement in the research sector. This may include the use that is made of the product. In any case, the government must be proactive and not have a defensive attitude, or even be closed to any suggestion, as is the case right now.

We could also promote exploration, identify reserves and try to find ways to diversify the market. If new discoveries are made, these people who are working in mines could possibly work in other sectors. There may be ways to diversify measures, but one should certainly not remain passive like the government is proposing.

The government can invoke the position of the Canadian Mining Association, which says "We do not agree with the motion that was put forward", but this does not solve the problem at all.

• (1650)

Some communities are faced with major problems. When the mining market was flourishing, the government never contacted them to say "Your taxes are too high. We will wait a bit and ask less of you".

When the industry is on a roll and these people are giving the government money, it gladly takes it. Now that the situation is difficult for them, they probably need help. These regions, especially the northern parts of Quebec and Ontario, deserve some attention. They deserve innovative solutions.

The government's position is disappointing. I was also listening to the debate and to what the Alliance member said. Taken literally, we can certainly find fault with certain aspects of the proposition, but what I would like people to remember today is that there is a region faced with a serious problem, that there is an industry faced with a serious problem and that the government, through its parliamentary secretary, is telling us there is nothing it can do.

I find that totally unacceptable because there is an example to follow. The Quebec government just gave regions \$800 million in assistance funds, \$250 million of which will go to the mining industry.

I agree with the hon. member for Abitibi—Baie-James—Nunavik on this, and not out of any kind of rivalry or one-upmanship. Could the federal government not, in one way or another, take a look at this initiative and see if there is not something that it could do in this matter.

*Private Members' Business*

If there were \$500 million in assistance to the mining industry instead of \$250 million, I think the fund would be worth while and could give positive results.

In conclusion, I say again that the hon. member for Témiscamingue finds that something does indeed need to be done in this industry. It is important for there to be some action. The situation is urgent. The federal government has to get moving. We have made proposals on this. Studies need to be carried out. The minister concerned must be ordered to take steps to stimulate research, to stimulate exploration, to be proactive.

Free competition does not exclude proactivity. Free competition does not mean that when an industry is affected by difficult international conditions it absolutely must be allowed to go under. Once mines have been closed, it will not necessarily be easy to get them open again.

As for the communities that will be affected when the social cost of these mine closures has to be assumed, perhaps the government will realize that the cost will be greater than what it would have cost initially to help out the industries concerned.

It is my hope that after the government members have done some thinking we will hear something different from them than what we have heard today. I also hope that as far as the conclusion reached by the hon. member making the proposal is concerned we will be able to look into the possibility of other approaches.

It is my fondest wish that the federal government will address this urgent matter. The lives of communities depends on it, the lives of families, and we have no right to abandon people who have long contributed to the productivity of the country and can be considered important factors in the vitality of their area.

[*English*]

**Mr. Gerald Keddy (South Shore, PC):** Madam Speaker, it is a pleasure to rise to speak today to Motion No. 295 put forward by the member for Abitibi—Baie-James—Nunavik. It reads as follows:

That, in the opinion of this House, the government should table emergency legislation regarding operating assistance for gold mines in Canada, in order to help gold mine operators cope with the rapid increase in production costs, and at the same time guaranteeing a fixed price for the gold they produce.

I should tell the hon. member who put forward the motion that this is not a motion the Progressive Conservative Party would tend to support. However it certainly needs to be noted that the member put the motion forth in good conscience. He put it forth with the intention of trying to help a beleaguered industry which needs some type of assistance and perhaps some innovative policies from the government that do not seem to be forthcoming.

I have worked with the member on a number of committees. I have always found him to be a progressive and forward thinking member of parliament. Therefore I will speak to his motion, although I am disappointed to say I cannot agree with him.

• (1655)

Mining is an extremely important industry in Canada, specifically gold mining. Canada is the fourth largest gold producer in the world.

Gold is mined in six provinces and three territories. In the previous parliament I had the opportunity to travel to many of those areas, specifically Timmins, Ontario, the largest gold mining municipality in Canada. As part of my visit I spoke with gold mining representatives. Gold prices were low at that time due to the general decline in prices since 1997.

The average price of gold has gone from \$294 in 1998 to \$274 in 1999, with a slight rebound to \$279 in 2000. It hovered between \$257 and \$262 an ounce for the early part of this year. This was after an average of \$385 an ounce from 1993 to 1996. Those were certainly good days for the gold mining industry in Canada.

There is reason to believe the price will recover. The gold industry has always faced cyclical variations in price. Although the recent downturn has been significant, the CEO and president of Placer Dome, the fifth or sixth largest gold mining company in the world, was quoted in today's newspapers as saying current market conditions are making gold an attractive long term alternative to investors who are tired of weakening foreign currencies and plummeting high tech stocks.

While Mr. Taylor has said he does not expect the price of gold to advance beyond \$300 in the next five years, that is the benchmark at which most gold mining companies can operate productively and profitably. One Canadian gold mining company, Goldcorp Inc., has indicated that by mining very rich grades of gold it can produce gold at \$90 an ounce and provide a 66% profit margin even at today's low prices.

What this means is that some companies have adapted to current market prices and conditions and that it is therefore unnecessary to table emergency legislation to provide operating assistance to Canada's gold mines.

I realize this places a strain on a number of gold mining companies. However as Ed Huebert of the Mining Association of Manitoba has pointed out, most mining operations are facing tough times. Only in specific resources such as platinum, which is currently trading at \$660 U.S. per ounce, are prices soaring and attracting new investment.

One of the reasons mining companies are experiencing high production costs is the rising price of energy, an issue which has been discussed in recent weeks. U.S. President Bush has made it clear that one of his priorities is to establish an international energy plan involving Canada, the United States and Mexico.



President Bush has been vocal about his desire to see more energy flow from Canada to the United States. He has encouraged Canada to develop the resources of its high north, east coast and Alberta tar sands. That could be good news not only for the exploration, development and processing of oil and gas reserves but for the provision of cheap energy to more remote areas of the country for exploration, mining and mineral processing.

At the same time it raises fundamental questions about renewable energy development and the environment. Renewable energy sources such as hydro electric power are being considered because of the decline of fossil fuels. While the cost of many renewable energy sources makes them less attractive than traditional fossil fuels, all sources should be examined closely with an eye to both their short term and long term consequences.

Environmental issues have a role to play in decisions about energy use. Sometimes the total cost of production, when taking environmental factors into consideration, is much more attractive and comparable at first appearance. The point is that high energy costs are a fact of doing business and they affect everyone in some way.

● (1700)

They do not justify financial assistance for one sector of the mining industry any more than another sector, whether it be in coal, zinc, copper, platinum or any of the diverse range of minerals found and mined in Canada. That is why it is difficult to single out one sector of the mining industry and offer financial aid.

The industry has faced tough economic times as the downturn in gold prices continues, and it has done so for the past few years. It is particularly evident when we compare gold prices to what they were in the late 1970s and 1980s when gold averaged somewhere in the \$400 range and even went as high as \$800.

Instead of direct financial assistance for gold mines, we need to look at other means of increasing value and investment in the mining industry. Value added initiatives would be one way of helping mining companies improve profit. That is evident in the gold industry where intermediate gold stocks have performed well while gold bullion has declined.

Barrick Gold Corporation, the world's leading gold producer and Canada's number one gold mining company, had high quality gold reserves that in combination with low production costs resulted in record production and cash flow in 2000. This was despite low gold prices. Barrick's first quarter report issued today states:

Once again, we have shown we can generate strong earnings and cash flow. . . in a low gold price environment.

At the same time Placer Dome, Canada's second largest gold mining company, reported reduced profits as a result of diminished sales and poor gold prices.

### *Private Members' Business*

It shows that some gold mining companies are posting smaller financial profits as a result of low gold prices. However, to offer across the board financial assistance to all gold mine operators is clearly out of the question.

There are other means of helping mining companies, and that is through flow through shares. Gold mining companies, like any type of mining operation, need to search for new resources. Flow through shares represent one of the most cost effective aspects of the industry. With flow through shares people investing in companies for exploration purposes can realize a tax deduction while the company reaps the benefits from its investment.

The federal government recently introduced flow through shares, providing a 15% tax deduction for individuals on top of the current 100% tax write-off, making investment in junior mining companies attractive for investors. This is something that should assist gold mining companies in Canada, and it is a type of assistance that the PC Party of Canada supports.

Initiatives such as flow through shares and different ways of doing business, along with issues of recognizing the additional cost put upon exploration companies, mining companies and processing companies as a result of energy costs, are the types of issues we need to deal with. Those are the types of issues the government should be dealing with on a one at a time basis.

If the government took a look at the macro picture and solved some of the micro problems in it, it would soon find that the macro picture was a lot smaller and perhaps much more manageable for not only the mining sector but for all other sectors in the country.

[*Translation*]

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Madam Speaker, I will avail myself of my right to respond. Tonight I see that things are not looking good for miners in the Abitibi.

I appreciated the comments made by the Bloc Québécois member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques who is, I must add, replacing the member for Témiscamingue who is attending a committee meeting.

Quite simply I have to say that I am not at all amused by the government's reaction to my motion. Before and after my speech when the Parliamentary Secretary to the Minister of Natural Resources, who is from northern Ontario, was speaking, I made a short visit to the government lobby. A note from the minister regarding Motion No. 295, my motion aimed at helping miners and their families in my region, said that:

The federal government recognizes that resource regions are going through tough times because of a drop in the price of metals and that they are facing many challenges.

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The note also mentioned what the government had done so far, namely a 15% tax credit for mines. However, that measure came from the Department of Finance, not from the Department of Natural Resources. The note talked about research and development, but this is not the responsibility of the Minister of Natural Resources. It is the responsibility of the Economic Development Canada, headed by the member for Outremont, who often visits our region. I know that the Department of Natural Resources is involved in CanMet, but this was implemented by the Conservatives in the 1980s.

• (1705)

The position of the Minister of Natural Resources is this:

The minister does not support this motion for the reasons I have mentioned.

I can understand the minister for not coming in the House and opposing the motion himself. However, mine workers have made a contribution to Canada. Moreover, they pay federal and provincial taxes.

Between 1948 and 1976 the Canadian government had emergency legislation to support the gold mining industry. I can understand why the Alliance member is against this motion. British Columbia has only 10% of the mines.

In our region people are out of work. If we can count on the federal government, they can work. We are asking for help. We are in a serious crisis. I could use certain words and I could get angry, but I am trying to find a solution for workers and their families. They have to go back to work. We are asking for urgent action.

We know where the Canadian government stands. However the Alliance did not say a word. Conservative members said nothing when assistance was provided to farmers and fishers. We have to find a way to help workers in the mining industry in our area. I was a miner in the Sigma mine. Assistance is needed right now. Let the ministers come and see us. Let them try to find a solution so these workers can have jobs.

I know that the Liberal member for Outremont does a good job of trying to come up with solutions. However the Minister of Natural Resources has to wake up. Let him come to the Abitibi and meet the workers. Things are truly going badly. It is too bad that Réal Caouette is not in this House now. He would get the message across. He would go and wake them up in the departments.

Solutions have to be found. If I am to believe the minister responsible for economic development in Quebec he understands the problem, but his colleagues have to do something. It really is going badly. They did something for agriculture in the west. They did something for fishing. However, for the northern regions, resource regions, an understanding would have to be reached with the provincial governments.

In Ontario things are going very badly. When the mine closed in Cape Breton we all agreed in the House to pour millions into it. The mine workers are now at home. They are not working. They have been there for months. There is a real difficult slump.

The Minister of Finance did help with the 15% on flow through shares. That was a good move, but what has happened since these shares? There is a real slump. They talk about helping other countries, as was the case during the gulf war. They sent in an F-18. In 18 seconds they push a button and they are there. However it costs \$3 billion.

It cost only \$303 million for the emergency measures between 1948 and 1976 to help the community of Canadian miners. The mining association called the parliamentary secretary to say it was opposed. I understand. These associations are headed by the big companies working outside Canada, the multimillionaires as we call them at home.

Mine workers in small companies such as McWatters and the Beaufor mine are currently unemployed. They say "We must not intervene because of the world price". They do not care a whit for the world issues in the Abitibi at the moment. People want to work. They want to be able to put food on the table now. That is what counts.

We will meet members, but I want to say that we will keep on rattling the cage. Things have to start happening.

[English]

**The Acting Speaker (Ms. Bakopanos):** The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item, the order is dropped from the order paper.

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## ADJOURNMENT PROCEEDINGS

• (1710)

[Translation]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### EMPLOYMENT INSURANCE

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Madam Speaker, I am very pleased to rise today on the adjournment motion.

On March 23, 2001, I asked a question regarding Bill C-2. This bill was aimed at amending the Employment Insurance Act and had not been passed at the time. I asked if the government was willing

to withdraw clause 9, which now allows the government to set the premium rate without having to take into account the advice of the Employment Insurance Commission.

The minister answered that even if the auditor general had said that, he had also said something else. However she did not mention the very comments of the auditor general who said that he preferred the status quo in the Employment Insurance Act to Bill C-2 because it created additional uncertainty regarding the use of the money.

Now that Bill C-2 has become law we are faced with a situation where the government has simply created a payroll tax, a regressive tax.

People who contribute to the employment insurance plan pay premiums on their income, of up to \$39,000 a year. However someone earning \$48,000 pays no premium on \$9,000 of it, whereas people earning \$25,000 pay premiums on 100% of their salary. It is a regressive payroll tax, especially since some people do not pay any premium at all. Foremost among those are we members of the House of Commons.

That means that now that the government has decided that the money it contributes to the employment insurance plan will legally be used to cover government expenses as a whole, we will not be doing our share. We will not be doing our share in this regard. I agree that for people who do not earn a lot of money the situation is rather offensive.

Therefore I am asking the government if it would not be possible to hold a debate as soon as possible on the issue of this payroll tax, because this is becoming a new form of taxation. This is a third way of financing the government's general operations on top of income taxes and the GST. As it is, I find this unacceptable.

If they wanted to use it as a payroll tax it should be a fair tax. Will everyone contribute? Will the cap be raised so that everyone contributes on the basis of his or her income?

As for EI contributions used for debt financing those who earn \$30,000 a year contribute on 100% of their earnings. Yet those earning \$50,000 a year pay premiums on only 75% of their income. As for us, we are contributing absolutely nothing.

Granted we pay income tax. EI contributions should be used for employment insurance purposes. For several years the government has been raking in \$18 billion a year in contributions and gives back only \$12 billion in benefits. Now it has legalized the fact such surpluses should not exist.

I would also like to see the government keep its election promise. During the election campaign, the Prime Minister, the member for Bourassa who is responsible for amateur sport, and the minister responsible for Quebec all said there would be a parliamentary committee to bring about a true reform of the employment insurance plan, not just what we found in Bill C-2—like the

### *Adjournment Debate*

elimination of the intensity rule for which we had been calling for a long time, a true reform.

Will the government make the commitment to follow up on the results of the negotiations and the work of the committee, especially if there are unanimous recommendations?

We do not want to wait two months, three months, six months or a year for the government to deal with this issue, because there are women, young people and seasonal workers who still find themselves in an unacceptable situation today. Until measures are taken to correct the fact that a young person who just entered the workforce is required to work 910 hours to be eligible, the situation will remain unacceptable.

I am waiting for an answer from the government. Now that it has realized that EI contributions are a payroll tax and has promised changes, will the government keep its word and starting in June give people an employment insurance plan that enables them to have sufficient income while they are unemployed?

**Mr. Benoît Serré (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Madam Speaker, the government is following the implementation of EI reforms very closely and, where necessary, is making the required changes to maintain the effectiveness of the program.

Fundamental changes introduced in 1996 continue to produce results and to help Canadians. Recently we proposed amendments to Bill C-2 in light of the recommendations made by the auditor general who feels that the process for setting premiums is not sufficiently transparent.

• (1715)

On February 22 the auditor general told the Standing Committee on Public Accounts that over the next two years work would be done on how the rates should be set in the future.

I therefore think that the bill buys time so that we can find a better way of calculating the rates paid by employees and employers. The Standing Committee on Finance has also indicated that the process should be reviewed.

Under these circumstances the government felt it was inappropriate to ask the commission to continue to set the rates.

In order to ensure stability and predictability the government will be suspending the commission's authority to set rates for a period of two years so that a thorough review of the process used can be conducted.

**The Acting Speaker (Ms. Bakopanos):** The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 5.16 p.m.)



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