



CANADA

# House of Commons Debates

---

VOLUME 137 • NUMBER 061 • 1st SESSION • 37th PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Monday, May 14, 2001**

**Speaker: The Honourable Peter Milliken**

## CONTENTS

(Table of Contents appears at back of this issue.)

All parliamentary publications are available on the  
“Parliamentary Internet Parlementaire” at the following address:

**<http://www.parl.gc.ca>**

# HOUSE OF COMMONS

Monday, May 14, 2001

The House met at 11 a.m.

---

*Prayers*

---

## PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

### BANKRUPTCY AND INSOLVENCY ACT

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved that Bill C-203, an act to amend the Bankruptcy and Insolvency Act (unpaid wages to rank first in priority in distribution) be read the second time and referred to a committee.

He said: Mr. Speaker, I would like to say at the outset what a rare and wonderful thing it is for an opposition backbencher to be given the opportunity to bring forward one of his or her own private member's bills for debate in the House. I think most members would agree that one of the most satisfying aspects of our job is when we can actually shape the course of the debate for at least one hour.

Most private members' bills that are brought forward are very thoughtful and very well researched and seek to address a very important subject brought to the member's attention, usually by people in his riding or across the country.

However, I am very disappointed and I begin the debate with a certain element of sadness. My private member's bill seeks to right an historic wrong but was not deemed to be votable by the ad hoc committee that meets regularly to deal with private members' business. This is a criticism we in the House should observe and it is something that should be rectified. When a private member, no matter what party he or she belongs to, opposition or government, brings forward an important issue on behalf of their constituents we

should be giving it a bit more consideration and allow the issue to get to committee stage.

In speaking to Bill C-203, a bill to amend the bankruptcy act, I want to dedicate the effort we made to bring this issue to debate to the workers at the Giant mine in Yellowknife. As members may know, the history of the Giant mine has been a tragic one. It has involved a great deal of labour unrest. Many workers have suffered at the hands of an absentee landlord, namely foreign ownership. Nine people died in an explosion at the mine.

As if the employees and the citizens of Yellowknife have not gone through enough inconvenience, Royal Oak-Giant mine has declared bankruptcy. The workers, after years of working in the mine, have been left with back wages owing to them as well as pension contributions and severance pay. The bill seeks to address those problems. In the event that any enterprise goes insolvent or bankrupt, the current law has workers' wages ranked down on the list of priorities as to who will divide up the assets of the enterprise.

• (1110)

Before I go into the details of the bill, let me say that the employers do not really resist this type of amendment to the act because by the time an enterprise declares bankruptcy the few assets that are left over are of little consequence to the owners of the company. They would not oppose this sort of activity. In the interest of basic fairness we would want to believe they would want the interests of their employees addressed and prioritized in terms of dividing the few assets that are left.

I also want to explain some of the rationale behind putting the interests of the employees ahead of the interests of the other creditors or bankers.

A very special relationship exists between an employer and an employee. It is a contract of sorts or a tacit agreement between the employer and the employee. It is not enshrined in a written document, such as a collective agreement, but it is recognized in law. The relationship is very simple. The employee provides a basic service or a service the employer wants and the employer pays a set wage or a remuneration for the service. That exists and is recognized in common law.

Both parties have certain obligations. The obligation of the employee is to do their duties in a diligent fashion and to be loyal to the employer. There are many cases in common law that the duty of

*Private Members' Business*

loyalty of the employee to the employer goes beyond the workplace. The employee is not even allowed to trash the employer in his private life. Certainly that relationship is recognized.

The employer has an historic obligation to recognize the debt to the employee for services rendered. One of the reasons common law is usually sympathetic to the employee in situations like this is that there is an historic out of balance in the relationship. The employer holds all the cards while the employee holds very few. The employee is really at the mercy of the whims of the employer, which is where it becomes very much a trust relationship. It actually goes further than that. The trust of the employee for the employer to pay him or her is usually far more serious. If the employer reneges on the obligation to pay the wages, the impact on the employee is much more serious than if the employer had chosen not to pay back the debt to one of the banks or lending institutions.

I would argue that when the lending institutions loan money to a company they know full well the risks that might be involved in that enterprise. They even get compensated for that risk by charging interest on the loan. Usually by the time a company goes bankrupt the loan has been repaid, at least in part. The bank or lending institution will be compensated for at least some of the risk it puts into the venture, either through interest payments or payments to the principle.

The impact on the employee, however, is far more serious. We are talking about a person's day to day income. It may mean the loss of their home. It may mean a huge impact on their family or huge impact on an employee's spending power which influences small businesses in given areas.

In terms of the relative weight of a debt to an employee versus a debt not paid to one of the banks or secured creditors, the impact, I would argue, is far greater, which is why common law has been a little more sympathetic to the employee in that case. However, that sympathy has not been translated into legislation.

Since 1975 my research shows that this issue has been before the House of Commons to be remedied to varying degrees of success four times. There was always a basic recognition that the employees, because of the imbalance in the power relationship, needed the authority of legislation to look after their interests more than the banks needed the legislative authority of parliament to look after theirs.

What should be our primary concern in the House? Whose interests should we be here advocating? What should be primacy in terms of the relative priority of who is more at risk and who deserves our support more? I would argue that it is the people of Canada, the working people of Canada, who sent us here to advocate on their behalf. They are the ones who need representation. I would argue further that chartered banks or lending institutions are far more able to absorb the impact of a debt gone bad than

working people. They do not frankly need our help. The people who voted for us need our help.

• (1115)

Bill C-203 results from extensive research on various mechanisms and the instruments we could put in place that would give some relief to employees in a situation like this one. We looked at various models from around the world because Canada is not alone in realizing that employees need more protection through legislation. We looked at a few options.

For instance, Australia put in place a wage guarantee scheme which is a little different from what I would put in place with my bill. It contemplates putting together a pool of funding through the government. Through either general revenue or some payroll tax the government would actually be responsible for the back wages owed to employees.

I am critical of this model, even though it is working quite well in Australia. It is better than nothing, in that at least there is some avenue of recourse and some satisfaction that employees can achieve. However it also raises problems.

During the debate in Australia to put in place its wage scheme the spectre of a moral hazard was raised. If employers knew that there was a fallback position for employees they might be more likely to leave the employees dangling or to fail to clean up whatever mess has been made in terms of back wages prior to the bankruptcy situation. I caution it is probably not the right route to go.

I will speak later to how various boards and task forces in Canada arrived at recommending a wage scheme rather than at what I am recommending in my bill.

Another alternative which comes up now and then is giving a special status to employees, the preferred creditor status. This as well has its shortcomings and shortfalls. I advise it is not the best way to go.

We are recommending giving a super priority to the back wages owed to employees. In the event of a bankruptcy employees would be first in line for any back wages, back contributions to pensions and severance pay. In the event of self-employed people, travelling salesmen for instance, they would be in line for any costs they might have incurred. In other words, any wages or compensation owed to employees should be cleared up first out of the assets remaining in bankrupt companies and the others can get in line to divide whatever is left over.

It is an issue of basic fairness. It is an issue that recognizes the historic imbalance between employers and employees and the imbalance between the ability of employees to recoup any back wages versus the authority of the banks or any other lenders or creditors.

Looking at the history of what the House of Commons has tried to do to deal with this issue over the years, I note the Canada

Business Corporations Act looks at the issue of unpaid wages and the liability on corporate directors. At least it was contemplated in that act.

Liability for wages can be assigned to the directors in certain situations. Directors can be sued personally. If an individual employee wants to go after the board of directors, the directors can be liable. There is a section in the act which covers the liability of directors and makes it very rare for employees to be able to sue directors.

Subsection 123(4) exonerates directors from any liability if they were acting in good faith on the information given to them through the financial information of the company. In other words the onus would be on employees to prove that directors were acting in bad faith and were not dealing properly with the information given to them. It is a huge burden to put on employees. If average employees went after a few thousand dollars worth of back wages they would never be successful in this challenge.

• (1120)

We could trace the efforts to amend the bankruptcy law back to Bill C-60 in 1975 when an effort was made to introduce the idea of a super priority status for employees. The Landry committee in 1981 gave it an effort. The Colter advisory committee in 1985 made a series of recommendations to change the Bankruptcy Act for just this reason, to give employees a super status.

The committee recommended that a fund should be established, which is not exactly what I recommend, and believed that it should be paid for by contributions from employers and employees. My argument would be why should employees have to pay some sort of a premium to buy insurance to guarantee that their wages would be paid. That is patently unfair and goes in the wrong direction.

I believe this is an act whose time has come. I am very disappointed that it was not given the votability it deserves. I point to the incidence of bankruptcy in Canada. If I had more time I would go through the details. Last year alone there were 10,500 bankruptcies, leaving a total liability of \$2.5 billion. In 1999 there were 10,800 bankruptcies, leaving a liability of \$2 billion. The same was true in 1998.

Every year approximately 10,000 companies go out of business and every year employees are left dangling on the hook for back wages, back pension contributions, severance pay and other compensation to which they were entitled. I appeal to members of the House of Commons today to recognize that the wages of workers should stand first in line in terms of priority whenever a company goes bankrupt.

**Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, as I begin my remarks let me

### *Private Members' Business*

acknowledge the concern of the member for Winnipeg Centre for employees in bankruptcy company situations. When he speaks to this issue he is very sincere about it, but the issue of unpaid wages and pension contributions when a firm goes bankrupt is one considered by the House several times in the past. The member also alluded to that. I am confident members on all sides would like to see the most equitable solution possible.

Over the years different governments, as was stated earlier, considered many different options for wage earner protection that would be good for the economy and for workers. This is not a partisan issue. It is not an easy issue at all. Each option has its trade-offs and several times parliament has been unable to agree on the fairest course of action.

Industry Canada, which is responsible for the Bankruptcy and Insolvency Act, is aware of the need to protect wage earners whose employers face bankruptcy. As recently as 1992 parliament amended the act to extend the protection of unpaid wages. In particular, parliament found it appropriate to increase the protection for wages earned up to six months prior to bankruptcy. This represents a doubling of the previous length of time.

In 1992 parliament also quadrupled the maximum amount that could be claimed from \$500 to \$2,000. Further review of this important issue is currently under way. I am pleased to bring members up to date on the plans of Industry Canada to strengthen the Bankruptcy and Insolvency Act.

First, the department expects to release in the next couple of months a discussion paper which addresses wage earner protection. Second, Industry Canada officials will be undertaking cross-Canada consultations with stakeholders to help identify a fair solution. Third, the act will be referred to the parliamentary committee for review in the next year. The results of the consultations and the whole question of wage earner protection will likely be examined during the parliamentary review.

Notwithstanding, I certainly realize that wage earners sometimes face special difficulties when their employers go bankrupt, leaving their wages and pension contributions unpaid. They are vulnerable creditors that often cannot afford such losses and usually lack the information to assess the risk that their employers may not pay them.

• (1125)

To protect employees the current act gives preferred status of up to \$2,000 in wage claims for services provided in the six months immediately before the employer's bankruptcy. It also protects up to \$1,000 in disbursements for sales people, as mentioned earlier.

In the preferred ranking, wage claims are given priority over claims of ordinary creditors but wage claims rank behind those of

*Private Members' Business*

secured creditors. Protection for pension contributions is provided in federal and provincial pension legislation, much of which gives secured creditors status to claim unpaid pension contributions.

Very few people would argue against the principle of protecting the claims of wage earners. Fairness weighs in favour of protecting them. In practical terms wage earners are more likely to have their unpaid wages claims satisfied than ordinary creditors because of their preferred status. In some circumstances as well, secured creditors may allow trustees to pay accrued wages to which the employees are not entitled, strictly speaking.

The issue raised by the member for Winnipeg Centre in Bill C-203 is apparently straightforward. The bill provides for a kind of super priority for wage claims and payments in respect of pensions. As we know from extensive past discussions on bankruptcy law, super priority, as with other options, raises various issues.

A difficult issue and one in which earlier proposals have foundered is that super priority could affect the availability of credit to companies. It could become an important factor in the risk assessment of commercial lenders, leading to a reduced amount of credit being available. The consequences could adversely affect the employment and interest of workers generally. Commercial bankruptcy law has an important role in the allocation of these credit market risks.

I ask hon. members not to misunderstand what I am saying. I am not saying that super priority should be rejected as a way of handling wage and pension contribution claims in bankruptcies, but I am stressing it is a complex issue that has a long history and involves certain trade-offs.

The basic principle of wage earner protection was established 50 years ago in the Bankruptcy Act, 1949. Since that time five committees have reported the possible changes: the Tassé study committee in 1970, the Landry committee in 1981, the Colter advisory committee in 1986, the advisory committee on adjustments in 1989, and the bankruptcy and insolvency advisory committee in 1994. None of their recommendations for wage earner protection were implemented.

Over the past quarter century no fewer than eight bills have been introduced in the House and in the other place to amend the act. Only one of these bills subsequently altered the provisions for wage earner protection, the bill involving the 1992 amendments to the act.

These committees and bills proposed or analyzed a wide range of approaches including wage earner protection funds financed by contributions from employers, from employers and employees, or by the government through general revenues. Some bills proposed super priority protection for wage claims. Some bills proposed

raising the ranking of wage and pension contribution claims among preferred creditors.

There is a great deal of divergence on who should pay for the cost of wage and pension contribution claims. It was nearly impossible to obtain a consensus on better ways to proceed than what is currently in the Bankruptcy and Insolvency Act. That is why the protection of wage earners requires further examination and consultation.

I have sketched out these details to suggest various available points to my colleagues on all sides, and specifically the hon. member for Winnipeg Centre. There is great interest in the whole question of wage earner protection following bankruptcies, but finding a fairer solution than what is now available would require a good deal of hard and thoughtful work during the forthcoming parliamentary review.

As I said in my opening remarks, this is not a partisan issue. Several different governments have already grappled with the question. Each option for wage earner protection has its advantages and disadvantages. Industry Canada currently is working to identify a fair solution.

• (1130)

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, I am pleased to speak on the bill of the hon. member from the New Democratic Party regarding the Bankruptcy and Insolvency Act. Unfortunately we cannot support it.

When we in our party look at the idea that it would double the compensation from \$2,000 to \$5,000 for wages to employees and for increasing commissions and so on, we see that the cost in a bankruptcy to pay these commitments would far outweigh the benefits that accrue from leaving it as it is.

We have to think of situations where businesses are ill equipped or finding it difficult to pay their bills, and their creditors are hounding them. A business in that situation may ask the bank to lend it some money. If the company has 100 employees, the amount to be given for wages and commissions would be multiplied by that. If the company goes bankrupt the bank would be unable to collect the loan given to help that company though its difficult times even if the bank took security. Therefore it is going to cause more businesses to go bankrupt rather than get close to bankruptcy and survive.

I would have thought that the NDP would be far more interested in protecting and preserving jobs rather than forcing businesses into bankruptcy because they cannot raise the money.

We have to recognize today that banks lend money in the anticipation of getting it back. If they do not feel they will get it



back, they will not lend the money. Even if they take security, that security would then be in jeopardy in regard to accounts receivable and so on because according to this bill the money would have to be paid out.

Not only that, but banks charge interest based on what they perceive to be the risk involved. If they think it is possible to lend the money but the risk is higher they will charge more interest. Interest rates would therefore rise, which again would make the business more vulnerable.

There is nothing in the bill that suggests amending the bankruptcy act would be beneficial to the economy or in protecting jobs or providing ongoing value to Canadians.

I was involved in the debate about 10 years ago when the bankruptcy act was last rewritten. I argued for various changes to ensure that as far as possible matters involving creditors, employees and others owed money by businesses experiencing financial difficulties were wound up quickly and efficiently to ensure that the maximum amount of money was available to be distributed to creditors, which of course includes the employees.

We want to try to ensure a viable economy in these difficult times so that businesses in difficulty can, if possible, borrow money. I cannot understand why the NDP wants to put into the bankruptcy act that the first claim on the assets of the organization should be payments for arrears in wages and commissions. Can it not see that would jeopardize the potential to keep the business afloat? I cannot understand it.

I would have thought that jobs were of ultimate importance to the NDP, to us and to Canada's economy.

**An hon. member:** Jobs with no wages?

**Mr. John Williams:** Mr. Speaker, they seem a little upset down there. I would just like them to think about it.

• (1135)

**Mr. Pat Martin:** Any business can stay open if they do not pay their wages. It is not that tough.

**Mr. John Williams:** Mr. Speaker, I hear the comment that any business can stay open if it does not pay wages. We have laws that require businesses to pay wages. We have laws that require them to pay their source deductions to the government. There are times, for reasons that are out of the control of the organization, that the money is not there. They may have accounts receivable that they cannot collect.

I think of a well run small business that I knew of a number of years ago in my constituency. It had one of their major accounts receivable companies disappear overnight. It went bust, bankrupt. The small business was left with no cash coming in and no wages to pay out.

### *Private Members' Business*

Through that difficult time the bank carried the small business. The bank saw that the management was good and had faith in the owner and carried him through. The bank was able to lend money to pay for the wages because the bank thought there was some capacity of maintaining the business.

In the situation being proposed by this member, the bank would never have lent money under these circumstances. Therefore the business would have failed. I cannot understand why the NDP finds it more important to stand on this principle of every last penny of wages having to be paid while other creditors, even if they are secured creditors, are without recourse to their security. Putting this up as number one on the list of order of creditors being paid when a company goes bankrupt means that secured creditors may lose the value of their security.

The banks take a mortgage on a piece of property. That mortgage may not be as valuable as it was because the cash has to be used to pay the wages. Surely the fundamental thing is to protect the jobs of Canadians. The fundamental thing is to build a viable economy. There are times, unfortunately, when businesses go bankrupt through no fault of their own. I would expect that surely the NDP would be willing to put forth creative ideas to help these kinds of business protect the jobs of their employees.

This is not it. This is a preconceived concept that the business has run off with the cash and left the employees high and dry. I was an accountant before I got into the political game and I saw businesses fail where that failure had nothing to do with bad management. I gave one example where the large accounts receivable company went broke and the small business was left high and dry. The owner was left high and dry. The owner stood to lose every penny he had invested in the business and through no fault of his own.

Why do we always think that the businessman has taken advantage of the employee? The businessman has provided opportunities for employment for the employees for as long as he has been in business. It would not likely be his desire, assuming no criminal intent, to see his own assets disappear and his own business disappear. What would he do? He does not get unemployment insurance or anything like that.

Let us be practical. Let us look at opportunities to ensure that if businesses find themselves in difficult times we do not guarantee that they are going to fail. Let us provide the opportunity for them to get through the difficult times by ensuring that the banks do not say businesses are too high a risk so the bank is not going to deal with them. We must ensure that the banks do not say that the risk is so high they are going to charge an exorbitant rate of interest.

Let us work for the benefit of all Canadians. Let us not split this issue into employees who are at the mercy of an employer and employers who the NDP thinks are ripping off the employees. Let us work together. Bankruptcies are tough times for employers. I have seen it. I have counselled them. I know how difficult it is and this would not help the situation one bit.

*Private Members' Business*

• (1140)

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, first, I must say that I feel the previous speaker from the Canadian Alliance has really skewed the question.

The question is not whether we are for or against job protection and creation; we are all in favour of job creation prior to bankruptcy. Once bankruptcy has been declared, however, there is no more discussion of job creation. The question instead is how the liquidated assets are going to be divided between the banks and the workers, between those who are making record profits that are even an embarrassment, even to shareholders, and those in need of money quite simply to support their families.

The question has been skewed, and the response the hon. member for Winnipeg Centre was seeking has not been obtained. I congratulate him for introducing this bill and share his regret that it is not a votable item.

Will pay owing to workers have precedence over the financial institutions, or will it not? The Bloc Québécois' answer to this is yes. We agree with Bill C-203 that the order of creditor priority must be changed when a business goes bankrupt, so that pay to salaried and other employees takes top priority when assets are being divided.

In my eight years as secretary general of the Confédération des syndicats nationaux I heard of many sad cases. I will name three only: the bankruptcy of the Coopérants, the bankruptcy of Crowne Plaza, on the west side of Sherbrooke Street; there are two Crowne Plazas in Montreal, the other one is on the east side of Sherbrooke; and the bankruptcy of Papiers Saint-Raymond.

In each case, workers who had devoted much of their life to developing the business ended up penalized because, with the liquidation of its assets, the company was unable to meet its salary and pension obligations, in particular. These were unionized workers. The CSN spent time and energy pursuing the company directors under Quebec and federal laws in order to recover some money. It took time. At times we were unable to obtain everything due them.

Unfortunately, these unionized workers are still a minority in the labour force. In the case of Quebec, only 40% of the labour force is unionized, and in Canada, the figure is a little less than 35%. Legislation is needed to re-establish a balance, if I can put it that way, so that workers, the employees of the company, are the first to be paid when assets are liquidated.

Why should they be paid first? Because they are often the victims of the errors made by employer and directors. Unfortunate-

ly in Canada and Quebec we are still not entitled to economic information that will help employees. They are, in the end, at the mercy of a decision that may have been made in all good faith. I do not doubt that. I do not think many employers, I have known some who did it for anti-union motives, but they are the exception, made a conscious decision to lead their business to bankruptcy, but it can happen.

Workers are adversely affected by these errors in judgment in that they lose their jobs. If they also lose the salaries owed to them, it is a double whammy.

There is also the ability to shoulder the loss of income. As I said earlier and I will say it again, banks make profits which, in my opinion, are obscene. These profits are made at the expense of both businesses and consumers. The Canadian Federation of Independent Business complains about the treatment that its members are getting from major Canadian banks and others.

Given their record profits and the instruments they have at their disposal, banks are able to put up with losses that workers cannot shoulder, because it is the future of their families and their own retirement which are at stake.

In theory, I underline in theory, when financial institutions lend money, they take a risk. Their payoff for that risk is the rate of interest they charge. Interest rates are very real and they are still too high. Banks have the means to assess the risk. These financial institutions take risks and it would only be normal that they come after the workers.

Under Bill C-203, it is not guaranteed, as the hon. member rightly pointed out, that all the debts owed to workers would be paid back.

• (1145)

In this respect, Canada should follow up on convention 173 of the International Labour Organization and sign this convention adopted in 1992, precisely to protect, just as Bill C-203 seeks to do, the debts owed to workers, to ensure that they are compensated for their salaries, pensions and other types of benefits, following a bankruptcy.

Convention 173 also proposes the creation of an independent fund to which all employers would contribute so as to ensure that not only would workers head the list of creditors, but should an insolvent employer be unable to pay their wages and pensions by liquidating its assets, the fund could be used to ensure that workers were not penalized.

All Quebec's labour unions, the CSN, the FTQ, the CSD and the CSQ, are in agreement with the principle of Bill C-203. As a



*Private Members' Business*

representative of the Quebec people and of their interests, I have an obligation to support this bill.

It is very hard for me to understand why the government members keep telling us about the extremely generous values to which Canada subscribes when the country is refusing to sign ILO convention 173.

It always seems to be the same old story with the present federal government, the Liberal government. It always has its left turn signal on, but it always turns right. At least with the Alliance, things are clear: always a right turn signal and always headed to the right.

I have had enough of this hypocrisy, and I want to assure this parliament that, in the interest of the Quebec people, in the interest of the workers of Quebec and Canada, we are always going to support measures of the sort found in Bill C-203. Once again, I congratulate the member for Winnipeg Centre on his initiative.

[English]

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, it is with pleasure that I rise to speak to Bill C-203. I commend the hon. member from the New Democratic Party who presented it today.

Like so many private members' motions and bills, the bill should be votable. We should have an opportunity as private members to raise issues of importance and then to have the level of importance and focus put on them that are deserved as initiatives led by individual members of parliament. Many pieces of thoughtful legislation are not provided with that opportunity because the Liberals are not interested in significant parliamentary reform. Reform could begin by enabling private members to present legislation which is votable.

At first glance, when one looks at amending the Bankruptcy Act to protect employees, it seems very positive to ensure that in cases of bankruptcy employees end up ultimately receiving the pay owed to them. I have some concerns relative to the unintended consequences that may follow.

Banks are not always the only creditors. It is very easy to point to large financial institutions and say that they do not necessarily need the money. If it is a question between the interests of large chartered banks and that of employees, the onus should be on paying employees in such circumstances.

In most bankruptcies the banks are prominent creditors, as are a lot of other businesses. Many are small businesses in an accounts receivable or trade credit situation. I know this as someone who started my first business when I was 19 and continued to participate in small and medium size business during that period until I actually ran for parliament at the age of 29.

• (1150)

During that period I saw many companies with which I was doing business end up in circumstances where they were not able to pay their bills. I saw and experienced firsthand what that did to other companies. It can create a chain reaction which can result in not just one company going bankrupt. It is important to realize that it can potentially lead to threatening the existence of several companies.

There is a different dynamic between larger and smaller corporate entities. I believe the hon. member also recognizes the difference. In many cases, for instance, the owners are people who have not taken pay for extended periods of time. They have made significant sacrifices. In terms of establishing a sense of unity between goals and objectives, there is probably a greater amount of commonality of interest between employer and employees in the small business environment than in most other businesses.

I also have some concerns about how it might impact in a perverse way. I am certain the hon. member would not intend this to be the case, but it could unintentionally result in a reduction in lending money to small businesses. If this were implemented we could expect it not just in terms of banks but also in terms of trade.

If I were a small business person and I had an opportunity to sell products to another small business and part of the consideration in terms of extending credit was associated risks, it would reduce the likelihood of repayment. In a bigger corporate setting that is not as likely the case.

Perversely smaller companies would be judged in some cases more negatively from a credit risk perspective if the legislation were introduced than larger companies for which the wages would not form as large a percentage of their actual accounts payable.

For example, if we look at a restaurant, a store or a small business, the degree to which wages form the lion's share of expenses on a week to week basis is less capital intensive and more labour intensive. It might have a very negative impact on the service industry, small retailers or small restaurants.

Under the provisions of the legislation any business with a higher focus in terms of cost structure on pay or labour costs as opposed to capital expenditures would be disproportionately discriminated against in the eyes of lending institutions or other businesses extending trade credit.

Most of us in the House would agree with what the hon. member is trying to achieve: greater protection for workers in the event of bankruptcy. Clearly people employed with a firm, a store or whatever do not have the upside potential of great profits if the business succeeds and in some cases have a significant loss when a

*Private Members' Business*

company goes broke. It would be unfair if workers did not receive pay that was owed to them for the labour they provided. It is the contract between an employer and an employee which indicates that an employee is to be paid by the hour or by project.

One model I am sure the hon. member is familiar with is the Australian model whereby various levels of government work together in a sort of employment insurance type guaranteed scheme which costs Australian taxpayers \$100 million per year. Given the multibillion dollar size of the government EI surplus, that might be a rational approach to take a look at.

• (1155)

We would be far better off if we achieved what the hon. member is trying to achieve, better protection for employees in the case of bankruptcy. If we can avoid the negatives of potentially increasing the risks associated with lending to small business and business in general, which is certainly not something we want to see, we would be far better off. An appropriate way to proceed is by investigating some of these other alternatives.

I would argue that we are not seeing enough lending to small businesses. We have seen some improvement but not enough. Lending to small businesses is a real challenge in Atlantic Canada. It is much easier to get the money if it is not needed. It is a real catch-22 for small businesses. I would not want to do anything that would further reduce the chances of small businesses getting that money. That being the case, we can achieve the same result through different means which would spread out the risk a little further and provide greater protection for employees.

There is another point to realize. I am sure the hon. member would agree that incidents where employers have tried to create or manipulate circumstances in such a way as not to meet payments to employees are not widespread. However when it does occur it is unacceptable. If employers go out of their way to create circumstances in which employees do not get paid, it is egregious, offensive and immoral to all involved. However I believe it is a fairly rare circumstance when it occurs.

When we are developing public policy that can be very broad and sweeping in its impact we have to consider how pervasive the actual situation is that we are addressing. We have to be very cautious in this regard. I would be interested in further debating the Australian model and other best practices in other countries.

**The Deputy Speaker:** There are approximately six minutes remaining before I give the floor to the member for Winnipeg Centre to close the debate. I am in the hands of the House.

I have indication the hon. member for Acadie—Bathurst and the hon. member for Kelowna want to speak. If it would be agreeable to the House, I would be prepared to take a three minute intervention from both members and then go to the member for Winnipeg Centre to close the debate. Is that agreed?

**Some hon. members:** Agreed.

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I am pleased to have three minutes to speak to the bill of my colleague from Winnipeg Centre. The bill in question is Bill C-203, an act to amend the Bankruptcy and Insolvency Act, unpaid wages to rank first in priority in distribution.

The NDP members seem to be the only ones prepared to fight for the workers. They work for an employer. We are telling that employer that if he goes bankrupt, he must look out for the employees, at least.

We are not opposed to the employers, if that is the impression the other members seem to have. We are not against them. However, employers who go bankrupt have to remember who it was that generated the company's profits: the workers with the sweat of their brows. Then, one fine day, the employer announces "It's over. I can't keep the company going any longer. I am filing for bankruptcy". The ones punished are the workers.

The Canadian Alliance members say that the banks will not make loans to these companies. If they are not prepared to make loans, the banks should close up shop. Is the sole purpose of a bank to make huge profits and then tell workers "tough luck"? The Conservative member said the same thing for small and medium size business, that the banks did not want to lend them money.

• (1200)

Does our country operate only through bankruptcy? Does the decision to lend money hang on whether the employees will be paid last?

Where is the human element? An employee who gets up in the morning and goes to work deserves to be paid. I know of instances in which employers have gone bankrupt, while some people were at sea, for example, for months without being paid. When they returned to land, they got a fine cheque for \$1, because the company had gone bankrupt, yet its employees had worked for months without pay.

So who goes bankrupt at that point? It is the employees who are unable to pay for their homes, their cars and food to feed their children.

I think this is a very logical question. In Ontario, the premier at the time, Bob Rae, introduced legislation on bankruptcy. This did not prevent companies from having money in the bank. There is no record to this effect. I am therefore prepared to say it is not true. The banks will have to get used to that.

The people who should have priority are the workers, who bring in company profits. This is why it is unfortunate that the bill is not votable. Hopefully, the House will later decide unanimously that it is. It is important for the workers of this country.

*Private Members' Business*

[English]

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Mr. Speaker, I would like to thank the hon. member from the New Democratic Party for bringing this private member's bill to our attention. He ought to be congratulated for taking the side of the workers. His bill seeks to increase the amount of money payable to employees as a result of a bankruptcy.

I would like to register two additional important points. First, whenever a bankruptcy occurs everybody loses. I am sure the hon. member recognizes that only too well. A bankruptcy situation is not something anybody looks forward to or wishes to pursue, but it is something that happens. Nobody likes it and everybody gets hurt. It is a question of distributing the hurt that takes place among the people involved.

The order that exists in the Bankruptcy Act puts the employee at the bottom of the list. The assumption on the part of the hon. member who presented the bill seems to be that by having employees last on the list this somehow puts them in a position of suffering more than all the others. I do not think that is necessarily the case. When an honest trustee brings a situation like this to a head, the hurt experienced by various creditors, suppliers and other people is distributed among them.

I was directly involved in some cases where the trustee decided to make a settlement of 50% of the debt that was owed. The assets were divided and the employees were paid. Roughly everybody suffered at the same rate. That is a reasonable point to make.

The second point I would like to register is that we want to encourage entrepreneurship. When we encourage entrepreneurship, we also encourage risk taking. People employed by new innovative industries know they are in a risk situation. People lending money to these industries also know that. The person putting the capital forward is also in a risk situation. My hon. colleague opposite says the employees build up the business. Of course they do. However it is also true that a risk is borne by everyone from the employees to the person who provided the capital.

Let us keep this issue in perspective and balance it out. I am sure the hon. member from Winnipeg knows very well that is really what he had in mind.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am glad to have a chance to summarize some of what I have heard.

I would remind all those who spoke on this bill that 10,055 companies went bankrupt last year. That figure does not include another 10,000 companies that made application for some form of protection under the Bankruptcy Act. Therefore it is an urgent problem. Many workers are involved. There is a great difference between the liabilities of the company and the assets of the company, and usually a very great shortfall.

● (1205)

What we heard from the Liberals is that they wanted more examination and to revisit the issue. I would argue we have visited the issue a total of seven times in the last twenty years and we have been unable to come to any kind of resolve to give satisfaction to the working people of the country.

My colleague from Acadie—Bathurst pointed out that the province of Ontario in 1991 did not want to wait any longer. It put in place a wage protection scheme. Unfortunately it lasted only until Mike Harris and the Tories came in and took it out. At least somebody did not let the obstacles and the barriers get in the way of doing what was right for working people.

The Alliance Party, the great grassroots party, seems to be demonstrating some kind of a wilful blindness to what the real issues are. It seems to have grasped the idea to be able to make the debate that we should somehow privatize the profits in a business and then socialize the losses in a business. In other words, when a bankruptcy comes along we should all share in the pain and all of us should bear the burden of the failure of the company.

As I pointed out in my earlier speech, there is an imbalance in the relationship between the employer and the employee. The employer who assumed a loss also assumed all the profits when the company was going well. The employee is the one who stands to lose. I do not think it is an equal weigh scale as the Alliance tries to portray.

I thank the members from the Bloc Quebecois for at least having the courtesy to read the bill and to understand the arguments we were making, and of course their ultimate position that they believe that workers should stand first in line in terms of creditors in the event of a bankruptcy.

The Tories seemed to miss the boat all together too, although it is always a pleasure to see a creative wordsmith speak on both sides of the issue and right down the middle all at the same time. It is a real gift. What they fail to see is the type of compensation package they contemplated, like the Australian model, creates a moral hazard. That is the way it is put in our research papers. The moral hazard is that companies knowing full well there is a fall back position for the employees may be less likely to do the honourable thing and make sure the employees are paid up to date. In other words, it is building in an exit ramp, or an excuse or an avenue for the employer to try to take advantage.

I will summarize my arguments in a few words. The employees usually do not have the same opportunity to protect themselves when the employer is in a precarious financial situation. They do not have nearly the opportunities that the employer does. Unlike the secured creditors, like the financial institutions, the employees do not have the same ability or the opportunity to either read the risks of being involved with the employer or to absorb the loss that an employer or financial institution has. Nor do they have the ability to pass on that loss to future customers. In other words,

*Government Orders*

there is an imbalance there as well. Employees need the protection of legislation. The banks, the financial institutions and the other creditors know the risk when they were going in and they have a better ability to deal with any losses that might come out of it. Therefore they do not need the protection of the House.

We should be advocating for the employees not the financial institutions in the House of Commons. I wish we could have convinced the other members on this issue. I look forward to debating it again some day in the House.

[*Translation*]

**The Deputy Speaker:** The hour provided for the consideration of private members' business has now expired. As the motion was not selected as a votable item, the item is now dropped from the Order Paper.

---

## GOVERNMENT ORDERS

[*English*]

### INCOME TAX AMENDMENTS ACT, 2000

The House resumed from May 11 consideration of the motion that Bill C-22, an act to amend the Income Tax Act, the Income Tax Application Rules, certain acts related to the Income Tax Act, the Canada Pension Plan, the Customs Act, the Excise Tax Act, the Modernization of Benefits and Obligations Act and another act related to the Excise Tax Act, be read the third time and passed.

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, as we know, the Minister of Finance has reduced income taxes by a few hundred pages and a few hundred million dollars. Perhaps it will help the hon. member with his private member's bill. By reducing the tax and burden on businesses, hopefully they will not go bankrupt so fast. That is the spinoff. All things considered there are benefits here and there are benefits there. However not everything is good in Bill C-22.

• (1210)

The Minister of Finance stood up last fall, a couple of days before the election, and brought down a budget to tell us the good news about all the tax breaks. We could not understand why he wanted to do that in October. When he first came to power he said he would send the finance committee right across the country for prebudget consultations.

It costs the House of Commons and taxpayers of Canada approximately \$400,000 to send the finance committee across the country to hear from about 500 different people and institutions

and so on to find out what they want in the budget. It is a great big process the Minister of Finance put in place so that every year in February he can stand in this place and say he has listened to Canadians and this is what the government will do.

However with the election in the offing, he decided not to worry about consulting Canadians and came out with a bunch of goodies to buy the votes of Canadians to win the election.

Members may recall that he introduced in that budget a payment of \$125 to everyone who qualified for the GST tax rebate to reduce the cost of their heating fuel. There was no analysis. This was strictly an election goodie. Tens of thousands of payments at \$125, the bulk of the money for a total cost of \$1.3 billion, went to people who did not have a heating fuel bill to pay. A large percentage of the lower income people lived in rented accommodation. They lived in apartments. Did they pay heating fuel? No, the landlord did. Did he get a cheque for \$125? No, but all his tenants did. There was no real benefit other than it was a great election goodie.

The Liberal Party went around the countryside. It gave all low income people a chance to reduce the cost of their heating fuel but it never said how. Money went to people in prison, in graveyards and to people who did not qualify for a variety of reasons. Many had never seen a heating fuel bill in their lives. Kids living with their parents got the heating fuel rebate but the parents who paid the bills did not get a penny. Then to top it all off, there was some questionable legality to it.

The \$125 payment was a grant and fell under the definition of a grant. Grants had to be published. The name and address of everybody who received a grant from the Government of Canada was public knowledge and therefore should have been published. The information was derived from the Income Tax Act. Everybody who filled out a tax return and qualified for the GST tax rebate was on the list, and as we know tax returns are confidential. So the government was in a quandary. It came to the public accounts committee and asked for an exemption from publishing the names of people because the Income Tax Act said it should be private and rules covering grants said it should be public.

In my opinion, section 241 of the Income Tax Act, which guarantees and protects the privacy of income tax returns by Canadians, did not give the Minister of Finance the authority to get these names in order to pay the \$125 to these people who qualified by virtue of being a recipient of the GST rebate. I did not think they qualified.

The issue came up at the public accounts committee. One Liberal member suggested a legal opinion was needed prior to giving them the authority. Another Liberal member did not think a legal opinion was needed, that they could hold their noses and pass it.



*Government Orders*

• (1215)

I have serious questions about the legality of paying \$125 to those people just so the Liberal government could run around the countryside last October and say that it was giving people money to reduce their heating bills regardless of whether it was money wasted, which it was. It was perhaps illegal but no one seems to care. The Liberals won the election, so who cares?

We play by certain rules in Canada, and one is that the rule of law is sacrosanct. I am not a lawyer and we never got a legal opinion, but I have serious questions about the legality of that payment. By its own admission, the government was in a quandary. The Income Tax Act says that we must keep everything confidential but grants and contributions rules say that we must make things public. The fact that the government was in a quandary should tell us there was a serious problem.

There are other issues. We in the Canadian Alliance have long pointed out the disparity between two income families and one income families. One income families pay more tax than two income families that earn the same amount of money. The family that decides a spouse will stay home to raise the kids rather than pass them along to a babysitter does not get a tax deduction. Who better in the world to raise children than mothers?

We celebrated Mother's Day yesterday. Unfortunately, far too many parents must put their kids in daycare rather than stay at home because the tax act discriminates. It discriminates against families that want to keep a parent at home to raise kids. How can that be? Our most precious resource is children. We discriminate against parents who love their kids and want to raise them.

I am splitting my time with the member for Kelowna. I forgot to mention that.

The point is that we discriminate against families. Why do we tolerate that? I hope Canadians recognize this in the next election and are not dazzled by payments, tax breaks and so on, some of which are of questionable legality. Canadians should vote for a party which says that it will stop discriminating against parents who want to raise their own children. That must be a fundamental right.

It was a big day yesterday for millions of Canadians across the country who took time to recognize their mothers and the great contribution they have made to their well-being, their nurturing and their growing up. They took time to recognize the wiping of tears, the hugs and the commitment that mothers and parents have for their children. However, the government discriminates against families. We collectively in this place are being asked to vote on a tax bill that would continue the discrimination. Surely that must be addressed and redressed.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I appreciate the opportunity to comment on the remarks by the member for St. Albert.

The member opposite talked about families. In listening to him I wondered if he had actually read the budget and economic statement that the Minister of Finance delivered last October. If I may, let me summarize it and the member could perhaps check his notes again.

For example, the member talked about a one earner family of four earning, say, \$40,000. This year that family will pay about \$1,100 less in taxes, a saving of 32%. That will increase to 59% of federal taxes saved by the year 2004. This is a one earner family of four earning \$40,000, so I am not sure where the member gets his information.

• (1220)

If I may indulge the House for a moment, a two earner family of four earning \$60,000 paid about \$5,700 in federal income taxes. This year it will pay \$1,000 less or 18% less. By the year 2004 it will pay 34% less.

The member should consult his notes again. I am sure he will retract his statements about the budget and economic statement being biased against the family because the evidence is absolutely to the contrary.

**Mr. John Williams:** Mr. Speaker, this is typical baffle-gab by the government. I was talking about discrimination and the fact that single families pay more than two income families.

The member talks about tax reduction. I did not dispute that there was a reduction in tax. I said that discrimination continues to exist. That surely was the point I raised. I could not be more explicit and definitive than that, but the member tried to avoid the subject by talking about tax reduction.

The government finally balanced the budget because of pressure put on it by the Canadian Alliance Party not to continue running deficits. The government finally, by virtue of economic growth and not by virtue of economic policy, balanced the budget and is now returning only some of the money to the taxpayer.

The Prime Minister said that the government would be balanced. He said that it would keep half the extra cash to spend as it wanted and give half back to the taxpayer. I would like to see it all go back to the taxpayer. It was and still is the taxpayers' money. The government does not have a right to that money except to provide programs for the benefit of the country and not for the whim of the Prime Minister. Therein lies a significant difference.

**Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I thank the member for raising the issue of taxation of the family. As

*Government Orders*

the member will know, the finance committee appointed a subcommittee on the issue during the 6th parliament. I would refer him to its report which points out very clearly that it is inappropriate to compare a two income family with an aggregate income of \$60,000 to a one income family making \$60,000.

The real comparison is this: What is the tax burden on a two income family in which one person decides to withdraw from the workforce? This would result in a real drop in net take home pay. The issue is about comparing a family to itself with two options.

The member may be familiar with the fact that the United States has joint filing. Would the member support a move toward recognizing the family unit by taxing the family but with a separate rate?

**Mr. John Williams:** Mr. Speaker, I am glad the member brought up the issue of joint filing in the United States. Unfortunately, given the way the government defines family, I am a bit apprehensive about going down that road.

The point again is that families get a tax break for sending children down the street to daycare but get no tax break for looking after the children themselves. I cannot understand why we still have that rule.

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Mr. Speaker, we need to make a couple of points on the legislation to amend the Income Tax Act.

Before I get into the more detailed parts of the bill, I need to register some things, particularly for the benefit of the listeners. In looking at the situation I asked myself what exactly was happening here in terms of physical terms. A copy of the Income Tax Act was delivered to my office this morning. The Income Tax Act has about 1,000 pages. It is a very significant act. The paper is very fine; it is almost rice paper. It is a substantial volume. It illustrates how complicated the Income Tax Act—

• (1225)

**Mr. Paul Szabo:** Mr. Speaker, I rise on a point of order. I note that the member is not reading from the document but rather using it as a prop. He has been somewhat less than forthright with the House since it includes corporate tax—

**The Deputy Speaker:** The Chair is not involved in the debate and will not get involved in the debate. However, if we are talking about income tax and the member has an income tax document I am hard pressed to call that a prop.

**Mr. Werner Schmidt:** Mr. Speaker, you are not only a fair-minded person but you have demonstrated a tremendous sense of humour. I respect and appreciate both qualities very much.

For the hon. member's benefit, I have marked the section in the act dealing with capital gains. It begins on page 263 and ends

approximately at page 372. The section deals specifically with capital gains. Later on, when the act refers to taxes on inheritance, capital gains come up again. The capital gains section of the act is over 100 pages long and there is additional reference to capital gains later in the act. That is the Income Tax Act as we know it currently. Another 514 pages of amendments to the act have now been brought to our attention.

I refer to the parliamentary secretary's statement that there have been tremendous tax reductions over the last while. The Minister of Finance has indicated several times how significant and large the cuts have been. He says that they amount to around \$100 billion.

However, when he makes that statement he does not tell us how many increases there were. We need to look at that, particularly in terms of payroll taxes. There has been a tremendous increase in the amount paid to CPP. That must be considered an increase in taxes. The \$100 billion the minister refers to is not really the total amount. The net cut is considerably less than that.

The child benefit program is administered through tax benefits but it is really a spending program so it cannot be considered a tax cut. It is important that we recognize exactly what is going on.

I will make another point regarding the proposed statement the Minister of Finance will deliver on Thursday of this week, if the reports we have heard are correct. It will be very significant. The mini budget last fall indicated some of the things we have talked about here this morning. It looks like the new projection will tell us what to expect in terms of expenditures, revenues and the general state of the economy in Canada. The projection, at least at the moment, is that it will be for two years.

I refer the House to a statement made last week by the chief economist of the Toronto Dominion Bank, supported by a number of other economists, which suggested that two years is a misleading time period. Why? It is pretty clear to everyone that within the next two years we will still have a surplus and revenues will exceed expenditures. However, in the third year, because of programs that have been promised and programs that have begun, demands on the budget will create a deficit.

• (1230)

I would encourage the Minister of Finance not to fall into the trap of dealing only with the next two years, but rather that he give us a balanced position and say to Canadians that for the next two years we will have a surplus but in the third year, because of the things he plans to do, there will be a deficit. That would be an honest statement to make and I would encourage him to do that.

I will now come back to some of the specific provisions within the amendments of Bill C-22. I want to refer primarily to one section regarding capital gains tax, which I have referred to already. I will read one paragraph for the benefit of listeners. It is



*Government Orders*

an amendment to the existing provisions for capital gains. I would like people to listen very carefully and see if they understand the paragraph. It reads:

(o) where an amount is designated under subsection 104(21) of the Act in respect of a beneficiary by a trust in respect of the net taxable capital gains of the trust for a taxation year of the trust and the trust does not elect under paragraph 104(21.4)(d) of the Act, as enacted by subsection 78(23), for the year, the deemed gains of the beneficiary referred to in subsection 104(21.4) of the Act, as enacted by subsection 78(23), are deemed to have been realized in each period in the year in a proportion that is equal to the same proportion that the net capital gains of the trust realized by the trust in that period is of all the net capital gains realized by the trust in the year,

(p) where in the course of administering the estate of a deceased taxpayer, a capital loss from a disposition of property by the legal representative of a deceased taxpayer is deemed under paragraph 164(6)(c) of the Act to be a capital loss of the deceased taxpayer from the disposition of property by the taxpayer in the taxpayer's last taxation year and not to be a capital loss of the estate, the capital loss is deemed to be from the disposition of a property by the taxpayer immediately before the taxpayer's death—

I would challenge all of our listeners to understand exactly what has happened here. It is very significant that we understand it.

Regarding the whole issue of capital gains, I would like to refer again to the Income Tax Act that exists at present. There is complex set of formulae in the act, not only the formula I have just read but a whole host of other ones.

Much of the amendment I just referred to in Bill C-22 has to do with the reduction of the capital gains tax from two-thirds to 50%. I do not think that is great. I think we should reduce capital gains tax considerably. I would like to see it reduced considerably below the present one, and the ideal, from my point of view, would be to eliminate capital gains tax entirely.

Why do I think that? First, it is critical that we have risk capital involved when providing capital for the establishment of enterprises to develop innovations, to apply new technology, new science and new understandings. People who risk their capital ought to be able to benefit from the profits that arise. In many instances these highly innovative projects, while they have the potential for tremendous gain, also have the potential for loss of a major part or all of the capital. We need to reward people who are prepared to risk their assets, their talents and their abilities so that they can be rewarded when they apply them.

**Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the member referred to the page number, so on that slight technicality, showing the 1,000 page document, I was listing some of the things that are in there, including the corporate tax segments, the schedules for capital cost allowance, all of the things that have to do with trusts, family trusts and survivor trusts, and the non-resident taxation.

The document contains a substantial number of things that have nothing to do with personal income taxation. I can tell the member that of that 1,000 page document there are only about 10 pages that are applicable to about 80% of Canadian taxpayers.

● (1235)

My question has to do with the capital gains side. The member noted that there are a number of provisions. Most of those are there because of history, such as the \$100,000 capital gains exemption, changes to the effective rate, list of personal property and a whole host of historic aspects of capital gains.

However, the member did say that he would support eliminating capital gains tax. Let us take something as simple as the investment in the stock market. Shares obviously are valued on the basis of their after tax return. Capital gains tax would be taken into account to determine the return on investment, similar to taking into account the dividend policy with regard to that.

If the member is correct when he says that the policy should be to eliminate the tax, he probably should know that doing so would affect the ability of the companies that have capital gains history to attract capital. In fact it would penalize companies that have high dividend payouts and lower capital gain because they do not withhold money for reinvestment in the company. They are paying out.

The member suggested that we lower or eliminate the capital gain so that companies that have low dividend payouts and high expansion get a benefit ahead of those who in fact pay out higher levels of dividend yield to their shareholders. Is this what the member is trying to say? Is he saying less money for ordinary investors in Canada?

**Mr. Werner Schmidt:** Mr. Speaker, the hon. member was a chartered accountant in a previous life and should understand what he was saying and should also understand what the act says. He probably has a pretty good understanding of capital gains. There are a number of different ways in which we can talk about capital gains. I have to also refer back to his idea that there are only about 10 pages on income tax in there. That is amazing. We should then throw this thing away.

**An hon. member:** On personal.

**Mr. Werner Schmidt:** Capital gains is very personal. There are over 100 pages of capital gains in there and that is very personal. The hon. member had better do his arithmetic a little better.

Coming back to capital gains, the issue of dividends may or may not be related to capital gains. It could be but I doubt that very much, particularly when it comes to the area of innovations and

*Government Orders*

people who want to establish a brand new company, such as the angels, for example, who work with small businesses and put a lot of venture capital on the table. Generally these companies do not pay dividends at all. They are risking the total amount of the capital they put on the table.

In order to encourage that kind of innovation, we want to make sure that money is there and these people can get their rewards from their investment. That is really what I am talking about. We do want to encourage that.

In Canada there have been some tremendous innovative ideas, but we have discouraged much of the risk capital and many of the venture capitalists from investing here simply because of the high burden of capital gains.

**Mr. Paul Szabo:** Mr. Speaker, is the hon. member aware of the fact that in RRSPs, in which a large number of Canadians invest, capitals gains on investments that are purchased inside an RRSP are treated like straight income and would not benefit from eliminating capital gains tax?

**Mr. Werner Schmidt:** Mr. Speaker, I am very well aware of that. I would like to remind the hon. member that within the RRSP no tax is paid on the interest that is borne or on dividends either.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance):** Mr. Speaker, I would like to advise you that I am splitting my time with the member for Souris—Moose Mountain.

The bill seeks to amend the Income Tax Act to put in place the mini budget or economic statement from the fall.

• (1240)

The interesting thing is that the Liberal government has yet to produce a budget that will outline its priorities, both for taking in government revenues and spending them. It is inexcusable that we should be meandering through the wilderness of the economic difficulties of these days, where leading corporations like Nortel are laying off major portions of its total workforce. That involved something like 6,000 Canadian jobs. As well, we are watching the U.S. economy slow down. For the first time in many years, the U.S. unemployment rate is actually rising. All of this is going on while the finance minister's policy is based on last year's election spending spree.

In addition, the Canadian dollar is continuing to slide. I remember talking about this issue a few months ago. At that time we watched the dollar slide up and down above and below 67 cents U.S. Today it is down to anywhere from 63 cents to 65 cents U.S.,

which means that our dollar has lost about 16% of its value in the last eight years.

Our weak dollar is like a national pay cut for everybody. It means that the value of our money and the value of everything we own in Canadian dollars has been reduced. Canadians' savings have been reduced. Customers are forced to pay more for imported goods in a global economy where almost everything we buy is made, at least partly, somewhere outside Canada, while the Liberal government merely continues its trend of spending and of ignoring the need for real tax cuts.

During the 20th century in the United States there were three episodes of significant tax rate reductions. These reductions occurred in the 1920s under U.S. presidents Harding and Coolidge. They happened again in the 1960s under President Kennedy and in the 1980s under President Ronald Reagan. In each case the Canadian Liberal government of the day predicted that tax cuts would only reduce revenues and benefit the affluent.

People are always worried about the affluent benefiting. This morning we heard a number of speeches in private members' business and now under this bill that show the government is worrying that the rich will get richer. However, if the people who have the money do not invest, we know what will happen to everyone else. No jobs will be available for them.

In each case the Liberal government of the day decided that it would increase taxes and spend its way out of the problem. Each time the United States avoided an economic crisis but Canada ran head on into it. We see this happening again today.

President Bush is calling for massive tax cuts. He recognizes that the global economy is slowing. He recognizes that his country is heading for a recession. He also recognizes that swift and significant tax cuts are necessary to stimulate the economy of his country. President Bush is showing leadership by working to avoid a crisis. The Bush administration has proposed tax cutting measures that would reduce taxes by as much as \$1.6 trillion over the next 10 years. Both Republicans and Democrats have introduced tax measures in congress that would see tax relief of up to \$160 billion retroactive to January of this year.

• (1245)

What is our government doing? What is the Liberal solution to stop the economic bleeding and to avoid a crisis? Its approach is quite unique. Last week it announced a \$500 million spending spree for arts groups. The arts are important in Canada, but jobs for Canadians are perhaps more important at this time when our economy is in crisis. Where would the money come from?

The government has announced tax increases through the CPP. It has erased any modest gains that might have been made through

*Government Orders*

personal tax cuts. It refuses to lower taxes, issue a budget, follow the American example and bring in an across the board tax reduction.

As we talk about capital gains taxes we go into the nuts and bolts and the minutia of them when all the while the government is trying to avoid the necessity of reducing taxes for Canadians so that they would have more money in their pockets to make the economy work.

A recent report by the Institute for Research on Public Policy shows the human costs of the government's refusal to lower taxes. It studied the migration habits of Canadians leaving for the United States. The results should come as no surprise. Canadians are flocking to the United States because the taxes are lower there. Their buying power increases and they have more money in their wallets. Every year thousands of Canadians go to the United States for better pay, better tax rates and better opportunities to secure their future.

I was watching a TV show the other day in which Canadian hospitals were trying to bring Canadian nurses back from the United States. Goodness knows we need them. However the response from the nurses who were going to the job fairs was that the pay and working conditions here were not as good, taxes were too high, and their spouses who were in the United States with them could not find jobs if they came back to Canada.

The alarming number of Canadians heading to the United States is increasing. Despite the Prime Minister sticking his head in the sand and pretending that there is no brain drain, the numbers tell the story. In 1968 the number of people leaving Canada for the U.S. was 17,000. In 1997 that number rose to 98,000. In 1986 only 3% of Canada's natural scientists left for the United States. In 1997 that number rose to 11%.

We have a brain drain crisis. Our best and brightest are going south. Doctors, nurses, scientists and computer programmers are among the many heading for lower taxes and better wages. We have to deal with this problem. High Canadian taxes is the most urgent task facing parliament. Thus far our economy has had a free ride on the United States, but we are now seeing the results of government policy or lack thereof.

I see the government having a far more serious problem by not producing a budget that Canadians can see and work with. We need a budget that we can hew to, not a general economic statement prepared for a national election and justified through legislation.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, in listening to the member opposite I wondered how he could stand in the House to talk about how the government has been inactive in cutting taxes.

Last fall the government introduced the largest tax cuts in Canadian history of \$100 billion. Those tax cuts which took effect on January 1, coupled with the tax cuts at some provincial government levels, are having a huge effect on the economy. It is about 2% or better in terms of percentage points related to the gross domestic product. Most economists understand the significance of that and are saying that it is having a very stimulative effect.

• (1250)

All economists are saying that the timing could not have been better. Hon. members opposite often cite the Americans. They seem to be enraptured by them. However the Americans are still debating their tax cuts. Our tax cuts came into effect on January 1. We have to do more and we will do more.

The hon. member opposite talked about spending. He selected some items that have been developed and addressed as a priority by the government. Included in that was an important initiative of half a billion dollars for farmers which I guess just slipped his mind.

When he selects those spending items, has he actually looked at the other items? I know he will say that it was not enough, because we could always do more. Does he not support the half billion dollars that was topped up to give farmers some relief?

**Mr. Philip Mayfield:** Mr. Speaker, I agree that it is not a matter of what the government spends in the necessary areas. For example, we need more spending in health care. We need to maintain our social programs. We are not talking about the urgent needs of Canadians.

The child benefit is a spending program delivered through the tax system. I would like to touch on the point the hon. member mentioned about \$100 billion in tax relief. There is some sleight of hand in this number if we take all the minuses into account: the minus \$3.2 billion for social spending over five years, the minus \$29.5 billion over five years for increased CPP premium hikes; and the minus \$20.7 billion over five years for cancelled tax hikes in indexation. What do we come up with? Not \$100 billion tax relief but something just over \$53 billion. That is a little more than half what the government is talking about.

We need to have the numbers on the table so that we know where we stand in both the income and the spending of the government, not the kind of sleight of hand that it uses to win an election. That is what the bill is about. It is to implement something that was put in place as an election strategy.

**Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the hon. member briefly referred to CPP tax increases. He knows that the funds invested by Canadians through their premiums in the

*Government Orders*

Canada pension plan are segregated funds. They are not government money for spending. They are there for the benefit of Canadians in terms of their future pensions.

As we all know, with the baby boomer demographics today we have something like five workers for every one retiree. With the large number of baby boomers who will be retiring we will be reducing that number to three workers for every retiree. Less workers will be required to fund the Canada pension plan.

Would the hon. member prefer to scrap the CPP and leave everybody to fend for themselves at retirement, or does he support the amendments made to the Canada pension plan, including increasing the premiums over a period of time to ensure it is there for all Canadians?

**Mr. Philip Mayfield:** Mr. Speaker, I would like to see a clear picture of our spending. The hon. member mentioned CPP as being designated. What guarantee do we have if there is no surplus in the fund, as in the case of the employment insurance fund? The government could not capture the revenue for itself.

Nothing is sacred and segregated to the government. If the government wants it, it will take it. We cannot look at CPP as anything but a tax because the government handles it as government revenue.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I welcome the opportunity to speak to Bill C-22. It is certainly a complex bill. Thousands of people in Canada, and a good many in my constituency, fall into the situation that I am about to describe in terms of exemptions and qualifications.

• (1255)

I refer to what happens to a young father who finds himself in a divorce situation. I draw the attention of the House to two such cases as they relate directly to the exemptions in the Income Tax Act. Dan and Valerie were married for 12 years. I do not know what led up to the divorce but they went through a divorce. The responsibility, and rightly so, is for Dan to support the children.

I will not accept for a moment, as is generally thought across Canada, that all these men are deadbeat dads. Dan agreed to pay his wife \$1,000 a month for the upkeep of his children. At the end of the year that upkeep costs him \$1,200 a month. Aside from the cost of the divorce and the loss of his house, he does not get to claim that \$1,200 as an exemption. His wife does not have to claim it as income and receives a tax credit. That is wrong. No matter which way the cake is cut, it is wrong.

I have other examples on file. We do not know why suicides come about, but all these dads are not deadbeats. Many of them work overtime to make ends meet, only to have to pay more money. They are finding it more difficult to pay up each month. They want to carry on their responsibilities, but the situation is getting worse.

The last example I have on file is a shocker. John married a girl by the name of Janet and she had one child from her previous

marriage. He accepted that child and together they had two more children. That union divorced and, believe it or not, Janet married her former husband. The oldest child from the former husband then went back to the original parents. John was ordered by the court to pay support for three children, even though the one child he assumed from the previous marriage was back with the original parents.

I could go on and on. All kinds of people have written to me from across Canada. In many cases there is no fight between the former wife and husband, but in many cases these young men simply cannot make it. What I am saying is that the monthly support payment should be an absolute deduction.

We seem to say at the present time that all divorces are the fault of the men. There is no question about that. One only has to look at the tax laws and the exemption entitlements. Hundreds of young men under 40 escape by running away, by taking on new names, and some by committing suicide. We sit here and allow it go on year in and year out. No one has the stamina and the courage to say that it is wrong. If members ever talk to some of these young people, they should talk to a man of 38 years of age who lost his professional job through no fault of his own. Watch the tears roll down his face because he cannot meet those obligations, and he was never credited for it as a tax deduction in all those years.

• (1300)

I say to the House and I say to all Canadians, it is time we faced up to this. It is time that we said no, that not everyone is a deadbeat dad. If we look at the statistics most of them are not.

I have dealt with many cases individually where men have had to suffer extreme hardships in order to meet the requirements of the courts. Then the income tax comes, they make a huge payment and have no deductions whatsoever. Their income tax is deducted at source because they are once again a single parent.

I wish that somehow the finance committee could sit down with the other departments involved in this to bring this atrocity to an end, to bring some fairness to the situation and to bring some fairness to what happens with a court ruling. Maybe they will. However if they do not, there will be more and more young men who will mysteriously disappear from the landscape and we will not know the reason for their deaths.

**Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I am happy that the member raised the issue of divorce and the costs. The member will well know that children are the real victims of divorce.

When we consider a couple, whether one or two are working, with the same income before and after divorce, the expenses are not the same. In fact divorce costs money because if anything there is a second residence to be paid for. That means the disposable income of a family usually is eroded substantially because of that. On top



*Government Orders*

of that should they be unfortunate enough to have to go through litigation of some sort, the lawyers take a substantial portion. The member will well know that in a number of cases it will wipe out the family's savings totally.

The member, in the case he used, raised the question about a spouse not being able to deduct child support payments. He should know that child support payments have never been deductible by anybody. The issue is where is the income taxed.

The hon. member may recall the Thibaudeau case where Mrs. Thibaudeau went to the court. She said she received child support payments and that she did not want pay tax on it. She wanted her husband to pay all the tax on his income and not transfer that income to hers. What the member was describing and what he disagreed with was the court judgment on the Thibaudeau case. Maybe he wanted to suggest that we look at the Thibaudeau case.

Having said, that, I tend to agree with him that the Thibaudeau case actually exacerbated a situation in terms of the disposable income of those two people. The fact that a high income earner pays a higher rate of tax on marginal income and all of sudden this additional income for the spouse with a lower level of income probably is taxed at a lower rate. However it is not the same for all situations.

I make this as a comment. Maybe the member would like to offer his comments with regard to the importance of all of us working a little harder to make sure our families stay intact because everybody loses, particularly children, when there is divorce.

**Mr. Roy Bailey:** Mr. Speaker, of course I agree. There is no one in the House more firmly convinced that the best institution, our oldest institution has to be maintained. That is to strengthen the family in every way possible. The previous speaker mentioned that very fact.

No matter which way we want to cut the cake, when there is an expenditure in child rearing it should be considered.

• (1305)

I know of a case in Toronto where the individual is paying \$20,000 a month with two children. I know other case where the father is trying to put up \$2,000 a month. Not only is he going bankrupt, he will lose the his house because of what happened to his income.

There should be a \$12,000 a year deduction at source for that parent. There is no one in the House or outside it who can successfully argue that it should not be an income tax deduction. Maybe we are past the days of being all deadbeat dads when we hung it on the men and gave women more liberty. I hope those days are gone forever.

Sometimes after divorce, even though the money goes to the wife in support of children, she then continues to work and pay income tax. She includes the children and does not have to count the money. There is something wrong there. I think everybody on that side of the House knows it. Everybody in Canada once it is explained knows it, and it is up to the government to make the changes.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, I am pleased to rise in debate on Bill C-22. I spoke at the initial reading before the House. I would like to reiterate in closing the debate the opposition of the official opposition to the bill.

Often we are criticized of opposing for the sake of opposition. In fact I think we have a record of supporting about half of the government bills which are introduced, those which we think are sensible and lend incremental improvements to public policy. Bill C-22 falls far short of that standard in many respects.

It purports to legislate tax changes announced in the economic statement of last October. The economic statement, which was hurriedly put together by the finance minister on the behest of the Prime Minister immediately before an election, did not take into account the new economic circumstances in which we now find ourselves. At that time the finance minister was projecting a nominal GDP growth rate or real growth of 3.5%. It is now evident that given the downturn in which we now find ourselves, that economic growth for the current calendar year will be more like 2.5% or perhaps lower. It undoubtedly will have a substantial affect on the government's fiscal situation and the revenues available to it. It will also place an upward pressure on spending.

In the face of this new economic uncertainty in which we now find ourselves, the government has not responded at all. It has acted irresponsibly. The last full budget we had was in February, 2000. It now appears likely that there will not be a full budget presented to the House until February 2002. This would constitute the longest stretch of a budget not having been presented to parliament in the history of the Dominion.

At a time of economic uncertainty, when we see the United States continuing to go into possibly a technical recession, we see our third largest trading partner, Japan, in the midst of an economic and fiscal crisis. We see the possibility of Latin America veering off its economic course. Let us be objective and realistic about this, not pessimistic. Objectively there is the very real potential for more troubled economic times within the foreseeable future, yet we have no budget to take that into account.

The finance minister will apparently make one of his smoke and mirrors presentations with video charts and focused group lan-

*Government Orders*

guage tested by his friends at Earncliffe consulting at considerable taxpayer expense. He will that on Thursday. However it will not be a serious economic budget. It will not take into account the new circumstances. It certainly will not deal with the very serious corrosive problem of runaway Liberal spending which is now setting into the fiscal status of the federal government.

• (1310)

In the fiscal year just ended, 2000-01, it appears that the total program spending will have grown by about 7.1%. This is a huge increase at a time when inflation plus population is growing at a rate of just under 3%. In other words, spending under the government is growing more than twice as fast as the population and inflation. It is doubling the need for growth set by our economy, our inflation and our growth of the population. The projection for the foreseeable future is that spending growth will continue at a rate of at least 5%. We think it will likely be substantially higher than that given the track record of the government to date. This is simply not sustainable.

We had in the last fiscal year \$11.1 billion in supplementary estimates above and beyond what was originally projected by the government a year ago in its main estimates. We had money which was been announced and not properly authorized or put through the estimates process in advance. We had the phenomenon known as March madness where the government spent as much as 70% more in the last month of the fiscal year than it did in any other month of the year. There was much as \$16 billion in spending this past March.

The warning bells are ringing that spending is growing out of control. I can understand the political dynamic within which the Finance Minister must operate. I suspect he has tried his best to maintain the big spending old style Liberal habits of his colleagues and is simply losing that debate around the cabinet table in the caucus room now. The special interests in his caucus, the Minister of Canadian Heritage and the Minister of Industry and their big spending friends, continue to grapple for millions more taxpayer dollars. We see this in the fiscal bottom line.

The point is that every additional dollar in discretionary, unnecessary and wasteful spending that is committed by the government is a dollar taken away from perspective tax relief for working families to create new and better jobs. It is a dollar taken away from debt reduction to secure our long term economic future and pay down our still enormous national mortgage.

My colleagues opposite will say that the bill before us gives effect to tax changes and therefore there is still room for new spending. This ignores the economic reality in which we find ourselves. The reality is the bill purports to authorize \$100 billion in tax reductions which is just complete nonsense.

When we clear away the smoke, the mirrors and the fudge it budgeting, when we take out the spending increase in the child tax benefit which is an entitlement program, it is a spending program not a tax cut, when we net out the \$29 billion Canada pension plan premium increase, the largest single tax increase in Canadian history, an increase which has caused most Canadians so far in this calendar year to see their tax level go up after advertised tax cut and when the impact is taken out of de-indexing the tax system which is not a tax cut it is just a non-increase, we find that the real net tax cut over the ensuing five years is less than \$50 billion.

Liberals do not increase taxes but all of a sudden they want to take credit for that as a tax cut. I am afraid it simply does not wash. If we tried that kind of accounting as a CFO at a company, we would end up making licence plates in a provincial institution. The net tax relief is half of what is advertised in the bill. That does very little to correct the significant disadvantage we continue to face vis-à-vis our major competitors and trading partners.

Canada continues today to have the highest personal income tax to GDP ratio in the G-7. In laymen terms that means we have the highest income taxes of any major country in the world; 14.1% of GDP. Even if we take the Finance Minister's bogus \$100 billion figure and subtract that from our current tax burden, we still end up with Canada at a PIT to GDP ratio of 12.4%, the highest in the G-7.

• (1315)

It is substantially higher than that of the United States even today. Our major trading partner will be cutting taxes by at least \$1.35 trillion U.S., not Canadian dollarettes, over the next 11 years, thus rendering the Canadian tax system even less competitive.

This would not be a problem if it did not have an effect on our standard of living, but it does and very substantially. Canada continues to see its rate of growth in labour productivity, an absolute key indicator of growth in our standard of living, at one-third the level of the United States.

I have raised this issue in the House during question period. The finance minister says our productivity is growing. Yes, it is, barely, by roughly 1.5% a year, while we see productivity gains in the United States of 4%. That means the U.S. is producing more and doing it more efficiently. It is creating more wealth which is shared by more people.

Why? It is not because Canadians are not hard working. They are hard working and well educated. It is because we penalize too many Canadians for working hard, taking risks and investing and saving. The very economic behaviours which create wealth and raise our standard of living are penalized by our punishing tax regime.



*Government Orders*

The government's bill would raise the basic personal exemption level to \$8,000 under which a taxpayer would not pay taxes. The government claims this is a great act of progressivity. However it falls far short of what it ought to be doing to rescue low income Canadians forced on to the tax rolls by bracket creep. The government has benefited from this tax on inflation during the last eight years of its mandate. The government has put an additional 1.9 million low income people on to the tax rolls by way of bracket creep.

The Canadian Alliance proposes to raise the basic personal exemption to \$10,000 and match it with a \$10,000 spousal equivalent. We would no longer have second class citizens when it comes to the tax code. Stay at home parents would no longer be regarded as having less economic value than their income earning spouses. We would also have a \$3,000 per child tax credit, which would mean that a family of four under our system would face zero taxes on their first \$26,000 of income. That would remove at least 1.4 million low income Canadians from the tax rolls.

I find it galling to see Liberals pat themselves on the back about how progressive they are and how they favour the poor when in fact they oppose measures like this one, measures which would give real relief to the working poor and people on fixed incomes. That is another reason we oppose the bill.

We are not just penalizing people at the low end of the scale. Through the bill and in its economic statement of October the government would raise income thresholds at which people are taxed at higher levels at marginal rates. That is a baby step in the right direction but we are still miles from the threshold levels for marginal rates as set in the United States.

People do not enter the highest tax bracket in the United States until they earn over \$250,000 U.S., or well over \$350,000 Canadian, whereas one enters that bracket in Canada upon earning \$100,000 Canadian. Bright young entrepreneurs who work hard, succeed and get ahead are penalized by the government the moment they break into six figures, but people in the United States earn three to four times that before being hit by the highest marginal rate.

• (1320)

I can feel my Liberal colleagues' soak the rich, politics of envy gene kicking in. They want to stand and say that the rich should pay their share. Successful Canadians do pay their share. The top 10% of income earners earn about one-third of the income in the country and pay about half the income taxes. The top 1% of income earners earn about 9% of the income and pay about 20% of taxes.

Those who create the most wealth and are successful pay a hugely disproportionate share of taxes. I am not necessarily

arguing with that. However they would create more wealth, invest more, take more risks and ultimately create more jobs if we raised the income thresholds for the marginal rates substantially higher as is the case for many of our competitors.

The Canadian Alliance Party thinks the optimum tax policy is not to penalize people for working hard. We would adopt the generous exemptions I have outlined plus eventually a single rate which is progressive. We propose a rate of 17%. That would mean a family of four with \$26,000 in income, given the generous credits we have proposed, would pay zero taxes. A family of four with \$52,000 of income would pay 17% on only the taxable half of its income. It would pay an effective rate of 8.5%. A family of four with a multimillion dollar income would effectively pay 17%. My colleague from Toronto—Danforth who is the principal advocate of this idea knows full well that it is progressive.

We have serious concerns about the inability of the government to get tax policy right. Not only are we falling behind in terms of productivity growth. We are doing so in terms of competitiveness. We are not keeping up.

We are not keeping up on corporate taxes. According to a major study done by KPMG that appeared in the *Economist* last month, we have the highest corporate income taxes in the OECD at 42.1%. Our personal income tax burden, relatively speaking, is at least 21% higher than in the United States. In terms of competitiveness we are now ranked seventh by the World Economic Forum compared to the first place United States. Ireland, which is now in fifth place, has leap frogged over us. We have fallen behind in standard of living.

This is reflected in the value of our currency which is hovering at an all time low. Our currency has lost 25% of its value during the tenure of the Liberal government. It has a value of 65, 64 and sometimes 63 U.S. cents. That is an embarrassment and a reflection of the impoverishment of this nation under the policies of the Liberal government.

We oppose the bill and call upon the government to control spending. It must stop these crazy 7% annual increases in spending and allow it to remain constant. Spending must grow in relation to population and inflation growth so that we do not have net cuts in spending. We could let it grow at a gentle curve commensurate with the size of the country and the level of inflation.

Doing that during the five year period outlined in the finance minister's statement would mean an additional \$58 billion for tax relief for working families, for job creation and for debt reduction to secure our long term future. That was the \$58 billion missed opportunity of the finance minister's statement of last fall which he will reiterate on Thursday. It was a missed opportunity to create more wealth and pay down the huge national mortgage.

*Government Orders*

Often when we talk about the debt the finance minister jumps up and says we have reduced it. That is not true. The debt is about \$60 billion higher today than when the finance minister took office in 1993. He has increased the debt. He has not paid it down. Public sector financial liabilities total about 106% of our gross domestic product. That is the third highest in the G-7 and the OECD.

• (1325)

The government says we can afford to increase spending by 5%, 6% or 7% a year and ignore the debt. However private sector economists have projected that we will be in a planning deficit by fiscal year 2004-05.

What does that mean? It means that in order to finance these reckless increases we will need to eat into the government's emergency reserves, the so-called prudence and contingency reserves. Those moneys are not supposed to be spent by reckless members of the Liberal cabinet. They are supposed to be set aside in case the economy shrinks.

The Liberals are already eating into the contingency reserve of 2004 based on very optimistic economic growth projections. If the economy turns down, the surplus that taxpayers have worked so hard to obtain will disappear and the promised tax relief will go down the sinkhole with it.

We are here today ringing alarm bells about the government's return to fiscal irresponsibility. We plead with it to look not just at the next two years but at four or five years down the road and what will happen if spending continues on its current trajectory. Therefore I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-22, an Act to amend the Income Tax Act, the Income Tax Application Rules, certain Acts related to the Income Tax Act, the Canada Pension Plan, the Customs Act, the Excise Tax Act, the Modernization of Benefits and Obligations Act and another Act related to the Excise Tax Act, be not now read a third time but that it be read a third time this day six months hence.

**The Deputy Speaker:** The amendment is in order. Debate is now on the amendment.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, there was a program that my friends and I used to watch in the 1950s and 1960s. It was called *The Twilight Zone*. The member for Calgary Southeast probably never had a chance to watch it, but he sounded very much like that.

I do not where to begin but I will focus on a couple of areas. The hon. member talks about the debt. The government is paying down debt faster than any other industrialized nation. The member conveniently forgets that one cannot attack the debt until one eliminates the deficit, which we did. We started that as soon as we came into office.

The member knows that federal government spending is at the lowest level in terms of GDP since the early 1950s. We will continue that moderating approach. The member talks about possible deficits. There is no evidence of any deficits. The Minister of Finance has budgeted and planned so that we have fiscal cushions to absorb changes in the economy.

What got me the most was when the member said Canadians were not really getting a tax cut. He said the \$100 billion tax cut would not be a tax cut for most Canadians. He said part of it would, I admit that.

I will give some examples. We will ask Canadians if they think this is a tax cut. One earner families of four earning \$40,000 paid about \$3,325 in federal income taxes last year. This year they will pay about \$1,100 less. That is a 32% saving. The saving will increase to 59% by the year 2004. I ask the hon. member if that is not a tax saving. I think it is.

Last year two earner families of four earning \$60,000 paid about \$5,700 in federal income taxes. Next year they will pay over \$1,000 less, a tax saving of 18%. Those savings would increase to 34% by the year 2004. I take that as a tax decrease. In other words, Canadians will pay a lot less tax as a result of the October 2000 economic and fiscal update. I challenge the member to refute that those are not tax savings. Those members talk about re-indexation until they are blue in the face. They ask why we did not re-index the tax system. We have done that.

• (1330)

The member talked about the Canada pension plan. He knows full well that the Canadian pension plan is a contribution based pension scheme and that those funds do not go anywhere near consolidated revenue. He knows that and yet he continues to talk about it as being a tax. Would the member reconsider his statements and come clean with Canadians?

**Mr. Jason Kenney:** Mr. Speaker, the parliamentary secretary is in the twilight zone. He has to defend the highest personal income tax burden in the developed world. It is a tough job to do.

When the parliamentary secretary talked about the so-called tax savings he was including new spending transfers like the child tax benefit. The government will be sending out cheques to people and calling them the child tax benefit. That is fine but it is a spending increase and he is calling it a tax cut. That is not honest bookkeeping.

The parliamentary secretary wants us to ignore the \$29 billion CPP tax grab. He says that is off-budget. It is in an Al Goresque

*Government Orders*

lock box or something. That is nonsense. Those moneys have always been fungible. We know that money going into the CPP has been spent as though it were in general revenues. It is a tax that must be paid by Canadians mandated by the government.

What the parliamentary secretary really misses is the fact that even with some modest steps forward on the tax front, the government is allowing \$58 billion to be gobbled up by new spending above and beyond the rate of growth in population and inflation. That is a missed opportunity of \$58 billion which can and should be delivered to working families in the form of far more dramatic tax relief. This would enable us to increase our productivity and our standard of living.

The money could go toward the national debt but he did not even talk about that. He said that we could not reduce the debt until the deficit was eliminated. He is right. The government took four years to eliminate the deficit. According to Dale Orr of WEFA, Don Drummond of the Toronto-Dominion Bank, a former associate deputy minister of finance and the member's own colleague from Markham, we are now going back into a deficit.

Last October his colleague said that there could be as much as a \$2.6 billion planning deficit. He did not address the fact that we are at risk of going back into deficit territory in the out years of the current fiscal plan because spending is not under control. That is the challenge and that is the question the government needs to answer.

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

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the amendment. All those in favour of the amendment 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:** The vote is deferred until later this day at the end of government orders.

• (1335)

**BUDGET IMPLEMENTATION ACT, 1997**

**Hon. Lucienne Robillard (for the Minister of Finance)** moved that Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act, be read the third time and passed.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I welcome the opportunity to address the House today at third reading of Bill C-17, an act to amend the Budget Implementation Act, 1997, including the provision of additional funding to the Canada foundation for innovation, and to amend the Financial Administration Act.

I will begin by discussing the increased funding for the Canada foundation for innovation. The CFI was established in the 1997 budget and remains high on the government's list of funding priorities for university research.

Hon. members will recall that the foundation, an independent corporation operating at arm's length from government, was established to provide support for modernizing research infrastructure at universities, research hospitals and not for profit research institutions in the areas of health, environment, science and engineering.

[*Translation*]

The 1997 budget provided for an initial upfront federal investment of \$800 million. An additional \$200 million followed in the 1999 budget. Without the extra funding, the foundation's awards would have ended in 2001.

[*English*]

A further \$900 million was subsequently announced in the 2000 budget and support for the CFI was extended until 2005. To date the foundation's activities have been well received by its partners, groups like universities, research hospitals, business, the voluntary sector, individuals and provincial governments also provide funding.

The provinces, for example, strongly support the participation of their research institutions in CFI programs, either by contributing to CFI supported projects or by establishing complementary funding programs of their own. Quebec and Ontario, for example, provide matching funds for CFI awards.

[*Translation*]

The CFI provides up to 40% of funding to support research infrastructure projects, all of which helps universities and research hospitals acquire the laboratories and equipment they need for state of the art research.

*Government Orders**[English]*

So far the CFI has supported 95 research organizations across Canada, including 65 universities, 18 colleges and 12 research hospitals. Bill C-17 legislates an additional \$1.25 billion in funding in 2000-01 to the Canada foundation for innovation and extends its activities to the year 2010. The amount includes \$500 million from the October 2000 economic statement and budget update, and a further \$750 million that was announced on March 6 by the Ministers of Finance and Industry.

The \$500 million announced in last October's economic statement will be invested in two ways. First, \$400 million will allow the foundation to contribute to the operating costs of new awards. The remaining \$100 million will help support the participation of Canadian researchers in leading edge international research projects and facilities that offer significant research benefits to Canada.

*[Translation]*

The additional \$750 million announced in March for the CFI will build on this funding by providing additional stability to universities as they plan their future research priorities.

*[English]*

The CFI needs the additional funding to help it support the operating costs of new awards and the participation of Canadian researchers in international research projects. Further, additional funding for the CFI would help the federal government to reach its goal of at least doubling its current investment in R and D by the year 2010, a commitment that was made in the Speech from the Throne in January.

- (1340)

Bill C-17 also amends the Financial Administration Act. It is a statute that encompasses the financial administration of the Government of Canada, the establishment and maintenance of its accounts, and the control of crown corporations. The act also sets out the statutory framework under which the government can borrow money.

Bill C-17 would improve the operation of the Financial Administration Act. It would reinstate the Canada Pension Plan Investment Board as one of the crown corporations exempted from divisions I to IV of part X of the Financial Administration Act. The exemption would protect the independence of the board while the Canada Pension Plan Investment Board legislation would provide a strong accountability regime.

Amendments to the Canadian Wheat Board Act in 1998 inadvertently deleted the Canada Pension Plan Investment Board from subsection 85(1) of the Financial Administration Act, meaning that the board was subject to various crown corporation control provisions under the Financial Administration Act, which put it in

conflict with its own mandate. Clearly it was neither wanted nor intended and Bill C-17 would correct that error. This change would be retroactive to December 1998 to ensure that the Canada Pension Plan Investment Board had always operated within the laws of Canada.

*[Translation]*

The second amendment reinforces the authority of parliament over any borrowing by or on behalf of the crown. It provides for greater certainty that it is parliament that must specifically authorize borrowings made on behalf of Canada.

*[English]*

The measure would also provide clarification and consistency respecting the role of the Minister of Finance ensuring appropriate management of government indebtedness. Bill C-17 would ensure that all borrowings, not just the borrowing of money, are subject to the supervision by the Minister of Finance.

In closing, the amendments to the Financial Administration Act would improve its operation. The changes to the Budget Implementation Act, 1997 that would provide additional funding to the Canada foundation for innovation and extend its activities to the year 2010 are consistent with the government's commitment to at least doubling its current investment in R and D by the year 2010.

*[Translation]*

The Canada foundation for innovation is deserving of this increased funding so that it can continue to promote research in Canada and inspire young new Canadian researchers.

*[English]*

I know that my colleagues in the House support investment in education, research and innovation. I encourage them to pass the legislation later this day.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, I seek unanimous consent to split the balance of my time with my hon. colleague from St. Albert.

**The Deputy Speaker:** In this case the second party to get the floor in this debate would have 40 minutes. Does the member from Calgary Southeast have the consent of the House?

**Some hon. members:** Agreed.

**Mr. Jason Kenney:** Mr. Speaker, I am pleased to rise at third reading of Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act.

There are two parts to the bill. I will emphasize the aspects related to the Budget Implementation Act, 1997. My colleague, the chair of the public accounts committee and chief critic for the treasury board, will address the amendments to the Financial Administration Act.



*Government Orders*

The bill seeks to increase funding for research and development through the Canada foundation for innovation by some \$750 million over an undefined period of 10 years. This follows quite logically the remarks I just delivered on Bill C-22 when I discussed at length the irresponsible approach the government was taking to program spending.

I spoke about how in the fiscal year just ended program spending had grown by 7.1%, how the government had overspent its budgeted amount every fiscal year, and how for the next four years the government was estimated to average spending increases of about 5%. I expect it would be substantially more than that.

● (1345)

I also talked about the phenomenon known as March madness where ministers make spending announcements without proper authorization. I talked about how in April 2001, the last month of the fiscal year, we spent some \$16 billion or 70% more than the average monthly amount.

This is of relevance to the bill before us. The government is proposing that we authorize an additional \$750 million for the Canada foundation for innovation. Let me say at the outset that the official opposition, the Canadian Alliance, supports in principle an appropriate and responsible level of funding for research, development and innovation in academia which can be of economic value to the country. We believe government can play an appropriate role in that respect.

However such funding must be limited by the available resources. We are concerned that the \$750 million funding envelope has no defined time period or parameters. It is not limited. The government says it may be spent over the next 10 years or so, or perhaps not. That is not a responsible approach. For a spending program like this the government has an obligation to come before us and detail where it expects to come up with the money and in which years and to book the money as spent in each of those fiscal years.

The auditor general has not only criticized the ongoing practice of March madness as inherently inefficient. He has repeatedly criticized the practice of booking future expenditures in one year as the government did with the famous millennium scholarship program and as it is doing now with the Canada foundation for innovation.

This accounting practice would not be accepted in the private sector. The government is ignoring its own rules and the recommendations of the auditor general in the way it is managing the moneys it seeks to authorize through the bill.

Another concern is that the government does not have a clear framework for financing science or research and development. We are dealing with major scientific and R and D projects on a case by case, piecemeal basis. My colleague from Calgary Southwest, our

science and technology critic, has made and will continue to make important remarks on the subject. We need very clear criteria for the allocation of money for science, technology, research and development. Throwing the money into a big envelope and saying it will somehow be distributed on an equitable and meaningful basis is not good enough.

How do we adjudicate the relative economic and social value of a cyclotron project in British Columbia versus a nuclear research facility in Ontario versus a research program for astronomy? All these things come before us. Each has merits in and of itself but parliamentarians have no overall objective criteria by which to judge the value of competing R and D demands.

For that reason our party platform proposes that parliament appoint a chief scientist, a position which exists in many other national governments. Such a person would be the principal adviser to both the government and the legislature on scientific questions. He or she could help develop a clear framework to prioritize the many competing demands related to R and D, science and technology. This would not require a large or expensive bureaucracy and it would be helpful to have such objective, external advice.

● (1350)

Those are our concerns regarding the first part of the bill. I will briefly outline our concerns regarding the amendments to the Financial Administration Act, concerns my colleague for St. Albert will elaborate further.

The clause seeks to clarify that parliament must provide explicit authority to departments, agencies, boards and commissions of the government in order to incur debt. That is very interesting.

I was briefed on the bill by officials from the Department of Finance who explained that the clause came about because of one of the government's innumerable legislative drafting errors. The error allows the Financial Administration Act to be interpreted in a way that permits departments and agencies to incur debt on their own authority without explicit authorization from parliament delegated to the Minister of Finance.

Over the past couple of years the Department of National Defence has been in a pitched quasi-legal battle with the Department of Finance over this question. The DND has sought independent borrowing authority not delegated by parliament which of course has the power of the purse.

We therefore support the aspect of the amendment regarding borrowing authority. However it begs the question: How can the government consistently bring forth legislation with such significant drafting errors which parliament must then spend valuable legislative time rectifying? That is a serious concern.

In bill after bill, as finance critic, I deal with all sorts of tax amendments which seek to amend errors in bills originally presented by the government. We must accept to a certain extent the bona

*Government Orders*

fides of departmental officials and the government, the ministers who bring these bills to parliament, that they are technically correct. However too often they are not, as in this instance.

The amendment also deals with certain regulations surrounding the Canada Pension Plan Investment Board because of another drafting error. When the government made amendments to the Canadian Wheat Board Act it forgot to include the Canada Pension Plan Investment Board. The CPP investment board is therefore subject to intervention by the finance minister. He can go into the CPP investment fund and strip cash out of it, contrary to assurances given at the time of passage of Bill C-2 in the last parliament which created the CPP investment board.

However because of a drafting error the finance minister, contrary to every assurance granted us, can go into the Canada Pension Plan Investment Board and fire personnel, trash or write his own business plan, and strip cash out of the fund. This loophole needs to be plugged. It should never have occurred in the first place.

We will therefore be opposing the legislation. We will urge the government to take a much closer look at bills of this nature to ensure they do not create future problems which we must then go back and solve.

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, as my hon. colleague from Calgary Southeast indicated, I will be speaking to certain aspects of the bill. One aspect on which I will focus is the Canada Pension Plan Investment Board and the fact that it is retroactively being exempted from large sections of the Financial Administration Act.

The Financial Administration Act is a very thick document that governs and dictates how the government manages its internal finances. A large number of agencies, boards and so on must conform to the Financial Administration Act to ensure their finances are handled appropriately. Why would they not be? However this clause would exempt the Canada Pension Plan Investment Board from the FAA.

● (1355)

Also it is backdated to December 31, 1998. I understand from the government it is the old housekeeping rule that somewhere along the line it was originally exempt from the Financial Administration Act. When somebody was doing some drafting of another piece of legislation they inadvertently omitted to keep the exemption there, but it slipped back in, that they were subject to it.

We know there is a fundamental principle that legislation cannot be backdated. It is never retroactive. Why is it in this case? If we go to some particular piece of legislation and read some fine arcane little rule, it says that where the government makes a mistake it can

backdate it if it so desires. Do we live in a real democratic country or do we not? That is what it is coming to.

As I mentioned earlier, when we were discussing Bill C-22 and the \$125 grant to all Canadians who qualified for the GST tax credit, I questioned the legality of the information being taken from the Income Tax Act. The act guarantees the confidentiality of income tax returns. The government dipped into it just so it could send out cheques for \$125. The Income Tax Act does not give the government the legal authority to get the information.

Here again we are having legislation backdated a couple or three years just because somebody did not do their homework properly or inadvertently made a mistake. The net result is that the Liberals are imposing it in the House. They will use their majority. They will bring out the whip. They will lash people into submission, to say this is good stuff. In a democratic country it is not good stuff when they have to backdate legislation. It cannot be.

What is the government actually doing with the backdating of legislation? It is exempting the board from being examined by the Auditor General of Canada, the watchdog of Canadians. What is the AG being prevented from examining? He is being prevented from looking at the \$40 billion or more of money Canadians have set aside for their retirement. It is being held in trust by the government and being managed by the particular board. The auditor general cannot, by virtue of the legislation, go in there to take a look and assure Canadians that all is well. The government does not want that. It does not want these kind of questions to be asked.

I say as a Canadian that the people in my riding of St. Albert, and I am sure I speak for all Canadians, would like to know that the pension plan is being managed properly, securely, safely, prudently and so on. They will never know that. They will never be allowed to ask that question because the auditor general will never be allowed to ask that question by virtue of clause 6 in Bill C-17. It is absolutely despicable. Therefore I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act, be not now read a third time, but be referred back to the Standing Committee on Finance for the purpose of reconsidering clause 6 and to consider the desirability of hearing from the Auditor General relating to his concern about the Canada Pension Plan Investment Board".

● (1400)

**The Speaker:** I know all hon. members were looking forward to another 15 minutes of speech from the hon. member for St. Albert but, unfortunately, by moving his amendment now he has lost his time. When the House resumes consideration of this matter later this day, the debate will be on the amendment.



## STATEMENTS BY MEMBERS

[Translation]

### MISSING CHILDREN

**Mr. Mark Assad (Gatineau, Lib.):** Mr. Speaker, last week, a father kidnapped one of his children in the daycare's yard, took the child to Dorval airport and left Canada for his country of origin.

Thanks to a concerted effort involving the resources of the federal program "Our Missing Children", involving the RCMP, and the Montreal Urban Community Police Department in partnership with the Canada Customs and Revenue Agency, the Department of Foreign Affairs and Immigration Canada, the kidnapper was arrested as he was boarding the plane for New York City.

I congratulate all those who took part in this effort for having quickly foiled this kidnapping attempt, and I am proud of the program "Our Missing Children", which has helped find over 500 children over the past 15 years.

\* \* \*

[English]

### ST. GEORGE'S ANGLICAN CHURCH

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, I rise today to pay tribute to the parishioners of St. George's Anglican Church in Clayton, Ontario, who are celebrating the 100th anniversary of their church this year.

I am happy to welcome the most Rev. Michael Peers, primate of the Anglican Church of Canada, who visited St. George's this past Saturday, May 12, to begin the anniversary celebrations.

St. George's Church enjoys a proud and distinguished heritage. In 1899, the decision was made by the local congregation to erect a new structure to replace the original Grace Church in Clayton.

With almost all the labour and money donated by the parishioners, the cornerstone was laid on Victoria Day, 1901, and the church was officially opened by the bishop on October 23 of the same year. It is an architectural marvel that is admired, and it impresses engineers and artists to this day.

Today St. George's Church plays the same important role that it has served for four generations. Under its current rector, Father David Andrew, the congregation of St. George's is growing.

To all the congregation of St. George's, I wish a happy 100th anniversary and God bless them.

S. O. 31

[Translation]

### CANNES INTERNATIONAL FILM FESTIVAL

**Mr. Claude Drouin (Beauce, Lib.):** Mr. Speaker, it is with great pride that I inform the House of the participation of Quebecers at Cannes international film festival.

First, the French-Quebec production *La répétition* is in official competition. Actress Pascale Bussières is extremely popular, and all of Quebec and Canada is proud of her. We already knew that Ms. Bussières was extraordinarily talented. It is an honour to have that talent recognized on the international cultural scene.

Then there is a Quebec production from Bernard Émond entitled *La femme qui boit*, featuring actors Elyse Guilbault and Luc Picard. This film is not in official competition, but it is a magnificent reflection of the excellent movies that are produced here in Canada.

Good luck to the film *La répétition* and to Pascale Bussières during this prestigious competition.

\* \* \*

[English]

### BRENDA BURY

**Ms. Carolyn Bennett (St. Paul's, Lib.):** Mr. Speaker, last week we paid homage to a great Canadian prime minister by unveiling his portrait. Today I rise to pay homage to the great Canadian artist who painted this portrait.

Brenda Bury was born, educated and trained in England. She took an honours degree in fine art at the University of Reading where she studied under Anthony Betts.

Ms. Bury travelled to Canada for just over a year where she painted portraits, beginning with the then prime minister, John Diefenbaker. She left Canada after a short period and returned to England where she thought England's strong tradition for portraiture would improve her skills. In 1964 she painted Lord Mountbatten of Burma and it was he who later arranged for her to paint the Queen herself.

Ms. Bury returned to Canada in the 1980s and set up a studio in Toronto. Very shortly after her return, she found herself back in England at number 10 Downing Street to paint a lifesize portrait of Prime Minister Thatcher and her advisors in the Falklands conflict. Ms. Bury has also painted the Right Hon. Jeanne Sauv , a speaker of this House.

I myself have had the privilege of sitting for Brenda Bury. I will never forget the magic and amazement the first time I saw my

*S. O. 31*

likeness revealed on the canvass. I am thrilled that her talent and skills are being recognized by the people of Canada.

\* \* \*

#### HUNTINGTON'S DISEASE

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, I am pleased to inform the House and all Canadians that May has been proclaimed Huntington's Disease Awareness Month by the Huntington Society of Canada.

Huntington's Disease is a hereditary brain disorder, with devastating mental and physical effects. One in every 10,000 Canadians has Huntington's Disease. Unfortunately there is still no cure for the disease and no preventative treatments are currently available.

• (1405)

The Huntington Society of Canada is a national network of volunteers and professionals united in the fight against Huntington's Disease. They are focused on finding new treatments toward a cure.

I ask my hon. colleagues to please join me in extending best wishes for a successful public awareness campaign to the Huntington Society of Canada.

\* \* \*

#### POLICE OFFICER OF THE YEAR AWARD

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, May 1 marked the 50th anniversary of the RCMP in Surrey. Many of the detachment's original members attended the ceremonies. On May 1, 1951, there was only one traffic light in Surrey. The detachment now numbers nearly 400 serving a population approaching 350,000.

Last Wednesday the Surrey chamber of commerce hosted the fifth annual Police Officer of the Year awards dinner. Award recipients were: the Arnold Silzer Community Policing Initiative Award to the Surrey Minor Hockey Association; the Police and Business Partnership Award to the Lark Group; the Policing Volunteer of the Year Award to Bill Brand; the Police Municipal Employee of the Year Award to Vivian Thompson; the Police Officer of the Year Award, as nominated by members, employees and volunteers of the Surrey detachment, to Corporal Al Bouchard; and the Police Office of the Year Award, as nominated by the community at large, to Corporal Greg Roche.

Congratulations to this year's award recipients and a sincere thanks to those who have served Surrey with distinction over the past half century.

[Translation]

#### INTERNATIONAL TRADE

**Hon. Diane Marleau (Sudbury, Lib.):** Mr. Speaker, our government can be justifiably proud of Canada's exceptional performance throughout the year 2000 in the area of international trade and investment.

These are the motive forces behind our economy and prosperity. The figures cannot lie: 319,000 full time jobs were created, taking the unemployment figures to the lowest level since 1974. We also attracted \$93 billion in direct foreign investments, which indicates a massive vote of confidence in our economic future.

Canadian trade and investment have attained new record levels in 2000 for the ninth consecutive year of economic growth; this is the longest and most stable period of expansion since the 1960s.

Given all these successes, I believe we can have confidence in the Government of Canada to negotiate international agreements that will serve the interests of all Canadians.

\* \* \*

#### YOUNG OFFENDERS

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, yesterday the Bloc Québécois, through its justice critic and member of parliament for Berthier—Montcalm, along with actor Marc Beau-pré, launched a tour of Quebec with the theme "At least give us a chance".

The main objective of this undertaking is to express aloud what everyone in Quebec is thinking. All stakeholders in Quebec are opposed to this reform, judging it to be pointless and even dangerous, as far as its anticipated effects on reducing crime in the long term are concerned.

The present young offender legislation works very well in Quebec. Proof of this is that the youth crime rate in Quebec has dropped 23% and this legislation has made it possible for Quebec to record the lowest rate in Canada.

This is why Quebec says no to a piece of legislation that is focused more on repression than rehabilitation. It says no to Bill C-7. Consequently, we are asking the federal government to allow Quebec to opt out of application of Bill C-7 and to allow us to continue to apply the current legislation.

\* \* \*

[English]

#### NATIONAL POLICE WEEK

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Mr. Speaker, May 13 to 19 is National Police Week. The purpose is to

raise public awareness and forge stronger ties between police forces and the communities they serve.

Police week results from a collaborative effort between the Government of Canada and the provincial solicitors general. This week will be marked by special activities and displays that promote the idea of co-operation and interaction between police and their communities to promote public safety and well-being. We invite Canadians to participate in these activities.

Our police are extremely devoted, courageous and vigilant. We are proud to take this opportunity to recognize their hard work in ensuring that our communities are safe and secure.

\* \* \*

#### KEITH MANN

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, today I want to give one of the hardest tributes I will ever have to make in the House.

Last Friday evening, Red Deer, Alberta and Canada lost one of the most dedicated volunteers any city, province or country could have. Keith Mann was killed in a tragic traffic accident in Red Deer. He was the head of the music program at Red Deer College, leader of the Red Deer Royals Band, proud member of the Rotary Club and, when it came to music, the number one promoter of Red Deer, Alberta and Canada.

• (1410)

Keith taught music in Hawaii, across Canada, the United States and Europe.

He was loved by our community and all the families whose lives were literally moulded by this great Canadian.

Keith's motto was leave Canada a better place than he found it. Keith was a true Canadian hero. I ask all members to remember their volunteers. We have just lost one of our very best.

I send our condolences and prayers to his wife Marilyn, to his family and to the community who have lost the very best.

\* \* \*

[Translation]

#### HEALTH

**Ms. Hélène Scherrer (Louis-Hébert, Lib.):** Mr. Speaker, I would like to take this opportunity afforded me to congratulate the Government of Canada on its commitment to reducing tobacco consumption.

Smoking kills 45,000 people every year. This is more than accidents, suicides, homicides and alcoholism combined. It is one of our most pressing public health problems.

*S. O. 31*

Over the next five years, over \$480 million will be spent on the tobacco control strategy. Taxation of tobacco products will be reformed and additional funding given to law enforcement agencies to ensure compliance with the laws.

These actions combine with the objectives set by the Government of Canada. Action already undertaken and these new measures are important milestones in improving public health.

\* \* \*

[English]

#### THE ENVIRONMENT

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, the Sydney Tar Ponds are North America's largest toxic waste site. The area contains over 700,000 tonnes of toxic sludge. Toxins include arsenic, lead, tar, benzene, kerosene, poly-aromatic hydrocarbons and the list goes on.

Stomach cancer is 78% higher than the rest of Nova Scotia, cervical cancer is 134% higher and brain cancer is 68% to 72% higher.

Instead of taking action, the government is awaiting yet another study. This time it is a computer analysis based on incomplete information, using hypothetical exposures to healthy people to calculate acute health risks. In other words, another stalling tactic. People are sick and dying while the government stalls.

It is very important for the government today to commit to an immediate permanent move for those families living in unsafe neighbourhoods adjacent to the tar ponds in Sydney, Nova Scotia.

\* \* \*

[Translation]

#### MONTFORT HOSPITAL

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, today, the fight for the survival of the Montfort hospital resumes, as the Ontario court of appeal hears the appeal by the province's attorney general.

However, three judges of the divisional court unanimously decided in November 1999 that the Montfort was necessary to the advancement and improvement of the Franco-Ontarian identity as a cultural minority in Ontario and to this culture's protection against assimilation.

The problem here is not just linguistic, but is also and primarily a brutal attack on the social contract between all minorities in this country and the majority. This is perhaps much less a legal issue than a moral one.

The government of Ontario must respect the rights of Franco-Ontarians and immediately take all the means necessary to ensure

*Oral Questions*

that the only francophone hospital between Hull and Victoria will continue to fulfill its mandate.

\* \* \*

[English]

**NATIONAL DRINKING WATER STANDARDS**

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, for Canadians to regain confidence in the water they drink, we need to invest in water quality. At present there is no charge when we draw water from wells, when industries discharge polluted water and when we use water at home we pay very little.

Until now we have managed water mostly to ensure an adequate supply. From now on we should shift the focus to preventing water pollution from harmful agricultural and industrial activities as well as using water more efficiently.

In addition, governments should, instead of reducing, raise taxes so as to be able to modernize and improve many waterworks, plants and infrastructures in villages, towns, reserves and urban centres.

The current water crisis is man-made and therefore can be resolved. We all can regain confidence in tap water, provided we learn to respect the value of water.

\* \* \*

**HERITAGE**

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, the Prime Minister wants to leave a legacy of his tenure that involves the bulldozing of three blocks of properties and moving two heritage buildings. This would free up the view of the parliament buildings. All this is apparently being done in secrecy.

• (1415)

The Progressive Conservative Party supports heritage, but it should be noted that before the grandiose project becomes a reality, or even comes close to becoming a reality, parliament should be consulted.

Canadians want a legacy of jobs and opportunities, safe water and clean air, not a secret plan to erect a monument to the Prime Minister's vanity. The Prime Minister should end this buying spree now and quash the plans for Champs de Chrétien.

---

**ORAL QUESTION PERIOD**

[English]

**NATIONAL DEFENCE**

**Mr. Grant Hill (MacLeod, Canadian Alliance):** Mr. Speaker, the government continues to delay a formal decision on the concept

of national missile defence. The United States has been seeking a concept from Canada as to whether or not this was supportable.

Of course this is a decision that corresponds with the best interests of Canada. Is the government prepared to support the concept of national missile defence?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the Americans themselves have not put forward the details of what they have in mind. I do not see how we can be responsible in this serious matter until we have been informed of the details and until we have considered them. This is what we are doing in the interests of Canada.

**Mr. Grant Hill (MacLeod, Canadian Alliance):** Mr. Speaker, the concept of defence is something that I think most Canadians would support.

NORAD is vital for the security and sovereignty of Canada. One of NORAD's prominent individuals has said that failing to support national missile defence would mean the beginning of the end of NORAD. On this basis what possible grounds can there be for not supporting this important concept?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I think it would be premature and irresponsible to take a definite position on something the Americans themselves have not spelled out in detail. I do not know why the hon. member wants us to be irresponsible and premature on such an important matter.

**Mr. Grant Hill (MacLeod, Canadian Alliance):** Mr. Speaker, I suppose having to mention the concept again would be something that went over the Deputy Prime Minister's head.

If I might, several weeks ago the president of the United States phoned our Prime Minister. The subject of national missile defence was discussed. Did the president ask for Canada's political support of the concept of national missile defence? Yes or no.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I understand that the president may well have given some briefing to our Prime Minister, but I do not think it would either be responsible or sensible to talk about a concept rather than the solid details of an absolute and definite plan.

This may be the way the Alliance Party runs its own internal affairs. It deals with the concept of leadership rather than the reality of its disintegration. That is not the way we want to run Canada on behalf of all Canadians.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, time is running out for a decision on a national missile defence system that will protect Canada's interests.

A few weeks ago the director general of policy and planning in the Department of National Defence was quoted as saying:



*Oral Questions*

The value of our political support will...depreciate as we approach decision time. Once the U.S. has made its decision, that value could be reduced to nothing.

When will the government get off the fence, act in Canada's national interest and publicly endorse a national missile defence system?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I understand that President Bush has outlined a major reworking of the global strategic framework from the American point of view, but we do not yet have full details of what he is proposing.

If we are interested in the best interests of Canada we have to deal with details and we have to deal with facts rather than the immature and premature speculation of the Alliance Party.

[Translation]

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, the Americans have long been interested in our position.

Our deputy commander of NORAD and other senior officials warn us that the future of NORAD itself is at stake, if we do not support this defence system.

Why does this government want to play political games with Canada's national interests?

[English]

**Mr. John O'Reilly (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, the Americans have yet to decide on the details of the future system. Therefore speculation and the implication for NORAD are very premature. When a decision is made Canada will be consulted, as has been promised.

\* \* \*

• (1420)

[Translation]

### SINGLE CURRENCY

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, first it was the Governor of the Bank of Canada talking about a ten year time frame for adopting a single currency. Now it is William Ruben of the U.S. federal reserve talking about the possibility of a North American monetary union.

When will the federal government listen to Canadian and U.S. central banks and assume its responsibilities by setting Canadian symbolism aside and contemplating the possibility of adopting a single currency in North America in the middle term?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I think that the leader of the Bloc Quebecois would do well to read the text of the member for Markham's speech, which was released on the weekend, to get a clear picture of both sides of the issue and why it is so important for Canada to keep the Canadian dollar.

**Mr. Gilles Duceppe:** Mr. Speaker, we have read the speech and we see it differently.

I urge the Minister of Finance to read the other speeches as well, to engage in real debate, rather than mouthing patriotic phrases, rather than taking an opposing stand as he did in the free trade debate. We saw how they came to their senses too late.

Rather than getting caught at the last minute, should the government not be responsible and examine this issue in the context of the integration of North American economies?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, what is at issue here is that the Bloc Quebecois really wants to let Washington set our monetary policy. What other federal powers does it want to hand over to Washington in order to advance the cause of Quebec sovereignty?

**Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ):** Mr. Speaker, the government opposes the creation of a single currency in North America by arguing that it would be difficult to switch overnight from a Canadian to a North American dollar. In spite of that possibility, the government adopts a do nothing approach.

Is it not irresponsible on the part of the government to not prepare Canada for a possible transition from a Canadian to a North American dollar, considering that central banks in Canada and in the United States have already begun looking at this possibility?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, what is responsible is to set up in our country a structure that will allow us to keep our own powers, including fiscal and monetary powers.

This is why we have a low inflation rate. This is why we are creating jobs at a much faster pace than the Americans. This is why Canadians' disposable income is rising. This is what we should be doing and this is what we are doing.

**Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ):** Mr. Speaker, the Minister of Finance alludes to Canadian sovereignty. I invite him to talk to his colleague, the Minister for International Trade, who wrote in his book entitled *Pour une politique de la confiance* that "The state has lost the ability to direct its monetary policy". This is from the Minister of Finance's own colleague.

Why does the government prefer to stick with the Canadian dollar, which has constantly been depreciating over the past 30 years, instead of considering North America's economic integration, which could lead to monetary integration?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member should simply look at the facts, in other words, at the difference between the Canadian and American economies.

### Oral Questions

If we and the Americans had had the same currency during the Asian crisis, Canada's economy would probably have suffered a major downturn, instead of performing the way it did.

The hon. member should realize that he is advocating a solution that would have a huge negative impact on Canadian families.

\* \* \*

[English]

### BULK WATER EXPORTS

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Minister of the Environment and has to do with remarks that the Prime Minister made in Atlanta, Georgia, with respect to the export of bulk water. The Prime Minister is reported to have not entirely ruled out Premier Roger Grimes' proposal to harvest 13 billion gallons of water from Gisborne Lake.

Given the fact that the Minister of the Environment has spoken so critically of this proposal in the past, could he explain what the Prime Minister was up to? Is the government still opposed to the particular project, or is the Prime Minister indicating an openness to the project that was not there before?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I thank the hon. member for his question. The government's position remains clear. We oppose bulk water removals. This is an environmentally sound strategy. It respects provincial jurisdiction and is trade consistent.

• (1425)

There is concern across the country but, as the Prime Minister correctly pointed out, there are constitutional complications and we do need provincial support to make this the most effective ban possible.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, perhaps some day the minister could explain to the House what he means by trade consistent.

Could the Minister of the Environment arrange a briefing for the premier of Newfoundland on ecosystems so that he and others could stop suggesting that freshwater which flows into the ocean is somehow being wasted. Does it not seem to the Minister of the Environment that is how the oceans are created in the first place and that is how they maintain their health?

Could he arrange for this to be explained to Mr. Grimes and others who make this specious argument.

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I would always hesitate to enter into discussion with a minister of religion on the creation of oceans or any other part of the biosphere.

Nevertheless, I will take his suggestion of a briefing with provincial premiers and provincial ministers of the environment as notice.

\* \* \*

### BUSINESS DEVELOPMENT BANK OF CANADA

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, my question is for the Deputy Prime Minister. The *Globe and Mail* reports another outbreak of forgeries at the Business Development Bank. Is this epidemic of forgeries occurring only on the Auberge Grand-Mère file or is there a general problem in the bank?

The bank now claims that its chronology of events in the Grand-Mère file is "not in conformity with the *Globe and Mail* version". Will the government table the Business Development Bank's version of the chronology in the Auberge Grand-Mère file?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the Business Development Bank has turned over to the RCMP the documents in question. The matter is now up to the RCMP. I am sure it will do its duty.

\* \* \*

### NATIONAL DEFENCE

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, again my question is for the Deputy Prime Minister. In preparing for his secret briefing with American experts, the Prime Minister would have received basic information about the proposed missile defence shield.

Could the Deputy Prime Minister confirm that the estimated cost of this project would be a minimum of \$60 billion U.S. and could rise to hundreds of billions of dollars?

If those are not the figures the government has been given, what figure has the Government of Canada been given and what does the Deputy Prime Minister estimate the cost would be to Canada, were we to participate? Would it be in the billions of dollars?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, we are continuing to seek details of the American proposals. Once we have them and we consider the matter, at the appropriate time I am sure the House will be consulted.

In the meantime, the hon. member might explain how this is supplementary to his original question. What happened to the epidemic of forgeries? They must have got stuck in the hon. member's brain.

\* \* \*

### THE ECONOMY

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, government spending is running out of control. In the last fiscal year program spending was up by over 7% and the

*Oral Questions*

government projects to see program spending increase by at least 5% a year, which is nearly twice the combined level of inflation plus population growth.

If we were simply to restrain spending at the rate of inflation and population growth there would be an additional \$58 billion available for additional tax relief and debt reduction.

My question is for the finance minister. Why has he bowed to pressure from his big spending cabinet colleagues rather than doing the responsible thing, holding the line and providing Canadians with more of their own hard earned money?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member's numbers simply do not hold water, but there is no doubt there has been increases in certain areas.

I would simply like to ask him: Given that the majority of those increases have taken place in the transfers to provinces for health, that they have taken place in terms of increases in elderly benefits and that they have taken place in the increase in equalization, perhaps the hon. member would tell me which of those three programs he would cut.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, there is a growing consensus that the government is headed for a planning deficit within four fiscal years. Even the member for Markham and the former ADM of finance have said that a planning deficit could occur in the year 2004-05. That would eat into the so-called contingency reserves which are supposed to be there to handle unexpected emergencies.

Will the finance minister commit to the House here and now that he will not delve into the contingency reserves except for emergencies? Will he commit that he will not finance regular government spending out of the prudence reserve?

• (1430)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member knows full well the contingency reserve has been in place ever since we formed the government. He knows exactly the conditions under which it is to be used, and it will continue to be used in that way.

\* \* \*

[Translation]

**ANTIMISSILE SHIELD**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, a senior federal official has admitted that Canada is preparing to give its support to the U.S. missile defence shield program. According to this person, the justification for this about-face is that it would spare Canada from losing jobs, from missing out on substantial

contracts, and particularly from having to reopen the entire issue of NORAD.

Could the government confirm this statement and will it finally admit it is preparing to support the anti-missile project put forward by the Bush administration? Let it admit this.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the government has not reached such a decision. The hon. member must wait. After we have reviewed the details of the Americans' plans, we will inform the House in due course of the outcome of our consultations.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, the Bloc Quebecois has requested a meeting with the U.S. emissaries.

In order for there to be an informed debate on this subject, does the government intend to allow the opposition parties to benefit from this meeting, and can it commit to a debate and a vote in this House before Canada takes its official position on this project?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, as I have said, we are going to consult the House in due course. There is, of course, the possibility of a debate at this time. It is premature to discuss a project on which we have not decided on a position.

\* \* \*

[English]

**GOVERNMENT CONTRACTS**

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, Madam Tremblay, a close friend of the minister of public works, has been awarded millions of dollars worth of contracts by the Liberal government. She has a long history of Liberal connections.

Why does having Liberal connections seem to make a difference when it comes to receiving government contracts?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, all the contracts in question have been given according to treasury board guidelines and in a competitive process.

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, last month we asked about lucrative contracts to Madam Tremblay. Last week we asked about Groupaction. Now again it is Madam Tremblay receiving even more Canadian taxpayer money without proper tenders.

I ask the minister to open up all government contracting to competitive bidding and to take the politics out of the government's contracting process. When will he do it?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I repeat that all those contracts and the contract that the hon. member makes reference to

*Oral Questions*

are given in a competitive process. If the hon. member is ready, my officials are ready to give him a briefing on how we do procurement for communications contracts, which might be a little bit different from the others, but that is the system that everybody uses.

\* \* \*

[Translation]

**BULK WATER EXPORTS**

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, yesterday the Newfoundland premier reaffirmed his desire to license private companies to export water in bulk. Such a precedent could encourage private companies wanting to take the government of Quebec to court under NAFTA, because, as hon. members will recall, the government of Quebec has imposed a moratorium on the bulk export of water.

Is the government aware that NAFTA could prevent Quebec from deciding itself what it will do with its water?

[English]

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, as I mentioned a moment ago, on the issue of bulk water exports there is need for co-operation between all jurisdictions in Canada. Certainly we respect and we applaud the decision taken by the province of Quebec with respect to water within its jurisdiction. As I indicated, the federal government's position is clear. We do not approve of transfers from one water basin to another.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the Prime Minister says that water is not a tradable item under NAFTA, because Canada signed a joint declaration with the U.S. and Mexico on this. However, the American authorities have said that the declaration changes absolutely nothing in NAFTA and does not preclude the bulk export of water in any way.

Will the government confirm that, under NAFTA, water is indeed a tradable item, a fact that would considerably undermine Quebec's ability to limit or prevent the bulk export of water?

• (1435)

[English]

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, were that the case, it would certainly undermine the authority of the province of Quebec to take decisions with respect to water within its jurisdiction, which it is entitled to do by the constitution, but fortunately it is not the case.

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, for the second time in a month officials of the Business Development Bank are claiming that an internal document obtained by the media is a forgery. Last month it was a financial record. This time it is a chronology relating to the recall of the \$615,000 loan for which the Prime Minister had personally lobbied.

The accusation that forgeries are being either produced or leaked on a recurring basis is a serious charge. On what grounds is this accusation being made?

**Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, let me say that the document that was referred to in the *Globe and Mail* has been referred by the BDC to the RCMP for investigation. It has been concluded that the copy right now is of course not in conformity.

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, I have no idea what that was about. Let me ask my supplementary question this way.

The Prime Minister has openly admitted that he pressured the Business Development Bank for a loan to the Auberge Grand-Mère. We all know the auberge defaulted on the repayments, so it would be routine for a bank to call the loan. Yet the BDC said that the document recording the foreclosure was forged. What reason does the BDC have to believe that the document was forged?

**Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I can understand why the member is confused. There is more confusion in his party than in the BDC.

Nevertheless, all I can say right now is that it is in the hands of the RCMP for investigation. We will leave it at that. It is not in conformity, and at the appropriate time they will know.

\* \* \*

**THE ENVIRONMENT**

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, three years ago the international community agreed to dramatically reduce or even eliminate persistent organic pollutants. Known as the dirty dozen, POPs include PCBs, dioxins and DDT. They remain in the environment for decades. Particularly, they are harmful to Canada's northern peoples.

Could the Minister of the Environment tell the House what action Canada is taking domestically and internationally to reduce these substances?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I am pleased to inform the House that I will be



*Oral Questions*

signing, on behalf of Canada, the United Nations convention on persistent organic pollutants in Stockholm next week.

At the same time, I would like to point out to the House that we all owe a great debt of gratitude to Dr. John Buccini, who chaired the meetings in Johannesburg that led to this protocol. I think that as a result we have something of great interest and importance to Canadian northern peoples.

\* \* \*

**NATIONAL DEFENCE**

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, for months now the NDP caucus has been calling on the Prime Minister to clearly state the government's opposition to the U.S. military defence proposal. The reply has always been that the government will talk to the Americans and then it will tell Canadians what was said.

Tomorrow President Bush's travelling salesmen are coming to Canada to find out if we will be part of this treacherous NMD scheme. What will the government tell the Americans when they come a-calling. Will it ignore the opposition from millions of Canadians, including members of its own caucus, or will the government say no to George Bush and refuse to allow Canada to be a part of this nuclear madness?

**Mr. John O'Reilly (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, once again we repeat that the Americans have not made a decision on this. When they do, a full debate will probably take place in the House and everyone will have an opportunity to respond. However, until a detailed response from the Americans is received, it is pretty hard to give an answer.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, millions of Canadians have made it clear that we do not want to be a part of plans to spend billions of dollars escalating the arms race. Imagine our surprise, given what we have just heard, to read what senior officials are saying in today's paper, which is that Canada will support George Bush's missile shield and that Canada has already made up its mind. Who do we believe? We want to know.

Given this contradiction and the obvious division of interest around this, will the government bring to the House for debate and for a vote any ratification or endorsement of the NMD?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, there is no contradiction. Members of the government are standing in their places in the House saying that the government has made no decision on an American proposal, which the Americans themselves have not yet quantified in detail.

• (1440)

It is true that officials are coming to Ottawa tomorrow to provide information to our officials. This is only at the level of officials. We have not made any decision on the matter and will not make any until we have studied all the details and have looked at it in the light of Canada's interests.

I repeat that we will seek appropriate ways of consulting with the House of Commons when the time arrives.

\* \* \*

**HUMAN RESOURCES DEVELOPMENT**

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, in a speech delivered today in Halifax the human resources minister said that Canada faces a tremendous challenge in attracting and keeping high skilled workers.

This being the case, why does the minister's department post jobs located in the United States on HRDC's Canadian taxpayer funded website?

**Hon. Claudette Bradshaw (Minister of Labour, Lib.):** Mr. Speaker, under departmental policy HRDC does not assist foreign employers to recruit Canadian employees for jobs outside Canada. We are looking into this case to ensure that the employer is Canadian. The posting has been suspended until this is determined.

\* \* \*

**THE ECONOMY**

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, the industry and human resources ministers are preparing a white paper that will outline how to correct Canada's lagging productivity growth and may suggest major tax changes in business incentives. This white paper sounds a lot like the budget that the finance minister is unwilling to deliver.

Has the finance minister's budget authority been usurped by the industry minister?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I would like to congratulate both my colleagues, the Minister of Industry and the Minister of Human Resources Development, and indeed all the other members of cabinet and caucus who were involved in this paper.

It is very important, the hon. member will understand, to look ahead to begin to build the economy of tomorrow and that is exactly what the government is in the process of doing.

*Oral Questions***NATIONAL DEFENCE**

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of National Defence.

Four prominent Canadian generals have publicly disagreed with the minister when the minister claimed that the Canadian forces are as combat ready as the forces were 10 years ago.

Generals MacKenzie, Dallaire, Addy and Belzile have warned Canadians about the capacity of the forces. When will the government rebuild morale, equipment and combat readiness?

**Mr. John O'Reilly (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, the department under the present general, General Baril, has indicated that it is combat ready. We have 3,100 Canadian forces personnel presently on duty throughout the world doing a good job, a job for which they should be praised and thanked, not some hollow rhetoric.

I have never been allowed to say this, but it seems that as soon as one becomes a retired general one receives with the first pension cheque some type of conscience that one did not have when in the CF.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I want to tell the hon. member that Canadians themselves disagree with what he has said. They really question the government and the capacity of the military.

How can we send troops into war zones around the world when the former military say that they are completely not ready to go?

**Mr. John O'Reilly (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, the government is committed to building and maintaining multipurpose, combat capable forces that are equipped to perform a wide range of duties and missions. The policy continues to serve Canada, both at home and abroad, and what military personnel do abroad.

\* \* \*

[Translation]

**GENETICALLY MODIFIED ORGANISMS**

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, for more than two years now, the Bloc Quebecois has been pushing for mandatory labelling of genetically modified foods and calling on the government to bring in legislation.

Today, we have learned that over 80% of Quebec farmers polled are in favour of mandatory labelling of GMOs.

When is the Minister of Agriculture and Agri-Food going to face the facts and admit that legislation to make such labelling mandatory is long overdue and urgent?

[English]

**Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, we are consulting with stakeholders and interested parties. We have had the Royal Society of expert panellists. They have made the report and of course we are studying it to see whether it would be possible to do this and how we would do it.

We want to be accountable for all our people and all our processes.

• (1445)

[Translation]

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, European Union countries now require that genetically modified foods be labelled.

Does the minister, or his parliamentary secretary, not realize that his failure to act in this matter could have a serious negative impact on exports of Quebec and Canadian products?

[English]

**Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, let us make it very clear that there has never been any proof of anyone getting sick from eating any type of GMO food.

Safety is our number one concern. We have the Canadian Food Inspection Agency and our products are well received around the world from all provinces, including Quebec.

\* \* \*

**NATIONAL PARKS**

**Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, park wardens in our national parks have a proud tradition of service. Hiring the RCMP to do the wardens' job will still leave park wardens without the proper safety equipment.

Why will the minister not follow the recommendation of her department to equip wardens with side arms?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I thank the hon. member for her question. I would also like to wish my mother a happy mother's day because she is in the gallery today.

I hope I answer this one well. In fact, we are following the recommendations of the chief operating officer of Parks Canada.

**Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, why is the government insisting on

*Oral Questions*

spending \$40 million for the RCMP to patrol our national parks when park wardens, if properly equipped, are already on the ground to do the job?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I think Parks Canada looked at the issue of enforcement and the chief operating officer of Parks Canada understood that if we want to have police enforcement in the national parks it should be done by police.

\* \* \*

**PARA TRANSPRO**

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, my question is for the Minister of Labour. Last Friday the minister indicated her displeasure with all the parties involved in the Para Transpo strike, a strike that is entering its third month. Thousands of people have been left homebound and services are not being provided to the people who need them.

This morning the minister invited the various parties to the dispute to her office. Would she tell us what progress has been made and how soon these people can expect the service they need?

**Hon. Claudette Bradshaw (Minister of Labour, Lib.):** Mr. Speaker, I called an emergency meeting this morning to meet with both parties. I advised the union and the employer that they were responsible for resolving their differences and that it was time for them to settle the dispute and restore transportation services to the disabled people of Ottawa.

I also appointed my assistant deputy minister, Mr. Warren Edmondson, as mediator to work with them. I urge both parties to work with the assistance of Mr. Edmondson to conclude a fair collective agreement. This dispute must be settled soon.

\* \* \*

**IMMIGRATION**

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, it would appear that the immigration minister is more concerned about the public image of the department than about public health.

In 13,000 high risk cases of tuberculosis among landed immigrants, the immigration department failed to notify health authorities in Ontario, Alberta, British Columbia and Quebec.

Will the minister assure the House that the very serious problem of monitoring and reporting high risk TB cases will be properly addressed?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Yes, Mr. Speaker, I assure all members that public health and safety are number one priorities for my department.

We are working to ensure that there is an improvement in the communication among federal, provincial and public health partners to ensure that we monitor and refer appropriately all cases of anyone who needs medical assistance in Canada.

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, these alarming statistics come from the department of medicine of one of Canada's most respected universities. It is concerned.

• (1450)

I repeat that the immigration department did not report 13,000 high risk tuberculosis cases to provincial health authorities. When will the minister assure Canadians that the very serious problems of monitoring and reporting high risk TB cases will be properly addressed?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, it is important that the member opposite not engage in fearmongering. We are all very concerned that cases be properly reported and monitored.

However she should know and others should know that TB cases in Canada have remained stable over the last decade. Canada has one of the lowest number of cases of tuberculosis in the world. We want to keep it that way. That is why we want to improve our medical monitoring system and our partnership-relationship.

\* \* \*

[Translation]

**FOREIGN AFFAIRS**

**Mr. Yves Rochelleau (Trois-Rivières, BQ):** Mr. Speaker, the Israeli government has rejected the Mitchell report recommendations calling on it to stop establishing Jewish settlements in the Palestinian territories, in order to put the peace talks on a more solid footing. Yesterday, five Palestinian police officers were shot to death as the Intifada continued.

Does the Canadian government not feel that it should call on the United Nations to hold an emergency debate on the conflict between Israel and Palestine as soon as possible?

**Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, first, Canada offers its deepest condolences to the families of the victims on both sides in this tragic conflict.

Canada condemns the violence and terrorist acts and calls on all parties in the region who truly want peace to condemn these events themselves.

The report of the Mitchell commission represents a constructive contribution to the efforts of the international community and suggests a way out of this conflict for the various parties. Its recommendations mirror Canada's policy and as long as—

*Oral Questions*

**The Speaker:** The hon. member for Bruce—Grey—Owen Sound. [Translation]

\* \* \*

[English]

**TRANSPORTATION**

**Mr. Ovid Jackson (Bruce—Grey—Owen Sound, Lib.):** Mr. Speaker, Canadians are becoming increasingly concerned over incidents of air rage. As a matter of fact new international incidents have heightened this concern.

My question today is for the Minister of Transport. Could the Minister of Transport explain to the House how he intends to deal with this threat and what exact steps has he taken to make sure Canadians are protected when they travel by aircraft?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, Transport Canada is taking a leadership role in addressing this issue. We are working closely with stakeholders. We hope to have policies and procedures in place this summer. We are working with airlines and police organizations.

The Alliance members may laugh but air rage is no laughing matter. We will be distributing a booklet in the next little while entitled “Unruly Passengers: The Police Response”. Also we took an interim measure, which became effective on March 17, requiring cockpit doors to be locked during a flight when an incident or threat to flight safety arises due to unruly or abusive behaviour.

\* \* \*

**AGRICULTURE**

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, over the last two weeks I have been asking the Canadian Wheat Board minister to exempt organic wheat growers and millers from the buyback provisions of the Canadian Wheat Board monopoly. The minister promised to ask the elected board members what he should do.

Has the minister asked the directors and what instructions did they give him?

**Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, the hon. gentleman acknowledges that there is a board of directors in place at the Canadian Wheat Board. Two-thirds of that board is directly elected by farmers.

The concerns with respect to organic matters have been raised with the directors of the Canadian Wheat Board. They have put in place a producer direct sales system. They have more recently improved that system. The most recent representations have been drawn to their attention and I trust they will respond in a timely manner.

**HIGHWAY INFRASTRUCTURE**

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, the Minister of Public Works and Government Services recently confirmed that construction work for the two bridges and the completion of Highway 30 would begin at the earliest opportunity.

Since that meeting, the Quebec Minister of Transport earmarked the necessary funds to complete Highway 30 and he has said that he is ready to share the costs on a 50:50 basis.

Since this project dates back a few years, will the minister follow the example of his Quebec counterpart and immediately allocate the funds required to build the two bridges and complete highway 30?

• (1455)

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, we pledged to build two bridges and 14 kilometres of road in partnership with the private sector. We have hired consultants to set up a system to promote the construction of these two bridges and 14 kilometres of road.

\* \* \*

[English]

**THE ENVIRONMENT**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, news of more delays by the government in supporting the relocation of families at risk in Sydney, Nova Scotia, is very disturbing. Clearly there is hardly a need for more studies. They only add to the agony and grief of families already suffering enormously.

I have a question for the Minister of the Environment. Will he commit today to an immediate and proper relocation program for the families affected by the toxic contamination of the Sydney tar ponds?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the question follows those by representatives of the same political party last Friday. We intend to wait until we have the scientific report which was commissioned and which we expect this week before making decisions on relocation and a number of other questions related to that.

We do not think it is appropriate to proceed without having the scientific basis for decisions which could massively disrupt the lives of individuals and involve great cost to public authorities both federal and provincial.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, my supplementary question is for the Minister



of the Environment. It is not the disruption of these people's lives. It is their health and their very well-being that people in Sydney, Nova Scotia, are most concerned about.

Based upon the health risk and based upon the science that is pending, will the minister today give his commitment on behalf of the government to financially assist those at risk who need to be relocated permanently to avoid life altering illness?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the hon. member's question relates to those who need to be relocated permanently. It is exactly that question upon which we are attempting to receive the best scientific information we can.

If he wishes to move people away from that part of Cape Breton, surely we should at least have the scientific basis upon which to do it.

\* \* \*

## JUSTICE

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, because of recent events once again thousands and thousands of families across Canada are living in fear and watching their children every moment of every day for fear that some perverted criminal that likes to hurt kids is on the loose. Many of them are on the loose because of the failure of the government to protect society the way it should.

Which member of the government will stand and declare that the life of a child is far more important than the lives of these perverted violent individuals?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, I would hope that my hon. colleague would never want to politicize one of the most unfortunate and difficult situations in Canada today. Our prayers and our hearts go out to the family at this time. I am surprised my hon. colleague would ask such a question.

\* \* \*

[Translation]

## POINT OF ORDER

### ORAL QUESTION PERIOD

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, I would like to go back to an incident, which occurred earlier during oral question period. It involved the Minister of Canadian Heritage, when she was answering a question raised by a Canadian Alliance member.

## Point of Order

I want to make it clear that I am not questioning the value of Mothers' Day and even less so the role played by the mother of each member of this House.

However, during oral question period, the Minister of Canadian Heritage mentioned her mother's presence in the gallery. Mr. Speaker, we received a directive addressed by you to all the House leaders, in which it is pointed out that the right to mention the presence of certain individuals in the gallery is a privilege which, under Beauchesne's parliamentary rules, is the exclusive prerogative of the Chair. Under this procedure, a list of the names of people who may be pointed out by the Speaker is drawn up.

• (1500)

Twice in this House, you strongly warned members, the Bloc Québécois member for de Repentigny and the Canadian Alliance member for Edmonton Centre-East, to apologize, and you threatened to no longer recognize them during statements by members or during oral question period.

The aim of this point of order is simply to find out if there are two standards in this House and to guide members on pointing out the presence of certain guests. We each have visits from family and want to know if, in the future, we can point out their presence during oral question period.

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I was not aware of this directive, but I would like to offer my deep apologies. Obviously, what I did went against the standing orders. I would also like to apologize because I know my Mum does not want to get me into trouble.

**The Speaker:** I can perhaps help the hon. member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans and the Minister of Canadian Heritage by quoting from Marleau and Montpetit, at page 239:

Only from the Speaker's gallery can distinguished visitors (such as heads of state, heads of government and parliamentary delegations invited to Canada) be recognized and introduced to the House by the Speaker.

I have to say I was a bit surprised when the Minister of Canadian Heritage, who was the deputy prime minister a few years ago, mentioned the presence of someone, even though it was her mother, in the gallery. It is difficult for the Chair to do otherwise than to indicate to the minister that her recognition was unacceptable from a procedural standpoint, as I have done for the other members during statements by members.

[English]

However, I am sure the minister's mother, having heard the hon. member's point of order, will now raise the matter with her daughter and the matter will be dealt with accordingly.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***GOVERNMENT RESPONSE TO PETITIONS**

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

\* \* \*

*[Translation]***AUTOMOTIVE POLLUTION REDUCTION ACT**

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.)** moved for leave to introduce Bill C-350, an act to protect human health and the environment by oxygenating automotive fuels.

He said: Mr. Speaker, I have the pleasure of introducing a bill to protect human health and the environment by oxygenating automotive fuels. This is the second time I have tried to do so.

*[English]*

However, hope springs eternal. The objective of the law is that no person shall produce or import for use or sale in Canada or sell or offer for sale any gasoline or diesel fuel that has an oxygen content of less than 2.7% by weight, the idea being to make gasoline purer and less polluting. I hope the bill will receive the strong support of the House.

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

\* \* \*

● (1505)

**MOTOR VEHICLE TRANSPORT ACT, 1987**

**Hon. David Collenette (Minister of Transport, Lib.)** moved that Bill S-3, an act to amend the Motor Vehicle Transport Act, 1987 and to make consequential amendments to other acts, be read the first time.

(Motion agreed to and bill read the first time)

\* \* \*

**PETITIONS****VIA RAIL**

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to present another petition from people of central Ontario who support the re-establishment of VIA Rail service between Toronto and Peterborough.

The petitioners point to the environmental advantages of this, for example, the reduction in greenhouse emissions, and to reduced accidents, reduced wear and tear and waste of time in traffic jams on Highway 401. They also point out that this would strengthen Peterborough as a business centre, educational centre and tourist centre. It would also strengthen public transit for the entire greater Toronto area.

I am pleased to say that this petition now has support in no less than eight federal ridings, namely, Haliburton—Victoria—Brock, Durham, Whitby—Ajax, Pickering—Ajax—Uxbridge, Markham, Scarborough—Rouge River and Hastings—Frontenac—Lennox and Addington as well as Peterborough itself.

The petitioners call upon parliament to re-establish VIA service between Peterborough and Toronto.

**MISSILE DEFENCE PROGRAM**

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, I am pleased to present a petition on behalf of a number of Manitobans who would like to bring to the attention of the House the following: that the Government of Canada may be asked to support the U.S. national missile defence program.

They wish to point out that NMD is a unilateral initiative of the United States and that it would be a step toward the deployment of weapons in space, it would lead to a new arms race, it would violate the 1972 Anti-Ballistic Missile Treaty, and that these treaties are cornerstones of the international non-proliferation arms control and disarmament regimes long supported by Canada.

The petitioners therefore call upon parliament to declare that Canada objects to the national defence program of the United States and they ask that parliament play a leadership role in banning nuclear weapons and missile flight tests.

**PESTICIDES**

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, I am pleased to present a petition from a number of residents in Ottawa West—Nepean calling on the Government of Canada and on the House of Commons in particular to support the imposition of an immediate ban on the cosmetic use of pesticides until such time as their use can be proven to be safe and without long term harm to the environment, this as consistent with the precautionary principle.

**IRAQ**

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, my second petition is signed by constituents in Ottawa West—Nepean calling on the House of Commons to support, in accordance with the report of the Standing Committee on Foreign Affairs and International Trade, the lifting of sanctions against Iraq and the immediate cessation of bombing in Iraq.

## VISTEON CANADA

**Mr. John McCallum (Markham, Lib.):** Mr. Speaker, I would like to present a petition signed by approximately 800 individuals regarding a plant closure announced in January of this year. Visteon Corporation will be closed down and the plant will be transferred to another lower wage country. Somewhere in the order of 1,200 jobs will unfortunately be lost.

The petitioners would like to set up a meeting with the Minister of Industry to review the situation and to look into possible solutions for the people who will be adversely impacted by this move.

\* \* \*

• (1510)

### QUESTIONS ON THE ORDER PAPER

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the following questions will be answered today: Nos. 17 and 29.

[Text]

#### Question No. 17—**Mr. Joe Comartin:**

With regard to Bow River water quality below Lake Louise, Alberta: (a) what are the potential cumulative impacts that development, community development and increased visitor use at Lake Louise may have on Bow River water quality; (b) what studies on the potential cumulative impacts are complete, and if not complete, why not; (c) what cumulative impact studies include considerations for communities downstream; (d) what is the maximum value for effluent loading of the Bow River at Lake Louise and below Lake Louise; (e) what are the parameters for aesthetic considerations of Bow River water quality below Lake Louise; (f) what are the parameters for “naturally occurring water” and “measurement of” in relation to the Bow River below Lake Louise; (g) what is the benchmark for the maximum amount of sewage effluent to discharge for the Bow River at Lake Louise and below Lake Louise; (h) what options to reduce effluent volumes to the Bow River below Lake Louise have been comprehensively evaluated; (i) based on the cumulative effects of proposed development community development and increased visitor use at Lake Louise, what are the potential adverse impacts on the ecological integrity of the Bow River?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** (a) The potential cumulative impact of development and increased visitor use at Lake Louise is to discharge more wastewater effluent into the Bow River. If this caused an increase in nutrients to this nutrient poor river, it could stimulate the growth of algae and a shift in the diversity and abundance of aquatic insects, with pollution tolerant species displacing more common species, such as mayflies. Fish are not likely to be affected.

(b) Water quality monitoring and aquatic studies of the Bow River, at Lake Louise and elsewhere on the river, have been ongoing since at least 1973. Flow records exist for many decades earlier. Some of the studies, such as thesis research, are of

### Routine Proceedings

comparatively short duration but very useful in understanding the ecology of the river, possible reaction to effluent and ways to avoid adverse effects. The findings of the recent environmental assessment for the proposed upgrade to the Banff wastewater treatment plant are especially relevant to the Lake Louise situation, as many of the issues are similar.

(c) The studies conducted on the Banff wastewater treatment plant dealt with the issue of cumulative effect for communities downstream from Lake Louise. The environmental screening for the Lake Louise wastewater treatment plant will also address the possible downstream effects of effluent produced at Lake Louise.

(d) The Lake Louise wastewater treatment plant is being designed to meet both federal and provincial criteria for waste treatment plants. In most cases, it will exceed these criteria.

(e) Potential aesthetic concerns are odour and visual impacts. Currently they are not significant. Achieving the effluent standards will address aesthetic concerns.

(f) The parameters for describing naturally occurring waters are standard measurements of the presence and amounts of chemicals, organisms and solids contained in the water column, for example phosphorous, coliform bacteria and suspended solids. These are measured at one location above Lake Louise and three locations downstream from Lake Louise.

(g) There is no benchmark for the quantity of effluent discharged by the Lake Louise wastewater treatment plant and it is not conventional practice to set one. Instead, the performance of a wastewater treatment plant is assessed on the quality of the effluent, the goal being to avoid having a significant adverse effect on the receiving waters. To that end, Parks Canada has established and is working toward leadership targets that exceed all conventional limits of performance for wastewater treatment plants in Alberta.

(h) Key strategies for the area include water conservation, limiting commercial growth and managing human use.

(i) See (a) above. The changes being contemplated for the existing Lake Louise wastewater treatment plant are to improve its capacity and effectiveness to ensure the potential cumulative effect described in (a) does not occur, even if the quantity of effluent discharge does increase as a result of more visitors to Lake Louise.

[Text]

#### Question No. 29—**Mr. John Duncan:**

With respect to federally built veterans' housing in the greater Vancouver area since 1985: (a) how much money has the government spent repairing water related damage; and (b) what was the original cost of each such housing project or unit so repaired?

*Government Orders*

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** With regard to Canada Mortgage and Housing Corporation, I am informed as follows:

The following table provides costs for construction and repairs related to moisture damage for federally built veterans' housing in the greater Vancouver area since 1985.

(\$ millions )

Building	Construction Cost	Consultants	Total Construction	Repair Cost	Consultants	Total Repair
Kitsilano Buildings (Inner City Vancouver)						
Dunway Court	3.170	0.304	3.474	1.689	0.074	1.763
Point Grey Manor	3.882	0.250	4.132	1.450	0.111	1.561
Larchway Gardens	4.484	0.345	4.829	0.819	0.080	0.899
Kits Court	4.640	0.366	5.006	0.732	0.069	0.801

Veterans Affairs:

Veterans Affairs has not built any veterans housing or paid out any money to repair water damage to federally built veterans' housing in the greater Vancouver area since 1985.

**The Speaker:** Shall the remaining questions stand?

**Some hon. members:** Agreed.

\* \* \*

[English]

**STARRED QUESTIONS**

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, would you be so kind as to call Starred Question No. 31.

I would ask that the question and the answer to Starred Question No. 31 be printed in *Hansard* as read.

[Text]

\*Question No. 31—**Mrs. Elsie Wayne:**

When does the government anticipate finalizing a just and full settlement with the Merchant Navy veterans?

**Hon. Ronald Duhamel (Minister of Veterans Affairs and Secretary of State (Western Economic Diversification)(Franco-phonie), Lib):** On May 4, 2001, the Minister of Veterans Affairs announced an additional \$34.5 million to provide full compensation for qualified Canadian Merchant Navy veterans and their surviving spouses. These funds bring the total monies for Merchant Navy veterans to \$104.5 million and ensure that all successful applicants will receive 100% of their eligible payment. The majority of the second payment cheques will be in the mail by the end of May.

[English]

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

**GOVERNMENT ORDERS**

[English]

**BUDGET IMPLEMENTATION ACT, 1997**

The House resumed consideration of the motion that Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act be read the third time and passed, and of the amendment.

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*



*Government Orders*

**The Speaker:** The division on the amendment will be deferred until the conclusion of government orders later this day.

\* \* \*

**TOBACCO TAX AMENDMENTS ACT, 2001**

The House resumed consideration of Bill C-26, an act to amend the Customs Act, the Customs Tariff, the Excise Act, the Excise Tax Act and the Income Tax Act in respect of tobacco, as reported (with amendment) from the committee.

**Hon. David Collenette (for the Minister of Finance)** moved that the bill be concurred in.

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

**Some hon. members:** Agreed.

(Motion agreed to)

• (1515)

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

**Some hon. members:** Agreed.

**Hon. David Collenette (for the Minister of Finance)** moved that the bill be read the third time and passed.

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

**Some hon. members:** Agreed.

(Motion agreed to, bill read the third time and passed)

\* \* \*

[Translation]

**CANADA NATIONAL MARINE CONSERVATION AREAS ACT**

The House resumed consideration of the motion that Bill C-10, an act respecting the national marine conservation areas of Canada, be read the second time and referred to a committee, and of the amendment.

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, I rise to speak today before this House, not only as a member of parliament, but also as a citizen concerned with protecting the environment.

Like my colleagues in the Bloc Québécois, I am in favour of legislation aimed at protecting the environment and of measures focusing on environments at risk, be they land or water.

Is it necessary to remind this House that the Bloc Québécois supported the bill creating the Saguenay—St. Lawrence marine park? Our support, however, is neither blind nor naive. We will continue to support pro-environment bills, but not at any price nor in just any way. Hence our opposition to Bill C-10.

Our primary objection is that the federal government's intention is to use this bill to appropriate lands that are under provincial jurisdiction by making orders concerning the creation of marine areas.

The federal government would contravene section 92(5) of the Constitution Act, 1867, which provides that the management and sale of public lands are a provincial, not a federal jurisdiction. The federal government cannot use an environmental protection measure to appropriate provincial lands. It should seek the provinces' co-operation, instead of resorting to its usual steamrolling and centralizing approach.

This is yet another example of the federal government's stubbornness about a process that works well. Again, the establishment of the Saguenay—St. Lawrence marine park is the result of co-operation and partnership. Why does the government refuse to listen to reason?

It is the case with the young offenders legislation. The Quebec approach, which is based on rehabilitation and reintegration, has proven effective, but the federal government continues its push for a hard line approach. Today, I realize that the government is using the same process with this bill in that it wants to pass it first and then look at the issues.

I fear for the future of intergovernmental relations because we cannot trust a process that does not respect the public interest and, more importantly, because we cannot trust a government that does not respect its own departments. The Department of Fisheries and Oceans already has a program of marine protection zones in place. I stress the fact that this program is already in effect.

The result of all this is a state of confusion, and particularly of lack of respect. This is a case where the winner will be the one that will manage to gain the upper hand. Within the same government, we could end up with a duplication of tasks and skills.

• (1520)

Why do we want duplication? How can the government justify this duplication? Why is it necessary? How many levels are required? How far will the federal government go in its quest for duplication?

What worries me about this scenario is the rivalry that will result. On the one hand, we have the Department of Fisheries and Oceans, which has expertise in this area. There is the Department of the Environment, which also has expertise in this area. On the other hand, we have Heritage Canada, which has a mandate to promote Canadian unity. Which of them can we trust? Which of them should we trust: Heritage Canada, which uses the environment for national unity purposes, or Fisheries and Oceans, which manages our marine natural resources? Can we trust the federal government to make the right choice in this case? Sometimes, I wonder whether the government has any judgment left, let alone common sense.

*Government Orders*

My main concern about the bill is the flagrant lack of co-operation within the government itself. I strongly doubt whether such behaviour would reassure the other levels of government regarding the introduction and enforcement of a bill which intentions are noble, but which really boils down to unhealthy rivalry.

This brings me to another question: Who will have the upper hand in the event of conflict? Which department will have the last word? If the federal government answers this, it will be tantamount to revealing its true objective and its true nature as far as the purpose of this bill goes. This could easily become a two edged sword. On the one hand, it insists that the environment is a priority, while on the other it takes advantage of this fine principle to flog national identity, using Heritage Canada which, I would remind hon. members, possesses no expertise whatsoever as far as the environment is concerned.

The result is regrettable. Even if we do not go so far as to call it a downright dangerous appropriation of funds and resources, there is confusion, total and insurmountable confusion. There is such confusion that even those in charge of the various departments are lost themselves.

If there is confusion among the departments, it is easy to imagine what confusion there would be among the key stakeholders. Which department will be the one to really administer this protected zone? Which one will really administer the stakeholders? Which will penalize those breaking the law? All these questions remain without answers, and no answers will be forthcoming, for there is no one capable of answering without sinking into a morass of duplicating and overlapping policies.

With this much confusion within the federal government itself, it is easy to imagine the confusion there would be at other levels of government. To whom would a provincial government such as Quebec go in connection with the administration of a protected zone? I have no idea.

This confusion gives rise to another problem as well. The problem is a fundamental one. If the ministers of a government cannot work together, how can we expect the provincial governments and Quebec to collaborate? It is understandable why the government of Quebec would refuse to collaborate in this project. The federal government is unable to tell us clearly and precisely why this bill comes from Canadian Heritage, when Fisheries and Oceans Canada already has a marine area protection program. The Bloc Quebecois cannot but oppose such an incredible administrative muddle as this.

The way this bill is to be implemented is not clear and cannot be because of the nature of its objectives.

• (1525)

Canadian Heritage is assuming jurisdictions that are not its own. It is also trying, with this bill, to take over areas that are not its

areas and thus to meddle once again in provincial jurisdictions and in Quebec's jurisdiction, under cover of the environment. How far will the federal government go in taking over Quebec's and provincial jurisdictions?

I reiterate my opposition to Bill C-10 on protected marine areas for several reasons, including the overlap of the responsibilities of departments and, more particularly, because of the indirect approach taken in appropriating jurisdictions that belong exclusively to the provinces and Quebec.

Once again, the federal government has chosen to introduce a bill that ignores action already taken, and successfully.

I fear for the future of people who believe in this government, which takes no account of their interests. I fear for the future of our environment when the objectives of a bill put before us ignore its primary focus, the environment.

[English]

**Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the member suggested that Bill C-10 interfered in provincial jurisdiction. He also noted that the proposed legislation had areas of overlap with provincial legislation.

Would the member advise the House of one example of overlap to which he refers?

[Translation]

**Mr. Robert Lanctôt:** Mr. Speaker, the example is simple. These are provincial jurisdictions, these are Quebec's jurisdictions. The two levels of government co-operated when the agreement on the Saguenay—St. Lawrence marine park was signed. The question begs the answer.

Duplication on the government's part will be twofold. It is trying to take over lands that belong to Quebec, lands that come under provincial jurisdiction, as stated in the Constitution Act, 1867. It is duplication to try to take over lands by using such a noble piece of legislation, a bill dealing with marine areas and wildlife conservation on certain lands.

I have been asked to give examples. Well, it is all the pitiful attempts by the government to use the environment to get hold of some land. This is unbelievable, in my opinion.

We must protect the environment, but through co-operation with Quebec and in the respect of existing jurisdictions. The federal government did it once. The Quebec government was very co-operative and this allowed for the protection of the Saguenay—St. Lawrence marine conservation areas. That agreement was made possible thanks to Quebec.

Why is the government now putting this in the hands of Heritage Canada, when there is overlapping even in that department? We

wonder about the reasons for such duplication. Just imagine. This government already has experts in the Department of the Environment and in the Department of Fisheries and Oceans, and the sponsor of this bill is the Minister of Canadian Heritage. We wonder why. I am asked "Where is the duplication? Where is the overlapping?" Nothing could be more obvious.

• (1530)

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, it is with great pleasure that I take part in the debate on Bill C-10, on marine conservation areas.

We know that the bill reflects the pan-Canadian vision that is characteristic of the present government. History will probably remember this government as the champion of centralization, as far as the development of this great beautiful Canada is concerned, a country that is more and more untied because Ottawa wants it to be so, even though it does not necessarily have the agreement of the Canadian population. Of course, members understand that if I mention the agreement of the Canadian population, it is because it is obvious that there are doubts about the agreement of the Quebec population.

We know that the present federal government, under this parliament and under the previous one, has been guided by the social union framework agreement, signed in February 1999 by nine provinces out of ten. Mr. Bouchard, the head of Quebec state, like all his predecessors no matter their party allegiances, refused to take part in a scheme aimed at trivializing Quebec by refusing to recognize its specificity and the existence of its people.

This is why Premier Lucien Bouchard refused to sign the social union framework agreement, which has nonetheless actually been implemented. It is a tragedy for Quebec and for the people of Quebec to see the actions of this institution, which is so pretentiously democratic. We saw it recently at the summit of the Americas in Quebec City. Canada praised democracy and demanded democracy from other countries, even taking a tough stance against the Cuban government. This does not ring true when one knows how things work in this great Canadian democracy, where returning officers are still appointed on a partisan basis.

When the premier of Quebec, the head of the Quebec state, refused to sign in 1999, as one of his predecessors refused to sign in 1982, the unilateral patriation of the constitution under Prime Minister Trudeau, it did not change anything to Canadian logic. It did not disturb the federal steam roller, which is there to level the provinces. It is there to standardize them, which may be necessary. That is one of the constraints of globalization to increase efficiency in Canada, but it is a tragedy for Quebec to be stripped of its specificity and of its distinct character and to be moulded, week after week, month after month, into the great Canadian whole with no attention being paid to its distinctive features.

### *Government Orders*

No attention is being paid to the fact that Quebec is supposed to be, according to the member for Saint-Maurice and Prime Minister of Canada, a distinct society. It is the government people themselves who invented this concept, following the commitments made in Verdun, where Quebecers were told that they were a distinct society. Then, without even using that expression, commitments were made during the referendum campaign, just as Mr. Trudeau had made commitments in 1980. He had said that he would put his head on the chopping block if changes were not made, although he did not say which changes exactly. They put theirs seats on the line for Quebec to be duly recognized within the Canadian federation.

What happened in the following months? They announced that the constitution was being patriated, which happened in 1982 without Quebec's consent. This phenomenon occurred again in 1999 with the social union.

This is quite a change; the more it changes the more it is the same. No efforts were spared, through a shameless propaganda campaign to the tune of \$1,000 or \$2,000, as we say in Quebec "The sky is the limit", to try to convince Quebecers they can be good Canadians. They have tried to convince Quebecers slowly and carefully of the value of the concept of nations, founding nations in particular, and distinct society to mention a few, to get back to this one, which was put forward by the Primer Minister himself. They never said to which areas distinct society would apply.

Would it apply to marine conservation areas? No, it would not. Would it apply to parental leave? No, it would not. Would it apply to the young offenders issue? No, it would not. Would it apply to privacy policy, where I dare say Quebec is far ahead of Canada as it is in many other areas?

• (1535)

We could also mention the personal information issue about which the Conseil du patronat as well as the Quebec Bar and the Confédération des syndicats nationaux told the government "stay out of this. Quebec's legislation is excellent. We do not need the strong arm of the federal government interfering in the area of personal information. Stay out of this. We have good legislation in Quebec".

Distinct society does not apply in this area any more than it does with regard to parental leave, marine conservation areas and 5\$ a day care. If the government was consistent, it would say "We made commitments during the referendum campaign. With all due respect for democracy in Quebec and for the people of Quebec, we are going to implement what distinct society means. Distinct society means an unconditional right to opt out, because Quebecers are distinct, because they have successfully handled a particular responsibility of our collective life. We therefore have no need to duplicate what already exists".

*Government Orders*

No, that is asking too much. Why? Because we know perfectly well that, if this government dared to do such a thing openly, particularly with the knowledge of the English majority in this country, there would be quite an outcry from English Canadians, who would once again massively reject, as they did the Charlottetown accord, any vague desire by this government to recognize that the people of Quebec have distinct rights or characteristics.

It is a dead end for Quebec. Slowly but surely, Quebecers are coming to the realization that there is no future in this country. There is no future for characteristics specific to Quebec, for the normal evolution of the Quebec people in this country. It is two countries in one. It is two different kinds of logic: the Canadian one and the Quebec one. This was the simple description that Marcel Léger, the well known and marvellous Parti Québécois organizer, came up with during the constitutional debate. René Lévesque described it as two scorpions in the same bottle. If we go further back in time, the Laurendeau-Dunton commission referred to two solitudes in 1963.

That is the real Canada, a country in which the provinces are all put on the same footing, a country in which the power will be inexorably displaced to Ottawa, where decisions from coast to coast will be made in Ottawa. It has no time to lose with Quebec, which will be made to fit in and slowly disappear.

People need to be aware that, particularly because Quebec cannot control its immigration, some demographers feel that the Island of Montreal will be non-francophone within eight, ten or twelve years. People need to be aware that, as a result of immigration and the birth rate, Quebec will go from its present 24% of the Canadian population to just 21% within 25 years and just 16% within 50 years.

There is, therefore, an implacable process under way that will end up with Quebec's being trivialized, neutralized, if it continues to be part of Canada. Quebec must leave, and the necessity of this is illustrated by Bill C-10 on marine areas, in which the government announces quite openly that the ownership of these will be federal, whereas there is a law in place which states that the beds of the rivers, the St. Lawrence and its estuary are the property of the government of Quebec.

This is confrontation. This is what all these squabbles overlap are about, these meetings of public servants who want to wage administrative battles to the detriment of the public purse. It is the poor old taxpayers who will have to pay through the nose for all these multiple meetings, evidence of how conflicted this country is, while the federal government ignores the recent example of the Saguenay—St. Lawrence marine park, which offered a model of a well administered conservation area. This is no longer a model for the new Canada that has been under construction since 1999, with social union and all the logic that goes with it. This needs to be understood in future by all concerned.

I am sure that some hon. members on the other side are unaware of the gravity of this situation.

• (1540)

There are social democrats and humanists among the Liberals and among others, who have not assessed the situation. There are people of vision, who love Quebec and know it. I am sure they do not want Quebec to be minimized and ultimately wiped off the map.

Under the democratic process mentioned earlier, what are we reduced to, if we want some degree of vision? The people of Quebec are reduced to being cut down, and systematically so, and will end up looking like Acadia, with all its charming influence. Then, the next stage is Louisiana and folklore. That is the sad truth. It is relentless.

My colleagues from Quebec sitting opposite must understand what machinations they are involved in. It is abnormal to be so negligent, so careless. Or perhaps they are happy, I do not know. There is one thing, though, there are things to be said between Quebecers and between right thinking persons, on the evolution of this people.

I must mention the article by Lysiane Gagnon in *La Presse* on Saturday, which gave rather nasty and cavalier treatment to a report on the constitutional position of the Liberal Party of Quebec. The report was written by an eminent constitutionalist, Benoît Pelletier, from the Outaouais region.

It is a discussion paper for right thinking federalists, those who still dream of a Canada where Quebec will be respected, something I see as Utopian, a dead end. Ms. Gagnon says, and I quote:

In the next round, if there is one, God help us—

As if the problem were resolved.

—all the provinces, all the native nations and all of Canada's lobby groups will put their demands on the table, and the effect of this would probably move Quebec's position away from the status quo.

As if the status quo existed. This is the type of smoke and mirrors that we get from these types of individuals, such as Ms. Gagnon, and from others in Quebec, but Quebec is caught up in Canada's moving ahead.

It is somewhat like what the Secretary of State for Amateur Sport wrote in his document entitled "Building Canada through Sport", which is a monumental mistake, but which at least is transparent. Since February 1999, Canada has been moving ahead, it is not the status quo. What we have is a Canada that is moving ahead like a steamroller, a Canada that trivializes the role of the provinces, something which may be necessary for its own good performance, but which is tragic for Quebec.



*Government Orders*

Ms. Gagnon continues by saying:

What would be achieved, for example, in having enshrined in the constitution a specificity that is obvious and that exists in any case?

“A specificity that is obvious and that exists in any case”. This “that exists in any case” is the type of smoke and mirrors used by Quebec federalists; it would exist in any case if it were enshrined in Canada’s constitution. However Quebec’s specificity does not exist in writing. According to these people, it is a perception and yet, Quebec exists, the Quebec nation exists, the Quebec homeland exists. This is not recognized here and this is what is tragic.

In my opinion, this is why Quebecers will not always be able to have it both ways. We will lose at one level or at the other. If we do not react, as we are being asked to by the Premier of Quebec, Bernard Landry, it is going to be a matter of life and death for Quebec, in terms of its influence.

We know the influence Quebec has right now. Those who, like us MPs, have had the privilege of travelling, of meeting people on the international scene, see the planet differently. They see a planet with a rather impressive Quebec geographically, a Quebec that is home to seven million francophones who have a definite role to play and who contribute to humanity, which is unique, with its French influences, of course, and its English influences, with its important Montreal minority, a minority that is very respectable and very rich in every sense of the word, and its allophone population, because Quebec is incidentally a wonderful destination for immigrants.

• (1545)

There is also the Anglo-Saxon influences, particularly from Canada and the United States. We are a truly unique people, which is clearly an asset in terms of its contribution to the planet and to humanity. One just has to look at the situation from afar to realize that the fact that Quebec is not sovereign is a complete aberration. Mr. Trudeau would have said that it was a crime against humanity.

It makes one wonder where Canada’s social democrats are and why they are not leading the fight for Quebec’s sovereignty. Quebec has things to say. Quebec is different. What Quebec has to say would benefit not only Canada, but the international community as a whole.

I cannot get over how this great country of Canada has failed to grasp that Quebec’s sovereignty would benefit everyone.

I cannot get over the naïveté, bad faith or cynicism of which Lysiane Gagnon is capable when she writes things like this about Quebec’s specificity, which exists anyway. I cannot get over it. It is

sticking one’s head in the sand to reason like this when one is aware of the constitutional problem, because there is one. There is a constitutional problem in Canada.

I think we must go back to the basics of Quebec-Canada relations. There is something wrong with the course of action adopted following the 1995 referendum, which, in my view, consisted of three scenarios.

The first was the status quo, business as usual. The second scenario, driven by English Canadians frightened by the 49.4% of votes in favour, and the 60% of francophone votes in favour, and I think we are still allowed to say this, was to try to please Quebecers. The government would try to amend the Constitution of Canada so that Quebecers would feel comfortable in this country moving ahead. The country would amend its constitution to reflect the will of the people, because it had had a real scare, because for much of the evening on October 30, 1995, Quebec had decided in favour of sovereignty. As luck would have it, around 11.30 p.m., that sovereignty slipped out of our grasp. We have lived with this.

I think that English Canada could have learned something from this. The Liberal government therefore had the choice of making the country more welcoming to Quebecers.

A third scenario, which was the one the Liberals adopted, was to dig in their heels, let Quebecers do what they liked, let them make their own choices, but in Canada, this was the direction they were taking. Take it or leave it. They had no time and no energy to spare to try to find approaches that would make Quebecers happy because they would never be happy anyway.

So, they have chosen the hard line. They came up with Plan b and they enlisted the ineffable Minister of Intergovernmental Affairs. All of this was part of one big scheme. The style the minister has chosen is not conducive to problem solving.

They dug in their heels and said that that was the way to go and that Quebec could get on board or withdraw. The ball is now in Quebec’s court. I think this deserves more in depth consideration. To help us with our reflection, we have before us today a technical bill that is utterly misleading and is part of a Canadian centralist vision where the federal government calls the shots and the provinces have to yield. In 8, 10, 12, 20, or 25 years from now, the provinces will be just big regional county municipalities.

• (1550)

This may be a good thing for English speaking Canada, but I maintain that it would be a tragedy for Quebec. I will fight tooth and nail to prevent this tragedy.

*Government Orders*

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, what a beautiful follow-up when, after having spoken myself on a bill described as technical, I hear a general explanation such as the one my hon. colleague from the Bloc Québécois just made.

This debate today is very important on very important legislation about the environment. The government has trivialized it, but my colleague really put it into perspective to show how important and urgent it is and perhaps show, as we heard, how dishonest the government is.

As the hon. member for Trois-Rivières was saying, a bill like this one is once again an encroachment. This is done so often that we are not in a status quo situation any more. We are getting into something that might be dangerous for Quebecers.

How can Quebec counter such a bill and all those encroachments in its areas of jurisdiction? If such a measure and such encroachment on areas of jurisdiction persist, how can the Quebecers who are listening today know what will happen and how can Quebec counter these attacks?

**Mr. Yves Rocheleau:** Mr. Speaker, I wish to thank my colleague from Châteauguay for his question, which is not easy to answer. There is no magic way to counter the initiatives, which are to some extent illegitimate, of a government like this one, because our democratic rules are involved.

A government can legislate in areas where it believes it is legitimate to do so. When this government decides to more or less disregard the constitution, particularly where ethics are concerned, then the roads are clear as we say in Quebec. It will be up to the voters to make a decision, following a properly conducted election campaign with a real debate. Hopefully, if there is a referendum, this type of issue will be raised.

It is all the more odious that listening to the member for Châteauguay, I was reminded that this government, which claims to be democratic and boasts about Canadian democracy, acted without a mandate, without consultation, without proper debate and without a popular verdict, in other words without the support of the population and without any referendum, when it decided in 1982 to repatriate the Constitution and in 1999 to launch the social union.

On the one hand, the government decided to repatriate and bring a major amendment to the constitution by entrenching into it a charter of rights, which was a transcendent event in the history of Canada, without a referendum, without seeking the opinion of the public and without any mandate. The issue was never raised during the election of 1980, but that did not stop the government. Neither did the government address the issue of social union in 1997 as we had. There had been discussions between the provinces to try to

improve co-operation with Ottawa. When the federal government started throwing its weight around to impose its point of view, while giving goodies to the provinces that had given in, it had no mandate to do so, there had been no debate, let alone a referendum.

This is all the more unbearable today that we feel that the government is relying on this transcendent event in the history of Canada. Some people are talking about the major one, with the repatriation of the constitution, and the minor one, with the social union, in the evolution of Canada, a Canada that is moving ahead.

• (1555)

Today, the government draws on the social union to come up with this kind of bill, which is giving obvious moral authority to the Government of Canada without having any real legitimacy. It has no legitimacy, as it arises from a people's consensus that would have the Canadian government head in that direction. It is thus very wrong to act in this way, especially when the federal government claims that Canada is a democratic country.

I do not know if this answers the question of my colleague from Châteauguay, but like other measures taken in recent months, this bill clearly shows that this is how things are done in Ottawa now, and that Quebecers need to take note, because the provinces including Quebec will be cut out of the loop.

[English]

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, I was very interested in the previous two presentations by the Bloc.

It is the considered opinion of everyone who I have talked to in my travels across Canada that the worst part of the legislation is that many of the groups that would be mobilized against the legislation need to know which areas are being targeted by the government. The government refuses to include the specifics on which areas it is considering for marine conservation protection under the heritage bill.

Would the member like to comment as to which areas are being specifically targeted in the legislation in terms of what the people in Quebec might know about the government's intention?

The bill was brought up in the first session of the last parliament. It has been around in various formats for a long time and objections to it have also have been around for a long time. The government has said it would have those specifics but we still do not have them. I know the member was here in the last parliament. Does he feel the circumstances have changed since the last parliament? Is he able to address this obvious bad piece of legislation, without any schedules attached that need to be there, in order to mobilize local groups to comment?

*Government Orders*

[*Translation*]

**Mr. Yves Rocheleau:** Mr. Speaker, in answer to my colleague's question, I do not feel there is much interest for this bill in Quebec.

If I go by the consultation that was supposed to take place, I am told that hardly anyone showed any interest in it. I do not know if it opens the door wider to federal intervention or if Ottawa will be reluctant to intervene since there is hardly any interest or support coming from Quebec.

I will take my area as an example: I cannot see the federal government stepping in when it came to a rather extraordinary body of water, namely Lake Saint-Pierre, which might be designated by UNESCO as a world heritage site for its flora and fauna. I cannot imagine that the federal government would throw its weight around.

Unless the federal government waves its constitutional magic wand, pouring in millions of dollars, using the surpluses, money from the unemployment insurance fund, pretending to be generous with Quebecers and giving them goodies, in our opinion anyway, to buy their conscience when they should condemn federal intervention and stand their ground. They might instead see it as being advantageous to their association or pressure group, making it easier money wise, as they would be freed from financial constraints.

As we know the flesh is weak. We know the government can be forward-looking. We know it, the Privy Council is here to make sure of it. Unless the federal government is banking on human weakness, I hope that the people, in Quebec at least, will see through it and be on their guard for Quebecers' sake.

• (1600)

[*English*]

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, we are talking about Bill C-10, an act respecting the national marine conservation areas of Canada. The Canadian Alliance supports sustaining and developing national parks and marine conservation areas that exist for the benefit and enjoyment of everyone. The Canadian Alliance also supports sustainable development and environmental protection regulations that have been fully debated by parliamentarians.

The bill is bad legislation in that it strengthens the power of cabinet while diminishing the effectiveness of elected representatives. No valid argument exists at this time for the need for the legislation.

It is obvious the government is not fully committed to the file, as legislation has been allowed to die on the order paper at least twice previously. We know it is unnecessary in that the regulatory framework already exists to accomplish what the bill purports to want to achieve. To sum it up, it is a power grab by the heritage

department, and other government departments are not saying anything when they should be.

I have a living example from when I was in the Atlantic provinces last week with the fisheries committee. There is a fisheries department with its set of regulations for marine conservation. There is a lot of offshore oil and gas development off the coast of Newfoundland and off the south coast of Nova Scotia. There is a board called the Canada-Nova Scotia Offshore Petroleum Board which has full representation from the province and from the federal government for joint decision making. Its job is to issue the leases for oil and gas development.

If there is one thing that would be at complete conflict with oil and gas development, it is obviously the creation of a no-go marine conservation area. One would think that would also have joint federal and provincial administration and decision making. Guess what? It does not.

Where is the natural incentive for the province if it is fully represented on the offshore petroleum board and unrepresented on marine conservation areas as envisioned under the Fisheries Act or under the fisheries department and by this legislation? Obviously, it sets up a federal-provincial problem and an incentive that is unbalanced in favour of offshore oil and gas development at the possible expense of the environment. It is hardly a balanced approach to take and an obvious shortcoming of this and other marine conservation legislation.

In my question to the Bloc member for Trois-Rivières I spoke about my concerns regarding knowing where these 29 parks contemplated by the marine conservation legislation of the Department of Heritage existed. The legislation should describe the location of the parks it intends to create and insert the information into the schedule.

There was lots of time to do it. If the department did not have time when it first submitted the legislation to the last parliament, it certainly has had time by now to fill in lots of the gaps. However it does not want to because it might mobilize even more people concerned about the legislation.

• (1605)

Right now if the government was going to create a land based park, a new national park, it would have to bring it to this place. If the bill goes through and it wanted to create a new offshore park, order in council or cabinet could make that decision. It never has to come here. That is totally inappropriate. However, if we ever wanted to reduce or remove one of those areas from that status, then it would have to come back here. That is what I call hypocrisy, a double standard and any other number of negative terms.

I spoke on the bill before in its previous form. It has not changed a whole bunch. There are things that are not well known to the

*Government Orders*

public that need to be known. For example, fishing activity, aquaculture or fisheries management, marine navigation, marine safety plans are all subject to the approval of the Minister of Fisheries and Oceans and the Minister of Canadian Heritage under this bill. That is a power grab.

One can see there is already difficulty, and I saw examples of this last week, between the agenda of the Minister of Canadian Heritage and the agenda of the Department of Fisheries and Oceans in terms of which one is the lead agency, which one deals with the stakeholders and all that when it comes to offshore oil and gas development on the east coast. We are going to get there on the west coast in terms of oil and gas development. The debate and the discussion is going to move forward. Quite honestly, it is a mess. We do not need this piece of legislation.

Right now it is very clear whose mandate and responsibility some of these activities are. It is going to become diffuse, subject to competing agendas. We are going to see the special interest groups and the lobbyists using leverage on various government ministers and departments. They can go to one department and ask for their wish list. If they do not get it, they can threaten, cajole or do other things to go to the other department. They can handout their Brownie badges to whoever they think is appealing to their special interest, and the greater good gets lost. This is a way to fudge the ability to act in the national interest. It compromises the ability to act in the national interest and increases the viability of special interests to win the day rather than the greater good.

The bill, without any social economic studies, could for example prohibit exploration or exploitation of hydrocarbons, minerals, aggregates or any other inorganic material.

Let us think about what I just said a few minutes ago. To set up one of these areas which excluded or prohibited fishing, the minister of fisheries and the minister of heritage would have to say it was okay. Why would the minister of heritage be asked if it was okay for fishing to be allowed some place on the British Columbia coast, or off the coast of Nunavut or off the coast of Nova Scotia? This is a problem. Any stakeholder that has looked at the legislation is very concerned about the implications. Those are all problems.

What is the lead agency? If we have a marine conservation area, which agency? With this we would have three federal departments that could set up marine conservation areas. Which department would set it up? How would they make that determination? Which would be the lead agency of the three to help chair this discussion?

• (1610)

I asked those kinds of questions last week in Halifax of fisheries officials and others. There were no answers. We are debating

legislation that would change the status quo, which has been long contemplated. Nobody is even trying to respond to this kind of request in the public domain. This is nuts. The government members should be embarrassed at the mess it has created on marine conservation areas.

I have a major problem too in that provincial responsibility is potentially being completely co-opted by the federal government. I already talked about the natural incentive for the provinces when it comes to the offshore petroleum board, the Canada-Nova Scotia Offshore Petroleum Board. However it has major implications. Let me talk about west coast oil and gas again.

We will have a new provincial government this week. The election is on Wednesday and I think even the governing party has conceded of which is unheard. So we will have some new directions.

British Columbia worked long and hard and fought the federal government over who owned the seabed between Vancouver Island and the mainland coast. It went to the supreme court. This was a very long, detailed, expensive debate and proceeding. Guess what? The province won, it owns the seabed.

There is nothing in the legislation that excludes the ability of the Government of Canada to pre-empt that provincial jurisdiction by creating a marine conservation area in that area. That is a very clear conflict of jurisdiction and one that should be automatically clarified in the bill but it is not.

However the other parts of the coast where the province does not own the seabed are still problematic in terms of a federal power grab and a federal administration that is largely out of touch, particularly with remote coastal concerns on the British Columbia coast. I can speak to that with great authority, so can virtually all of the municipal level politicians and many of the provincial politicians from that part of the country.

We will have a major debate and a major initiative on things like what we will do on west coast oil and gas development. We do not need this piece of legislation hanging around in the current format to muddy that whole debate.

We know the heritage department has an agenda, but it will not fess up and tell us what it is. I have already said why it will not. One reason is because it does not want to stir up people who would be very upset with the specifics of what it is contemplating. Therefore, it wants to keep it general and broad, then it will only have to deal with the large, urban based groups that will look at the legislation more as a framework or a legal document rather than as something specific that is affecting a bunch of stakeholders. Somebody called it the mushroom syndrome, and that is right.



*Government Orders*

• (1615)

The bill requires provincial governments to obey it. The bill impinges on provincial jurisdiction in many ways. It will prevent honest fishermen, hardworking oil and gas exploration workers, local anglers, recreational boaters and others from being able either to earn a livelihood or enjoy themselves, at the possible expense of achieving almost nothing. If this were truly going to do something for the environment we would be more than happy to support it. The reality is quite different.

I did attend some of the heritage committee meetings. I was party to helping bring some witnesses to that committee. I was embarrassed at the treatment they received from some of the government members. The chief of the Campbell River Band was at the committee. The North Coast Oil and Gas Task Force was there. West coast fishermen were there. Rather than hearing the committee accept their legitimate face value concerns, what did we hear? We heard a lecture from the chairman of the committee. Quite frankly, I was amazed at the treatment meted out to people who had travelled so far. I expressed my great concern at that time. Now, much later, I am still out of sorts about what happened on that particular day.

This is a sloppy piece of legislation. As I said, we would have three federal departments that could protect marine areas, two being Environment Canada and the Department of Fisheries and Oceans, and this bill would put Heritage Canada into that picture as well. Any time we have more than one party responsible for managing something, we get diffused management and diffused objectives and things tend to fall apart. I learned that during my long working career. I think most Canadians would understand that precisely.

Also we have provincial governments that have legislation. Believe it or not, we have had provincial governments far-sighted enough to create marine conservation legislation. I ask members to guess what they have done under that legislation. They have actually created marine protection areas. We have quite a few in British Columbia that have been set up under the provincial government. Is that not marvellous, Mr. Speaker?

The legislation does not appear to deal with all of that. Yes, the government has had a very complicit government in British Columbia to deal with in the last 10 years. Hopefully we will have a new government in British Columbia that will set some new directions and new initiatives in terms of dealing with the federal government on a much more equivalent basis rather than in terms of the mushroom syndrome.

We are very concerned that we will be pre-empted from an opportunity to fully develop industry in British Columbia and in other jurisdictions by legislation that blindly creates parks without taking a lot of stakeholder interests into account. It is clear from the

way this bill has been developed that those things have not been taken into account.

We recommend that the municipal level of government be put into this legislation in a meaningful way so that it can have a decision making role in whatever these specific areas are that municipalities are interested in. There has been no movement in that regard.

In summary, this is a bad bill and we should kill it.

• (1620)

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Mr. Speaker, I thought that was a most enlightening dissertation and exposition of legislation now before the House. I wish to thank my hon. colleague for being so specific and thoughtful in his analysis and for the thoroughness with which he approached the problem with and the difficulties in the legislation.

There was one part of the legislation he hinted at that I think we should explore further. It seems to me that the legislation seems to be taking out of parliament the very essence of what parliament was created to do for the people of Canada. The difficulty centres around the possibility of an agency other than even a government agency actually creating a marine conservation area.

I know that this is particularly dangerous. It is bad enough if parliament gives this kind of power to an individual minister or to the cabinet. However, when the clauses contained in this legislation actually make it possible for a special interest group to force and to cause to be created a conservation area which then does not allow certain kinds of development to take place, then not only have we really usurped what the people of Canada elected us to do here but we have insulted every single, solitary person in the House, including members on the government side.

I would ask the hon. member whether he could explain a little more clearly whether that in fact could happen under this legislation. If that one provision is there, the bill should be scrapped, if for no other reason than that one, because it denies the House.

**Mr. John Duncan:** Mr. Speaker, yes indeed, the legislation would pre-empt parliament, and yes indeed, cabinet would be able to create these marine conservation areas in a vacuum. I am very concerned about that. That is reason enough to topple the bill as far as I am concerned.

We live in an age that is cluttered with information and new information. That applies to every trade association, every stakeholder group, provincial, federal and municipal levels of government and the citizen at large.

One of the things that this or any parliament does is to open a window and allow people to catch up to the debate. It allows time

*Government Orders*

for people who have an interest in the specifics to mobilize and to offer their input, pro, con and constructive. Those are the essentials of why we need to make that change, not only to this legislation but to any legislation. More and more of the legislation in this place is an enabling framework to allow either the bureaucracy to enact regulations or the cabinet to make decisions that basically are announced the next day by a press release or a press conference. The spin is managed and it is a done deal. That is not, in the long run, what is good for society.

**An hon. member:** Is this a Henry VIII clause?

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I enjoyed listening to the remarks of the member for Vancouver Island North. In fact the member and a group from the fisheries committee were just in Nova Scotia. As he mentioned in his speech certainly there were some concerns raised by fishermen about the Canada-Nova Scotia Offshore Petroleum Board and decisions it might make that would impact their industry. There also were some concerns raised on marine conservation areas that might or might not be proposed in the future.

I wonder if the member would expand a little further on the concerns that fishermen expressed to us and others relative to those two points, especially as they relate to marine conservation areas.

• (1625)

**Mr. John Duncan:** Mr. Speaker, I appreciate the question and the comments. We had some very good submissions to the committee dealing with the issues but people were asking questions for which they should have been able to get clear answers. One of the things I found most interesting is that we did not get a clear answer on whether people are allowed to fish in a marine conservation area. That was one of the questions asked. The official answer was yes, but of course that is not really the case.

If members listened to my speech and my analysis they will know that people can fish if they make application and it is approved, under this legislation, by the Minister of Fisheries and Oceans and the Minister of Canadian Heritage. That is a far different answer. The way it works now in most marine jurisdictions is that fishing is open unless it has been closed by the Department of Fisheries and Oceans. Who is managing the fisheries? It is the Department of Fisheries and Oceans. The minister of heritage is not managing the fishery nor should she be.

We were also asked, and we in turn asked, who the lead agency is when there are multiple jurisdictions looking after marine conservation areas. There was not a clear answer on that question either. There obviously should be. There has to be. There must be. It might not always be the same agency or department. If we end up with three we may have to zone our marine conservation areas as to

who is responsible for which ones in terms of being the lead. This is very frustrating to marine conservation proponents as well.

Even though we had the expertise in the room that we thought was appropriate under the circumstances, we did not get clarification on the important questions related to the legislation. There should be a whole lot more people getting a whole lot more concerned about the legislation. Part of the problem is that it has been around so long that nobody takes it seriously any more. One day it is going to be dropped on them and then they will be concerned.

\* \* \*

**BUSINESS OF THE HOUSE**

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, I rise on a point of order. I think you would find that the House is eager to give unanimous consent to the following motion. I move:

That, notwithstanding the decision taken by this House earlier today with respect to the third reading of Bill C-26, when debate on Bill C-10 is completed this day, the House shall revert to consideration of the third reading stage of Bill C-26, provided that, at 6.30 p.m. today, Bill C-26 shall be deemed to have been read a third time and passed.

**The Acting Speaker (Mr. Bélair):** Members have heard the terms of the motion. Is there unanimous consent to proceed this way?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

**CANADA NATIONAL MARINE CONSERVATION AREAS ACT**

The House resumed consideration of the motion that Bill C-10, an act respecting the national marine conservation areas of Canada be read the second time and referred to a committee and of the amendment.

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, I want to compliment my colleague from Vancouver Island North for his presentation.

• (1630)

I am amazed and dismayed at his comments that the fishing community and community representatives from British Columbia were not well treated by the heritage committee. The member is quite aware that we had requested joint hearings between the fisheries and heritage committees. However the government refused that request. I am upset by that and I am sure my colleague is as well.

Would the member like to comment on that issue, as well as on the issue of the supremacy the fisheries minister would now have and how the bill would water down his authority?

*Government Orders*

**Mr. John Duncan:** Mr. Speaker, I do not have much time. Yes, the bill waters down the authority of the minister of fisheries. We should all be very concerned about that.

I know that my colleague from Delta—South Richmond knows two of the people who were at that meeting in the last parliament as invitees. They were Paddy Greene and Bill Belsey from Prince Rupert, who will confirm what I say. I am truly concerned about the double minister requirement for fishing activity.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** 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 Yorkton—Melville, Privacy Commissioner.

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I am pleased to rise to speak to Bill C-10, which replaces the now defunct Bills C-48 and C-8 dealing with the creation of marine areas, more specifically 28 marine conservation areas.

The Bloc Québécois is not against protecting the environment, but it is against Bill C-10 for several reasons I will list now.

First, we are opposed to the bill because the federal government is grabbing the power to create marine conservation areas without any regard for provincial jurisdictions. Why is the federal government not consulting the provinces on this, more specifically Quebec, as it did for example with regard to the Saguenay—St. Lawrence marine park? Why in the case of Bill C-10 on the establishment of marine conservation areas is it not consulting Quebec and working together with it?

There is another example, phase 3 of the St. Lawrence action plan. There were consultations. Why is it that when it comes to Bill C-10 there was no consultation, which would be desirable and would benefit the population? Although it is being said that the federal government wants to establish marine conservation areas for the benefit of the people and their social life and to help the economy, it is ignoring the government of Quebec and provincial jurisdictions in this area.

The Bloc Québécois opposes any attempt to duplicate and trivialize Quebec's jurisdictions over the environment, fisheries and oceans.

Again, this goes to show the bad faith of the federal government. When Canadian Heritage is involved, not too much attention is paid to Quebec's jurisdictions and to shared jurisdictions.

The Minister of Canadian Heritage has just announced an investment of \$500 million in culture. It is typical again of this department: no consideration for provincial jurisdictions and no consultation. It just goes ahead without examining the action plan, if only on culture, with Quebec. Here again, in the marine

conservation areas issue, the federal government's way of doing things is there for all to see.

• (1635)

Several witnesses appeared before the committee and said that there would be duplication and that there would be a new structure. The government wants to duplicate even within its own bureaucracy. We are wondering how consistently this bill will be applied.

The Department of Fisheries and Oceans and the Department of the Environment are both involved in the protection of the environment. When I talk about duplication inside the federal government, I am referring to these two departments.

How can we accept such a bill when several witnesses have told us there will be inconsistencies in the way it will be applied and in the management of marine conservation areas? A number of witnesses told us that this made no sense. Among those appearing before the Standing Committee on Canadian Heritage was the vice president of the Fisheries Council of Canada.

The Fisheries Council of Canada is a trade association representing provincial fisheries associations in Atlantic Canada and Ontario. He told us:

If there's a need for legislation to establish marine conservation areas, it is our view that such legislation should be incorporated into the recently passed Oceans Act under the responsibility of the Minister of Fisheries and Oceans and administered by the Department of Fisheries and Oceans. It is simply inefficient—

These are his words, not mine.

—cumbersome public administration to bring forward this MCA initiative in its own act under the responsibility of a separate minister and a separate department.

We can therefore see that there is duplication, inconsistency and inefficiency to come, if Bill C-10 sees the light of day. He goes on to say:

The fishing industry, for example, is working with the Fisheries and Oceans minister and Fisheries officials regarding development of an oceans strategy for Canada and an approach to the introduction of marine-protected areas. These tasks are the result of the establishment of the Oceans Act in 1996, an act that states that the Minister of Fisheries and Oceans shall lead and facilitate the development and implementation of a national strategy for the management of estuarine, coastal and marine ecosystems.

He went on:

Bringing forward this MCA initiative at this time under the responsibility of the Minister of Canadian Heritage, to be administered by officials of Canadian Heritage, undermines the oceans leadership role assigned to the Minister of Fisheries and Oceans under the Oceans Act.

If the challenge for Canadian industry in the milieu of globalization is to be streamlined and efficient, we should be able to demand government structures that are

### *Government Orders*

also focused and streamlined. Regardless of the merits of MCAs, of this initiative, the manner in which it is brought forward will lead to confusion, duplication and conflicts in its implementation.

This witness testified at the committee hearings on the defunct Bill C-8, and the government has not really made any changes in Bill C-10. This is nearly exactly what was found in C-8. The witness called for the withdrawal of the bill and added:

The bill should be withdrawn. Discussions should be initiated with officials of the Department of Fisheries and Oceans with a view to bringing forward an amendment to the Oceans Act to specifically provide for the establishment of marine conservation areas, where warranted, as part of Canada's oceans strategy.

Another quote comes from Marc Kielley, the executive director in Newfoundland of the Canadian Aquaculture Industry Alliance, in February 1999. This is an association representing the interests of regional and sectoral aquaculture associations and their members, who raise fish and shellfish. He said:

Overall, while we respect the need for conservation, we object to the bill for a number of fundamental reasons. At issue: The coming into force of an act to create the national marine conservation areas will result in unnecessary and expensive duplication of existing legislation, specifically the Oceans Act, 1996, as well as the National Parks Act as amended in 1988.

• (1640)

Again, a witness representing the aquaculture industry felt that Bill C-8 should have been withdrawn. Therefore, if Bill C-8 should have been withdrawn, so should Bill C-10, because it is basically headed in the same direction, except for a few changes. The French version of the preamble of C-8 provided that marine areas had to be "représentatives et protégées", whereas in the new bill, they must be "protégées et représentatives". This is a very cosmetic amendment that does not deal with the core issue, namely duplication, overlapping and the ineffectiveness of this legislation.

In a number of departments, including two in particular, it would be hard to be consistent in implementing the law. The organization also stated:

So with regard to the implementation of the integrated management plans, the Minister of Fisheries and Oceans shall develop and implement policies and programs with regard to matters assigned by law to the Minister, and shall coordinate with other ministers, boards, and agencies of the Government of Canada the implementation of policies and programs of the government with regard to all activities or measures in or affecting coastal waters or marine waters.

Based on the foregoing, it is abundantly clear that Bill... is redundant legislation and, if passed, would only serve to confuse and complicate issues relating to the protection and conservation of marine resources and marine ecosystems.

To empower the Minister of Canadian Heritage for the MCA initiative effectively undermines the authority and mandate of the Minister of Fisheries and Oceans as provided for under the provisions of the Oceans Act. This should not be permitted to occur.

What is the difference between a marine protected area and a marine conservation area? How do these two seemingly similar elements fit into the overall tapestry of integrated coastal zone management? What about marine wildlife areas?

So, there are several issues here. It is somewhat in that spirit that we can emphasize the inconsistency of such a bill and its ineffectiveness. A number of people may have difficulties making a decision.

When the minister tells us that this is for the good of people, for the good of the community, from an economic, cultural and social point of view, we wonder.

When credible people, people with a certain amount of expertise on the issue, come and testify, we as parliamentarians are there to analyze the experience behind and the relevance of their recommendations. We always listen in good faith. However it is always disappointing when we see the government dig in its heels with a bill. The government has gone back to the drawing board three times and each time it has come back with a bill that is no different. It has ignored what the witnesses had to say.

I wish to cite what Tom Lee, the Director General of Parks Canada, told the Standing Committee on Canadian Heritage. He said:

The marine conservation areas fall under a partnership with other federal departments, basically, under the general direction of the Minister of Fisheries and Oceans. Under the Oceans Act, the Minister of Fisheries and Oceans takes leadership in putting in place the protective and management measures for Canada's oceans. That involves a number of federal departments, and the two other major ones are noted here, Environment and Canadian Heritage.

Once again, there are doubts about Heritage Canada's effectiveness in managing marine conservation areas.

I have here more testimony, this time by Marlon Quinton, a project co-ordinator who appeared before the committee. He said, and I quote:

This brief is submitted to the House of Commons standing committee on behalf of the Bonavista Bay and Notre Dame Bay National Marine Conservation Area Advisory Committee Cooperation.

As a committee, we have held a series of stakeholder meetings to exchange information and obtain feedback on the suitability of the proposed marine park, to date.

• (1645)

He continues:

Stakeholder workshops have been held on commercial fisheries, aquaculture, tourism, and mistrust of government and how to build trust. In our deliberations we have taken a careful look at what impact this initiative would have on the Newfoundland people who earn a living on the water and at whether Bill C-48 and the proposed NMCA could negatively affect traditional and existing livelihoods, incomes, property rights, and freedoms.

He added, for another reason:



*Government Orders*

We are mystified as to why Canadian Heritage is attempting to run a parallel conservation initiative under a separate piece of legislation.

We were presented with about two pages full of objections in connection with Bill C-10, should it ever see the light of day.

There is another. I wonder how all these recommendations came to be ignored, when they simply suggested that Bill C-10 be withdrawn and not proceeded with, as there were so many witnesses who were opposed to it.

Jean-Claude Grégoire, a member of the board of directors of the Alliance des pêcheurs professionnels du Québec, also indicated the harmful nature of the bill. He spoke of the alliance membership, describing them as primarily inshore fishers who generally use fixed gear and fish along the coastline.

He went on to say that, for all manner of reasons, he would:

—not be interested in seeing a marine conservation area as intended by the spirit of the law. This is unlikely to be accepted by those industries or communities that depend on the sea for their livelihood. It will clearly have to be acceptable to stakeholders.

Once again, we see economic concerns expressed.

In light of the inefficacy Bill C-10 would have, the Bloc Québécois is opposed to going ahead with and supporting, this bill.

Then there is the matter of Quebec jurisdiction. Why in this bill did they ignore Quebec jurisdiction over marine areas? We find it regrettable that Bill C-10 did not respect the integrity of the territory. Why did we set up the Saguenay marine park in consultation with the community, the federal government and the Quebec government?

The Saguenay—St. Lawrence marine park would have been a model to follow. In 1997 the governments of Quebec and Canada agreed to pass legislation to create the Saguenay—St. Lawrence marine park. That legislation established the Saguenay—St. Lawrence marine park, the first marine park to be created jointly by the federal and Quebec governments, without any transfer of territory. Both governments will continue to fulfil their respective responsibilities.

There was also the St. Lawrence action plan, another example the government could have followed. The environment ministers of Quebec and of Canada announced phase 3 of the St. Lawrence development plan, representing a total bill of \$230 million. How did they manage to agree in these two examples, and in the case of Bill C-10, which is on the table, and in the establishment of the 28 marine conservation areas, the government ignored Quebec's jurisdiction?

The government also knows that jurisdiction over the environment is shared under the Constitution Act, 1867. The federal and Quebec governments share jurisdiction over the environment. Here again, we can see the federal government's bad faith in this matter. The Constitution Act provides that: "in each province, the legislature may exclusively make laws in relation to: exploration for non-renewable natural resources in the province, development, conservation and management of non-renewable natural resources and forestry resources in the province, including laws in relation to the rate of primary production therefrom".

When we see the lack of respect for provincial jurisdictions, which pertain to the exploration for natural resources, development, conservation and the management of natural resources, we see the government is ignoring provincial jurisdictions.

By refusing to use the Saguenay—St. Lawrence Marine Park Act as a model and by making title to the territory an essential condition for the establishment of marine conservation areas, the federal government would be able to establish marine conservation areas on submerged lands to which it claims to have title and thus bypass Quebec's environmental jurisdictions.

• (1650)

We are very disappointed with what the federal government did with the recommendations made by various witnesses, including with regard to the protection of provincial jurisdictions.

There is more. The witnesses came to tell us that marine conservation areas should not be the responsibility of Heritage Canada because of duplication within the federal government, with Fisheries and Oceans and Environment Canada both having a certain role to play with regard to the protection of ecosystems.

National parks come under the responsibility of Canadian Heritage, which is not necessarily doing its job. There are serious problems in some national parks. I could mention the case of Forillon park, where a cliff is threatening to slide and collapse. Nothing has been done to reinforce it, which puts the life of tourists and workers in danger. In the case of Mingan Islands park, money is needed. Several islands are threatened by erosion. Witnesses raised several problems in national parks.

Why does Heritage Canada not fulfil its responsibility in this area instead of dealing with problems that are not its concern? If it wants to do things right, it should start by doing the things for which it is responsible.

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, I have been listening to the debate since the beginning of the afternoon. Once again, it would appear that a very important issue is being used for other purposes.

*Government Orders*

Nowadays, the environment is so important for our future generations that we should ensure that it is a primordial issue and a priority and that it is not used for other purposes by the Department of Canadian Heritage, which wants to manage things it has no jurisdiction over.

We are talking about the environment. We are not talking about nationalization or even about propaganda. We do not want this issue to be used for unity purposes either. This is about management of the environment and of public lands.

Section 92(5) of the Constitution Act, 1867, is clear on this issue: this is a jurisdiction of Quebec and the other provinces. This is a jurisdiction of Quebec, and the federal government is trying indirectly to show that it is easy to use such an important bill.

I would like to ask the hon. member for Québec what she will say to her constituents, to the Quebec people, about the infringement on provincial jurisdictions, through Bill C-10.

**Ms. Christiane Gagnon:** Mr. Speaker, since 1993, we have indeed witnessed considerable interference by the federal government in areas under provincial jurisdiction. It did not take into account what Quebec had to say concerning areas under its own jurisdiction.

Bill C-10 is a blatant example of the federal government not respecting provincial legislation, in this case Quebec's environmental legislation. I also think there is a certain consensus about this bill.

• (1655)

Other provinces say they are concerned about the federal government's approach. We know that the federal government is often referred to as a centralizing government, not only in Quebec but also in the other provinces. This causes people to become frustrated instead of establishing a dialogue of creating a partnership.

When the federal government says that it wants to negotiate in good faith, it must sit down with the other party or parties, whether the issue concerns a shared or an exclusive jurisdiction. However it does not do that. It announces billions of dollars in spending and legislates. It spends money, but who is footing the bill? All the taxpayers are footing the bill.

[English]

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, I am pleased to address Bill C-10, the marine conservation areas act. I do so as a supporter of parks and marine conservation. Yet I have serious doubts about the bill, as do

many people involved in the marine industry in British Columbia including environmentalists.

In a recent conversation with one environmentalist from British Columbia it was pointed out to me that the best approach to protecting our marine environment was good fisheries management. Marine protected areas create little zoos and make us feel good, but good fisheries management is the best way to go. Marine protected areas are no substitute for good fisheries management.

There have been discussions in other jurisdictions in the world on these marine protected areas. I would like to read a short newspaper article from the February 1999 issue of *Fishermen's News* published in Seattle, entitled "Marine Reserves: Friend or Foe". It reads:

The effectiveness of existing MPAs in the US should be assessed. A whole lot of MPAs already exist, particularly in California, but nobody knows whether they are having any impact. A thorough and science based review needs to take place of all existing marine protected areas and the myriad of already existing 'no-fishing zones' along the California coast and elsewhere to determine their effectiveness for either: (a) providing baseline research information; (b) protecting critical marine habitats, or, (c) protecting specific marine fish or ecosystems. This review should be undertaken by a panel, including marine scientists, appropriate fishery agency representatives, knowledgeable commercial and sport fishermen, and knowledgeable marine conservation representatives. This review should include a report with recommendations for each existing MPA and no-fishing zone as to their effectiveness, whether there should be any changes in regulations or boundaries, and whether each should be maintained, reduced, expanded or eliminated.

That is a good recommendation, which our government would have done well to follow before it proceeded with the legislation.

What is the object of the bill? Is it marine conservation or merely the creation of marine parks? I am concerned that it is the latter, that it has little to do with conservation and much to do with the creation of marine parks.

I am concerned that the bill is only a further signal that the Department of Fisheries and Oceans has given up on marine conservation and protection. Canada does not need a few marine zoos with the rest of her marine ecosystem laid waste by a failure to manage the marine resource.

Canada has fundamentally sound legislation to protect the marine environment, namely the Fisheries Act. The government has failed to enforce either the letter or spirit of this environmentally powerful act. It is considered one of the best pieces of environmental legislation in the world. Section 35 of the Fisheries Act prohibits any activity that results in the harmful alteration, disruption or destruction of fish habitat. In section 36 it specifically prohibits the deposit of a deleterious substance of any kind in water frequented by fish or in any place under any conditions where the deleterious substance or any other deleterious substance that results from the deposit of the deleterious substance may enter any water frequented by fish.

*Government Orders*

• (1700)

At this very moment the minister of fisheries is working to dumb down these sections of the Fisheries Act that were designed to protect the marine environment. The minister of fisheries wants to make the marine fisheries act aquaculture friendly, forgetting that it was designed to protect fish rather than to promote an industrial activity that if not carefully regulated could destroy the fishery.

Last week in Halifax the minister's Commissioner for Aquaculture Development, Yves Bastien, said that the Fisheries Act and its regulations "were not drafted with aquaculture in mind and this causes significant problems both for the industry and the regulators".

The Fisheries Act is not now nor was it ever intended to be an aquaculture promotion act. It causes problems for aquaculture because the government refuses to implement siting regulations that would prohibit locating farms in areas that would threaten productive lobster and other shellfish beds, prohibit locating farms near the mouths of fish bearing streams or in the migration route of migratory species such as salmon or would prohibit the use of lights at night that attract and disrupt migratory species. Without clear ground rules that are consistent with the Fisheries Act, the aquaculture industry will not be sustainable either in British Columbia or in the maritime provinces.

The government has called aquaculture the industry of the future. Until the fin fish aquaculture industry has clear and effective rules prohibiting the deposit of deleterious substances in waters frequented by fish and can abide by them, it is merely another polluting and environmentally destructive industry, an industry without a past or a future.

Canadians want seafood that is safe to eat and clean drinkable water. The two go hand in hand. Seafood grown without chemicals are a food of the future and part of any industry of the future. The commercial fishery is an industry of the future with a past that reaches back to the earliest days of exploration and settlement.

Aquaculture will also be an industry of the future when the government puts in place regulations consistent with the spirit and intent of the Fisheries Act. We have not arrived there yet.

Only a few months ago the auditor general tabled in parliament a report entitled "The Effects of Salmon Farming in British Columbia on the Management of Wild Salmon Stocks". The auditor general advised parliament that the Minister of Fisheries and Oceans and his department were not meeting their legislative obligations under the Fisheries Act to protect wild Pacific salmon and habitat from the effects of salmon farming.

The Department of Fisheries and Oceans, the auditor general found, was not ensuring that salmon farms were monitored for the

effects on fish and fish habitat with a view to enforcing the Fisheries Act. "The department", he said, "is not currently monitoring effects on marine habitat or on juvenile or adult Pacific salmon in the vicinity of net cages". According to the auditor general, fisheries and oceans scientists drafted siting criteria in 1985 but never enacted them.

Much of Canada's water is neither fit for the survival of fish nor for human consumption. The Minister of Fisheries and Oceans has failed to enforce the Fisheries Act prohibition against dumping. Too often municipalities, industry and forest cutting operations have been allowed to undertake activities that have led to the destruction of the marine environment.

The Fisheries Act is not designed to protect our drinking water but if enforced it makes the job of providing safe drinking water to Canadians much easier. If the Government of Canada were serious about protecting the marine environment, its first priority would be conservation and protection of our marine resources.

Setting aside a few marine parks may be well intentioned but it is not in itself a serious conservation measure. We already have under the Oceans Act the authority to establish marine protected areas. When such marine protected areas are established the first question that must be identified is: What are we trying to protect? Then, what measures must be undertaken to protect it?

• (1705)

Under this marine conservation areas act, large areas along our coastline would be set aside, not because there was a species in need of protection, if there were the fisheries act or marine protected area under their oceans act could be used. No, the marine conservation areas act is about setting aside large so-called representative areas.

I am concerned that these areas will become like land based national parks, no go areas for fishermen, men and women whose livelihood depends on the conservation and protection of the marine resource. Without fishermen on the water in these no fish zones there is likely to be rampant poaching, hardly an effective conservation measure.

Abalone fishing has been prohibited for the past decade, but the species has not returned because poaching has continued on unabated. One of the most effective measures for knowing the state of fishing stocks is to have fishermen fishing.

While the parks minister might deny that these marine conservation areas will become no take zones for fishermen, Bill C-10 appears designed to do just that. For example, in section 4 we are told that marine conservation areas are established for the purpose of protecting and conserving representative marine areas for the

*Government Orders*

benefit, education and enjoyment of the people of Canada and the world. No mention is made of fishermen. If the areas really were intended to be multi-use areas we would see specific mention of fishermen in such a section.

The parks minister is required in section 10 to consult with the provinces, affected coastal communities and aboriginal organizations established under a land claims agreement. No reference is made to those whose livelihood depends on the resource. Fishermen are not at the table.

If it were intended that fishing was to continue, fishermen would be listed in section 10. The same is true for section 11 and so on. Section 11 requires for each marine conservation area that the parks minister establish a management advisory committee to advise the minister on the formulation, review and implementation of the management plan for the area.

Fishermen have been excluded from the act and I am concerned it will not be long before they are excluded from marine conservation areas. If I were convinced the bill would consider fishing and fishermen a legitimate activity and recognized fishermen's constitutional and common law right to fish, the bill would have my enthusiastic support.

I would support any action that would lead to rigorous conservation and protection of the marine resource and recognize the objectives of good fisheries management.

According to a recent series of articles on the advantage of marine protected areas in the Vancouver *Sun* by Larry Pynn, it would appear that is the case with the large marine protected areas around Australia's Great Barrier Reef. We are told that fishermen there are an integral part of the management regime with 95% of the area open to fishing.

That is not the case with our proposed marine parks act. We must have legislation that will require marine protected areas or conservation areas to develop reasons and scientifically defensible criteria for any and all areas of no-take zones in the marine environment which are over and above the regular management measures taken by DFO under the fisheries act.

Under Bill C-10 fishermen would have no place at the table. There is no recognition of their dependence on the resource. In addition if they are shut out of a marine conservation area there is no recognition of their financial loss and no recognition that they must be compensated.

When Parks Canada creates a land based park, there is no question that any private owners or crown tenure holders on the land are compensated, either a fee simple purchase of the land or buying out of the value associated with tenures such as timber or traffic. Just because marine resources are considered by some to be a common property resource, as are trees on crown land, does not mean that fishermen who have licenses to harvest marine areas do

not experience an economic loss and are not entitled to compensation for that loss.

Fishermen must be compensated for any exclusion from licensed harvesting areas resulting from the creation of no take zones in marine conservation areas.

We are told Australian fishermen were compensated for the small area they lost in the Great Barrier Reef marine protection or conservation area.

• (1710)

A requirement for compensating losses is absent from Bill C-10. This would be unthinkable in a land-based park. Why is it not being considered in the marine environment?

Parks Canada has identified areas for the establishment of large marine conservation areas in the Queen Charlottes and the central and south coasts of British Columbia, all areas of significant fishing.

Let me identify several failures of marine conservation management. Let us consider if this bill would deal with these problems. If it did it would have my support.

A fisheries management failure is often camouflaged as a result of climate change, when in fact it is merely a management failure. I am thinking of the near collapse of Fraser River sockeye stocks.

Government ministers and DFO, in particular, blamed the collapse of sockeye on climate change that has caused, they said, changes in the water temperature and the like in the north Pacific. An internal DFO document reports documented evidence that there had been a management failure on the Fraser camouflaged as an environmental failure. Let me refer to the DFO report which, as I said, supports my contention.

The report entitled "Unsanctioned, Partially Monitored First Nations Fisheries on the Fraser River: A Conservation Risk". The report warned the department that its failure to account for illegal or "unsanctioned fishing represents an egregious affront to salmon conservation".

The report examined DFO's failure to account for the significant numbers of sockeye that were illegally caught on the Fraser River between Mission and Sawmill Creek. It said that the department had failed in the year 2000 to account for the illegally caught fish due to political and budget reasons.

The report documented how over the past several years that unsanctioned and unquantified in river catch had essentially added to the en route mortality account, the estimated number of fish that died en route to the spawning grounds from natural stress and temporary contact with fishing gear.



It came to the startling conclusion that this consistent failure to account for illegally caught fish together with the misleading practice of lumping them in with en-route mortalities:

—may be wrongly inflating the perceived significance of environmental effects on rates of migration mortality (an area receiving considerable attention since the 1994 Fraser River Public Review Board report).

The report said:

Overall, it is crucial to have a complete picture of catch to determine whether realised catch levels (by all user groups) are consistent with the achievement of desired spawning escapement goals—the fundamental measure of conservation success.

It also said that the estimate of total unsanctioned catch between Mission and Sawmill Creek on the Fraser for the weeks ending June 11th through September 10th was 30,952 sockeye.

The report said that Indian bands fishing in the Cheam and Yale First Nation areas caught 23,415 of these fish, 76% of the unsanctioned catch.

It further said:

Underestimating catch contributes to an underestimate of stock abundance, underestimating rates of exploitation, and difficulty validating and improving in-season abundance estimation that are crucial for implementing fishing plans and successfully achieving spawning escapement goals.

The report observed that conservation and protection that Officers adopted a more passive policy towards unsanctioned sockeye fishing in 2000, seizing fewer nets than previous years, especially 1999, despite valid conservation concerns for co-migrating species such as coho. It said that this was true especially true in the area fished around the Cheam First Nation band.

British Columbians are often presented with a particularly confusing picture of salmon stocks, the state of salmon habitat, and the health of fish populations generally, according to the report. Reasonable and simple questions about the state of the fish and fish habitat in British Columbia are often met with contradictory and confusing answers. Unsanctioned fishing activity is unsanctioned expressly because the fishery is closed to ensure long run conservation of various migrating fish stocks.

Canadians have a right to know about any substantial illegal fishing activity by any user group. Unsanctioned fishing is an area that receives little public attention despite the potentially serious consequences to the status of some stocks.

• (1715)

I could go on and talk not only on the issue in British Columbia but also on the problem of maintaining adequate lobster stocks on the east coast, especially in the area of Burnt Church.

I will quote a short statement from December 13, 2000 question period briefing note to the Prime Minister. It said:

### *Government Orders*

The Burnt Church and Indian Brook bands have refused to acknowledge the government's right to regulate the fishery. . . They have, instead, asserted treaty rights claims and, in Burnt Church, put in place a large scale illegal lobster fishery.

The government knew about the problems and yet it blamed them on the environment. It is now putting in place marine protected areas as an excuse for failing to enforce existing fisheries regulations. The minister has the power to protect all the fish habitat and all fish in coastal waters but he is not doing his job. The bill will not help him.

**The Acting Speaker (Mr. Bélair):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Bélair):** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Bélair):** All those in favour of the amendment will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Bélair):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Bélair):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Bélair):** Call in the members.

*And the bells having rung:*

**The Acting Speaker (Mr. Bélair):** The vote will be deferred until the end of government orders today.

\* \* \*

### **TOBACCO TAX AMENDMENTS ACT, 2001**

The House resumed consideration of the motion that Bill C-26, an act to amend the Customs Act, the Customs Tariff, the Excise Act, the Excise Tax Act and the Income Tax Act in respect of tobacco, be read the third time and passed.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I appreciate the opportunity to address the House at third reading of Bill C-26, the tobacco tax

*Government Orders*

amendments act, 2001. The bill would implement the tax elements of the comprehensive new tobacco strategy that was announced on April 5 by the Minister of Finance, the Minister of Health and the solicitor general.

[*Translation*]

The new strategy is designed to improve the health of Canadians by reducing tobacco consumption, especially among youth, which is one of the government's national health strategies. The new strategy represents the most comprehensive anti-tobacco program in Canadian history.

[*English*]

The strategy includes increased spending on tobacco control programs as well as tobacco tax increases to discourage smoking. Under this strategy, tax increases are linked to a new tobacco tax structure designed to reduce the incentive to smuggle.

The new tobacco tax structure builds on the 1994 national action plan to combat smuggling, which has proven to be very effective in reducing the level of contraband activity and restoring the legitimate market for tobacco sales. The main element of the new tax structure is a replacement of the current tax on exports of tobacco products, which was implemented under the 1994 action plan, with the new two tiered excise tax on exports of Canadian manufactured tobacco products effective April 6, 2001.

• (1720)

Under the new export tax, all exports of Canadian brands of tobacco products would be taxed, thereby reducing the incentive to smuggle exported products back into Canada.

The new tax would be two tiered. A tax of \$10 per carton of cigarettes would be imposed on exports up to a threshold of 1.5% of a manufacturer's annual production. A refund of tax would be provided upon proof of payment of foreign taxes. This measure would help avoid double taxation of these products when they enter legitimate foreign markets.

Exports of Canadian tobacco products over the threshold would be subject to the current excise duty on tobacco products and a new excise tax which in total would amount to \$22 per carton of cigarettes. There would be no refund on the second tier of export tax.

The new export tax structure would remove any incentive to bring Canadian tobacco products back into Canada illegally and would help set the stage for future tobacco tax increases.

Another element of the new tax structure affects people who travel. The government believes that all Canadian brands of tobacco products should be taxed regardless of where they are sold. Allowing Canadians who travel to continue to have access to low cost, tax free tobacco, either through duty free shops or the traveller's exemption, would be inconsistent with the government's strategy of raising tobacco taxes domestically to achieve the government's health objective of reducing smoking.

With the bill, Canadian tobacco products delivered to duty free shops and ships' stores, both at home and abroad, would be taxed at a rate for cigarettes of \$10 per carton effective April 6, 2001. Furthermore, the traveller's allowance is being amended to ensure that returning residents can no longer bring back tax and duty free tobacco products. Effective October 1, 2001, a new duty of \$10 per carton of cigarettes would be imposed on these products when they are imported by returning residents.

To ensure that Canadian residents are not subject to double taxation when they return with Canadian tobacco products on which tax has already paid, neither this duty nor regular excise duties and taxes would apply to tobacco products with a Canadian stamp, signifying that excise duties and taxes have already been paid. Non-residents would not be affected by the change to the traveller's exemption.

These measures would help meet the government's goal of reducing tobacco use.

[*Translation*]

Increasing tobacco taxes is another key component of the new strategy to combat the use of tobacco.

The federal government is increasing taxes, along with the five provinces that followed the federal government's lead when it reduced tobacco taxes in 1994. Effective April 6, 2001, combined federal and provincial taxes will increase by \$4 a carton for cigarettes sold in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island.

[*English*]

The increases would restore federal excise tax rates to a uniform level of \$5.35 per carton on cigarettes sold in Nova Scotia, New Brunswick and P.E.I. The amount would be equal to the current federal excise tax rate in the provinces that did not reduce tobacco taxes jointly with the federal government in 1994.

This would be the fifth increase in tobacco taxes since 1994 and would raise federal revenues from tobacco products by \$200 million annually.

Bill C-26 would also increase the surtax on the profits of tobacco manufacturers to 50% from 40% effective April 6, 2001. This surtax currently raises about \$70 million annually. It would now raise an additional \$15 million each year.

Before closing, I want to mention briefly that the government is providing additional resources in the amount of \$15 million the first year and \$10 million each year thereafter to help federal departments and agencies monitor and assess the effectiveness of these new tax measures in reducing smuggling.

The bill would implement fundamental changes in our tobacco tax system which would enable the government to use higher tobacco taxes to reduce smoking.

*Government Orders*

• (1725)

[*Translation*]

The new tobacco tax structure will reduce the incentive to smuggle Canadian-produced tobacco products back into Canada, and the resulting tax increases will help the government to meet its health objectives.

The new structure also sets the stage for future measures.

[*English*]

This new strategy demonstrates the depth of the government's commitment to reducing tobacco use. I encourage my hon. colleagues to give their full support to the bill.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance):** Mr. Speaker, I will begin by asking for the consent of the House to split my time with the hon. member for Red Deer.

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

**Some hon. members:** Agreed.

**Mr. Philip Mayfield:** Mr. Speaker, we are here today to debate Bill C-26. The bill has some good qualities and our party agrees with some aspects of the bill.

However, I would like to suggest that the government look to the Senate to study a bill that addresses the real problems of tobacco use, particularly with children. Bill S-15 has gone before committee and may soon come before this House. Although Bill C-26 has some good qualities, I believe the bill from the other place really would be more appropriate. It targets youth and suggests a model for accountability of the delivery of government services. I believe, despite our support for Bill C-26, that Bill S-15 deserves more careful scrutiny.

Earlier in the day we debated Bill C-22 and Bill C-17. We talked about the complexity of the imposition of taxes and the tax act. Taxes in this instance are also extremely complex with some 40 pages of legislation and another 50 pages of explanations. My goodness, why does it always have to be so difficult for people to understand the government's intentions?

One of the main difficulties in increasing taxes, particularly for constituents who have service stations and corner stores, and those who are rural merchants, are that their businesses have been so caught up in the economic decline of the country, particularly where I come from, that the loss of this income in tobacco sales is a real difficulty.

Should the bill go forward, I would suggest that there be a commensurate reduction of tax on other economic activities that are sensitive to price changes. A reduction of taxes in other areas for people who are hit with these increases would be appropriate.

While it may seem equitable to some that the big, bad tobacco industry take this on, taxes are not necessarily borne by those who have the responsibility to pay those taxes.

I do not think I need to lecture adults about cigarettes and all the associated health risks but I do want to talk about why I am supporting the bill even though there is much about it with which I disagree.

We all know the facts. What needs to be addressed in the bill is the central reason for this bill coming into existence. We can argue over the wording of the bill. Some may call it a tobacco recovery levy and some may call it a tax. What we cannot argue about is the fact that the tobacco companies target children. These are the smokers of the future who the tobacco industry will depend on for their future income and profits.

• (1730)

Young people are the most important target for smoking prevention activities. Since most smokers in Canada begin to smoke in their adolescence, a major challenge for smoking prevention is to counteract the influences of the tobacco companies. Tobacco use among young Canadians must be reduced.

What does the data say? What are the numbers? There are close to 6.7 million smokers in Canada. Smoking among adolescents aged 15 to 19 has risen from 21% to 29% over the past 10 years, and females make up a large percentage of this group.

Smoking accounts for about 30% of cancers in Canada and 80% of those who suffer from lung cancer are smokers. Cigarette related deaths account for 40,000 deaths in Canada every year. These facts speak for themselves. We must do everything possible to stop children from getting involved with this killing habit. The bill is one step in the right direction.

Some may argue that tobacco farmers would suffer enormous economic hardship. However during the 1980s the number of tobacco farmers declined by about 50%. These farmers began to grow other crops and have benefited from assistance programs. There are others in the retail end of smoking who suffer as well. There must be compensation for those who suffer. There must be an ability for them to continue on but smoking is evil. It is wrong for us to poison our young people and have them sacrifice their lives. This has to be the bottom line.

In 1991 consumers spent over \$10.1 billion on tobacco products. Of that amount about \$6.6 billion went to the federal, provincial and territorial governments. There is no denying that this is a substantial amount of money but it amounts to less than 2% of federal and provincial revenues. Considering that tobacco taxes make up less than 2% of the federal revenue, there is even more incentive to reduce the number of children who want to smoke.

*Government Orders*

I want to compare the 2% of federal revenue to the health care costs in our public health care system. With over 40,000 deaths directly related to tobacco, the strain on our overburdened health care system is enormous. Those suffering from lung cancer as a result of years of tobacco use costs billions of dollars in health care costs. By reducing the number of children smoking, we not only save their lives but we can help save billions of dollars in health care at the same time.

These are very important reasons to help stop tobacco use among our children. When people stop smoking completely, the country saves money. In 1993 the societal costs attributed to smoking were estimated to be \$11 billion, which is far higher than the income from tobacco.

The Canadian Cancer Society surveyed thousands of smokers and over 85% indicated that they wanted to quit and that they only smoked because they were addicted and could not get out of the habit. In 1994 almost 75% of Canadian smokers reported having tried to quit at least once.

What is needed from the government is leadership on the issue. The Minister of Health has taken some small steps to address the crisis of smoking among youth but small steps in the past have not been enough. The government needs to put the health of young children ahead of partisan politics and show some determination. We all must recognize the enormous health risks of tobacco and the true costs of allowing this habit to continue.

Children are one of the most vulnerable groups in our society and that is why aspects of the bill are so important. The bill would create an educational fund.

Bill C-26 would put a levy on tobacco and put the health of children ahead of everything else. By reducing tobacco caused illnesses and death through prevention, we are helping society as a whole.

• (1735)

Some argue that non-smokers should impose their views on smokers. Perhaps there is some merit in that. However I am arguing for the vulnerable children. Adults are responsible for the protection of children from this kind of harmful activity. The government is the watchdog and the guardian over that which would harm our children. The societal costs of smoking are tremendous.

We cannot forget that children need our protection from harm. They are vulnerable and impressionable. This is why elements of the bill are worth examining. Children are the future and the reason I am supporting the bill. Let us give them a fighting chance.

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, it is my pleasure to speak to Bill C-26, the tobacco tax amendments act, 2001.

Last year as a member of the health committee I listened to a lot of testimony from various tobacco producers and sellers. I also listened to many health experts and it became fairly obvious after several months of hearings just how damaging tobacco is to society and how it impacts on our health care system.

Whether it is the heart association or the cancer association, all of them bring solid evidence that tobacco kills. They tell us that 45,000 Canadians are killed directly by the use of tobacco every year. They also show figures representing billions of dollars taken from our health care system as a result of this habit.

Like the last member who spoke I find the most discouraging, disappointing and despicable part of the whole tobacco industry is the targeting of young people and the various ways that it operates around the world.

While in Germany recently I went past a number of schools. Adjacent to a school, sometimes on all four corners, there would be cigarette machines and advertisements targeting young people. We do not have that in Canada because we have progressed a long way from that. However that is the kind of industry we are dealing with, one that targets young people even in an advanced country like Germany.

Over the many years that I have travelled to developing countries I have seen little 10 packs of cigarettes being given to children outside schools. These children are only 8 and 9 years old. Many reports indicate that these cigarettes contain many times the nicotine level contained in normal cigarettes. In this fashion, tobacco companies hook them young.

The tobacco industry does not want the bill to pass. It is hard for me to agree with the tax increase, but in this case if the money is put toward stopping people from using this very dangerous product then this tax is reasonable and legitimate, and my party will support it.

It is hoped, however, that the dollars collected would not be like the dollars collected on the gasoline tax. That money is collected but is not put into roads. I hope this extra money would go to the health system and toward stopping our kids from smoking. In supporting the bill I have to say that this provision must be included. The dedication by the government must also be there.

• (1740)

Our country's health system is deteriorating. Many experts would say that we are 23rd out of the 29 OECD members, the most industrialized countries. That is not something to be proud of. Obviously one of the problems, and there are many others, is the lack of funding. Hopefully this funding would help that.

It is also hoped that the tax increase would allow some other tax decreases to occur. The thing that is probably hurting us the most and the reason that many of us came to the House was the debt of



\$550 billion of which \$43 billion is paid out in interest every year. I imagine what we could do with the \$43 billion to help our health system, to help kids stop smoking and many other things.

It has to be remembered that today we are spending \$15 billion on health. We spend \$12 billion on advanced education and \$22 billion on various other social programs. If we had \$43 billion we could probably stamp out the problem that the bill is addressing.

I believe that the bill is good for Canada as long as the money from it is used in the right way. It is hoped that it would go a long way to stopping young people from wanting to smoke.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I cannot help but begin my portion of the debate on Bill C-26 by commenting on developments within the Canadian Alliance ranks.

I did not believe we would ever see the day when members of the Canadian Alliance would be supporting a tax hike. However, here they are today. I guess stranger things have been happening over the last little while. It is wonderful to see the transformation of Canadian Alliance members. I say good for them for recognizing that the tax system is an important part of shaping good public policy.

I hope they are able to use the logic they have applied to this debate in seeing tax increases as playing an important part in creating responsible social behaviour. It is something that needs to be extended and looked at in a whole number of areas, including conservation of our natural resources, the reduction of poverty in our midst and the pursuit of social justice. That is the bottom line in terms of the taxation system and what is important for Canadians.

I am also tempted at the start of the debate, following developments earlier in the House today, to say hello to my mom. It is a wonderful opportunity to pay tribute to mothers across the land and to make the connection between mother's day and the debate we are having today on tobacco control.

Many times in our history mothers have led the fight to create safer communities to protect the health of our young people. They have been involved in stopping drinking and driving. They ensure that pregnant women take all the necessary precautionary steps. They are also trying to prevent young people from getting addicted to the deadly product of tobacco. Women have been doing an incredible service for the country in the pursuit of health and well-being for all our citizens.

Today we have an opportunity to talk about tobacco control and to acknowledge the work of the federal Liberal government in pursuing one part of a comprehensive strategy to reduce the use of tobacco in society and to prevent addiction to cigarettes.

### *Government Orders*

I acknowledge the importance of Bill C-26. It is a bill that would increase taxes on tobacco products. It would amend a number of acts which would result in an increase of \$4 on a carton of cigarettes. That is an important development.

• (1745)

The members of the New Democratic Party certainly will support Bill C-26 at the final stage of approval by the House. However, I think it is incumbent upon us at this moment with this opportunity to look at what else the government could have done and to urge it to do more in this regard.

I was pleased to hear the Parliamentary Secretary to the Minister of Finance suggest that this is a beginning, that there are more tax increases on the way and that the government recognizes there is room to move when it comes to increasing the price of cigarettes and still not be worried or pressured because of the threat of smuggling.

I think it is fair to say that the government is actually making up for lost time. It has perhaps, I hope, seen the error of its ways in that devastating decision in 1994 when it caved in to the tobacco lobby, rolled back the tax increase on cigarettes and actually contributed to the very serious problem of smoking among our young people today.

It has to be acknowledged what that kind of taxation policy does and what that kind of caving in to tobacco companies can do in terms of our collective pursuit of preventing the use of tobacco and stopping addiction to cigarettes among our young people.

I hope the Liberals recognize what they have done and I hope today's measure in the form of Bill C-26 is an acknowledgement of their past wrongdoings and a determination to right a wrong and to move forward, doing everything we can.

In 1994 we had an opportunity to keep the taxes high on cigarettes, to keep products out of the hands of young kids and to stop a lot of folks from getting addicted. I think we really did a great disservice to this country. Because of the threat of smuggling, we dropped the tax increase and actually caused more young people to get addicted to cigarettes. It is fair to remind the House that under the Liberal government, addiction to cigarettes among young people has actually increased.

It is important to refer to the government's own document put out by Health Canada, entitled "Canadian Tobacco Use Monitoring Survey" for February to December, 1999, which points out that smoking by teens aged 15 to 19 years, though down significantly from 43% in 1981, has increased 21% since 1990 but appears to have reached a plateau at around 28% since 1994.

*Government Orders*

In the Liberal era, smoking among young people and addiction to cigarettes has actually increased significantly. That has to be the direct result of caving in to the tobacco industry in 1994 around the tax increases and a result of a failure of the government to actually implement a fully comprehensive smoking cessation program.

The question for us today is this: is a \$4 increase on the price of cigarettes enough? Could we do more? The answer is clear. Many groups have said there is all kinds of room to move. We know from some of the mapping done by those involved in this field that there is still a considerable gap between the price of cigarettes in Canadian provinces and the price of cigarettes in U.S. border states. The statistics suggest that we could raise cigarettes prices quite a bit more in order to be even closer to the price of cigarettes in the United States, so there is no need to be leery about the whole issue of smuggling in that context.

The comments of groups that have pointed out that we have overreacted to the threat of smuggling are legitimate. It is very important to remind ourselves that perhaps the government got caught up in something that did not necessarily have a basis in fact.

• (1750)

I point specifically to much work done by the Canadian Cancer Society and the Non-Smokers' Rights Association, which over and over have reminded the government that it has room to move in terms of increasing the price of cigarettes. In fact, they suggest that even if the Canadian government raised tobacco taxes by \$10 per carton the price gap between Ontario-Quebec tobacco and the now much more expensive American cigarettes would only close by about 50%. They said that in a letter and documentation put together by those two organizations in March of this year.

The executive directors of those two organizations, Ken Kyle for the Canadian Cancer Society and Garfield Mahood for the Non-Smokers' Rights Association, stated:

—we believe the fear of smuggling in some quarters has been greatly exaggerated. If the United States can maintain high tobacco taxes without significant smuggling, so can Canada.

I put that on the record because I take in all seriousness the parliamentary secretary's comments about potential future increases and indicate to him that there certainly would be no opposition from us. I believe that he would have the support of many Canadians if his government chose to do that on an expeditious basis.

There is another question around this announcement and this bill. Is there enough money for and is Canada doing its part in tobacco prevention and cessation? The announcement that was tied to the tax hikes under Bill C-26 indicated that there would be an additional \$480 million over five years for the tobacco control program in Canada. That is clearly still far below the levels that most groups active in this field have called for. It is certainly not

much of an increase when we break it down in terms of what the government is spending today.

The government's own press release indicates that about \$210 million over five years would be assigned directly for prevention of tobacco addiction and for tobacco control programs. That is about \$42 million a year. That is hardly in line with what Canada is obligated to spend if we are to deal with the serious problem in our society today. I do not need to repeat the figures.

We heard from the Alliance and other members today about the 6 million smokers in Canada today, the 45,000 deaths per year, the fact that 250,000 young people annually become addicted to cigarettes, the fact that 90% of all smokers are addicted before the age of 18 and the fact that we spend \$3.5 billion annually in terms of the health costs associated with smoking. All of those facts should be obvious to the government and should point this government clearly in the direction of an increased expenditure for smoking prevention and cessation programs.

That is precisely the essence and the purpose of Senator Kenny's bill, which has been through this House a couple of times and is on its way for the third time. Bill S-15 is due to arrive in the House very shortly. It follows on the heels of Bill S-20 which died on the order paper when the election was called. That followed Bill S-13 which was killed here in this place as a result of the government rising on a point of order and suggesting that it was out of the bounds of this place to pursue a money bill, a tax bill, that came from the Senate.

There is a question for all of us today. Given everything we have learned, given the work by groups on this bill, given the clear changes to Bill S-15 to make it compatible with the rules of this place, what will this government do in the next couple of days when the bill makes its way from the Senate to the House of Commons?

I hope that under no circumstances would the government try to put the kibosh that bill and suggest that it is not within the purview of this place to proceed with a bill that would actually raise the price of cigarettes on a much more significant basis than the government has been prepared to do to date and would ensure that the money is targeted specifically for smoking prevention and cessation programs. We are looking under that bill at a fund of approximately \$360 million a year to be dedicated to smoking cessation and prevention among young people and others in our society.

• (1755)

If we compare that \$360 million a year to the \$210 billion that the government promises to dispense over five years, we can see the huge gap in the proposals and the clear need for Senator Kenny's bill. I would hope that when the bill enters this place we

would all be united in support of the bill to ensure it is allowed for debate so that we can have a meaningful discussion about the values of a tobacco control initiative that increases the cost of tobacco by another \$10 per carton and ensures that the money goes into a special fund to be administered by non-profit organizations.

That would bring us much more in line with other countries that are taking the issue seriously. It is important, for the record and for the government today, to be mindful of the fact that under the government and the way we administer our programs dealing with tobacco prevention, we spend about 66 cents per capita on this important endeavour. Many others have pointed out how that compares to other jurisdictions. For example, \$32 per capita is spent by the state of Ohio and \$16 per capita by Massachusetts and so on. All academic overviews of the issue and all analyses by experts on this serious problem in our society show that Canada should be spending more like \$270 million to \$720 million a year on dealing with a problem that is growing as we speak.

The facts that more young people are turning to cigarettes, that smoking at an early age leads to a lifelong addiction and that it very likely leads to ill health and even death should be enough to tell us to get on with the job and do something now. The old expression that a penny of prevention is worth a pound of cure suggests that if we invest a little bit now we will save a heck of a lot later on if we are serious about this problem.

Finally, as part of a comprehensive strategy dealing with the high rate of tobacco and cigarette smoking in society today, we must have an increase in the cost of cigarettes, as the government is doing in part today. We must have a clear focus on education and prevention, a model of which is provided by Senator Kenny's bill coming from the Senate this week.

We also must do more in terms of advertising and restricting tobacco companies' attempts to get through to our young people. It was just over a month ago that we raised in the House a totally destructive ad by du Maurier which ran in dailies across the country. It was a huge colour advertisement that basically suggested there was a free trip to the city of New York to be won if one was a smoker and over the age of 18. The ad said "Live it up in the city that never sleeps. Win one of two amazing New York experiences". It went on to set out the terms and conditions for applying for that prize.

The government has done nothing. We have appealed to the government to look at the Tobacco Act and to realize that this is contrary to the law. We have called upon the Minister of Health to take action. I wrote to the Minister of Health on March 23 and asked him to please take action against du Maurier and do something about that deplorable ad. I have yet to hear from him. I am hoping that this is still under advisement and that the Minister of Health and the government are prepared to apply the full force of the law in regard to this ad by du Maurier, because it is contrary to the law. We have heard clearly from many groups about how it violates the law.

### *Government Orders*

[*Translation*]

I am referring to the Coalition québécoise pour le contrôle du tabac, which said, on March 27, "The tobacco industry is thumbing its nose at the government and its Tobacco Act".

This was the reaction of the Coalition québécoise pour le contrôle du tabac to the new du Maurier ads announcing a contest to win a five-day trip to New York.

• (1800)

[*English*]

That organization gave the Minister of Health some very specific articles in the tobacco act to pursue in terms of contravention. Specifically that organization and others have referred to articles 21 and 29 of the tobacco act. We hope the government will take action. If it is serious, as it indicated today, about controlling access to cigarettes by raising the price then surely it is prepared to take on tobacco companies when they break the law. Surely the government is prepared to show leadership by example.

Leadership by example would do more than anything to deal with this tragic epidemic in society. I am thinking specifically of the government's decision to include tobacco industry representatives on the trade mission to China in February.

It struck us and many Canadians as odd that the government would show such hypocrisy. On the one hand it pretends to be interested in controlling tobacco use and on the other hand it promotes tobacco in a country where there is already an epidemic of smokers. Some 800,000 Chinese people die every year because of tobacco addictions.

The government is involved in global efforts to control tobacco and we commend it for that. Given the fast flow of goods and services around the world, dealing with cigarette addiction and coming up with meaningful tobacco control programs must be done internationally. That is precisely where we would like to see the government show leadership.

We commend the government for being involved in what is clearly an important initiative, one that requires more time and effort by all of us. However it is hard to take seriously the government's efforts regarding international tobacco control when it is neither showing such leadership domestically nor leading by example in terms of ensuring we practise what we preach wherever we go.

We support Bill C-26. Increasing the price of cigarettes is an important and necessary step. However it falls far short of a comprehensive strategy that involves education, prevention, advertising restrictions and ever increasing prices on tobacco so that it is priced out of reach of our young people.

*Government Orders*

I thank the House for its attention and urge the government to follow these suggestions.

[*Translation*]

**Mr. André Bachand (Richmond—Arthabaska, PC):** Mr. Speaker, I have a couple of technical points to make before I start. I advise the Chair that I will be splitting my time with my colleague from Kings—Hants who has not had a cigarette since the holiday season. He is setting a example for the House.

I would also like to thank the translation service and the interpreters. I find it very hard to stick to my prepared speech. I want to thank them for their understanding and for trying to follow me. I will try to speak more slowly. They do an absolutely remarkable job and I take this opportunity to congratulate and thank them for their understanding.

This being said, Bill C-26 is a tax bill, which hopefully will change things in the area of health. While I was looking at the bill I was thinking “Can a tax bill really save lives?” We certainly hope so, and this is the reason why we have been asking the government for a long time to put money back into health. The government should put more money into health.

If we are willing to levy an additional tax to put warnings on cigarette packages alerting young people to the dangers of tobacco, if it works, and we hope it will, we should take this opportunity to invest massively in transfer payments to the provinces so that they can deal with others issues.

• (1805)

Bill C-26 sets this amount at \$4 per carton of cigarettes. I am a smoker, the only one in the Progressive Conservative caucus, and I am wondering why \$4, why not \$3, why not \$10? Honestly, I do not know why. The government is proceeding cautiously, step by step. It claims smuggling is not an issue, yet it is still moving very timidly, according to anti-tobacco groups both in Quebec and the rest of Canada.

The parliamentary secretary said that \$4 will give us this much money. It would have been interesting to know what the impact of a tax increase is on cigarettes sales. If people buy less, revenues will be lower. What are the mathematics? What is the government’s objective in introducing Bill C-26 as it relates to the reduction of tobacco use, particularly among young people? We do not know.

Of course, it is not ethically correct to say that \$4 are added to the price of a carton of cigarettes. However, we do not know what the government’s plan in the fight against tobacco is. We know that a bill is coming from the other place.

People are applauding Bill S-15, except that there is a problem with parliamentary tradition. The problem is the fact that a tax is asked for by the other place. The House will examine that bill. I am

not worried about that. If Bill S-15 is not acceptable to this House, in accordance with parliamentary tradition, the government, if it is serious, will introduce a bill the very next day, using the same arguments and the same information and will identify it with a C instead of an S. If the government is serious about its fight against tobacco, it must arrange to apply the principle behind the details in the bill.

This being said, \$4 is one thing, but interestingly, the government is controlling something controllable in the fight against tobacco. We remember that, when there was a major increase in taxes, companies would sell their cigarettes to the United States and the cigarettes came back through somewhat illegal channels. We would buy Canadian tobacco, but it had made a short trip to the United States before coming back here. This bill corrects this situation.

We knew that one of the reasons why there was a black market was the fact that there was no tax on cigarettes coming out of the production plant. It took years to deal with that issue. We were aware of the problem and of the legislation, but it took six or seven years to make it into an efficient tool.

Now we are told that there is no problem anymore. We know that the black market is active again, albeit to a lesser degree than before, because it is harder now. However, as we all know, if there is money to be made, criminals are usually quick to get involved.

As for the Canada—United States agreements, we do not know what measure was taken so that both sides would talk to each other. The case of duty free shops is interesting. People used to go to Old Orchard or elsewhere in the United States for a day or two, perhaps a week, and come back with cigarettes that cost a lot less. That situation is being corrected. This only makes sense.

Indeed, if tobacco products are taxed in Canada because they are deemed to be dangerous products, there is no reason to sell them for less to Canadians who buy them in duty free shops. We must be consistent. The Minister of Finance and his American counterpart deserve praise for having taken the necessary steps to deal with this issue.

We support Bill C-26, but the fact is that according to statistics, over 40,000 people die every year because of tobacco. If two people die from another cause, the government takes immediate action to ban that cause. However, tobacco kills 40,000 people per year, and all it does is increase taxes and tell Canadians that it is a dangerous product. I find this a bit cynical.

• (1810)

I come from a town called Asbestos. What is being said around the world? “Asbestos kills. We are banning it”. If we apply the anti-tobacco logic, why not ban tobacco? Why not say that it is a



*Government Orders*

dangerous product and that we are simply banning it. Why not? Because there is a certain degree of social acceptance.

We hope that the anti-tobacco program will be aimed not just at young people, but at all Canadians. Smoking must become unacceptable. I am a smoker and I must say that the bylaw recently passed by the new city of Ottawa, which will take effect August 1, promises to make life difficult.

They are talking about increasing the buffer zones, even outside. There will be buffer zones, as there are in hospitals, for instance. When one goes to the hospital, one may not smoke. There are even restricted areas at entrances. We do not have this situation in the parliamentary buildings; we have our famous smoking urns outside.

I recall being outside smoking a few years ago when the temperature was minus 35 Celsius. Neither cold, nor snow, nor sleet, nor rain will stop a smoker. We are like letter carriers, so we go outside to smoke, and the current Deputy Prime Minister went by and said: "My God". It smelled terrible. Eventually the buffer zones will be enlarged.

That having been said, it is true that there are people who die because of tobacco. An additional \$4 per carton will not solve everything. Bill S-15 will not solve everything. What is missing in this battle is a united front. The battle does not involve the federal, provincial and municipal levels. They do not talk to one another. This is nothing new on the part of the federal government, which acts on its own most of the time, but it ought to talk to its partners.

What other municipality would act like Ottawa? Does it have the support of the provincial and federal governments? We do not know. Within the information program, will the federal government spend money to encourage the provinces and municipalities to pass bylaws, as it has with the City of Ottawa? If there is a constitutional problem relating to a total ban on smoking, will the federal government be prepared to listen to the arguments?

There are logical measures being put forward and we applaud them, but taxation measures are not what is going to solve health problems.

I will close with the remark that, if it is a good thing to address youth smoking by adding more tax and to use those funds for awareness and education campaigns, it is surely also a good thing to reinvest in the entire health system the necessary funds to provide choices to people, not just Quebecers but all Canadians, so that they can live healthier lives.

We applaud Bill C-26 and await Bill S-15, these financial legislative measure introduced in this parliament, which make sense for the health of those we represent. The Conservative Party will be supporting them. Thank you, Mr. Speaker, and may I wish you good health.

[English]

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, the hon. member asked what the government's objective was behind the increase in the tax on cigarettes and how it would reduce the incidence of smoking. That is a very good question.

Unfortunately the last time we raised the tax we saw a lot of smuggling. Many Canadians got cigarettes through the back door so it was hard to correlate the increase in tax with the decreased incidence of smoking. However the government is quite confident that the new measures, along with the reduction of economic incentives to smuggle cigarettes across the border, should reduce or eliminate the incidence of contraband. Therefore, we will have a much better measure moving forward. However there is some good generic data that supports the notion that increasing the taxes reduces the consumption, other things being equal. If people can get the cigarettes through the back door that will not happen. I just wanted to make that comment. I thank the member for his contribution.

• (1815)

[Translation]

**Mr. André Bachand:** Mr. Speaker, that is it exactly. I thank the parliamentary secretary for his remarks. Indeed, in Canada, when there has been a marked, rapid and brutal increase in the taxes on tobacco products, the black market has moved in.

That said, the data are available and studies, which are, more or less conclusive, have been done. In the U.S., for example, increased taxes on cigarettes had limited effect on the number of smokers per age group. When one state is located in the central part of the States, and its partners from the other states have similar measures, data are available.

In Bill C-26, the most interesting measures, as I was saying earlier, concern a tax on tobacco products at the factory gate. This is about what we have. The old federal taxes we had prior to the arrival of the infamous, questionable and questioned GST, like the old federal manufacturing tax, resolved part of the problem.

It will be interesting to see the effectiveness and the impact of a tax on health. There is a study that has nothing to do with health. At one point a curve was developed, which was used frequently by Mr. Reagan in the States: the higher the taxes, the higher the revenues. At a certain point, however, revenues drop.

It will be interesting to see what tax on cigarettes will be the optimum in discouraging smoking among the young. I hope that the Department of Health will monitor this closely.

*Government Orders*

[English]

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, it is with pleasure that I rise today to speak on Bill C-26. I thank my colleague, the member for Richmond—Arthabaska, for his comments and personal reflections on this issue.

It is important to realize that smoking is on the rise in Canada, particularly among young people. That is the most troubling part of this whole trend relative to smoking. In 1990 in the age group between 15 and 19, 21% of that age group was smoking. That rose to 28% by 1999.

Let us look at our strategy to combat smoking. We have seen the banning of sponsorship of auto races and cultural events across the country. It is questionable whether or not that ban has helped reduce smoking. What it has done is reduce funding for cultural events across Canada. I question the government's strategy on whether or not banning sponsorships of cultural activities has made a big difference in reducing smoking. That has been part of the government's strategy.

Another one strategy has been these garish, egregious packages which have pictures of gangrenous feet and cancerous lungs. Now we have teenagers trading them like playing cards, with one teenager saying to another "I'll give you a gangrenous foot for a cancerous lung". That sort of thing is going on, so I sometimes question whether or not that initiative is achieving its mark.

One jurisdiction that has made a difference in reducing the incidences of smoking with young people is California. We should take a serious look at how their best practices achieved that reduction in smoking. Certainly its advertising and promotion was very sophisticated. There was not a banning of sponsorship of events by the cigarette companies. Those have continued. The warnings on the cigarette packages are discreet but we have seen in recent years a 43% decline in smoking in California. The big difference is the funding of educational programs.

● (1820)

In Canada the government's latest initiative will result in what I think works out to about \$2.33 per Canadian per year. In California the amount of funding devoted to smoking cessation or anti-smoking initiatives, from a marketing and educational perspective, is closer to \$5 per person.

California focused on community groups, schools, the education system and on trying to avoid the behaviour from being developed in the first place. We really should take a hard look at California and other jurisdictions that have been successful in this light.

The government has the best of intentions with a lot of these initiatives. That is not to be questioned. What is more important

than just having the best of intentions is having great results. We should take a serious look at a more significant investment on the education side and working with the provinces to ensure that we are doing everything we can to prevent young people from smoking.

As I said, I personally question the banning of the sponsorship of sports and cultural activities. I do not think that has had an impact. I stand to be corrected. I also question the garish packages with the pictures on them. I think that has perversely in its own way, through some type of reverse psychology, created an attraction to young people who, for some reason that is beyond me, are drawn to these sickening packages.

Whether or not the price will affect people's decisions, I can only speak in an anecdotal way from constituents who have told me that increases in cigarettes prices make a difference. They make a difference in their lives in terms of the affordability. It is intuitive to expect that raising prices will have an impact on reducing the actual incidence of smoking.

I do not smoke any more. When did I never bought them, I used to bum them off my colleague from Richmond—Arthabaska, so the price was never a factor for me. However smoking caused a few friendships. It was my efforts that slowly reduced the incidence of smoking in our caucus because none of the other members could afford to smoke and give me free ones. There are reasons why I am finance critic. Parsimony may be one of them.

I am very pleased that I have quit smoking. I feel very good about that. I am looking forward to the day when our caucus is completely smoke free. We are nearing that day very quickly. By that I mean I want the member for Richmond—Arthabaska to quit smoking, not that I want him to leave caucus. I see the hon. member for Compton—Stanstead opposite and I just wanted to make sure that I was being absolutely perfectly clear on this.

In any case, I commend the government's efforts in this regard. It is something of which we have to do more. I question some of the directions and initiatives, but I certainly do not question or dispute the positive intentions of the government. I just hope we are doing everything we can to fight this scourge on the health of Canadian citizens and to foster a healthier Canada, as we have now entered the 21st century. We have to work together to ensure that happens. As policy-makers and as leaders, we have to ensure that we do everything we can to ensure that. With health costs rising, the one way we can make a difference is to reduce the incidence of smoking, particularly with young people.

● (1825)

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, having worked with the member for Kings—Hants, I know he does not cheat nor does he run into the

washroom and grab a quick smoke every now and then. I congratulate him. I am sure his colleague will see the light of way in due course.

I do not blame Canadians for being confused with regard to parts of this issue because it is very complicated. When taxes on cigarettes go up, some constituents of mine will say that people will start smuggling them. This gives me an opportunity to highlight the difference in this two tier tax structure with a non-refundable tax.

People were smuggling cigarettes into Canada because of the price differential. Cigarettes used to go into the U.S. market without the tax. That created the incentive for people to smuggle them back into Canada, which created a very lucrative market for them. Under the present regime, we have a tax which in the main says that once cigarettes leave the manufacturers plant a non-refundable tax goes on them. If the economic incentive to bring cigarettes back into Canada is taken away, then we are going a long way.

The government understands that people are very creative. That is why we started off with a \$4.00 per carton increase. Hopefully smuggling will not be an issue. However we will monitor that very carefully. Some people say the key factor is the price of cigarettes in the United States. However it is the differential and the incentive to smuggle Canadian cigarettes because Canadians like to smoke Canadian cigarettes. That is why we have to eliminate the economic incentive.

I would like to congratulate the member on his intervention. Would he comment further on those aspects.

**Mr. Scott Brison:** Mr. Speaker, I hope this initiative is more successful because of the two tier nature of it in preventing the cross border activities.

His government has done something else which will help reduce the incidence of Canadians buying cigarettes from the U.S., and that is its very dedicated effort to reduce the value of the Canadian dollar. The government has successfully reduced the Canadian dollar by almost 12 cents during its period in office in the last eight years. That in and of itself makes a difference in convincing Canadians not to buy cigarettes in the U.S. because they cannot afford to pay in U.S. dollars.

Perhaps in some perverse way that is part of the long term strategy of the government to not only lock Canadians in the fiscal prison, that is the low dollar, but also to prevent them from being exposed to nasty substances like American cigarettes, which are pretty bad by the way.

I wish he could comment on that because I was wondering why the government was paying so little attention to the precipitous decline in the dollar. However I realized that the government was actually trying to protect the health of Canadians by reducing the

### *Government Orders*

dollar to such a point to reduce in any way, shape or form incentives for Canadians to buy cigarettes in the U.S.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, in regard to the smuggling aspect of tobacco, the House should hear the seriousness of that situation.

The last case I worked on when I was in the Royal Canadian Mounted Police involved an agent who was paid to get inside the organization that was smuggling tobacco. That agent ended up murdered on the side of the road after charges were laid against the crooks who were bringing the tobacco across the border.

If anybody in the House or anybody watching thinks that tobacco smuggling is not a serious issue with serious consequences for this country then I have news for them. It is organized crime. Has the member considered the fact that smuggling is a much bigger issue than just the fact that someone is making a few dollars from it?

• (1830)

**Mr. Scott Brison:** Mr. Speaker, I thank the hon. member for his question. He has identified a very important issue. What are we doing about funding, particularly for the RCMP in terms of dealing with organized crime?

Anything we do that creates greater incentives for smuggling and organized crime needs to be done in lockstep with better funding and resources for the RCMP. It is of little use to pass laws we cannot enforce. It is of little use to raise taxes if it results in smuggling which we cannot police effectively. I think the member's point was that we need to be vigilant in ensuring the RCMP has the resources to do what is necessary. It is a very serious issue.

I hope, as the Parliamentary Secretary to the Minister of Finance said, that this initiative—

**The Acting Speaker (Mr. Bélair):** It being 6.30 p.m. and pursuant to the order adopted earlier today, Bill C-26 is deemed to be read a third time and passed.

(Motion agreed to, bill read the third time and passed)

\* \* \*

### **PATENT ACT**

The House resumed from May 10 consideration of the motion that Bill S-17, an act to amend the Patent Act, be read the second time and referred to a committee.

**The Acting Speaker (Mr. Bélair):** The House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill S-17.

Call in the members.

• (1850)

*And the bells having rung:*

*Government Orders***BUSINESS OF THE HOUSE**

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, I was just in discussions with the government House leader and my party has decided to withdraw its amendments to Bill C-22 and Bill C-17. I think if you were to seek consent you would find agreement for that.

We will be voting on the main motion to both those bills.

**The Speaker:** Is there unanimous consent to permit the withdrawal of the two amendments on each bill announced by the hon. chief opposition whip and to proceed with votes on third reading motions on both bills tonight?

**Some hon. members:** Agreed.

(Amendments withdrawn)

\* \* \*

**PATENT ACT**

The House resumed consideration of the motion that Bill S-17, an act to amend the Patent Act, be read the second time and referred to a committee.

**The Speaker:** The question is on the motion for second reading of Bill S-17.

● (1900)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 95)

**YEAS**

## Members

Abbott	Adams
Alcock	Assad
Assadourian	Bachand (Richmond—Arthabaska)
Bachand (Saint-Jean)	Bagnell
Bailey	Barnes
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blondin-Andrew	Bonwick
Boudria	Bradshaw
Breitkreuz	Brien
Brisson	Bryden
Burton	Caccia
Cadman	Calder
Cannis	Caplan
Castonguay	Catterall
Chamberlain	Charbonneau

Chatters	Clark
Coderre	Collenette
Comuzzi	Copps
Cotler	Cullen
Cuzner	Dalphond-Guiral
Day	DeVillers
Dhaliwal	Dion
Dromisky	Drouin
Dubé	Duceppe
Duhamel	Duncan
Duplain	Easter
Elley	Epp
Eyking	Farrah
Folco	Fontana
Fry	Gagliano
Gagnon (Québec)	Gallant
Godfrey	Goldring
Goodale	Grose
Guamieri	Guimond
Harb	Harris
Harvard	Harvey
Hill (MacLeod)	Hill (Prince George—Peace River)
Hilstrom	Hubbard
Jackson	Jaffer
Jennings	Jordan
Karetak-Lindell	Karygiannis
Keddy (South Shore)	Keyes
Kraft Sloan	Laliberte
Lanctôt	Lastewka
Lebel	LeBlanc
Lee	Leung
Lincoln	Longfield
Lunney (Nanaimo—Alberni)	MacAulay
Mackay (Pictou—Antigonish—Guysborough)	Macklin
Mahoney	Malhi
Maloney	Marceau
Mark	Marleau
Martin (LaSalle—Émard)	Matthews
Mayfield	McCallum
McCormick	McGuire
McKay (Scarborough East)	McTeague
Mills (Red Deer)	Mills (Toronto—Danforth)
Minna	Mitchell
Moore	Murphy
Myers	Nault
Neville	Normand
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pagtakhan
Pallister	Paquette
Paradis	Parrish
Patry	Peric
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Price	Proulx
Provenzano	Rajotte
Regan	Reid (Lanark—Carleton)
Reynolds	Richardson
Ritz	Robillard
Rocheleau	Saada
Sauvageau	Savoy
Scherrer	Schmidt
Scott	Shepherd
Skelton	Spencer
St. Denis	St-Hilaire
St-Jacques	St-Julien
Steckle	Szabo
Telegdi	Thibeault (Saint-Lambert)
Tirabassi	Toews
Tonks	Torsney
Tremblay (Rimouski-Neigette-et-la Mitis)	Ur
Venne	White (Langley—Abbotsford)
Wilfert	Williams
Wood	Yelich—180

**NAYS**

## Members

Blaikie	Godin
Hinton	Martin (Winnipeg Centre)
Nystrom	Wasylcia-Leis—6



*Government Orders*

## PAIRED MEMBERS

Allard	Asselin
Augustine	Bellehumeur
Bergeron	Bigras
Bourgeois	Brown
Cardin	Carignan
Cauchon	Charbonneau
Crête	Dalphond-Guiral
Desrochers	Discepola
Eggleton	Fournier
Gagnon (Champlain)	Gauthier
Girard-Bujold	Graham
Guay	Ianno
Knutson	Lalonde
Loubier	Manley
Marcil	McLellan
Ménard	Perron
Peterson	Pettigrew
Picard (Drummond)	Plamondon
Redman	Rock
Roy	Sgro
Stewart	Tremblay (Lac-Saint-Jean—Saguenay)
Vanclief	Whelan

**The Speaker:** I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Industry, Science and Technology.

(Bill read the second time and referred to a committee)

\* \* \*

[*Translation*]

## INCOME TAX AMENDMENTS ACT, 2000

The House resumed consideration of the motion that Bill C-22, an act to amend the Income Tax Act, the Income Tax Application Rules, certain Acts related to the Income Tax Act, the Canada Pension Plan, the Customs Act, the Excise Tax Act, the Modernization of Benefits and Obligations Act and another Act related to the Excise Tax Act, be read a third time and passed.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division of the motion at third reading stage of Bill C-22.

[*English*]

**Ms. Marlene Catterall:** Mr. Speaker, I think you would find consent that those members who voted on the previous motion be recorded as voting on the motion now before the House, with Liberal members voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Mr. Richard Harris:** Mr. Speaker, the Canadian Alliance will be voting nay to the motion. As well, the hon. members for Edmonton North and Delta South—South Richmond are in their places and will be voting this time as well.

• (1905)

[*Translation*]

**Mr. Michel Guimond:** Mr. Speaker, members of the Bloc Québécois will vote no on this motion.

**Mr. Yvon Godin:** Mr. Speaker, members of the New Democratic Party vote no on this motion.

[*English*]

**Mr. Gerald Keddy:** Mr. Speaker, members of the Progressive Conservative Party vote no.

**Mr. Joseph Volpe:** Mr. Speaker, since I did not vote on the previous motion I want to be recorded as having voted with the government's side, strange as that might be.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 96*)

## YEAS

## Members

Adams	Alcock
Assad	Assadourian
Bagnell	Barnes
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blondin-Andrew	Bonwick
Boudria	Bradshaw
Bryden	Caccia
Calder	Cannis
Caplan	Castonguay
Catterall	Chamberlain
Charbonneau	Coderre
Collenette	Comuzzi
Copps	Cotler
Cullen	Cuzner
DeVillers	Dhaliwal
Dion	Dromisky
Drouin	Duhamel
Duplain	Easter
Eyking	Farrah
Folco	Fontana
Fry	Gagliano
Godfrey	Goodale
Grose	Guarnieri
Harb	Harvard
Harvey	Hubbard
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keyes
Kraft Sloan	Laliberte
Lastewka	LeBlanc
Lee	Leung
Lincoln	Longfield
MacAulay	Macklin
Mahoney	Malhi
Maloney	Marleau
Martin (LaSalle—Émard)	Matthews
McCallum	McCormick
McGuire	McKay (Scarborough East)
McTeague	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Nault	Neville
Normand	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pagtakhan	Paradis
Parrish	Patry
Peric	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Price

*Government Orders*

Proulx	Provenzano
Regan	Richardson
Robillard	Saada
Savoy	Scherrer
Scott	Shepherd
St. Denis	St-Jacques
St-Julien	Steckle
Szabo	Telegdi
Thibeault (Saint-Lambert)	Tirabassi
Tonks	Torsney
Ur	Volpe
Wilfert	Wood—126

**BUDGET IMPLEMENTATION ACT, 1997**

The House resumed consideration of the motion that Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act, be read the third time and passed.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill C-17.

**Ms. Marlene Catterall:** Mr. Speaker, I think you would find consent in the House that members who voted on the previous motion be recorded as voting on the motion now before the House, with Liberal members voting yes.

**The Speaker:** Is there unanimous consent to proceed in such a fashion?

**Some hon. members:** Agreed.

**Mr. Richard Harris:** Mr. Speaker, the Canadian Alliance is voting nay to the motion.

[*Translation*]

**Mr. Michel Guimond:** Mr. Speaker, members of the Bloc Québécois will vote no on the motion.

[*English*]

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP are voting no to the motion.

**Mr. Gerald Keddy:** Mr. Speaker, members of the Progressive Conservative Party vote no to the motion.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 97*)

**NAYS**

## Members

Abbott	Bachand (Richmond—Arthabaska)
Bachand (Saint-Jean)	Bailey
Blaikie	Breitkreuz
Brien	Brison
Burton	Cadman
Chatters	Clark
Cummins	Dalphond-Guiral
Day	Dubé
Duceppe	Duncan
Elley	Epp
Gagnon (Québec)	Gallant
Godin	Goldring
Grey (Edmonton North)	Guimond
Harris	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Hinton	Jaffer
Keddy (South Shore)	Lancôt
Lebel	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Marceau
Mark	Martin (Winnipeg Centre)
Mayfield	Mills (Red Deer)
Moore	Nystrom
Pallister	Paquette
Rajotte	Reid (Lanark—Carleton)
Reynolds	Ritz
Rocheleau	Sauvageau
Schmidt	Skelton
Spencer	St-Hilaire
Toews	Tremblay (Rimouski-Neigette-et-la Mitis)
Venne	Wasylcia-Leis
White (Langley—Abbotsford)	Williams
Yelich—63	

**PAIRED MEMBERS**

Allard	Asselin
Augustine	Bellehumeur
Bergeron	Bigras
Bourgeois	Brown
Cardin	Carignan
Cauchon	Charbonneau
Crête	Dalphond-Guiral
Desrochers	Discepola
Eggleton	Fournier
Gagnon (Champlain)	Gauthier
Girard-Bujold	Graham
Guay	Ianno
Knutson	Lalonde
Loubier	Manley
Marcil	McLellan
Ménard	Perron
Peterson	Pettigrew
Picard (Drummond)	Plamondon
Redman	Rock
Roy	Sgro
Stewart	Tremblay (Lac-Saint-Jean—Saguenay)
Vanclief	Whelan

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed)

**YEAS**

## Members

Adams	Alcock
Assad	Assadourian
Bagnell	Barnes
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blondin-Andrew	Bonwick
Boudria	Bradshaw
Bryden	Caccia
Calder	Cannis
Caplan	Castonguay
Catterall	Chamberlain
Charbonneau	Coderre
Collenette	Comuzzi
Copps	Cotler
Cullen	Cuzner
DeVillers	Dhallwal
Dion	Dromisky
Drouin	Duhamel
Duplain	Easter
Eyking	Farrar
Folco	Fontana
Fry	Gagliano
Godfrey	Goodale
Grose	Guarnieri
Harb	Harvard
Harvey	Hubbard
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keyes
Kraft Sloan	Laliberte
Lastewka	LeBlanc

Lee  
Lincoln  
MacAulay  
Mahoney  
Maloney  
Martin (LaSalle—Émard)  
McCallum  
McGuire  
McTeague  
Minna  
Murphy  
Nault  
Normand  
O'Reilly  
Pagtakhan  
Parrish  
Peric  
Pickard (Chatham—Kent Essex)  
Pratt  
Proulx  
Regan  
Robillard  
Savoy  
Scott  
St. Denis  
St-Julien  
Szabo  
Thibeault (Saint-Lambert)  
Tonks  
Ur  
Wilfert

Leung  
Longfield  
Macklin  
Malhi  
Marleau  
Matthews  
McCormick  
McKay (Scarborough East)  
Mills (Toronto—Danforth)  
Mitchell  
Myers  
Neville  
O'Brien (London—Fanshawe)  
Owen  
Paradis  
Patry  
Phinney  
Pillitteri  
Price  
Provenzano  
Richardson  
Saada  
Scherrer  
Shepherd  
St-Jacques  
Steckle  
Telegdi  
Tirabassi  
Torsney  
Volpe  
Wood—126

Bourgeois  
Cardin  
Cauchon  
Crête  
Desrochers  
Eggleton  
Gagnon (Champlain)  
Girard-Bujold  
Guay  
Knutson  
Loubier  
Marcil  
Ménard  
Peterson  
Picard (Drummond)  
Redman  
Roy  
Stewart  
Vanclief

### Government Orders

Brown  
Carignan  
Charbonneau  
Dalphond-Guiral  
Discepola  
Fournier  
Gauthier  
Graham  
Ianno  
Lalonde  
McLellan  
Perron  
Pettigrew  
Plamondon  
Rock  
Sgro  
Tremblay (Lac-Saint-Jean—Saguenay)  
Whelan

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed)

\* \* \*

[Translation]

### CANADA NATIONAL MARINE CONSERVATION AREAS ACT

The House resumed consideration of the motion that Bill C-10, an act respecting the national marine conservation areas of Canada, be read the second time and referred to a committee; and of the amendment.

**The Speaker:** The House will now proceed to the taking of the deferred division on the amendment to the motion for second reading of Bill C-10.

• (1910)

[English]

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent to record those who voted on the previous motion, with the exception of the member for LaSalle—Émard, as voting on the motion now before the House, with Liberal members voting no.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed?

**Mr. Richard Harris:** Mr. Speaker, Canadian Alliance members will be voting yes to this motion.

[Translation]

**Mr. Michel Guimond:** Mr. Speaker, members of the Bloc are in favour of this motion.

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP will vote no on this motion.

[English]

**Mr. Gerald Keddy:** Mr. Speaker, the Progressive Party will be voting yes to the motion.

### NAYS

#### Members

Abbott  
Bachand (Saint-Jean)  
Blaikie  
Brien  
Burton  
Chatters  
Cummins  
Day  
Duceppe  
Elley  
Gagnon (Québec)  
Godin  
Grey (Edmonton North)  
Harris  
Hill (Prince George—Peace River)  
Hinton  
Keddy (South Shore)  
Lebel  
MacKay (Pictou—Antigonish—Guysborough)  
Mark  
Mayfield  
Moore  
Pallister  
Rajotte  
Reynolds  
Rocheleau  
Schmidt  
Spencer  
Toews  
Venne  
White (Langley—Abbotsford)  
Yelich—63

Bachand (Richmond—Arthabaska)  
Bailey  
Breitkreuz  
Brisson  
Cadman  
Clark  
Dalphond-Guiral  
Dubé  
Duncan  
Epp  
Gallant  
Goldring  
Guimond  
Hill (Macleod)  
Hilstrom  
Jaffer  
Lancôt  
Lunney (Nanaimo—Alberni)  
Marceau  
Martin (Winnipeg Centre)  
Mills (Red Deer)  
Nystrom  
Paquette  
Reid (Lanark—Carleton)  
Ritz  
Sauvageau  
Skelton  
St-Hilaire  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Wasylcia-Leis  
Williams

### PAIRED MEMBERS

Allard  
Augustine  
Bergeron

Asselin  
Bellehumeur  
Bigras

*Adjournment Debate*

[Translation]

(The House divided on the amendment, which was negated on the following division:)

*(Division No. 98)***YEAS**

## Members

Abbott	Bachand (Richmond—Arthabaska)
Bachand (Saint-Jean)	Bailey
Breitkreuz	Brien
Brison	Burton
Cadman	Chatters
Clark	Cummins
Dalphondu-Guiral	Day
Dubé	Duceppe
Duncan	Elley
Epp	Gagnon (Québec)
Gallant	Goldring
Grey (Edmonton North)	Guimond
Harris	Hill (MacLeod)
Hill (Prince George—Peace River)	Hilstrom
Hinton	Jaffer
Keddy (South Shore)	Lancôt
Lebel	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Marceau
Mark	Mayfield
Mills (Red Deer)	Moore
Pallister	Paquette
Rajotte	Reid (Lanark—Carleton)
Reynolds	Ritz
Rocheleau	Sauvageau
Schmidt	Skelton
Spencer	St-Hilaire
Toews	Tremblay (Rimouski-Neigette-et-la Mitis)
Venne	White (Langley—Abbotsford)
Williams	Yelich —58

**NAYS**

## Members

Adams	Alcock
Assad	Assadourian
Bagnell	Barnes
Bélangier	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blaikie	Blondin-Andrew
Bonwick	Boudria
Bradshaw	Bryden
Caccia	Calder
Cannis	Caplan
Castonguay	Catterall
Chamberlain	Charbonneau
Coderre	Collenette
Comuzzi	Copps
Cotler	Cullen
Cuzner	DeVillers
Dhaliwal	Dion
Dromisky	Drouin
Duhamel	Duplain
Easter	Eyking
Farrar	Folco
Fontana	Fry
Gagliano	Godfrey
Godin	Goodale
Grose	Guarnieri
Harb	Harvard
Harvey	Hubbard
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keys
Kraft Sloan	Laliberte
Lastewka	LeBlanc
Lee	Leung

Lincoln	Longfield
MacAulay	Macklin
Mahoney	Malhi
Maloney	Marleau
Martin (Winnipeg Centre)	Matthews
McCallum	McCormick
McGuire	McKay (Scarborough East)
McTeague	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Nault	Neville
Normand	Nystrom
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pagtakhan
Paradis	Parrish
Patry	Peric
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Price	Proulx
Provenzano	Regan
Richardson	Robillard
Saada	Savoy
Scherrer	Scott
Shepherd	St. Denis
St-Jacques	St-Julien
Steckle	Szabo
Telegdi	Thibeault (Saint-Lambert)
Tirabassi	Tonks
Torsney	Ur
Volpe	Wasylcia-Leis
Wilfert	Wood—130

**PAIRED MEMBERS**

Allard	Asselin
Augustine	Bellehumeur
Bergeron	Bigras
Bourgeois	Brown
Cardin	Carignan
Cauchon	Charbonneau
Crête	Dalphondu-Guiral
Desrochers	Discepola
Eggleton	Fournier
Gagnon (Champlain)	Gauthier
Girard-Bujold	Graham
Guay	Ianno
Knutson	Lalonde
Loubier	Manley
Marcil	McLellan
Ménard	Perron
Peterson	Pettigrew
Picard (Drummond)	Plamondon
Redman	Rock
Roy	Sgro
Stewart	Tremblay (Lac-Saint-Jean—Saguenay)
Vanciel	Whelan

**The Speaker:** I declare the amendment lost.

**ADJOURNMENT PROCEEDINGS**

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.



## PRIVACY COMMISSIONER

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, in the House on February 20 I tried to get the Minister of Justice to address the injustice of having three and a half million citizens in an RCMP databank called FIP or Firearms Interest Police. All three and a half million are, without their knowledge or consent, in direct contravention of the Privacy Act of Canada, an act for which the minister herself is responsible.

Sources in the RCMP and the Sûreté du Québec confirm that there is a 50% error rate in the FIP databank. Sources in the Sûreté du Québec advise us that municipal and city police forces do not follow section 5 of the Firearms Act when loading personal information into the FIP.

The Sûreté du Québec has advised us that it took one investigator eight hours to clear the name of one improperly red flagged individual. Is this the culture of safety the minister envisioned with her billion dollar error riddled gun registration scheme?

The minister brags that potentially dangerous individuals have been blocked from buying guns or have had their firearms licences refused or revoked. How could she brag about a so-called success when the same thing could have been done 20 years ago with the FAC program? How could she call the FIP a success when it is based on information that is wrong 50% of the time?

The Minister of Justice says she is fully accountable and responsible. However she looks the other way when the personal information of three and a half million Canadians is loaded into an RCMP databank that contravenes all seven privacy rights guaranteed in the Privacy Act.

On February 16 the Privacy Commissioner of Canada wrote me a three page letter outlining his concerns about the RCMP's Firearms Interest Police database. Here are the key concerns Mr. Radwanski described in his letter.

• (1915 )

First, the FIP database contains names of individuals that should not have been entered and even "contains the names of witnesses and victims". Second, the police information and the FIP leads to investigations based on "unsubstantiated, hearsay and incorrect information". Third, the police loaded incidents in the FIP not relevant to section 5 of the Firearms Act. Fourth, the police are conducting unnecessary investigations because the FIP file contains information on "cases where the charges have been dropped and the individuals have been acquitted". Fifth, he said that there is no process in place to ensure that "improper or duplicate entries in the FIP files are removed or corrected".

*Adjournment Debate*

The last point that I would like to raise, and these are not exhaustive, is that the way the FIP database is set up makes it "extraordinarily difficult for individuals to exercise their access and correction rights".

The government told Canadians that they have nothing to worry about if they have done nothing wrong. The privacy commissioner's letter proves that everyone has something to worry about, especially the three and a half million citizens in the RCMP's FIP file. When police are kept busy chasing down incorrect and unreliable information in this police database, it is possible for some criminals and truly violent individuals to escape detection.

My question is this: when will the minister implement the privacy commissioner's recommendations and fix this mess?

**Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the hon. member opposite seems to believe that the Minister of Justice is ignoring the recommendations of the privacy commissioner. In September 1999 the Department of Justice received an invitation from the privacy commissioner to do an informal inquiry into both what was right and what was wrong with the firearms program from a Privacy Act compliance point of view. The object of the inquiry was to fix any outstanding issues, if any. The Department of Justice accepted the commissioner's suggestion.

The annual report from the privacy commissioner discloses that in January 2000 he began a review of the firearms registry to thoroughly assess its personal information handling practices. He notes in his report that the deputy minister of justice has welcomed the review and awaits any observations and recommendations that would help the Canadian Firearms Centre meet its requirements under the Privacy Act.

The Canadian Firearms Centre examined that report in detail and had a meeting with the privacy commissioner's office in December 2000. In January 2001 the Canadian Firearms Centre submitted a report in writing expressing a number of improvements that could be made to the draft report. As of early March no response to the firearm centre's comments and request for examples of misuse of information had been received from the privacy commissioner. These are clearly not the actions of a minister, a department or a program that, in the words of the hon. member, continues to ignore the recommendations of the privacy commissioner.

I would like to address the member's second concern, that information used to make public safety decisions when deciding on eligibility for a firearms licence exceeds the authority of the minister and the Firearms Act. The House passed Bill C-68 after a lengthy debate. Section 5 of the Firearms Act specifies that a person is not eligible to hold a firearms licence if it is desirable in the interest of the safety of that person or any other person that the applicant not possess a firearm described in the statute.

*Adjournment Debate*

To set the framework for making this determination, the legislated statute makes specific references to offences under the criminal code, such as an offence where violence is used, threatened or attempted, and offences respecting criminal harassment. Offences respecting drugs are specifically mentioned. Persons who have been treated for a mental illness are specifically mentioned where violence, threatened, attempted or used, is a concern. Finally, a history of behaviour that includes violence, threatened or attempted, against any person is specifically mentioned. Evidence

of these factors could render an applicant ineligible for a firearms licence.

Gathering information in respect of these criteria is central to the public safety. The requirement of section 5—

**The Speaker:** 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 7.19 p.m.)

---







# CONTENTS

Monday, May 14, 2001

## PRIVATE MEMBERS' BUSINESS

### Bankruptcy and Insolvency Act

Bill C-203. Second reading .....	3957
Mr. Martin (Winnipeg Centre) .....	3957
Mr. Cannis .....	3959
Mr. Williams .....	3960
Mr. Williams .....	3961
Mr. Martin (Winnipeg Centre) .....	3961
Mr. Williams .....	3961
Mr. Paquette .....	3962
Mr. Brison .....	3963
Mr. Godin .....	3964
Mr. Schmidt .....	3965
Mr. Martin (Winnipeg Centre) .....	3965

## GOVERNMENT ORDERS

### Income Tax Amendments Act, 2000

Bill C-22. Third reading .....	3966
Mr. Williams .....	3966
Mr. Cullen .....	3967
Mr. Williams .....	3967
Mr. Szabo .....	3967
Mr. Williams .....	3968
Mr. Schmidt .....	3968
Mr. Szabo .....	3968
Mr. Schmidt .....	3968
Mr. Szabo .....	3969
Mr. Schmidt .....	3969
Mr. Szabo .....	3970
Mr. Schmidt .....	3970
Mr. Mayfield .....	3970
Mr. Cullen .....	3971
Mr. Mayfield .....	3971
Mr. Szabo .....	3971
Mr. Mayfield .....	3972
Mr. Bailey .....	3972
Mr. Szabo .....	3972
Mr. Bailey .....	3973
Mr. Kenney .....	3973
Amendment .....	3976
Mr. Cullen .....	3976
Mr. Kenney .....	3976
Division on amendment deferred .....	3977

### Budget Implementation Act, 1997

Bill C-17. Third reading .....	3977
Ms. Robillard .....	3977
Mr. Cullen .....	3977
Mr. Kenney .....	3978
Mr. Williams .....	3980
Amendment .....	3980

## STATEMENTS BY MEMBERS

### Missing Children

Mr. Assad .....	3981
-----------------	------

### St. George's Anglican Church

Mr. Reid .....	3981
----------------	------

### Cannes International Film Festival

Mr. Drouin .....	3981
------------------	------

### Brenda Bury

Ms. Bennett .....	3981
-------------------	------

### Huntington's Disease

Mr. Tonks .....	3982
-----------------	------

### Police Officer of the Year Award

Mr. Cadman .....	3982
------------------	------

### International Trade

Ms. Marleau .....	3982
-------------------	------

### Young Offenders

Ms. Gagnon .....	3982
------------------	------

### National Police Week

Mr. Lee .....	3982
---------------	------

### Keith Mann

Mr. Mills (Red Deer) .....	3983
----------------------------	------

### Health

Ms. Scherrer .....	3983
--------------------	------

### The Environment

Ms. Wasylcia-Leis .....	3983
-------------------------	------

### Montfort Hospital

Mr. Sauvageau .....	3983
---------------------	------

### National Drinking Water Standards

Mr. Caccia .....	3984
------------------	------

### Heritage

Mr. Keddy .....	3984
-----------------	------

## ORAL QUESTION PERIOD

### National Defence

Mr. Hill (Macleod) .....	3984
Mr. Gray .....	3984
Mr. Hill (Macleod) .....	3984
Mr. Gray .....	3984
Mr. Hill (Macleod) .....	3984
Mr. Gray .....	3984
Mr. Moore .....	3984
Mr. Gray .....	3985
Mr. Moore .....	3985
Mr. O'Reilly .....	3985

### Single Currency

Mr. Duceppe .....	3985
Mr. Martin (LaSalle—Émard) .....	3985
Mr. Duceppe .....	3985
Mr. Martin (LaSalle—Émard) .....	3985
Mr. Marceau .....	3985
Mr. Martin (LaSalle—Émard) .....	3985
Mr. Marceau .....	3985
Mr. Martin (LaSalle—Émard) .....	3985

### Bulk Water Exports

Mr. Blaikie .....	3986
-------------------	------

Mr. Anderson (Victoria) .....	3986	Mr. McCormick .....	3990
Mr. Blaikie .....	3986	<b>National Parks</b>	
Mr. Anderson (Victoria) .....	3986	Ms. Gallant .....	3990
<b>Business Development Bank of Canada</b>		Ms. Copps .....	3990
Mr. Clark .....	3986	Ms. Gallant .....	3990
Mr. Gray .....	3986	Ms. Copps .....	3991
<b>National Defence</b>		<b>Para Transpo</b>	
Mr. Clark .....	3986	Mr. Bélanger .....	3991
Mr. Gray .....	3986	Mrs. Bradshaw .....	3991
<b>The Economy</b>		<b>Immigration</b>	
Mr. Kenney .....	3986	Mrs. Yelich .....	3991
Mr. Martin (LaSalle—Émard) .....	3987	Ms. Caplan .....	3991
Mr. Kenney .....	3987	Mrs. Yelich .....	3991
Mr. Martin (LaSalle—Émard) .....	3987	Ms. Caplan .....	3991
<b>Antimissile Shield</b>		<b>Foreign Affairs</b>	
Mr. Bachand (Richmond—Arthabaska) .....	3987	Mr. Rocheleau .....	3991
Mr. Gray .....	3987	Mr. Paradis .....	3991
Mr. Bachand (Saint-Jean) .....	3987	<b>Transportation</b>	
Mr. Gray .....	3987	Mr. Jackson .....	3992
<b>Government Contracts</b>		Mr. Collenette .....	3992
Mr. Burton .....	3987	<b>Agriculture</b>	
Mr. Gagliano .....	3987	Mr. Hilstrom .....	3992
Mr. Burton .....	3987	Mr. Goodale .....	3992
Mr. Gagliano .....	3987	<b>Highway Infrastructure</b>	
<b>Bulk Water Exports</b>		Mr. Lanctôt .....	3992
Mr. Paquette .....	3988	Mr. Collenette .....	3992
Mr. Anderson (Victoria) .....	3988	<b>The Environment</b>	
Mr. Paquette .....	3988	Ms. Wasylcia—Leis .....	3992
Mr. Anderson (Victoria) .....	3988	Mr. Anderson (Victoria) .....	3992
<b>Business Development Bank of Canada</b>		Mr. MacKay .....	3992
Mr. Reid .....	3988	Mr. Anderson (Victoria) .....	3993
Mr. Cannis .....	3988	<b>Justice</b>	
Mr. Reid .....	3988	Mr. Thompson (Wild Rose) .....	3993
Mr. Cannis .....	3988	Mr. MacAulay .....	3993
<b>The Environment</b>		<b>Point of Order</b>	
Ms. Torsney .....	3988	<b>Oral Question Period</b>	
Mr. Anderson (Victoria) .....	3988	Mr. Guimond .....	3993
<b>National Defence</b>		Ms. Copps .....	3993
Mr. Martin (Winnipeg Centre) .....	3989	The Speaker .....	3993
Mr. O'Reilly .....	3989		
Mr. Martin (Winnipeg Centre) .....	3989	<b>ROUTINE PROCEEDINGS</b>	
Mr. Gray .....	3989	<b>Government Response to Petitions</b>	
<b>Human Resources Development</b>		Mr. Lee .....	3994
Mr. Brison .....	3989	<b>Automotive Pollution Reduction Act</b>	
Mrs. Bradshaw .....	3989	Bill C-350. Introduction and first reading .....	3994
<b>The Economy</b>		Mr. Lincoln .....	3994
Mr. Brison .....	3989	(Motions deemed adopted, bill read the first time and printed) .....	3994
Mr. Martin (LaSalle—Émard) .....	3989	<b>Motor Vehicle Transport Act, 1987</b>	
<b>National Defence</b>		Bill S-3. First reading .....	3994
Mr. Bailey .....	3990	Mr. Collenette .....	3994
Mr. O'Reilly .....	3990	(Motion agreed to and bill read the first time) .....	3994
Mr. Bailey .....	3990	<b>Petitions</b>	
Mr. O'Reilly .....	3990	<b>VIA Rail</b>	
<b>Genetically Modified Organisms</b>		Mr. Adams .....	3994
Ms. St-Hilaire .....	3990	<b>Missile Defence Program</b>	
Mr. McCormick .....	3990	Mr. Harvard .....	3994
Ms. St-Hilaire .....	3990		

<b>Pesticides</b>	
Ms. Catterall .....	3994
<b>Iraq</b>	
Ms. Catterall .....	3994
<b>Visteon Canada</b>	
Mr. McCallum .....	3995
<b>Questions on the Order Paper</b>	
Mr. Lee .....	3995
<b>Starred Questions</b>	
Mr. Lee .....	3996

## GOVERNMENT ORDERS

<b>Budget Implementation Act, 1997</b>	
Bill C-17. Third reading .....	3996
Division on amendment deferred .....	3997
<b>Tobacco Tax Amendments Act, 2001</b>	
Bill C-26. Report stage .....	3997
Motion for concurrence .....	3997
Mr. Collenette .....	3997
(Motion agreed to) .....	3997
Third reading .....	3997
Mr. Collenette .....	3997
(Motion agreed to, bill read the third time and passed) .....	3997
<b>Canada National Marine Conservation Areas Act</b>	
Bill C-10. Second reading .....	3997
Mr. Lanctôt .....	3997
Mr. Szabo .....	3998
Mr. Lanctôt .....	3998
Mr. Rocheleau .....	3999
Mr. Lanctôt .....	4002
Mr. Rocheleau .....	4002
Mr. Duncan .....	4002
Mr. Rocheleau .....	4003
Mr. Duncan .....	4003
Mr. Schmidt .....	4005
Mr. Duncan .....	4005
Mr. Easter .....	4006
Mr. Duncan .....	4006
<b>Business of the House</b>	
Ms. Catterall .....	4006
Motion .....	4006
(Motion agreed to) .....	4006
<b>Canada National Marine Conservation Areas Act</b>	
Bill C-10. Second reading .....	4006
Mr. Cummins .....	4006
Mr. Duncan .....	4007
Ms. Gagnon .....	4007
Mr. Lanctôt .....	4009
Ms. Gagnon .....	4010
Mr. Cummins .....	4010
Division on amendment deferred .....	4013
<b>Tobacco Tax Amendments Act, 2001</b>	
Bill C-26. Third reading .....	4013

Mr. Cullen .....	4013
Mr. Mayfield .....	4015
Mr. Mills (Red Deer) .....	4016
Ms. Wasylycia-Leis .....	4017
Mr. Bachand (Richmond—Arthabaska) .....	4020
Mr. Cullen .....	4021
Mr. Bachand (Richmond—Arthabaska) .....	4021
Mr. Brison .....	4022
Mr. Cullen .....	4022
Mr. Brison .....	4023
Mr. Hilstrom .....	4023
Mr. Brison .....	4023
(Motion agreed to, bill read the third time and passed) .....	4023

### Patent Act

Bill S-17. Second reading .....	4023
---------------------------------	------

### Business of the House

Mr. Reynolds .....	4024
(Amendments withdrawn) .....	4024

### Patent Act

Bill S-17. Second reading .....	4024
Motion agreed to .....	4025
(Bill read the second time and referred to a committee) .....	4025

### Income Tax Amendments Act, 2000

Bill C-22. Third reading .....	4025
Ms. Catterall .....	4025
Mr. Harris .....	4025
Mr. Guimond .....	4025
Mr. Godin .....	4025
Mr. Keddy .....	4025
Mr. Volpe .....	4025
Motion agreed to .....	4026
(Bill read the third time and passed) .....	4026

### Budget Implementation Act, 1997

Bill C-17. Third reading .....	4026
Ms. Catterall .....	4026
Mr. Harris .....	4026
Mr. Guimond .....	4026
Mr. Godin .....	4026
Mr. Keddy .....	4026
Motion agreed to .....	4027
(Bill read the third time and passed) .....	4027

### Canada National Marine Conservation Areas Act

Bill C-10. Second reading .....	4027
Ms. Catterall .....	4027
Mr. Harris .....	4027
Mr. Guimond .....	4027
Mr. Godin .....	4027
Mr. Keddy .....	4027
Amendment negated .....	4028

## ADJOURNMENT PROCEEDINGS

### Privacy Commissioner

Mr. Breitzkreuz .....	4029
Mr. Maloney .....	4029

**MAIL  POSTE**

Canada Post Corporation/Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste – lettre**

**03159442**

**Ottawa**

*If undelivered, return COVER ONLY to:*

Canadian Government Publishing,  
45 Sacré–Coeur Boulevard,  
Hull, Québec, Canada, K1A 0S9

*En cas de non–livraison,*

*retourner cette COUVERTURE SEULEMENT à:*

Les Éditions du gouvernement du Canada,  
45 boulevard Sacré–Coeur,  
Hull, Québec, Canada, K1A 0S9

**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliamentary Internet Parlementaire at the following address:**

**Aussi disponible sur le réseau électronique «Parliamentary Internet Parlementaire» à l'adresse suivante :**  
**<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Additional copies may be obtained from Canadian Government Publishing, Ottawa, Canada K1A 0S9**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**

**On peut obtenir des copies supplémentaires en écrivant à : Les Éditions du gouvernement du Canada, Ottawa, Canada K1A 0S9**

**On peut obtenir la version française de cette publication en écrivant à : Les Éditions du gouvernement du Canada, Ottawa, Canada K1A 0S9**