



CANADA

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OFFICIAL REPORT
(HANSARD)

Thursday, June 20, 2002

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, June 20, 2002

The House met at 10 a.m.

Prayers

• (1000)

[English]

BUCKINGHAM PALACE

The Speaker: I have the honour to inform the House that a communication has been received which is as follows:

The Queen has been deeply touched by the many messages of sympathy received after the death of her mother, Queen Elizabeth. Her Majesty would like to thank all those who have so kindly sent words of comfort to her and to her family.

The message was signed by Sir Robin Janvrin, Private Secretary to the Queen.

ROUTINE PROCEEDINGS

• (1005)

[English]

CANADA BUSINESS CORPORATIONS ACT

Mr. Pat Martin (Winnipeg Centre, NDP) moved for leave to introduce Bill 479, an act to amend the Canada Business Corporations Act.

He said: Mr. Speaker, the bill is very simple and straightforward. It simply seeks to limit the services that an auditor can provide to a business or a corporation. Many of us were very concerned after the Enron scandal that the auditing firm was providing other financial services to the same company and therefore putting itself in a conflict of interest.

This bill would limit through the Business Corporations Act the services that auditors can provide. If they were providing any other financial services for a period of two years, they would not be able to provide the audit for that company.

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

* * *

[Translation]

PARLIAMENT OF CANADA ACT

Mr. Eugène Bellemare (Ottawa—Orléans, Lib.) moved for leave to introduce Bill C-480, An Act to amend the Parliament of Canada Act (oath or solemn affirmation).

He said: Mr. Speaker, the bill being introduced at first reading today provides for a new condition to be added to the oath taking ceremony for each member of the House of Commons, as stated in the amendment to the Parliament of Canada Act I am now proposing. This new condition would be a solemn affirmation of loyalty to Canada.

[English]

The bill is an add on to the obligations of members of the House of Commons under the Constitution Act, 1867 where the fifth schedule stipulates that we must swear allegiance to Her Majesty the Queen.

[Translation]

I move today that an additionnal oath be taken by members of the House, an oath which is just as important as the existing one and which is the solemn affirmation of the loyalty we all owe to our country.

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

* * *

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT AND STATUS OF PERSONS WITH DISABILITIES

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ) moved that the Seventh Report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, presented on March 21, 2002, be concurred in.

He said: Mr. Speaker, as the motion indicates, this report, which was tabled on March 22, is a unanimous report on persons with disabilities. Last week, we debated this issue when the hon. member for Dartmouth, who worked very hard on this, brought forward a motion dealing with this issue.

At a time when we are discovering that the federal government seems to be taking a long time to recover money owed by its friends with respect to sponsorships, a committee has presented a unanimous report in an attempt to regularize and improve the condition of persons with disabilities, particularly with respect to the tax credit for persons with disabilities.

I believe all members of the House have met with people in their ridings who clearly established that Revenue Canada's interpretation of the tax credit for persons with disabilities was much more restrictive and did not correspond in any way—

Routine Proceedings

●(1010)

[English]

Mr. Charlie Penson: Mr. Speaker, I rise on a point of order. I wonder if there would be consent to go to petitions and then go back to the order of business as it stands at the moment.

The Acting Speaker (Mr. Bélair): Is there unanimous consent to go to petitions before resuming debate?

Some hon. members: Agreed.

* * *

PETITIONS

CHILD PORNOGRAPHY

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I have one petition to present today calling upon parliament to take steps to outlaw the materials which promote or glorify pedophilia and sado-masochistic activities involving children.

The petition has been signed by over 100 Peace River constituents, and I am pleased to present it today on their behalf.

Mr. Mark Assad (Gatineau, Lib.): Mr. Speaker, in the same vein, I have a petition from constituents in my area that calls upon parliament to protect children by taking all necessary steps to ensure that all materials which promote or glorify pedophiles and their activities involving children be outlawed.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I have two petitions signed by over 200 individuals from my riding of Vancouver Island North.

The petitioners are calling upon parliament to ensure all necessary steps are taken to protect our children from any material promoting child pornography and to make it clear that any such exploitation of children will be met with swift punishment.

CRTC

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, it is my pleasure to present a petition on behalf of constituents who are concerned with the violence and sexual exploitation that is seen on television.

The petitioners are humbly requesting the House of Commons to legislate the CRTC to reduce the sexual and violent content contained in the basic cable and satellite packages.

[Translation]

AIR SECURITY CHARGE

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, on behalf of the citizens of Manicouagan and of their member of parliament who is convalescing, I have the honour to present a petition on the \$24 airport security charge, which greatly affects everybody in the riding of Manicouagan who has to travel by air from Sept-Îles or Blanc-Sablon.

This petition is signed by more than 80 residents. If their names are added to the more than 1,900 names found on a previous petition, we have more than 2,000 people. In the riding of Manicouagan, this number is the equivalent of 90,000 people on Montreal Island. I hope the government will take this important petition into consideration.

INUIT COMMUNITY OF NUNAVIK

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, the Inuit petitioners from Ivvujivik, Puvirnituk and Umiujaq, in Nunavik, draw to the attention of the House that the federal government, through one of its departments, ordered the killing of Inuit sled dogs from 1950 to 1969.

The federal government did not hold public consultations with the Inuit communities in Nunavik. The killing of these dogs has had a tragic social, economic and cultural impact on the Inuit in Nunavik.

In conclusion, we are asking for a public inquiry into the federal policy of dog killing that was implemented in Nunavik.

[English]

CANADA POST

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I have the pleasure to introduce a petition signed by residents of my constituency calling for the repeal of section 13(5) of Canada Post Act, which would allow for collective bargaining rights for private sector postal workers.

CHILD PORNOGRAPHY

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very glad to present two different petitions on behalf of people in my riding.

The first petition points out to the House that the creation and the use of child pornography should be condemned by the House of Commons and that the courts have not applied the current child pornography law in a way that makes it clear that such exploitation should not and will not be tolerated.

The petitioners call for strengthening the laws to ensure that we protect children.

●(1015)

ABORIGINAL AFFAIRS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the second petition has been signed by literally thousands of first nations citizens who call upon government to reject the first nations governance agreement. They believe it is being imposed on them in the same manner as the Indian Act and Bill C-31 was imposed. They believe it will reduce first nations governments to municipalities and could impact their treaty rights.

They urge all members of parliament to drop the first nations governance agreement and to negotiate a more satisfactory resolve.

[Translation]

CHILD PORNOGRAPHY

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, I want to table a petition signed by approximately one hundred constituents from my riding and elsewhere. It reads as follows:

*Routine Proceedings**[English]*

That the creation and use of child pornography is condemned by the clear majority of Canadians. That the courts have not applied the current child pornography law in a way which makes it clear that such exploitation of children will always be met with swift punishment.

Therefore the petitioners call upon parliament to protect our children by taking all necessary steps to ensure that all material which promotes or glorifies pedophilia or sado-masochistic activities involving children be outlawed.

Mr. Geoff Regan: Mr. Speaker, in the spirit of co-operation that we have seen in the last few moments, I wonder if you might find consent to go to order paper questions and then revert back to the matter at hand. I have the answers to a number of written questions from members.

The Acting Speaker (Mr. Bélair): The request is to complete routine proceedings. Is there unanimous consent?

Some hon. members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 158, 159 and 166.

[Text]

Question No. 158—**Mr. Mauril Bélanger:**

In the past five years, has the government awarded grants to the Human Rights Institute of Canada, directed by Dr. Marguerite E. Ritchie, and if so, how much did those grants amount to?

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): I am informed as follows: No.

Question No. 159—**Mr. John Williams:**

With regard to the Canada Health Infoway established by Health Canada and the Department of Finance: (a) what guidelines have been established to set the salary range for the Chair of the Board of Directors of the Infoway; (b) what is the salary range of the chair of the board of directors of the Infoway; (c) what guidelines have been established to set the salary range for the chief executive officer of the Infoway; (d) what is the salary range for the chief executive officer of the Infoway; (e) have the chair of the board of directors or the chief executive officer received a performance bonus, and if so, what were the criteria used in each case to establish such a bonus; (f) how many contracts have been let by the Canada Health Infoway and what is the value of those contracts; (g) is the Infoway required to follow the government contracts regulations and the Treasury Board Secretariat's contracting policy; (h) overall, how many contracts were let by Health Canada to Heenan Blaikie LLP between September 1, 2000 and March 31, 2001, and of these contracts, which were awarded on a competitive basis, which were let on an advance contract award notice, ACAN, basis, which were let on a non-competitive basis and what is the dollar value of each contract; (i) overall, how many contracts were let by Health Canada to Columbia Communications Inc. between September 1, 2000 and March 31, 2001, and of these contracts, which were awarded on a competitive basis, which were let on an advance contract award notice, ACAN, basis, which were let on a non-competitive basis and what is the dollar value of each contract; (j) overall, how many contracts were let by the Department of Finance to Heenan Blaikie LLP between September 1, 2000 and March 31, 2001, and of these contracts, which were awarded on a competitive basis, which were let on an advance contract award notice, ACAN, basis, which were let on a non-competitive basis and what is the dollar value of each contract; (k) overall, how many contracts were let by the Department of Finance to Columbia Communications Inc. between September 1, 2000, and March 31, 2001, and of these contracts, which were awarded on a competitive basis, which were let on an advance contract award notice, ACAN, basis, which were let on a non-competitive

basis and what is the dollar value of each contract; (l) how many contracts have been let by the Infoway from its creation until March 31, 2002 to Heenan Blaikie LLP, and of these contracts, which were awarded on a competitive basis, which were let on an advance contract award notice, ACAN, basis, which were let on a non-competitive basis and what is the dollar value of each contract; (m) how many contracts have been let by the Infoway from its creation until March 31, 2002 to Columbia Communications Inc., and of these contracts, which were awarded on a competitive basis, which were let on an advance contract award notice, ACAN, basis, which were let on a non-competitive basis and what is the dollar value of each contract?

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): I am informed as follows:

Health Canada: Canada Health Infoway Inc. is an independent not for profit corporation which was established under the Canada Corporations Act, part II. It was not established by Health Canada and the Department of Finance as stated in the written question, Q-159.

Section 3 of the act respecting the provision of increased funding for health care services, medical equipment, health information and communications technologies, early childhood development and other social services and to amend the Federal-Provincial Fiscal Arrangements Act, C-45, October 2000, authorized the Minister of Finance to make a direct payment, for the fiscal year beginning on April 1, 2000, to a corporation, to be named by the Governor in Council, on the recommendation of the Minister of Health, for the purpose of defining standards governing shared data to ensure the compatibility of health information networks. The corporation that was recommended and named by order of the Governor in Council was Canada Health Infoway Inc.

Most of the questions posed relate to the internal business decisions of Canada Health Infoway Inc., which is a corporation independent of government. Questions relating to the Department of Finance [h] (ii) and (iii)] should be directed to the Department of Finance.

The question (g) asks whether Canada Health Infoway Inc. is required to follow government contracts regulations and the Treasury Board Secretariat's contracting policy. As the corporation is not a part of the Government of Canada, these regulations and policy do not apply to it.

Regarding question (h), Health Canada did not let any contracts respecting Canada Health Infoway Inc. to Heenan Blaikie LLP between September 1, 2000, and March 31, 2001.

With regard to question (h) (i), Health Canada let a contract to Columbia Communications on Jan. 29, 2001, to develop a communications strategy for the announcement of a federal, provincial and territorial resolution on the protection of personal health information and the Canada Health Infoway Inc. launch, in recognition that protecting personal information is critical to having an accepted and effective electronic health record solution. The process followed was non-competitive as the contract was less than \$25,000, the value was \$24,877, and the contractor possessed the knowledge and networks to effectively complete the work for the most value.

Routine Proceedings

Finance Canada: No contracts were awarded by the Department of Finance to Heenan Blaikie LLP or Columbia Communications during the specified period.

Question No. 166—**Mr. Mark Assad:**

With respect to the property formerly belonging to Roderick Percy Sparks, situated at 420 chemin du lac Meech in Chelsea, Quebec: (a) does the government have a real-property management plan for this property; (b) what was the purpose of the excavation work done on this property by employees of Aqua Terre Solutions Inc. on November 5, 2001; and (c) what were the objectives of the contract for their work?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):

(a) The plan for this property is to revert it back to a natural state as per the Gatineau Park master plan.

(b) The work performed by Aqua Terre Solutions Inc. was for environmental assessment purposes only. A total of 18 test pits were excavated and associated soil sampling was completed as part of the phase II environmental site assessment. Soil samples were collected, logged and submitted to a laboratory for analysis.

(c) Subsequent to the destruction by fire of the residence and the removal of the debris, the objectives of the investigation included: Identify existing or historical potential environmental concerns at or in the vicinity of the site; Identify the nature and extent of potential contamination; Quantify and delineate the horizontal and vertical extent of potential contamination; Identify and recommend remedial actions if necessary; and Provide an estimated cost for the recommended remedial action(s).

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 165 could be made an order for return, the return would be tabled immediately.

The Acting Speaker (Mr. Bélair): Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 165—**Mr. Mauril Bélanger:**

In regard to the fees required by Canadian embassies for applications for immigration and visitor visas to Canada, in which countries does Canada accept fee payment in Canadian currency only, and in which countries does Canada accept fee payment in currencies other than Canadian currency?

(Return tabled)

* * *

[English]

STARRED QUESTIONS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, would you be so kind as to call Starred Questions Nos. 163, 164 and 174. I ask that the answers to Questions Nos. 163, 164 and 174 be printed in *Hansard* as if read.

The Acting Speaker (Mr. Bélair): Is it agreed?

Some hon. members: Agreed.

[Text]

*Question No. 163—**Mr. Guy St-Julien:**

With respect to the first nations water management strategy: (a) how much has Indian and Northern Affairs Canada (INAC) spent on improving water and sewer systems in 2001-02; (b) what percentage of the delay in constructing water and sewer treatment facilities has been made up since the 1999-2000 Report on Plans and Priorities came out; (c) how many first nations still do not have basic water and sewer services; (d) what are the components of INAC's water management strategy; (e) how many of the water and sewer treatment facilities categorized as substandard by INAC and Health Canada in 1995, and again by Health Canada in 1999 and 2000, are still substandard from a health and safety point of view; (f) what measures to enhance capacity has the minister planned or taken to ensure that first nations, to whom he has handed over responsibility for water systems, are able to safely manage their water supply; and (g) what level of priority has been accorded to unsafe water systems?

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):

(a) For fiscal year 2001-02, the Department of Indian and Northern Affairs Canada, INAC, had estimated that approximately \$185 million would be spent in capital funding for upgrading and expansion of water and sewer services in first nation communities. A further \$40 million was planned for the operation and maintenance, O&M, of water and sewer facilities and another \$2.5 million on operator training. Actual accounting of expenditures for water and sewer facilities and related O&M for 2001-02 will not be available until August 2002.

(b) As of 2000-01, the percentage of houses without basic water and sewer services had been reduced from roughly 6.8% to 5.6%.

(c) Of the 89,897 houses, approximately 1,612 homes had no water service and 4,997 had no sewage service as of 2000-01. These homes are located in a number of mostly northern communities. Data on housing units without basic water and sewer services for 2001-02 will not be available until late August 2002.

(d) The major elements of the first nations water management strategy, FNWMS, will include: the establishment of clearly defined and enforceable standards; a plan to upgrade and build water and waste water facilities to meet established design, construction and water quality standards; a plan to ensure all water and waste water operators receive training, including the need for certification consistent with provincial requirements. We will provide a copy of the strategy once it is finalized.

(e) Work on the majority of water and sewer facilities identified in the 1995 INAC/Health Canada study has been or is now being completed. In addition, work has also been ongoing on other systems subsequently identified as needing improvements to preserve the health and safety of reserve residents. The remaining issues will be resolved after the completion of engineering studies or through the monitoring of operation and maintenance practices.

Routine Proceedings

(f) A comprehensive on-site inspection of all first nation water and waste water facilities is nearing completion. As these assessments are completed, results are being shared with the individual community and, where potential risks are identified, necessary precautions or corrective measures are being taken. Upon completion of the facilities assessment in the summer of 2002, INAC will have up to date information on the number of community water and waste water systems that do not meet federal health and safety parameters as well as on the level of improvement required in the area of operation and maintenance.

In 2000-01, INAC took measures to expand the current circuit rider training program, CRTP, to improve operation and maintenance of water facilities. This expansion continued in 2001-02 with the objective of including all operators who have not yet received CRTP or equivalent training. Additional funding from central sources of \$1.2 million for 2001-02 allowed INAC to expand the CRTP to an additional 163 operators for a total of 469 water and sewer operators. Also, the number of operators taking certification training and exams increased from 49 to 96. Projected expenditures for 2001-02 for training of water and wastewater systems operators are expected to be approximately \$3.2 million.

It is planned to continue expansion and enhancement of training programs, to ensure all operators have the skills, knowledge and experience required to fulfill their responsibilities supported by the introduction of mandatory skill and training requirements for all operators and the certification of operators within three years.

It is also planned to develop a public awareness campaign targeting first nation leaders, administrators and individual homeowners.

(g) The assurance of safe and clean water for first nations is one of INAC's most important priorities and an essential component of the Gathering Strength initiative that calls for "Supporting Strong Communities, People and Economies."

The Speech from the Throne stated that the federal government would fulfill its direct responsibilities for water, including the safety of water supplies on reserves. It also stated that the federal government would lead in developing stronger national guidelines for water quality by enhancing scientific research and continuing its collaboration with partners.

Between 1995 and 2001, the Government of Canada, through INAC, has invested over \$560 million to address the urgent upgrade and the expansion of water and sewer services in first nation communities. This is in addition to the \$100 million to \$125 million in capital normally provided annually by INAC for water and sewer projects.

INAC continues to work with first nations, Health Canada and other partners on ongoing efforts to provide a supply of clean, safe and secure drinking water in first nation communities.

The Minister of Indian Affairs and Northern Development indicated in the House of Commons on May 29 that he would be coming forward very shortly with an announcement to improve the system even further.

*Question No. 164—**Mr. Guy St-Julien:**

With respect to aboriginal peoples' housing problems: (a) is there a mechanism by which first nations communities can obtain funding for housing; (b) how does Indian and Northern Affairs Canada (INAC) assess the needs expressed in this regard; (c) why do the main estimates for 2002-03 not set any housing objective; and (d) has INAC met its previous objectives with respect to construction or renovation of housing on the reserves, and if not, what is the explanation for the discrepancy between objectives and performance?

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): (a) The Department of Indian and Northern Affairs Canada, INAC, provides funding to first nations as part of its minor capital allocation. Historically, the housing portion of minor capital amounts to \$138 million annually.

An additional \$20 million has been made available under Gathering Strength. This includes \$2 million annually for the innovative housing fund and \$0.5 million to support the housing training fund. The balance of \$17.5 million will be used to provide additional one time funding for first nations which develop comprehensive, community based housing plans under the 1996 on reserve housing policy.

In addition, first nations can access funds for new construction under the Canada Mortgage and Housing Corporation's, CMHC, rental housing assistance program. Funding for renovations is also available through CMHC's residential rehabilitation assistance program, RRAP.

Finally, first nation communities and their individual members can obtain housing loans from private sector financial institutions. Although first nations are located on crown land, and as such are non-mortgageable, security is provided to the lending institution through the use of ministerial loan guarantees, MLG.

(b) INAC does not assess needs for housing. It allocates minor capital funding to each first nation to cover a range of services, including housing, that have been devolved to first nations and is generally defined as funding provided to first nations on an ongoing basis. Minor capital flows annually to first nations from regions on a formula basis, an historically based amount or on the basis of approved housing plans.

(c) INAC does not set objectives for the numbers of houses constructed or renovated.

(d) The housing program is administered by first nations or their designated housing authorities, which establish local policies, including the allocation of available funding, the establishment of priorities and the planning and implementation of housing projects. These activities are based upon the first nation's comprehensive community based housing plans.

Routine Proceedings

In addition, the 1996 on reserve housing policy had the effect of removing subsidy limits toward the construction and/or renovation of houses. As a result, first nations can use INAC housing funds for a wide range of housing related activities, including maintaining and insuring their housing portfolio, the administration and management of the housing program, debt servicing and training.

While first nations have flexibility regarding the use of INAC funding, over the past five years they have constructed an average of over 2,500 new houses annually and carried out renovations on over 3,300 existing housing units annually.

***Question No. 174—Mr. Bill Casey:**

With respect to the correspondence sent to Ms. Andr ea L eger-Boudreau on October 15, 1981, from Mr. Roger Bougie, Director, consular operations division of the then department of external affairs, now Department of Foreign Affairs and International Trade, regarding the death of Ms. L eger-Boudreau's brother, Mr. Raoul L eger: (a) what explanations have been received from the Guatemalan government regarding circumstances surrounding Mr. L eger's death; (b) since the date the remains of Mr. L eger's body were exhumed and returned to Canada, what further steps has the government taken to obtain a background report surrounding Mr. L eger's death; (c) has the said report been received and distributed to Mr. L eger's family; and (d) does this file remain active in the Department of Foreign Affairs and International Trade?

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): (a) No official explanation or documentation, beyond a death certificate, was ever provided by the Guatemalan authorities.

On August 3, 1981 the Guatemalan authorities issued a press release detailing the events of a Guatemalan security forces attack of an alleged guerrilla safe house which had taken place on July 25. The Guatemalan authorities stated that the persons inside were ordered to surrender but instead opened fire and, after several hours of gunfire, six claymore mines, which were situated within the house, exploded, killing all the occupants. They listed three foreigners, including Raoul L eger, described as a "Canadian priest", among the people killed in the explosions.

(b) On August 4, 1981, the embassy in Guatemala sent a diplomatic note to the Guatemalan government requesting a copy of the police report.

On August 19, 1981, the Canadian charge met with the vice minister of foreign affairs of Guatemala to reiterate our request for the police report.

On August 27, 1981, the Canadian charge met again with vice minister of foreign affairs of Guatemala to reiterate our request for the police report.

On September 1, 1981, a diplomatic note was sent to the embassy of Guatemala in Ottawa to express "concerns" that a police report had not yet been produced.

Following the recent autopsy performed in Canada, the Canadian embassy delivered a diplomatic note to the Guatemalan ministry of external relations on December 21, 2001, requesting any and all documentation possessed by the authorities on Raoul L eger's death. The ministry of external relations provided official acknowledgement of the request on December 26, 2001, and informed that it had been directed to the ministry of interior.

(c) To date, no official report on the circumstances of the death has been received from the Guatemalan government.

(d) This file will remain active indefinitely.

* * *

[English]

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Finally, Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. B elair): Is it agreed?

Some hon. members: Agreed.

* * *

[Translation]

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT AND STATUS OF PERSONS WITH DISABILITIES

The House resumed consideration of the motion.

Mr. Paul Cr ete (Kamouraska—Rivi ere-du-Loup—T emis-couata—Les Basques, BQ): Mr. Speaker, this morning I hope that we will have as much co-operation as we gave the government regarding the issue it raised a few minutes ago, so that my motion will be adopted. The motion reads as follows:

That the Seventh Report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, presented on Thursday, March 21, 2002, be concurred in.

It must be pointed out that this is a unanimous report tabled by the committee following numerous complaints about the government's interpretation of the eligibility criteria for the disability tax credit.

As I said before being interrupted, all hon. members have had constituents come to their riding offices to tell them that they themselves, or a relative or a friend, had been wronged by Revenue Canada's very restrictive interpretation of the disability tax credit.

Worse yet, we realized that the federal government had indeed decided on retroactivity for the 100,000 plus individuals whose tax credit applications had been approved prior to 1996. The decision was made to backtrack in order to see that they were really entitled to the tax credit.

Looking at the double standard we see today, we want the federal government to get back the money paid out under unacceptable conditions to sponsorship agencies, a subject we are forced to keep bringing up in oral question period, while at the same time the federal government is trying to get money back from persons with disabilities who had been eligible for the tax credit. Now they are being asked to again prove their eligibility.

This has triggered a uproar among the committee members and MPs in general. Among the condemnations in the unanimous report was the following:

This unacceptable lack of action seems to be endemic among those who administer the tax system.

Routine Proceedings

The subcommittee was so alarmed by the consequences of the re-examination of eligibility for this group, that is pre-1996, that it wrote to the national revenue minister and organized a press conference in December. At that time, the desired results were not forthcoming.

The committee decided to carry out a more thorough study of the entire situation and a series of unanimous committee recommendations were formulated. Finally, MPs realized that application of the tax credit as currently set out in the law was far too restrictive and had negative consequences. It lacked the minimal sensitivity there should be in this House for those who are less fortunate than ourselves and are experiencing difficult situations.

There are aberrant situations in which a person wishing to prove eligibility has to be totally bedridden to prove he or she is mobility impaired. That person must not be able to get around at all or to work in any way. This is far more restrictive than the similar credit available from the Government of Quebec, which has a far broader interpretation.

Last week, the member for Dartmouth moved a motion similar to mine. However, I thought it was relevant this morning to come back to this issue, because the report that was tabled on March 21, 2002 was unanimous.

Since that time, the government has had ample time to study the report, and today they have the opportunity of debating it with us. I hope that this debate will take place, and that the government will not call orders of the day.

As the end of the session approaches, a modicum of decency must be respected; a compassionate gesture would be to allow the report to be adopted, in order to reassess and reconsider the whole issue of the disability tax credit, so that the recommendations made by the committee could be implemented as soon as possible.

During this debate, if the government decides to evaluate and to debate each of the recommendations, rather than coming back to orders of the day, why not debate this today? Let us assess each of the recommendations; let us look at which ones the government agrees to and which ones satisfy the opposition parties.

However, let us not forget that these recommendations are the unanimous result of the work done by the Standing Committee on Human Resources Development and the Status of Persons with Disabilities. So, members of the majority government did take part and give their approval. If there was a debate on this, they would have the opportunity to express themselves freely.

It is often said that there should be more free votes in the House, that members should have the opportunity to be more autonomous, without always having to toe the party line. The government has a wonderful opportunity here, to put this issue on the table and to allow members to speak to it.

• (1020)

I want to quickly read some of the recommendations. For example, the committee recommended:

—that the CCRA send a letter to every individual who received the letter dated 19 October 2001 requesting DTC recertification. This correspondence should apologize for the tone of the letter and provide a complete explanation as to why the CCRA requested recertification.

Indeed the Canada Customs and Revenue Agency showed a total lack of sensitivity. It dealt with disabled persons the way it would have done with a company guilty of tax evasion. This letter treated them more or less as if they were asking for an investment tax credit, but these are human beings, they are people who find themselves in difficult situations. Then there are those who are responsible for ensuring adequate living conditions to these disabled people. It is essential that this gesture be made.

However, this is just the tip of the iceberg, and the committee has made many other recommendations. Among others, it recommended:

—that all individuals who obtain recertification as a result of the October 19 letter be compensated upon the production of a receipt for any costs incurred in obtaining the services of a qualified person to complete the appropriate form or for providing ... any supplementary information.

In other words, the federal government must pay for the mess that it created when it launched this operation, which I would call dehumanizing. These are often questions of law, and the people who tried to stand up to the Canada Customs and Revenue Agency regarding the interpretation of tax credits are very aware of what we are talking about.

Companies have legal advisors, and some people can afford legal advisers, lawyers or notaries to defend them, but it is unacceptable that the government would suddenly tell disabled people who have been getting the tax credit for years “We may have made a mistake during those years when we gave you this credit; we want to reconsider this issue”. If costs were incurred following this action by the Canada Customs and Revenue Agency, then these people should be compensated.

The second recommendation reads as follows:

The Committee recommends that no new requests for recertification be sent to individuals who have claimed the DTC in whole or in part during the period 1986 to 1996 until the form is redesigned.

In other words, we do not want the Canada Customs and Revenue Agency to do through the back door what it is not allowed to do through the front door, that is, we do not want it to continue to harass people, to have new demands on people with disabilities until the form has been changed.

It also says:

The Committee recommends that the government—

(a) Add “breathing” to the list of basic activities of daily living—

The interpretation made by the Canada Customs and Revenue Agency is word for word: the law is the law, the regulations are the regulations. If we want to get correct interpretations, we must be able to change the law in an acceptable manner.

So there is a series of recommendations to bring some oxygen into the interpretation of the disability tax credit and thus ensure that we have an interpretation of the tax credit rule that better reflects the reality.

For example, the committee makes the following recommendation:

—reword subparagraphs in order to better reflect the everyday situations of individuals with severe speaking and hearing impairments.

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As the legislation on the tax credit is currently interpreted, this causes a problem, because the interpretation is too restrictive.

The committee also calls for the following:

(d) Add "registered nurse" to the list of qualified persons for those residing in a remote part of Canada where access to other medical professionals, especially a medical doctor, is extremely limited.

Several members represent people living in remote rural areas where one has far to go to find a doctor. Currently, they are given very administrative and bureaucratic answers, such as "Medical opinion is required". Often, to go and get this opinion, the person must incur very substantial expenses. Moreover, when people are severely disabled, it is very complicated for them to go and see their doctor.

• (1025)

This kind of recommendation, especially this one, shows that committee members were interested in seeing a more humane approach to the interpretation of this tax credit.

As parliament prepares to rise for the summer tomorrow, this would be a very appropriate time for the government to approve the committee's report so that the recommendations could be implemented.

We do not necessarily need to adopt each small detail of the report today. But if the report is concurred in, this will force the government to take another step forward and incorporate the recommendations into the legislation. This would be desirable for everyone.

One of the recommendations is as follows, and I quote:

The Committee recommends that the CCRA and the Department of Finance take immediate steps to consult widely to develop amendments to the Income Tax Act, a better DTC application process and application form. This consultation should include representatives of organizations concerned with various types of disability, representatives of professional groups of medical practitioners qualified to certify eligibility for the DTC, and the Office for Disability Issues.

It goes on:

The consultation exercise should pay particular attention to the need to develop eligibility criteria and an application form that treat mental illness, and cognitive disabilities in an appropriate manner. The CCRA and the Department of Finance should submit a written report to this Standing Committee about the nature and results of its consultative process by 1 December 2002.

There are some parallels here with seniors and the guaranteed income supplement. The attitude of this government's bureaucracy has to change. The standard approach should not be to save as much as possible and give out as little information as possible, with the result that we end up with restrictions not because of what is in the legislation but because of how it is interpreted.

We think that this attitude has to change. It must be changed with respect to the guaranteed income supplement. The repeated requests from members on this topic have started to produce results. We need to do the same thing for the disabled.

Furthermore, seniors who need the guaranteed income supplement can very often also be affected by the disability tax credit.

The committee also recommended, and I quote:

—that beginning with the tax year 2002, the government pay the cost for the services of a medical practitioner who provides the CCRA with any additional information beyond completing the basic form—

In other words, if Revenue Canada needs additional information, it must be the one to pay for it, not the disabled person. This is a recommendation in the same spirit and following along the same logic, and is of great interest.

It goes on:

This includes any charge for providing CCRA with supplementary information about an individual's DTC recertification or a medical appraisal for the purpose of appealing the denial of a DTC claim. For greater clarity, applicants or appellants would not be able to claim these costs for providing any additional information beyond a completed Form T2201 until their DTC claim is approved.

This is, therefore, a measure which would make it possible to improve the situation and would, as I have said, bring some oxygen into the system, as well as some respect at last for our disabled citizens.

Ours is a society that can afford to give them more equitable treatment. Former Quebec premier René Lévesque said that a society should be judged by the way it treats its least advantaged members.

At this time, the federal government has most certainly not earned a passing grade. It is behaving instead like someone who is protecting those members of society who are already well organized, who is protecting its friends. On the other hand, when it comes to individuals, people who are not necessarily organized collectively, it is far more difficult.

In this connection, the government ought to heed the message issued by us MPs—whose job it is to represent these people—which is part of the report. The report should be concurred in to ensure that the government follows up on it.

As another indication of the direction taken by the recommendations, I will quote again as follows:

The Committee recommends that the CCRA put in place an information and education strategy and campaign for the 2002 tax year. Prepared in co-operation with the disability community and medical practitioners, this information strategy should:

- (a) Educate the general public about the purpose, nature and provisions of the Disability Tax Credit;
- (b) Provide information to assist persons qualified to certify individuals' eligibility for the DTC (particularly those dealing with mental, psychiatric and learning disabilities) to understand the nature of the certification process and the nature of the information required for certification.

• (1030)

In other words, we want the process to become transparent and public, not the purview of specialists who can take advantage of the situation, particularly in the case of the Canada Customs and Revenue Agency with its very restrictive interpretation, and who can indulge in interminable legal wrangling, where the only ones who win are the bureaucrats, on the one hand, by justifying their jobs, and the specialists, on the other hand, who are able to make a pretty penny off it.

I believe that we have an opportunity here to open the process up, to ensure that decisions are much simpler and more transparent, and also to lessen the need for specialists. This could be done by treating those who apply for the tax credit as though they were eligible for the credit, and not as though they were trying to defraud the system.

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Obviously, this does not mean there would not be any controls. Things must still be done properly. However, instead of greeting people with a closed door, the door would be cracked open, to allow people to benefit from these tax credits, which are not overly generous.

We are not talking about something that will allow people to get rich here. This is something that often provides a minimal service to persons with disabilities, and often these are severe disabilities. The money provided by the tax credit is truly used to meet their basic needs, to help them and their family.

The report on this is very convincing and well written. I think that we must congratulate all of the committee members who worked on this report and who drafted the recommendations along these lines. With reports such as this, we can tell voters—who often have a negative impression of politicians—that members of the House are able to work in the best interests of the public, the interests of the most needy in society.

Now that we have a unanimous report, even though in other circumstances, for example with regard to the employment insurance issue, the committee's recommendations fell on deaf ears, I think that in this case the need is even greater for the government to agree to review the situation. I hope we will not have to wait for the next throne speech to get a bill that will come into effect once it has been passed. In the meantime, for a year or two, people will have been gone after and somewhat harassed by the Canada Customs and Revenue Agency, and their case will not be settled retroactively. We feel such situations are unacceptable and should be corrected.

All in all, this is an excellent report, an indepth review of the issue that led to unanimous recommendations; it showed a willingness to treat persons with disabilities in a humane fashion, to give them a well deserved chance as far as tax law interpretation is concerned.

I therefore ask the House that this report be concurred in so that we can get the government to make the appropriate decisions, in order to correct this anomaly, which is penalizing disadvantaged people so heavily.

• (1035)

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I would like to make a comment and ask the member of the Bloc Québécois a question, following what was said by the member of the New Democratic Party last week.

At this time, I strongly support the comments made by the member of the Bloc Québécois. We know there are tax credits for investors in several sectors, including mining and forestry. Family trusts also benefit from tax credits.

I read the report and it is excellent. In remote areas, visits to the doctor can be extremely expensive. However, we must have a more humane approach and allow a minimum for basic expenses.

On March 31, 2002, two Challengers were purchased at a cost of \$101 million. Today, we must decide that this unanimous report shall be concurred in.

My question for the member of the Bloc Québécois is as follows. We know that there is a tax credit in Quebec. The province of Quebec has abided by the standard; it is more humane when it comes

to persons with disabilities. I ask the member opposite to compare the Quebec tax credit with the federal one.

Mr. Paul Crête: Mr. Speaker, as we know, over the past several years, Quebec has been implementing innovative social programs. This process began with the establishment of Quebec's Office des personnes handicapées, whose head office is, I believe, in Drummondville.

For over 20 years, there has been a practice of integrating people with disabilities into the workforce and making it easier for them to get a job. In the case of those who cannot work, we have ensured that the interpretation of the act on tax issues would be broader, and disabilities that are systematically rejected at the federal level are taken into consideration.

We also see this in our riding offices. People tell us “My application was approved by Quebec, but not by Ottawa. What is going on? How do things work?” There is a fundamental explanation. There are two governments with different interpretations and different ways of seeing things. This situation is a reflection of our respective societies and it is up to people to decide whether or not they would prefer to have a single government. That would surely be a good solution.

But on a practical level, the fact is that, over the past 25 years, the Quebec government, regardless of the party in office—this is not a partisan issue—has shown openness. From the outset, the principle followed was “if a person is disabled, let us see in what way; let us see what deprives that person of his or her autonomy. If the disability prevents that person from having the same autonomy as someone who is not disabled, we will try to take this into account in a proper way”.

By contrast, the federal government's approach has been that “if the person is not totally disabled, he or she is not getting a tax credit”.

This is why there are two different attitudes. However, it must be recognized that the unanimous report of the Standing Committee on Human Resource Development and the Status of Persons with Disabilities seeks to correct this situation. We want to do some catching up. Let us hope that we will have the opportunity to do so as soon as possible, so as to no longer have this aberration where an aberration by the same person is entitled to a tax credit from Quebec, but not from the federal government.

There are no longer any deficits in any government. Therefore, in light of the current financial situation, it is high time that Ottawa displayed the same compassion as Quebec has been showing for over 20 years.

• (1040)

[English]

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, it is my pleasure to address the report and acknowledge that all parties agreed to the report. It was a unanimous report and we are calling for it to be concurred in.

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I believe everyone in the House is moved by the need to be compassionate toward people with disabilities. We must bring our programs in alignment with that compassion and use some common sense and courtesy in doing that.

First, I say courtesy because when the government was preparing to have people re-apply effectively for the tax credit, it sent out a stern, rude letter to which a lot of people took great offence. The committee looked at this and recommended that a letter of apology be sent to the 106,000 who received that letter. We would hope that the drafter would show a little more respect next time around. The Canadian Alliance regrets that the government would send out a letter like that to people it claimed to be concerned about.

Second, I want to address the issue of common sense. Bureaucracies are often guilty of not demonstrating common sense on issues and this is a good example. My friend from Blackstrap raised an issue with me. An amputee approached her and said that he was still an amputee. He had not grown a new limb so obviously he would still be eligible for the disability tax credit.

A lot of members of parliament have run into that situation where people with disabilities have said to them that nothing had changed with their situation. They ask why they have to go through the rigamarole of re-applying for the disability tax credit? That is very true. I am not certain that the government showed much common sense in how it went about having people re-apply.

I also want to make a pitch for simple compassion. Members of the committee have run into complaints from people who have diseases with intermittent symptoms. For example, diseases like multiple sclerosis where one day everything is fine and the next day a person can be almost completely debilitated. Because it is a disease with intermittent symptoms, those people may not necessarily be qualified to receive the tax credit, which is unfortunate.

On the one hand they do not get the credit, but on the other hand often they are unable to work because employers cannot count on them to be there due to their illness. We would hope that the government would take the recommendations made by the committee with respect to those types of illnesses seriously and use common sense, but also be compassionate toward these people.

This is a demonstration of what parliament can do when we have all the parties unanimously agree to a report and work together for the good of, in this case, people with disabilities across Canada. We urge the government to take note that this was a unanimous report. Perhaps that will give the report extra weight when the government considers some of the recommendations.

• (1045)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, on behalf of the NDP caucus I am pleased to have the opportunity to speak to the motion to move concurrence in this report. I wish to compliment my hon. colleague from the Bloc for raising this issue today and making a real effort to have this issue move forward prior to the summer recess.

The House of Commons is about to adjourn within the next 24 hours and this important piece of business will be left dangling. When there is rare unanimity at a standing committee for such an

issue it is a shame that it should lay dormant and gather dust when it should move forward with these important recommendations.

I wish to compliment the critic for the NDP, the member for Dartmouth who sat on the committee, for putting forward some of the meaningful recommendations contained in the report. She spoke passionately and eloquently to this issue when she moved a similar motion the other day.

It is clear to any observer and any member of parliament who has been asked to deal with this issue that for persons with disabilities the letter of October 19, 2001, was one of the most callous, mean-spirited and insensitive things we have seen the Liberal government do. To their credit Liberal members on the standing committee realize this. I do not believe there was any malice or forethought that went into it. It was one of those insensitive oversights, and members on the standing committee were willing to remedy it.

The recommendations were straightforward. It was recommended that another letter be sent out to the 106,000 Canadians who received the first letter with an apology from the government for being callous and insensitive to their needs. Compensation should be offered to those same people because many of them did scramble to seek new medical recommendations from doctors to prove they were still disabled to the point where they would qualify. We have heard many stories from people indicating that doctors do not write this kind of letter free of charge anymore. If someone were to request that kind of letter it could cost between \$30 to \$120, which for a person living on a limited income with a disability could be a huge barrier.

The members for Dartmouth and Sackville—Musquodoboit Valley—Eastern Shore cited examples of individuals in their home province. One individual was a quadriplegic in a wheelchair who moved his wheelchair by blowing through a straw. It is a sensitive device. This guy has been in that situation for many years and nothing has changed in his personal life that would indicate that his disability had lessened in any way. He was one of the people who received the letter.

We heard stories involving double amputees. Nothing changed in their lives either that would make them any less disabled this year than last. We heard of people who were legally blind receiving these letters as well as people with Down's Syndrome. For those of us who are a bit jaded about these things, it seemed the government was doing its best to minimize its expenses on this file.

Even if 5,000 of those 106,000 Canadians could not or would not go through the necessary steps to attain a new medical certificate and fill out the required forms, the government would have saved giving the disability tax credit to those 5,000 people. That is petty, cheap and nickle and diming, and taking advantage of vulnerable people. There are many reasons why disabled people might fail to attain the medical certificate. Their disability might make it more difficult for them to visit a medical doctor to have a medical report drawn up.

We feel that the House should pass concurrence in this report and begin implementing some of the thoughtful recommendations developed by the committee. The member from Kamouraska walked us through many of those changes. He made some other interesting points that I would like to comment on and concur with.

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● (1050)

He pointed out that the government's treatment of the disability tax credit and seeking to minimize its liabilities by hopefully cutting more people off reminded him of the government's treatment of the guaranteed income supplement file. The government knew of 380,000 Canadians who qualified for the guaranteed income supplement but it said that those senior citizens never applied and therefore they would not be eligible for the supplement.

For senior citizens to qualify for the guaranteed income supplement they have to be living on modest means. We are talking about an income of about \$12,000 to be eligible to qualify for the supplement. It would give seniors a further \$5,000 per year in supplementary income. That makes a huge difference in the quality of life of an elderly senior citizens living in poverty because \$12,000 a year is true poverty.

The government knew who these people were by virtue of their income tax returns. It identified that these people were of an age and of an income level that they would be eligible for this funding but it chose not to do so. When pressed the government said it would be a breach of privacy if it used the information it gathered from their income tax returns to tell HRDC to give them the guaranteed income supplement. Can members imagine, a breach of privacy?

Frankly, this would be one situation where virtually all seniors in that position would be happy to have their privacy breached if it meant getting the income they richly deserve from the program that was supposed to give it to them.

I represent a low income neighbourhood in downtown Winnipeg Centre. A lot of low income seniors gravitate there because the rents are cheaper. We estimated there were as many as 5,000 to 7,000 seniors in my riding alone who would have been getting an extra \$5,000 per year. That could make the difference between eating and not eating when one is at that low level of income.

I appreciated the hon. member from Kamouraska pointing out that there is a parallel, theme, motif and miserliness on behalf of the Liberal government that seems to be manifesting itself in these programs that are designed to affect the most vulnerable and most marginalized.

He made another good point that I would like to paraphrase. He said that society ultimately will not be judged by the might of its armies, grandeur of its tall buildings or the monuments it builds. Society will be judged by future generations on how it deals with its most vulnerable and the equity issues. Those are the things for which it will be noted and that it will be judged by.

In the case of the disability tax credit, the government gets a great big fat *F* for failure in terms of fair and equitable treatment. I have yet to see another example of such a callous, mean-spirited and insensitive act as that letter being sent to 106,000 people.

There was another thing that was pointed out by another member of parliament. It reminded him that we seem willing to give tax loopholes to corporations but little tax credits to the most vulnerable. It seems to be beyond the government or it is not something it wants to expand.

One hon. member mentioned family trusts being tax deductible. It is more than that. Operation loophole that we just went through involved the Bronfman family moving \$2 billion worth of family trust money out of the country without paying any capital gains tax on it and the federal government chose not to go after it. That was about \$750 million worth of taxes that would have been paid. It waved that off without even going after it in any kind of aggressive way.

Yet it will nickle and dime the disabled in this program, the poorest and most vulnerable people in our society. It will squeeze them for the little bit of a tax credit that they receive and it is willing to let the Bronfmans walk out of the country with \$750 million of unpaid taxes. That is a glaring contradiction that other hon. members have pointed out.

I wish to cite some of the recommendations that have great merit. A second letter should be sent out immediately, as soon as the motion to concur in this report is finished in the House, and hopefully passed. We would hope that a letter would be sent out to every individual who received the October 19, 2001, letter that asked them to be recertified as disabled.

● (1055)

The CCRA should apologize for the tone of the previous letter, provide a full explanation as to why it thought it was justified in requesting the recertification and any individual who shelled out \$30 to \$120 to comply with the letter should be reimbursed. As soon as they produce the receipt, they should be compensated for having to get a new medical certificate. We have reason to believe many thousands of Canadians did comply. When someone receives a letter from their government asking them to do something they will cooperate and do it. Those who could, did.

However there is also a recommendation that no new requests for recertification should be sent to individuals who have claimed the disability tax credit in whole or in part during the period 1986 to 1996 until the form is redesigned. The hon. member for Medicine Hat explained some of the problems with the current design of the form and the amendments necessary. As he has said, there are medical conditions that are intermittent and that may plateau off at a certain level and then spike or drop down. Therefore it is very difficult to fit the language that one has to qualify. It has to be prolonged for a period of more than 12 months and so on. A person may have a type of condition that is devastating for a few months and then, improves or plateaus off, et cetera.

There also needs to be language implemented to more properly address persons with mental illnesses. Sometimes mental illnesses are such that the symptoms, which present themselves in a variety of ways, make it difficult for a person to hold steady employment. That person is disabled in the truest sense of the word. However mental illness is so often misunderstood. We believe, and one of the recommendations of the committee is, that language should be put into the application document that would reflect the issues facing persons with mental illness.

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We also note that there is language in the form that is just poorly written to the point that people were being turned down, not because they did not meet the terms but because the language in the application was so flawed. They really should have had a lawyer scan it. An example of that language is a person who “thinking, perceiving or remembering” and “feeding or dressing oneself”. This deals with mental competencies issues like Alzheimer's disease. To be eligible, one would have to have trouble with all of those things.

It was felt by the committee members, who were viewing this in a more favourable light for the applicant, that by saying that if one had difficulty perceiving or remembering or feeding or dressing oneself, many people who had those problems would have qualified in that case. I hate to think how many people have been turned down over the years based on the flawed language in the document.

Another recommendation is that a letter should be sent to people who were recently turned down and failed to qualify. They should be asked to reapply under the language of the new forms. They may find that they do qualify and that they are disabled to the point where they deserve the disability tax credit because the flawed language in the old document kept them from getting the benefits they deserve.

Many of the other recommendations are technical. I do not know that it is necessary for us to go through them one by one. However it is enough to say that form T2201 drastically needs to be redrafted and rewritten with the view of making the program more accessible not less accessible. It almost seems that this program is designed to trip people up, to keep them off benefits and not help them avail themselves of the disability tax benefits they deserve.

• (1100)

We should also point out that this is a very small amount of money. This is not a monthly allowance or an income revenue stream. This is simply a small disability tax write-off at the end of the year. I believe it often amounts to \$800 to \$1,200.

An hon. member: Nine fifty I think.

Mr. Pat Martin: About \$950 my helpful member from Nova Scotia points out. Really what this constitutes is a once a year opportunity for these low income, disabled people to perhaps make one large investment for which it is difficult to save, be it furniture, housing issues or anything. However it really does make a difference in their lives.

Sometimes it is not even the disabled person who benefits from the tax credit. It is the family or the caregiver of the disabled person. There is very little recognition for live-in caregivers, be they parents, family members or relatives. The mother and father of a severely disabled person incur a great amount of additional costs in their day to day lives in caring for that family member. If they are not in a position where the disabled person is institutionalized, they get very little credit or recognition for the extra financial burden and the extra time and work it takes to keep the individual out of an institution. This disability tax credit is one way we can recognize the contribution they make to the broader community by being a full time caregiver.

Recommendation eight is one which I had highlighted. The committee recommends that, beginning with the tax year 2002, the government pay the cost for the services of a medical practitioner

who provides the CCRA with any additional information beyond completing the form T2201. The committee is saying that in the eventuality if any new applicants, from the tax year 2002 on, need to get supplementary medical evidence or a letter from a doctor, this would be paid for by the Government of Canada. This takes the burden away.

The committee is saying that the upfront costs should not be a barrier to accessing this program because these people are already poor and marginalized. It would be completely unfair if it were also limiting them from availing themselves of what help was available to them because of the upfront costs. This would include any charge for providing the CCRA with supplementary information about an individual's disability tax credit recertification or a medical appraisal for the purposes of appealing the denial of a claim.

For greater clarity, appellants would not be able to claim these costs for providing any information beyond a completed form T2201 until their disability tax claim is approved. Therefore, if the claim were approved, then the government would pay for the extra medical advice. I suppose if the claim were rejected and the person was not deemed to be disabled to the degree that they would deserve the tax credit, the government would not have to pay. It sounds like a reasonable compromise.

The committee also recommended that to use health care resources more efficiently and to reduce potential costs to disability tax claim claimants, the recertification process should be streamlined to easily identify the instances where an individual's disability had remained unchanged or had worsened. They would view this as less of a burden on the health care system if we could streamline the way we observe the ongoing health care condition of the disabled person who is claiming the tax credit and monitor whether they remain unchanged, or if they worsen or in rare cases if they improve.

I will close simply by saying that I really believe that the letter of October 19, 2001 was a horrible mistake. I would like to believe that we would take steps to remedy that before the end of this session of the House. That is why twice in recent days we have seen members of parliament, under routine proceedings, move a motion of concurrence of this report, to try to get it moving forward so that we are not bogged down with this thing gathering dust.

An injustice has been done. There was a terrible unfairness. The government seems willing to apologize. It should get that letter of apology out to those 106,000 disability tax credit claimants. Anyone who incurred a cash outlay trying to requalify for that tax credit should be reimbursed promptly. This should happen before the end of this session of parliament

• (1105)

[*Translation*]

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, I want to thank my colleague from South Shore for letting me speak first. If you agree and if everyone agrees, I will share my time with the member for South Shore.

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The House will recess tomorrow, for the summer. Members will take some time off to rest with their families. The calendar says that we will be done tomorrow. We will have a chance to spend some quiet time with our friends and families, and everything will be fine.

In the meantime, some persons with disabilities are no longer eligible for the disability tax credit. Several of our colleagues here in the House have mentioned, in their speeches, the fact that they have had people in their office who used to claim the disability tax credit and who can no longer claim it because of the new rules.

I will give just one example, although there are many. There is a man in my riding who had his leg amputated just below the hip. As far as I know, there is no chance that it will grow back. He used to be eligible for the disability tax credit.

This man was asked to go to his see his doctor and have him fill out the new form based on the new criteria and the new definitions. What hurt this man—and we are still fighting for him—is that the form asks if the person can go a few dozen metres with or without a cane, a walker or crutches.

What was the doctor supposed to do? He said “With a cane or a walker, sure he can move around even though he has only one leg”. That made him ineligible for the disability tax credit. His leg has not grown back. It is unbelievable that the government can tell that man that he is no longer entitled to his tax credit. He has lost a leg, and it is just like telling him that he is no longer disabled.

I think the biggest handicap is on the other side of the House. When the government gets to the point of cutting the disability tax credit, I think that is where the handicap is.

Reviewing applications implies that people have cheated the system. This is not true, but bureaucrats are trying to find clever ways of keeping people from qualifying for the tax credit.

Why? Because of one or two, or a few cases of fraud, they are penalizing everyone. They are putting these people through stress by telling them that they are no longer really disabled. The disabled are telling themselves “I am no longer really disabled. I am missing a leg; I am in a wheelchair; I am no longer really disabled”. “I have Down's syndrome: I am no longer really disabled because my trisomy is low enough that I can manage on my own a bit”.

This makes no sense. It is the ultimate example of a government without a heart. And we are going to bat for these people in our ridings.

When we speak to Revenue Canada employees, they tell us “I am not really supposed to talk to you about this, but I will tell you what I think. It makes no sense at all, but we have to implement the new rules. We know that the person is missing a leg and is disabled, but these are the new rules and the decision comes from higher up”.

But we are right there and see these cases, and we are going to bat for them. The disabled say “What is going on? What did I do wrong? I am disabled; what did I do to the government that it is cutting my credit and questioning my disability?”

Doctors say “We are stuck between a rock and a hard place. Obviously, the leg has not grown back in 15 years”. Even if the disabled person goes to St. Joseph's Oratory, they are still in their

wheelchair, and even if they douse themselves with St. Joseph's oil, nothing has really changed.

People are in a difficult position, as are the doctors, and must deal with this pressure. Quebec's college of physicians says “We must apply the rules; we have no choice”. So, the doctor says to his client “Sorry, I cannot help you. I must fill in the forms according to the new definitions and the new questionnaire”.

• (1110)

This does not make sense. We are struggling, and the government has a surplus in the billions of dollars. Officially, it is \$6 billion. Between you and me, we know it is a lot more because it has put \$2 billion here and \$3 billion there in various foundations and other things like that. We will recall the budget of last December, in which the government promised to create a new infrastructure fund and to put \$2 billion in it if it had the money. It got the money, billions of it.

I am not saying that is not important, but now it is going after the most vulnerable members of society, people who are disabled through no fault of their own, and it is questioning their situation. It is insinuating that they may be defrauding the system. It is putting added pressure on physicians and health care workers. It claims it only wants to review the situation.

The committee report was very critical. As we know, yesterday and a few weeks ago, we discussed committees' reports and recommendations. Members on both sides of the House put their heart and soul in their work. They dedicate hours and hours, days, weeks, months to their work. They put together fine reports and recommendations, but the government looks at them and says “Forget it”.

All it is doing is keeping the opposition busy and making government backbenchers believe they can make a difference and their work in committee as legislators is very important. As the House is winding down, we have another example of that.

The committee went very far, demanding that a letter of apology be sent. However, if the government can give me the assurance today that it will rectify the problem, as requested by my colleagues in the House—we are talking about a regulation and it is up to the minister to decide—we might forego the apologies. If the problem is rectified, we will let it go at that. We will not hit them over the head as they did the disabled. We are more tactful than that.

But are they going to address the issue? Will they wait until the queen's visit or the prorogation of the House to do it? Will they wait until the new Minister of Finance tables his first budget, which could be a budget with a heart and make the government more caring? I doubt it.

We can act right away. This is not a piece of legislation, just an administrative decision. There is no need to ask the House or the Senate to urgently pass a bill. The government made an administrative decision when reviewing the cases, and it denied eligible people what they were entitled to. It can make a quick decision to address the problem successfully.

Routine Proceedings

On this beautiful day in the national capital, it is a shame to end a session with this kind of discussions. I cannot believe it. This government has no vision and no strategy for Canada, as I often say. The only vision and strategy it has is for the Liberal Party of Canada, period.

When the most vulnerable in our society are being accused, and pressure is put on health care professionals because there may have been a few cases where tax credits should have been denied, I think it is time for a few things to change.

I congratulate my colleague who moved this motion this morning, and I urge the government to take action in the interest of those we on this side are representing in the House.

• (1115)

[*English*]

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, I listened with interest to the hon. member when he spoke about people not asking to be handicapped.

I thought about a person who had come to my office when the tax credit was taken away and how upset he was. He was only asking for a tax credit. He had lost his leg while doing a charitable act, helping someone change a tire on a highway. As he was changing the tire a car came along and hit him in the back.

When he got the review he was told he could no longer receive the tax credit. I felt bad for him. I thought about what we could do to help this gentleman. Of all charitable acts, this was one for which he should probably get a tax credit. I would liken it to a charitable tax donation much like the charitable donations to political parties we have talked about many times in the House.

I thank the hon. member for his words. The issue is important. These people did not ask to be handicapped. This would level the playing field. It is a good way to do it.

[*Translation*]

Mr. André Bachand: Mr. Speaker, as I said during my speech, members on this side of the House have opened up their doors and their hearts to people faced with a review of their disability tax credit. Some were reduced to tears, of course, because they live on a very low income.

In our riding offices—I know you have experienced that personally, Mr. Speaker—some absolutely incredible cases come up. When it is about an administrative issue, an administrative decision at the expense of tens of thousands of disabled people in this country, I find that somewhat disgusting.

We have to deal with that. Representatives of all the groups of persons with disabilities, notably in Quebec, have said “What is happening? What is this all about? What is the reason for all this? Is it to be good administrators?” Good administrators at the expense of disabled people? We will remember this, 33 months from now.

[*English*]

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I have been anxious to get up to debate this subject for some time. I thank my hon. colleague from Richmond—Arthabaska for sharing his time with me. I thank the hon. member who moved the motion today.

A couple of things about the disability tax credit need to be explained to the Canadian public and put to rest. First, everyone should know exactly what we are talking about. We are talking about a disability tax credit for individuals deemed eligible to receive it. They may claim a non-refundable tax credit worth \$960 or 16% of their \$6,000. The October 2000 budget statement indexed the disability tax credit to inflation. An individual who supports a person entitled to a disability tax credit may under certain circumstances claim any unused portions of the credit.

The fact that we are debating this in the House of Commons speaks volumes. It is absolutely scandalous that in a time of surplus the Government of Canada is doing little more than deliberately bullying and picking on some of the most vulnerable people in society. It speaks volumes about a government that has lost its direction and sense of responsibility to the most vulnerable in society.

All members here, government and opposition, have had dozens and sometimes hundreds of people in their offices who have been refused the disability tax credit. The rules Canada Customs and Revenue Agency has set down for people to qualify for the credit are obscene in every extent of the expression. The first rule is that an individual claiming the tax credit must be examined by a medical doctor to determine whether he or she is able to walk 100 metres.

The hon. member for Blackstrap spoke about a young man with one leg who came to her office. He had been doing a good Samaritan act, helping change a tire. Through no fault of his own he was hit by a car, lost his leg and had his disability tax credit reviewed.

A young woman came to my office, a single mother who has worked every day of her life and is still working today. She had her disability tax credit reviewed. The government decided she could continue receiving it. However because she was a single mother and the disability tax credit meant a lot to her, she was extremely upset at being reviewed. She was another individual with only one leg. She said she goes to work every day, is ambulatory, gets around and does her job.

How many Canadians understand that someone with the use of only one leg must spend 20% more energy to get from point A to point B than a Canadian with the use of both limbs? Most amputees spend on average 20% more energy to do the same jobs and live the same lives we live.

The disability tax credit is not something that says a person is disabled and cannot work. That is what it has become. The disability tax credit should recognize that it is more difficult for people with disabilities to do the same job and perform the same role in society as those of us without disabilities.

Routine Proceedings

• (1120)

People should not have to be quadriplegic, and heaven protect those who are, to get the disability tax credit. They should automatically should get it. There are a lot of other people who have lost an arm or a leg or who suffer from mental impairment who should receive the disability tax credit, because it is in recognition of the fact that they have a disability. This is not a pension and this is not about someone looking after them for life. This is simply in recognition of the fact that they have an impairment which makes it more difficult for them to do the same jobs the rest of us take for granted.

A young lady who is an amputee came to my office. She said "I could walk 100 metres, but it is more difficult for me when it is snowing. It is more difficult for me if it is uphill. It is more difficult for me if it is raining. It is more difficult for me if it is level ground and perfect conditions, because it will cost me 20% more energy to walk the same 100 metres that it takes the rest of you".

I agree with my hon. colleague from Richmond—Arthabaska that this is a regulation, it was a mistake, it needs to be reviewed and reversed and absolutely the sooner the better.

This is an immense pressure upon medical professionals, upon the doctors who have to review this for their patients. I was trying to go over the list of criteria. I do not have it in front of me, but I have handled enough of these in my office that I believe I can remember the criteria. The first criteria of this meanspirited change in the regulations is, can the patient walk 100 metres? There are others. Can the patients think, perceive and remember? Can the patients feed themselves? Can the patients use the washroom by themselves?

This is an embarrassment to members of parliament. It should be an embarrassment to CCRRA. It should be reversed immediately. It is absolutely scandalous that for lack of foresight we would pick on the most vulnerable section of society. It is absolutely scandalous.

Not only is it arbitrary and insensitive, it goes a step further than that. The issue is that people were able to access the system in recognition of a disability and now we are debating that disability, front and centre in the House of Commons and so it is on every TV screen in the nation, as to whether or not we should be giving this tax credit for this disability. People who are disabled, who are unable to work or able to work, do not want this debate to be occurring in the nation.

There is a very, very small percentage of individuals who receive a disability tax credit without good reason. That less than 1% who may have actually received something from the system and did not deserve it is not a reason to reverse the entire process.

As a member of parliament, I am appalled that we are debating this piece of legislation. It needs to be reversed immediately. We should be ashamed of the fact that we cannot do a better job than we have done as members of parliament to defend the most vulnerable in society.

• (1125)

Mr. Bill Matthews (Parliamentary Secretary to the President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, when I came to the

Chamber this morning I had no intention of participating in the debate, but I must say that I have been quite taken aback and I have been struck by the quality of the debate by members who have participated this morning.

Members of the human resources committee have done a very good job and high quality work and I want to commend them for their work. Really I think it is a testimony not only to the quality of the work that individual members of parliament do here in this place but also to the standing committees of the House of Commons. It is a testimony to the quality of work that we do in this place. All too often we get criticized for not working at all. We get criticized about the amount of time we work and quite often about the quality of work.

However, it is the second day in a row that I have stood in this place to take part in a concurrence debate on a unanimous report from a standing committee. Yesterday the Standing Committee on Fisheries and Oceans tabled a unanimous report that made some very strong recommendations to the Government of Canada to deal with the issue of foreign overfishing. Today a unanimous report of the human resources development standing committee has been tabled. The committee has done some very thorough work and I cannot commend it enough for the work it has done, particularly in zeroing in on this disability tax credit problem.

Like most members of the House of Commons, I have received many calls at my office about the disability tax credit issue and the problems it has caused. Almost to a person, the people who have called have received the tax credit for years. They are wondering why the change has taken place. In most cases the condition of the client has not improved and in a lot of cases it has become worse.

As the member for Winnipeg Centre has said, each illness or disability has to be looked at in isolation because they all vary and there are peaks and valleys in certain conditions. In some weeks or months a condition could be worse. In other weeks it could level off. In other weeks and months there could be improvement.

Members have made some very valid points. I listened to the member for South Shore who made some excellent points. I have to commend him for the thoroughness of his debate and input. It has been a good debate. For two days in a row we have been debating unanimous reports of standing committees, and as one member of parliament I have to ask these questions. What does a unanimous report of a standing committee really mean to the Parliament of Canada? What does a unanimous report mean to the Government of Canada? I do not know how we address these questions.

However, it seems to me that as we go about addressing the importance of members of parliament and the importance of having more input and productivity in regard to what happens here, I think that we somehow need to give serious consideration to the weight of a unanimous report from a standing committee of parliament. As we all know, quite often we are presented with unanimous reports that have involved some very thorough work and make some excellent recommendations, but nothing seems to happen afterward.

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I have listened very carefully to what members opposite and members on this side have said. I commend them for their very direct remarks. I want to concur with many of their remarks, because as one individual member of parliament I have many of the same concerns. I think the government has to give greater weight to unanimous reports and the recommendations contained therein from the standing committees, all party committees of the House. Once again I cannot commend the members enough for bringing forward this issue and for being so thorough about it.

Having said that, I am sure members will agree, particularly those who are on the human resources committee, that because of their work and the work of individual members of parliament we have seen some improvements in the mandate and the issues of Human Resources Development Canada.

• (1130)

In the employment insurance file we have seen the elimination of the intensity rule because of work of members of this parliament and because of the standing committee recommendations. We have seen tremendous improvements in parental leave. In regard to the income cap level, because of the work of members of the House of Commons we have seen it raised, which means the clawback is not as much. These things have been positive happenings in the last 18 months or so because of the work of parliament and because the Government of Canada listened, not only to individual members of parliament but to the work of, in this case, the standing committee on human resources. I want to go on record as highlighting that, because we have seen some improvements as a result of the work of the committee.

Of course as members all know there are other issues with the employment insurance system that need further consideration and, in my view, need further changing. I only need reference the number of weeks, the divisor rule. Many of us in parliament, in fact perhaps all of us, represent some pockets of high unemployment. It just so happens that some of us represent more pockets of high unemployment than others. However, across this great country, even in the richest provinces, there are pockets of unemployment. The same problems and the same rules apply in those provinces.

We do need to have a real serious look at this divisor rule. In my view, because it is causing some very serious hardship for many Canadians who, through no fault of their own, find themselves in industries that are seasonal. Some people say that these people only want to work for 14, 15 or 20 weeks. That is not the problem. The problem is that the work only lasts for that amount of time.

If we are in the forest industry, climate or market conditions determine how long we work. If we are in the fishing industry, the fish allocations, the total allowable catch that is set by this very Government of Canada dictates how much fish can be taken from the ocean and consequently put into our fish plants for processing. That impacts on the number of weeks of work that an individual gets. It has nothing to do with the individual's desire to work or not to work for 12 months a year. It has everything to do with resource supply, which is managed and allocated by this very Government of Canada. Yet because of some of those rules we as a government penalize them to a large degree because we, over time, have mismanaged a very important resource.

I think we have to dig a little bit deeper into some of our employment insurance problems, rules and regulations. There still needs to be some adjustments made to our employment insurance system for the benefit of those, of course, who pay into the fund and over the lifetime of the fund have been very significant contributors.

I just want to go back once again to the crux of the debate this morning, that of the disability tax credit. I want to say that I have had numerous calls to my offices on the issue. I have spoken personally with a number of constituents who have run into problems with the disability tax credit situation. There are people who have received it for years and years and now find themselves in the predicament that many hon. members have alluded to this morning.

From my own point of view as one member of parliament on the government side, I hope that the minister and the government take very seriously the recommendations of the committee and will recognize the very thorough job and all the work it has done, because it really has done a fantastic job in getting into this issue.

With that, I conclude my remarks. I wanted to go on record here this morning as commending the committee and saying that I hope the issue is dealt with in a fair manner. I hope some attention is given to the recommendations of the committee. I conclude my remarks on the debate, and I once again want to thank all hon. members who participated.

Before I sit down, I move:

That the House do now proceed to orders of the day.

• (1135)

The Acting Speaker (Mr. Bélair): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bélair): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Bélair): All those opposed will please say nay.

An hon. member: On division.

The Acting Speaker (Mr. Bélair): I declare the motion carried. (Motion agreed to)

GOVERNMENT ORDERS

• (1140)

[English]

CODE OF CONDUCT

Hon. Pierre Pettigrew (for Minister of State and Leader of the Government in the House of Commons) moved:

That the Report of the Special Joint Committee on a Code of Conduct, tabled on March 20, 1997, be deemed to have been laid upon the Table;

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That a Special Joint Committee of the Senate and the House of Commons be appointed to consider whether the recommendations of that report ought to be adopted, with or without amendment;

That eight Members of the Senate and sixteen Members of the House of Commons, to be named at a later date, be the Members of the Committee;

That changes in the membership of the Committee, on the part of the House of Commons, be effective immediately after a notification signed by the Member acting as chief Whip of the appropriate recognized party has been filed with the clerk of the Committee;

That the Committee have the power to sit during sittings and adjournments of the House;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, technical, professional and clerical staff;

That the quorum of the Committee be 13 Members, whenever a vote, resolution or other decision is taken, so long as both Houses, including at least one Member of the opposition from each House, are represented, and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof whenever six Members are present, so long as both Houses are represented;

That the Committee have the power to appoint from among its Members such sub-committees as may be deemed appropriate and to delegate to such sub-committees, all or any of its powers except the power to report to the Senate and the House of Commons;

That the Committee make its final report no later than October 31, 2002;

That, notwithstanding usual practices, if a House is not sitting when the final report of the Committee is completed, the report may be deposited with the Clerk of that House and it shall thereupon be deemed to have been presented to that House; and

That a Message be sent to the Senate requesting that House to unite with this House for the above purpose and to select, if the Senate deems advisable, Members to act on the proposed Special Joint Committee;

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, before I get into the topic today, I want to note that this is probably our second last day before the summer recess. This morning when I arrived at my desk I had the pleasure of finding an ice cold glass of water. It struck me that this is the second last day that this group of pages who have been with us all year long will be with us. I noted their wonderful job. They knew I was on the list to speak today and were kind enough to be ready with a glass of water. It is indicative of the good service we have seen here all year long from this wonderful group of pages. I want to thank them very much for all their services. I am sure my colleagues would agree.

Some hon. members: Hear, hear.

Mr. Geoff Regan: Mr. Speaker, I am pleased to have the opportunity to speak in support of the government motion to establish a special joint committee on a code of conduct for parliamentarians.

On May 23rd the Prime Minister outlined in the House an eight point plan of action on government ethics. The action plan reaffirmed the Prime Minister's commitment to meet Canadians' expectations of the highest standards from the elected and non-elected officials.

The Prime Minister stated that a key element would be to seek the support of all members of parliament for a code of conduct for all parliamentarians that would include an officer reporting to parliament who would advise MPs and Senators on ethical matters, drawing on the work of the 1997 Milliken-Oliver report.

I want to focus my comments today on how the Milliken-Oliver report's code would work.

The 1997 report recommended a code for all parliamentarians with an independent parliamentary ethics officer. The code would consolidate and strengthen our existing rules and would have a disclosure regime for parliamentarians. These recommendations were based on the experience of other countries and provinces who have had effective codes for parliamentarians.

A key element of the proposed parliamentary code would be the disclosure regime. Once the code is fully operational, all parliamentarians, including ministers and parliamentary secretaries, would be required to file a statement within 60 days of taking office. This statement would be filed in confidence with the parliamentary ethics officer who would be responsible for the administration of the code. The statement would list financial assets, liabilities, sources of income and directorships for the member, their spouse and any dependants.

A public statement derived from the private disclosure document would be placed on the public record. The public statement would be a summary and would indicate the source and nature but not the value of the member's income, assets and liabilities.

However, assets or liabilities of less than \$10,000 in value and certain interests, such as the family home and car, would remain private. Members would be responsible informing the parliamentary ethics officer of any changes which could raise conflict of interest issues.

The code, as proposed in the Milliken-Oliver report, introduces rules on the receipt of gifts and personal benefits, other than expressions of hospitality, with respect to a member's official duties. The regime also requires parliamentarians to disclose gifts, benefits and trips worth more than \$250.

Some of those requirements are not new to members. The House of Commons Standing Order 22 requires the Clerk of the House to maintain a public registry of the details of foreign travel by members if the cost is not borne by the consolidated revenue fund by the member personally, a political party or any interparliamentary association or friendship group recognized by the House.

Another key element of the proposed code is general rules that would prohibit parliamentarians from taking actions, making decisions or using influence to benefit themselves or their families; voting on matters in which they have a direct financial interest; and being a party to a government contract that bestows a personal benefit.

Some of these rules have already been addressed by the House, just not in such a modern and precise form as the proposed code would do. For example, the Parliament of Canada Act prohibits a parliamentarian from receiving outside compensation for services rendered on any matter before the House, the other place or their committees.

The act goes further to address members contracting with the government. It is generally felt that the act's antiquated language needs an update.

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As already mentioned by the government House leader, the Prime Minister's conflict of interest and post-employment code for public office holders also incorporates these rules and adds more.

• (1145)

Because it is more stringent on ministers and parliamentary secretaries, the Prime Minister's code shall prevail.

I believe hon. members after review will find the proposed code is quite workable. While the code does require members to provide information about their financial affairs, it will ensure that requested information is kept to a minimum and with a minimum amount of paper burden.

Once members are familiar with the regime they will be readily able to comply without much personal inconvenience. Such has been the experience with similar regimes in the majority of Canadian provinces. I want to repeat that only summaries of this information will be made public.

It is worth noting that the proposed code is user friendly. The parliamentary ethics officer's major role will be to provide advice and counsel to parliamentarians on ethical issues which may arise during the course of their duties. The advice will be provided on a confidential basis. Parliamentarians will be able to cite this advice if there are ever questions about the parliamentarian's actions or assets.

The Milliken-Oliver report is a non-partisan and balanced approach to an important issue for Canadians and members of the House. A code of conduct would bring this House in line with other countries and provinces which have long had effective codes.

A code would consolidate and update our existing rules, some of which were found to be antiquated by the Milliken-Oliver report. A code would demonstrate to Canadians that their elected representatives are subject to fair and transparent rules which are administered by an independent parliamentary ethics officer. A joint committee would be a key step toward this objective.

I ask all hon. members to support the motion for the establishment of a joint committee to develop a code.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, talk about something ending with a whimper rather than a bang. We had the vaunted ethics agenda of this government, and what has become of it? We had the meaningless package that was presented by the Prime Minister last week which was more of an attack on his leadership rival than anything to do with ethics. Today we have before the House a motion to strike a committee, and I will get into that issue in a few minutes.

This is so unimportant to the government, which is an exercise in low balling, that it does not even bring a minister to present the motion to the House of Commons. I mean no disregard to the member who presented the motion but there is only one member of cabinet here to introduce this vaunted committee.

We also talked about campaign finance reform but now we learn that is a committee that will be struck sometime in the fall. I guess the House will get on with that sometime in the third millennium.

It has been a tumultuous spring for the federal Liberal government, not just with all the infighting and the increasing

divisions within that party, but in terms of what Canadians have come to realize. Canadians have come to some very grave realizations about this government. They see that we are governed by a federal government that has betrayed the trust put into it by Canadians, and it has betrayed its promise of good and ethical governance.

The government has shown Canadians that it routinely engages in practices that are worldwide synonymous with unethical conduct. Whether we call it abuse of power, influence peddling, dirty politics or corruption, I think it depends on the particular file we are dealing with. This government has been exposed in systematically misusing the money of hardworking Canadians for its own political benefit.

[*Translation*]

Canadians now know they are being led by a federal government that has betrayed public trust and broken its promise of an ethically governed country.

This government has not ceased to misuse the funds of Canadian workers for its own political advantage.

It applies political pressure to help its friends. At the same time, it is showing how incapable it is of understanding the true significance of this debate on ethics.

• (1150)

[*English*]

When Canadians pay taxes, they are making an investment in essential public services such as national defence and security and national health care, for example, two of the most important things. These areas of government responsibility have endured serious underfunding in recent years as we all acknowledge.

Our Liberal government has been at the same time misusing taxpayer money and misusing taxpayer investments by throwing money into dubious ventures, where often little or no work is done, to reward its friends in the form of sponsorship and advertising contracts, always the firms, just by coincidence, with important financial ties both ways to the Liberal Party of Canada. This is a betrayal of the worst kind. Canadian families must deny themselves economic betterment by paying taxes that are too high only to be ripped off by a system of cronyism and kickbacks by which the governing party reaps financial benefit.

At the same time the government has shown it has no understanding at all of such basic concepts as conflict of interest and political interference. These are symptoms of a governing party that has governed for far too long. These are signs of a ruling party that has come to identify its own interests with those of the nation. It is an indication that ideas of propriety and impropriety no longer exist in the minds of the people at the top of the government as long as the Liberal Party benefits.

After several months of scandalous revelations that have splashed words like ethics and corruption across all the front pages of our newspapers, we finally find ourselves today doing what? We are debating a motion to address ethics in government. Rather than debating a substantial motion that would address the serious violations of ethical governance that we have seen over the past several months and years from this government for that matter, here we have a debate on whether or not to strike a parliamentary committee whose mandate would be to study and report on a previous report conducted by a similar parliamentary committee over five years ago.

I remember this report well. I was in the House of Commons when the member for Elk Island and others from our caucus were working on that report. I went away for five years, did a whole bunch of other things, had a family, came back and we are right back to the same business. Nothing has changed. It is just like one of those soap operas. One can miss it for several weeks, tune back in and pick up right where one left off. I should add the report we are talking about resurrecting now is the report of course that was never actually acted upon in the past five years. If we ever have had an exercise in smoke and mirrors, it is today.

Let us ask some hard questions about this exercise. Is it really the backbench legislators who have been violating rules of ethical conduct? Is it opposition MPs, for that matter government backbenchers, who have control over the allocation of millions upon millions of dollars in contracts? Have Canadians lost faith in their government because of the actions of private members of parliament who spend their time writing private members' bills and assisting their constituents?

No, we all know what it is all about. This issue has been about the misbehaviour and the unethical conduct of ministers of the government. It has been about cabinet ministers overseeing a system that gives out millions upon millions of dollars in improper contracts. It has been about cabinet managers, senior government officials, who have engaged in endemic ethical mismanagement and who have presided over something that quite frankly appears to be little more than a cash for contracts racket, all to interfere with the bureaucracy and obtain grants and loans for their friends.

Just so I do not throw out those kinds of words without backing up my position, let me take some considerable time to go through the files that we have been debating in the House of Commons over the last several weeks so we understand the scale and diversity of the problems that have been brought forth. In introducing this not so little list actually of stories and of government files, I will begin with introducing some of the characters.

• (1155)

Some of the characters in our little drama are: Groupe Everest, which has donated \$83,000 to the Liberal Party since it came to power; Groupaction, which has donated \$100,000 to the Liberal Party since the 1993 election; Lafleur Communications Marketing, which has donated over \$50,000 to the Liberal Party in the same period; Groupe Polygone, which formerly employed the immigration minister, has also donated to the Liberal Party and to Liberal candidates in both of the last two national elections; and Coffin

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Communications Group, which donated a total of \$20,000 to the Liberal Party in the years 1999 and 2000.

Let me review the various scandals in which the names of these firms have been featured. This by the way includes mention from recent news only. I could go farther back and add to this litany.

First, Groupaction was awarded three contracts worth \$1.6 million to "increase the visibility of the Government of Canada". We certainly could say that it has achieved that recently. The first contract was awarded without a proper selection process. Contracts two and three were virtually identical to contract one, or at least the reports.

Second, in December 1996 the Department of Justice paid \$330,000 for a communications strategy for the Firearms Act, but now claimed this year that no work was ever done or even requested. It makes us wonder why, as in so many of these files, no one bothered to ask any questions about this over a six year period, when we could get this information from an access to information request. Presumably every minister and every senior official in these departments knew all about this in the interim.

Third, in 1997, just after it had been incorporated, Media IDA Vision received a five year contract to be the "agency of record for media buys for the government". It is linked of course to Groupe Everest. From then on, this firm began to receive three-quarters of all government media buys in spite of treasury board guidelines saying that these contracts should not have exceeded one-quarter.

[*Translation*]

In January 1998, a crown corporation, the CBC, awarded a \$4.5 million contract to Groupaction, by telephone no less, for federal advertising announcements during the Olympics.

[*English*]

This one is particularly interesting because of course CBC is a state owned company which specializes, as do all major media outlets, in putting together advertising packages. Then we pay an additional firm to put together advertising packages to go on the government advertiser.

[*Translation*]

In the summer of 1998, Communication Coffin received \$38,000 from public works to purchase \$320,000 of advertising, and management of the advertising for the Cascar Superseries and the Grand Prix de Trois-Rivières.

Communication Coffin then billed the government \$116,000 for the preparation of three reports explaining how the original amounts of federal funds were spent on advertising and other services at these two auto racing events in Quebec. Two of the Coffin reports have yet to be located.

Then there is public works. The department of public works spent \$2.6 million on the *Almanach du peuple*, an annual publication in French similar to the *Farmer's Almanach*. The government gave \$392,000 more than the cost of the advertising to the French printers, Groupe Polygone.

Government Orders

[English]

So this is a case of course of a firm advertising in its own publications and being paid additionally for doing so.

Another case was in 1999. Public Works awarded Groupaction \$112,000 for merely passing along a cheque to VIA Rail Canada for a film on hockey legend Maurice Richard. It is hard to imagine anyone in the private sector actually would be interested in making a film about Maurice Richard. This is one of the sports heroes of Canada. Obviously there is a market for it but somehow we have to publicize it here.

In another case, Groupe Polygone received another \$330,000 in 1999. I am going to draw attention to that because the figure of \$330,000 keeps coming up. Someday we will find out why that is because it is awfully suspicious. The same figure, the same amount comes up over and over again. I bet there is some significance in that. I bet there are some Liberal Party fundraisers who could shed some light on exactly why it is that number. It received that money in 1999 to organize sponsorship for a Quebec hunting and fishing show, *Le Salon National du Grand Air*. The show never actually happened and the money was never returned. No one even looked into returning it until questions were raised three years later in the House of Commons.

• (1200)

Lafleur Communications is another case. I will have to extend the sitting of this parliament just so I can finish this list. Lafleur Communications was hired by the federal government to provide promotional items such as golf shirt and balls. I will not say that I had any dealings with that. However Lafleur then subcontracted the business, \$158,000 worth of items, to a company controlled by Éric Lafleur, the son of Lafleur Communications president, Jean Lafleur. Now everyone in the family is involved in that deal.

Groupe Polygone is another example.

[Translation]

Groupe Polygone got \$656,000 for a 50 page report on the life of Pierre Elliott Trudeau in the 2001 edition of the *Almanach du peuple*. In comparison, the Government of Quebec purchased 155 pages for \$39,000.

[English]

In other words, the Parti Québécois government paid somewhere between 30 and 50 times less for the same advertising. It is a rare time that anyone will hear me note the superior financial management of the Parti Québécois.

[Translation]

In March 2002, the minister of public works spent a weekend at a cottage belonging to the president of Groupe Everest, Claude Boulay. Public Works does business with Groupe Everest. This mistake cost the minister his job.

[English]

Perhaps that is why they did not want the minister to present this motion, to remind us that the minister was front and centre in all of these scandals.

I cannot help but add something. I was introduced to the House five weeks ago. The Prime Minister rose and teased us about having eight leaders of the opposition over the past nine years. I have only been here five weeks and there have been two ministers of defence, two House leaders, two ministers of public works and two ministers of finance. By the way, the Minister of Finance is only part time at the moment. We have big problems over there.

[Translation]

Since 1997, Groupe Polygone has received \$38.7 million to promote the federal government at hunting and fishing shows, in magazines and books, and on the radio. In total, Polygone has received 17% or \$40 million from Ottawa's sponsorship budget, which has totalled \$232 million since 1997.

[English]

Here is another instance. The justice minister admitted in May that he had gone on fishing trips with Lafleur Communications president, Jean Lafleur, but indicated he always paid his own way. Of course we remember hearing that from the House leader as well until we got the half a cheque. Lafleur did work for the Canada economic development when this Minister of Justice was minister for that portfolio between 1996 and 2000. No doubt, this is coincidental, once again.

In June 2002 the Department of Justice admitted it had kept using Groupaction despite the minister of public works indicating that the firm had been cut off. It has been cut off, unless of course they happened to not hear that announcement, in which case it just kept going on.

That is the pattern. No matter what they say, no matter what happens, the money keeps flowing to these people. Some of that may have to do with the last item I will mention in this long list, and the one I think is the most reprehensible of them all.

In September 2000, before a public works audit was released to the public or even to the rest of the government indicating that there were serious abuses in the sponsorship program, Pierre Tremblay, chief of staff to then public works minister, Alfonso Gagliano, held a special retreat at Hotel du Lac Carling with the presidents, with the dons of the five Quebec advertising companies, identified by auditors as having abused the program. One can only presume that they were either warned of the impending release or developed some kind of strategy for whatever purpose to keep the money flowing to deal with the publicity, not unlike the meeting that was held only a few days later in the Prime Minister's office to work out some of the details.

• (1205)

[Translation]

Again, in September 2000, Pierre Tremblay, Alfonso Gagliano's chief of staff, went away with beneficiaries of the sponsorship program, namely Claude Boulay from Groupe Everest.

Government Orders

[English]

That is a good portion of the story's history. When I read all that it is not surprising to figure out why it gets really hard for the media, the public and even some of us to keep all of these cases straight. It is endemic, widespread and all over the place. We are not talking about one thing. We are talking about virtually every contract we look at in that department over a specific time period.

It has led to RCMP investigations, as far as we know, because the Minister of Public Works and Government Services will not tell us what files have been referred to the RCMP. He will not even tell us the number of files. We know of at least six ongoing RCMP investigations.

One is the Groupaction contracts referred to in the auditor general's report. Two is the Coffin Communications \$116,000 contract for the three post-mortem reports on how it spent the \$320,000 on the ads at the two car races. Three is the RCMP investigation of which we are aware involving Lafleur Communications. It was a \$112,000 contract for passing on a cheque from public works to VIA Rail Canada Inc. for a film on Maurice Richard.

Four is an RCMP investigation of which we are aware involving Groupaction's phantom \$330,000 contract with Justice Canada to sell the Firearms Act in 1996. We know how successful that has been. It would have been better to save the money to pay for the Firearms Act. The government will need it as the bills get over \$1 billion.

An hon. member: Have you got your guns registered yet?

Mr. Stephen Harper: I was asked if my guns have been registered. Let me just say that I have my guns aimed at the right place and we are going to keep aiming them there.

Those guys over there should be up to date on all this stuff. Number five is an RCMP investigation on a contract related to federal funding of an educational CD-ROM and comic strip on street safety for children. Something which I did not mention earlier is that the comic strip and CD-ROM were designed to give advice to children on street safety and subjects such as not talking to strangers. I hope the Liberal cabinet minister is included in that.

Government documents show that the \$1.3 million sponsorship deal was handled by Groupaction Marketing for an \$81,000 commission. Children of the Liberal Party will probably be investigated before too long. I should not joke about this but it is so bizarre.

Number six is the RCMP investigation of Groupe Polygone's \$330,000 sponsorship contract—there is that number again—for the hunting and fishing show, Salon national du grand air, which never took place.

What has the government done in response to all these matters? We know it did not do anything, particularly in terms of trying to retrieve money or have a police investigation, until all of this came up in the House under the third public works minister who has been supposedly looking at it.

What has it done? This is important. In most cases the first response of the government is not to deny the allegations levelled at

it but rather to defend the behaviour. That is always its first course of action.

Here are a few things we have learned recently about the Liberal mindset, particularly the mindset of the Prime Minister because he is the one I am quoting in most of these instances. I am tempted to call these the Prime Minister's laws but maybe we will not go that far.

One, just because a firm has provided substandard or even fraudulent work in the past, even when the work is under criminal investigation, does not mean it should automatically be ruled out for other contracts. This principle was articulated by the present Minister of Public Works and Government Services in a late night session we had here one night. He called it natural justice to the firms in question. He began to reverse himself the next day. Natural justice as I understand the concept is supposed to be permanent and eternal but apparently not with the government.

Two, if it serves a good political cause like national unity, we should not be upset if money gets stolen in the process.

I am not making these up, by the way. These are the Prime Minister's actual positions.

Three, there is nothing wrong with ministers of the crown lobbying even in their own areas of responsibility for friends and relatives. In fact, they have a duty to do so. I will comment later on exactly how that operates.

Four, it is grossly unfair and unacceptable to criticize the government for corruption unless an elected person has actually been charged and put in prison. That is the high ethical standard the Prime Minister sets.

A member just asked when was the last time that ever happened. We have trouble enough keeping convicted murderers in prison. It is unlikely anybody will go to prison for these kinds of violations.

Number five is the one I like the most. The Prime Minister said we should be more concerned about controlling how bad information gets out than about doing anything to fix it. We remember that this was really illustrated when the Prime Minister had his rant outside the cabinet room because people were getting information out. Remember the passion? He was going to deliver a bar room cross to any cabinet minister who got in his way that day.

We see the completely mute, almost amused reaction of the Prime Minister when we actually try to get something done about these things. What he is mad about is that we actually find out about them. That says all we need to know.

How are we addressing it? We are addressing it today with the Oliver-Milliken report. Why now, five years after the report was first presented?

I would suggest that as in everything the reason is diversion. The extension of the ethics debate to the conduct of ordinary members of parliament and senators is simply a smokescreen to allow the government to have this debate move on to a different terrain, away from the cabinet and the ministers, and quite frankly to the idea that all politicians are just equally corrupt anyway.

Government Orders

[Translation]

Only ministers and parliamentary secretaries, including the Prime Minister, are faced with true conflict of interest situations and the temptation of using public funds to reward friends of the government.

[English]

The fact is that other members of parliament do not even have the power to get involved in the kind of conflicts we are talking about, even if they had the will. It is only ministers of the crown and parliamentary secretaries, including most importantly the Prime Minister, who are faced with real conflicts of interest and the temptation and power to use public money to favour friends of the government.

That is what all of these scandals have been about. Every single one of them, HRDC, Shawinigate, Alfonso Gagliano, Canada Lands, Groupaction and all the related scandals over sponsorship, advertising and polling contracts. They are all about the Prime Minister and the cabinet. They are not about any of the people whose conduct will be monitored in this particular report.

Since the report came down in 1997, there has not been a single instance, or even an accusation of which I am aware, of undue influence being exercised by backbench or opposition MPs. Obviously that is not where the problem lies.

The Oliver-Milliken report goes on anyway to propose the development of a code of conduct for all parliamentarians. Interestingly, it would in any case in many ways match the virtually toothless code that has been applied to ministers since 1994. At least we would know what is in it. We only found out about the ministerial code of conduct last week. Until then we did not even have a copy of it.

That code has been totally inadequate because it deals only with the private interests of politicians coming into conflict with their public duties. It does not look at the real problem which is when it involves the public interest being intermeshed and interfering and being in conflict with the interests of friends of the Liberal Party, or of the Liberal Party itself.

We would need assurances that any package arising from further consideration of the report that we are going to strike a committee to examine would provide for enforcement of an independent officer of parliament chosen by parliament. Once again, we demand an independent ethics commissioner and not just for backbench members of parliament and senators who under our unreformed system of government have virtually no power, but one that applies to the cabinet and the Prime Minister in particular who possess all of the power. Otherwise such a package is useless, just as the current regime for ministers since 1993 has been utterly useless.

The report was tabled in 1997 but the government chose to take no action on it whatsoever until today, even though it had the full power to do so. The government is only acting now as part of its attempt to show that it intends to deal with the increasing evidence of rot and corruption at the base of the government, motivated as always by an appearance to act with no real effort to ensure that any change that matters actually happens.

The real issue is the systematic and systemic erosion of the public interest in favour of the narrow partisan interests of the Liberal Party and its friends. The ethical question is the mixing of the public interest with those narrow partisan interests and the use of the spending power of ministers and ultimately the Prime Minister.

The blending of private and public interests as used by the government, is used by the Liberals simply as a cloak for masking and justifying these inappropriate actions. I can give four examples of how they cloak their behaviour and justify it.

One example is when the solicitor general talks about the needs of a public college that wants government money to pursue a program but the real interest turns out to be that the minister's brother is the head of the college. It is sheer nepotism.

The cloak of national unity is employed to cover the Liberals pumping public money into advertising contracts, supposedly to boost the image of the country when in reality it enriches friends of the party who in turn will make donations to and render services to the party.

● (1220)

Third is the cloak of public interest invoked in the case of the office of the so-called ethics commissioner. This is an employee of the Prime Minister, an official over whose decisions and behaviour the Prime Minister maintains absolute control.

Fourth is the cloak of tending to the needs of constituents. This is the one I really like. This is used by the Prime Minister himself and many other ministers in lobbying the Business Development Bank of Canada. His real interest is the health of the adjoining golf course which assists the Prime Minister's own business affairs.

That is the failed Liberal legacy. That is the way the government is conducting business. That is what the committee is designed to take our minds away from and not to address.

The government has had not only five years since the Oliver-Milliken report to clean out government but it has had nine years in power. During those nine years it has done nothing other than window dressing. In fact, the corruption which has been at the core of some of these scandals has continued to expand.

In 1993 when the Liberals came to power and were given a mandate to govern Canadians based on their red book promises, here is what they said.

The red book did indeed describe the problem of ethical integrity in the government, one of the reasons the previous government was removed. The Liberals were fully aware of the problem and their failure to deal with it has to be judged in that context. Today reading the red book proposals from 1993, "Governing with Integrity", one gets a positively eerie feeling.

It states on page 91 "After nine years of Conservative rule"—and we just have to replace it with Liberal rule now:

—cynicism about public institutions, governments, politicians and the political process is at an all time high. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

Government Orders

What has been done? There has been absolutely no change since 1993 in spite of all the protestations of government. The reason? The most damning is the Liberals have failed to deliver on their own specific red book promises, which I will get into in a minute. Before I do that I want to make one observation of the difference between the present government and the previous government.

As is known, I am no fan of the previous government. However, with the previous government, I recall well when there were instances of cabinet ministers behaving improperly and unethically, they were forced out, forced to resign. This is something the Prime Minister used to trumpet about the Mulroney government, that so many ministers had been forced out for corruption, ethical misconduct, incompetence or dubious dealings.

What has the Prime Minister's present song been? Up until the former Minister of National Defence, nobody had been forced to resign. Does that mean he actually dealt with the problems that would lead to resignations? No. It just meant that his standard was that no one ever had to resign. He has a completely different conduct. I will say that it has been an effective exercise in communications.

If a minister engages in misconduct or gross incompetence, and I could name some, or outrageous statements, they are backed to the hilt by the Prime Minister. Then six months or a year later there is a cabinet shuffle and they are floating at the bottom of the Rideau River. However, he can say that there has been no misconduct and no one has ever been fired in his government. The fact is that the list of the people who should have been fired is as long if not longer than the list in the previous Conservative government.

All of this of course just generates cynicism. It is worse because after talking about it and opportunistically getting elected on it, the Liberals have turned around and have done nothing about it.

As I have said, on this and several other issues, the real scary part of the government is that it has lowered our expectations of what we should get from public officials. The difference between now and 1993 is that in 1993 people were outraged about what went on. Now people expect it. There is no difference. That is what we are really fighting against.

What did the Liberals promise in 1993? Here are some of the promises that would clean this up. First, on parliamentary reform the red book states on page 92 "give MPs a greater role in drafting legislation through House of Commons committees. Needless to say that has not happened. We have the continued stranglehold by cabinet and the Prime Minister over all legislation. All legislation that ever passes through parliament has to be maintained and augmented by the Prime Minister. He simply will not change or tolerate any real legislative initiatives by his own backbenchers let alone by the opposition. We have examples of this.

I can talk from my experience sitting on parliamentary committees. I recall one in particular on electoral reform. The Speaker will remember Dr. Ted McWhinney, the vaunted and expert political scientist who participated on the committee. We were ready to come up with all kinds of excellent recommendations. What happened as always happens is that at the last minute when we were getting ready to vote on something, the government whip came in

and the guys who had been there who knew what we were talking about were gone, the trained seals were put in place and the vote went through and there were no changes whatsoever. It is typical and it still happens.

Another point also from page 92 is "more free votes in the House of Commons". That was another check. There have been virtually none of these since 1993. In fact, there have been less than there were previously under the Conservative government.

I could also talk about the election of senators which was also a promise of the government. If we want to talk about cleaning up the Senate, I do not think it is with a code of conduct. What does it matter what their conduct is if they are not elected? Let us have some elected senators. That was another promise of the government.

In addition, the government has continually thwarted and gone back on its word every time we have initiated members to ensure votability on private members' bills. It is only now, after nine years of complete intransigence, that the government is prepared to entertain some reforms to private members' business. It is another thing that it was going to reform and has not done.

What did we find out? That it was another smokescreen. We have sat around while our House leader and others from the opposition parties have debated this stuff endlessly for the past couple of weeks. Today there was a report in the paper saying that there will be changes to private members' business, that all things will be votable and that it is a little victory for the reform of parliament. We found out this morning that is probably not going to happen either.

The second set of changes that were promised were to appointments and elections. After attacking the Conservative government for "the practice of choosing political friends when making appointments to boards, commissions and agencies" and promising to make such appointments on merit, the government has simply extended the process. The ultimate example of this is the appointment of the former minister of public works to a prestigious foreign diplomatic post when some of the things that happened under his term of office here are under police investigation. Some people have asked what Denmark ever did to us.

This was exactly the sort of patronage appointment the Liberals ranted about in the 1993 campaign. As I have said, nothing has changed. In fact, this Liberal system of patronage appointments has been refined and expanded into a real science.

What would our approach be? The Liberals say "Just trust us. We will make all the necessary inquiries if you bring these matters to our attention. We will rectify them internally. We will send things to the RCMP. You do not need to worry about them any more". That is simply not good enough. It is simply the government, its agencies and the ministers examining their own conduct.

Government Orders

Nothing short of a full, independent public and judicial inquiry will suffice to get to the bottom of the current rot. Nothing short of an independent ethics commissioner chosen by parliament, accountable directly to parliament as an officer of parliament, with a clear legislative mandate will do to ensure that this rot does not continue.

The continual refusal of the government to allow for such an officer is really incredible. Most modern functioning parliamentary democracies have such an officer. In fact, they exist in virtually every province. We need look no further than the provinces that I and my colleague the House leader represent, British Columbia and Alberta. Both have independent officers of their legislatures chosen by the legislatures and not the premiers, with real powers to examine the ethical conduct of ministers of the crown and report directly back to the legislatures. These officers have real teeth and are fearless. In one case in British Columbia a decade ago it actually resulted in the removal of the premier. That is what is needed.

It is incomprehensible to any of us in this party why the government refuses to adopt this approach. It can only be because the Liberals sincerely, and particularly under the direction and inspiration of the Prime Minister, do not want to really deal with the problem of ethics and corruption in government.

Our approach is not to say "Trust us". Quite the contrary. The Canadian Alliance approach is to set up a truly independent official to ensure honesty and integrity in government regardless of who is in office.

The only conclusion we can draw from this whole ethics fiasco is that the Liberal government and the Prime Minister in particular simply do not speak the same language as the rest of Canadians on matters of ethical conduct. I talked about this in a recent speech. When the Prime Minister uses the term corruption, he means an offence under the criminal code.

•(1225)

When most people use the term corruption, they mean the abuse of power, as in power corrupts and absolute power corrupts absolutely. The system maintained by the government is one where power is centralized in Ottawa and the power in Ottawa is centralized in the cabinet and in the Prime Minister's Office. It is a system that invites corruption.

When we accuse the Liberals of being unethical, dishonest or corrupt, we are discussing issues that I am afraid to say the Prime Minister sees as what he calls the normal operation of the Government of Canada. He sees it as normal to reward the businesses and industries of friends, supporters and financiers. The Liberals see it as normal to flood their own constituencies with pork grants and contracts, not just as a matter of favourable legislation but even if such friends and such constituencies do not qualify under the government's own rules, it will happen just the same.

The greatest realization that Canadians have made about the government is not the string of scandals, conflict of interest and political interference but that the government party deep down really thinks it is all okay and that is how it should work. When pressed into action, the Liberals come forth with red herrings and new guidelines, yet none of it reveals any sense of action, any sense of a

real problem or any sense of fairness, disinterest, impartiality or desire to let go of the kind of power that corrupts.

I could talk about this in terms of economic policy and what this has done to the business environment of the country, what it has particularly done not just to Canada's performance as a whole but this form of handing out contracts and doing business, and seeing this as a form of normal policy and respectable economic policy. I could speak at great length about what this has done to our country's productivity and performance, particularly in have not regions, but I will leave that for today.

I will just say that Canadians do need better. Canadians need an independent ethics commissioner with an independent legislative mandate. Canada needs a comprehensive and binding code of ethics for cabinet ministers, the ones who control the purse strings and contracts. Most important, Canada needs a government that understands right from wrong, one that understands that the meaning of conflict of interest and corruption go beyond the letter of the criminal code and the written rules of conduct and into the spirit of good judgment, honesty, benevolence and integrity that all Canadians expect and deserve from their government.

Mr. Speaker, in that light, I would like to amend the motion before us. I move:

That the motion be amended by:

(a) replacing all the words in the second paragraph with: "That, when the Prime Minister follows through on the Liberal Redbook promise to appoint an independent Ethics Counsellor who reports directly to Parliament, a Special Joint Committee of the Senate and the House of Commons be appointed to consider whether the recommendations of that report ought to be adopted, with or without amendment;"

And (b) by replacing the words: "That the Committee make its final report no later than October 31, 2002" with the words "That the Committee make its final report no later than the 30th sitting day after its appointment".

•(1230)

The Deputy Speaker: The Chair is satisfied that the amendment is in order.

[*Translation*]

The debate is on the amendment. I remind the House that members will now have a maximum of 20 minutes for speeches, with 10 minutes for questions and comments.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, a substantial amendment to the original motion has been brought forward, but let me return to the main motion before us.

We are discussing the appointment of a committee, which will examine the ethics guidelines and the code of conduct for all parliamentarians. Depending on whether the amendment is passed or not, there could be provisions on the ethics counsellor and whose jurisdiction he will fall under.

We must also ask ourselves why we are debating this very important issue today. It would be better if the government were more sincere about this. Some fundamental issues have to be examined when ethics guidelines and the work of lobbyists in general are examined. But all this comes in the wake of the major crisis that has shaken the government because of the sponsorships scandal.

Government Orders

There is always a credibility problem when a government decides to table such measures at such a time. We wonder if it is trying to create a diversion or if it sincerely wants to change the rules. Finally, if we do change the ethics guidelines, maybe it will solve several problems for the future, but we will still have to shed light on the past.

We are not yet adopting new rules, that is still a long way off. There is still much work to be done before that time comes and it may take a long time. We have to ask ourselves if the government wants to follow through on this or if this is not, as I said earlier, some sort of diversion to show us how good things will be in the future, and at the same time, make us forget that Liberal cronies all over the place, at Groupaction, at Everest and at Lafleur Communications, have lined their pockets for the past five years with taxpayers' money.

People do not take well to working hard and paying their taxes, and then watching the government take this money and send it to its friends who, on top of this, did no work for it. When we think about the fact that people received 3% commissions to oversee sponsorships that never took place, it is pretty easy to understand why voters are cynical when it comes to some aspects of politics.

Unfortunately, we have spent a great deal of time debating this issue, but we have to. Practices will not be improved by hiding these things. This painful debate on all of these dubious government actions must take place. It is not true that it is limited to only a few individuals.

Day after day, systematically, we saw how people who stood to benefit from organized events made sure that communications firms and friends of the party, very close to a number of government ministers, received money in ways that astonished those who have been following this issue.

I repeat, we must get to the bottom of this. Public money has been mishandled. People have to account for this, both politicians and public servants. Sending the minister off to Denmark has not solved this issue. We must not forget that we have not yet gotten to the bottom of this.

Among our objectives, we are asking for a committee to be appointed to study a code of conduct for members. No one is against the idea of defining a clearer code of conduct for members. Personally, I am all for it, but we will have to look at what this means more closely.

There was already a group that worked on this a few years ago. I have been here since 1993, and this is not the first time a committee has looked into this.

• (1235)

At the time, the Bloc Québécois tabled a dissenting report pointing out that the government was trying to impose an even greater burden on members than on ministers. The government was creating a bit of a diversion by trying to impose very high standards on MPs, when ministers have much more latitude in how they manage. We are not talking about the same thing. The scope is very different.

The executive—the ministers—controls many things. A desire to tighten up and redefine the work of MPs is a good thing, however. It is not a waste of time. It is something worth doing. At the same time, however, there are things we must not lose sight of in connection with the behaviour of certain ministers or the rules that are going to be imposed on them.

I am going to talk more specifically about the rules. The Prime Minister said “Yes, we will have much tougher rules for the funding of leadership races”. One of the fears is that ministers are using taxpayers' money to give preference to certain individuals in connection with contracts, to obtain political favours in order to achieve their personal ambitions.

Naturally, there is a way of dealing with this in the way that public finances are managed. However, there is also another way of dealing with it through the funding of political parties' leadership races.

What has been proposed so far may, at first glance, seem tougher, but let us take a closer look. The Prime Minister said “Candidates will have to reveal their expenses 30 days before the end of a leadership race”, an official race. But we all know that, in real life, there is an unofficial race going on between the former Minister of Finance and the Prime Minister. And we do not know the source of all the funds now being used to fund the former finance minister's campaign. We will only find this out in connection with the official part in a future race.

Without making a big political deal about it, several candidates often run for leader, but they do not all make it to the end. We are told they will have to reveal the names of those who contributed to their campaign 30 days before the end of the race. But what about the candidates who mysteriously disappear 31 days before the deadline?

There could very well be incidental alliances where money goes through a supposed leadership candidate, who would function as a foil or a cash entry point. There are a number of unanswered questions in the government's proposals.

The way to provide for the ethical funding of political parties, be it with regard to nomination races in ridings or leadership races, is through amendments to the Elections Act, not through a code of conduct or a code of ethics.

There is a problem with a code of ethics. Indeed, what happens when the code of ethics is broken? As we know, currently the ethics counsellor reports to the Prime Minister and is appointed by the Prime Minister. So eventually he always ends up saying that after all it was not that bad or that it was not improper.

The government is not proposing that the ethics counsellor report to parliament. The amendment put forward by the Canadian Alliance proposes that the counsellor report to parliament, whereas the government's proposal is for party leaders to be consulted. It does not say it will listen to the advice of the other party leaders. Yes, they will be called and told “We have a couple of names of people we are thinking of appointing”. In any event, at the end of the day, it will still be the Prime Minister who has the last word in this respect.

Government Orders

If the ethics counsellor still reports to the Prime Minister the problem will remain as is. When there are only ethics guidelines for ministers—regarding for instance the funding of leadership races within the party in power—the question is what happens when these guidelines are broken.

First, will the public be informed? Second, will there be penalties? When I see what is happening in the sponsorship scandal, I have trouble believing that the government's ethics standards are being followed. So far, very few people have paid the price. Very few people have been punished either among public servants or in the party apparatus.

It is as if nobody were responsible. Now, the RCMP is investigating. I am somewhat skeptical. I am willing to believe in the independence and skills of people in the RCMP, who are doing their job. However, I doubt they will be given all of the information and receive full co-operation.

We may find ourselves dealing with such cases as CINAR, on which an investigation was carried out, but without RCMP co-operation. In this regard, in the riding of the Prime Minister, there were investigations of his involvement in the Auberge Grand-Mère and with the BDC, but nothing came of the investigations.

In two or three years, we will find that many RCMP investigations have led nowhere for all kinds of reasons. This is why we have called for a public inquiry, where the impact is much greater, because there is a public dimension to it. In fact, it is an independent and neutral person who tables a report, which becomes general knowledge. With RCMP reports, we do not know exactly what will happen to them.

• (1240)

In shorty, a code of ethics is a good thing, but if it is not followed and does not have teeth, there is a problem. According to the timetable before us, a group of members is being asked to examine some rules of ethics, a code of conduct for members of parliament this fall. The Prime Minister has washed his hands of the whole thing by saying that he just tightened up the rules for his ministers. But this is not true. His ministers will have to follow a code of ethics that has no teeth if they break the rules and, also, he has announced that he intends to bring some changes to the Elections Act. But we have seen nothing at this time.

Make no mistake, it is a good thing for MPs to study a general code of conduct on what a member should or should not disclose, providing a framework for his job, but this is not where the main problem lies. It relates to the ministers, who collectively administer in excess of \$160 billion annually. If we deduct the fixed interest on that debt, that leaves some \$125 billion annually that are administered by the Prime Minister and a group of ministers. This is more than regular MPs have any control over, since we are primarily lawmakers.

There is a blurring of roles here. MPs represent the legislative level, while ministers are the executive level, which manages and administers allocations voted by parliament. There could, of course, be a temptation to influence the lawmakers. That is why there must be a framework for the actions of lobbyists, lobbying practices.

On a day to day basis, in practical terms, the ministers administer public funds and there must be protection against potential abuse of all kinds. We have no reassurance, judging by what we have seen in recent weeks, about the ethical standards of the team in place at this time. And there have been other instances in the past.

It is my impression today that what we are seeing is a government public relations exercise. The Prime Minister has revealed a certain number of measures to govern the actions of his supporting team. At the same time, he has tried to include some guidelines for the leadership race which pits him against his former finance minister, but I doubt that the motivation for this is to elevate general ethical standards, particular since his announcements are virtually toothless in the short term.

There is reference to doing something in connection with MPs as well. They claim a desire to do some housecleaning. This fall, the government will try to steer us toward some other program so that we will sort of lose sight of this one. I am very anxious to see the actual bill that will amend the Elections Act with respect to the funding of political parties, for example. People are contributing hundreds of thousands of dollars, and then we hear about the contracts they have obtained. This is a major problem. Often, these contracts have been obtained in a dubious manner, as we have seen with the sponsorship programs.

If this practice existed with the sponsorship programs—which we know about—there is also what we do not know about. The government has more spending programs for advertising than sponsorship programs. I have the feeling that there may also be potential intermediaries in the government media placement. Is it the same system that is in place?

Will it take another year or two to learn, through access to information requests, that Groupaction and others are not only connected to sponsorship programs? We already know that they have connections in other departments, be it justice or defence, for example, but are they elsewhere as well? And, regarding the \$40 million in sponsorships, are there more ramifications?

I have the feeling that the government does not want to share this information. This is why we have not given up on our idea of getting to the bottom of the sponsorship scandal, which could also reveal more about all the ramifications between these communication firms and the government in general.

The motion before us proposes that a committee be appointed, and a substantial amendment was just moved a few minutes ago. We will have to examine it further before making a definitive judgment.

From what I understood, the amendment proposes that the ethics counsellor report to parliament, and not to the Prime Minister. This is more than desirable. I do not want to attack the individual personally, but the current ethics counsellor has lost all credibility because of the very nature of his position. He is paid by the Prime Minister and reports to him.

Government Orders

•(1245)

It is important to the public that there be a credible ethics counsellor. If the government wants to introduce ethics standards and get people to trust what it does, the people it appoints and the nature of the position they occupy deserve this trust on the part of the public. This is an important criterion.

It is a bit like the auditor general, who has the public's trust. There are bodies which have the public's trust because people know that they are independent and that they are not there to protect the government, but to try to defend citizens. So the auditor general model is much more appropriate because of the autonomy of the position, than that of the ethics counsellor.

Someone who is around a Prime Minister to give advice to ministers plays the role of political adviser. Having a political adviser handle the ethics side is fine. But when the same individual has responsibility for ethics, this poses a problem.

Obviously, we are in this situation which led up to a sequence of events, from the Auberge Grand-Mère to where we are today, where the Prime Minister and ministers have been involved in scandals and misuse of public funds.

While the public at large condemns what happened, the ethics counsellor still finds it normal. There is certainly a problem there.

This will give us an opportunity to discuss these issues in the fall, because we are not opposed to the creation of this committee and we intend to participate in its work. Of course, we will see if its mandate is modified somewhat by the proposed amendment. We took part last time. We had things to say, and we will have things to say again this time.

However, we will not lose sight of the fact that ethical standards for ministers and for the government need to be raised, the elections act needs to be amended, and all that will be done at the same time. We will take part in this effort to develop a code of conduct for parliamentarians.

That is basically what I had to say today. We will have more to say in the fall when we take part in the committee's work. Surely summer will be an inspiration. It will give all members an opportunity to listen to their constituents and find out what they think about the way public funds have been managed in light of recent events.

Let us hope that it will inspire many of us and that we will indeed give ourselves the tools we need to work effectively and to regain the confidence of the public. It is our duty to do so. However, the government must be sincere in this initiative. It must not turn this into a political show, merely to divert attention from the major crisis that has rocked the government.

•(1250)

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, first I want to congratulate my colleague from Témiscamingue for his speech, in which he made a rather thorough examination of this dark, shameful and nebulous aspect of the operations of this government.

We must realize that, if this were about the government of certain African countries, someone would quickly point out, in a

condescending way, with a smile on his or her face, that it is all one can expect from a banana republic. Considering the degree of sophistication of these wrongdoings, one cannot help but think that the role of the ethics counsellor is just a joke.

In this context, I would like to hear what my colleague from Témiscamingue has to say about the words of the Prime Minister, who got carried away and said that perhaps there were a few million dollars that might have been stolen, but that it was for a good cause. Those who are watching us will understand that a few millions dollars were stolen. Let us imagine what would have happened had the Premier of Quebec said such a thing. Where would he be now?

“Perhaps there were a few million dollars that might have been stolen, but it was for a good cause”, in other words, Canadian unity. Canadian unity comes at the cost of Quebec. The real mandate behind this is to put Quebec in its place. This has been a dream that some folks have had for a long time, especially the little guy from Shawinigan. It involves neutralizing Quebec internationally and flouting the constitution, which gives specific powers to the provinces in areas such as education, health and social programs. It is about trivializing Quebec. That is the cause of the member for Saint-Maurice.

I would like to hear from my colleague from Témiscamingue, as to whether this “code of conduct” raises any hope that this government's approach, which is not mandated, will end.

What motivated this government was the result of the referendum on October 30, 1995, in which 49.4% of Quebecers expressed a deep wish for change, for the benefit of the Minister for International Trade. Quebecers expressed a firm will for change at the very least, and just 50,000 more votes would have expressed a will for sovereignty.

The government has no other mandate than to interpret these results as it sees fit, by tightening the grip, in an attempt to trivialize and neutralize Quebec.

How can we hope that some day, the members opposite will be any wiser, or democratic, and respect the aspirations of Quebecers and the results that were expressed democratically at the time?

Are we supposed to believe that this thing, this code of conduct, is going to give us any hope in an issue that has been purely political? If we look at today's headlines—no need to look very far—we see that nearly \$4 million was spent on the Maurice Richard affair to steal our national hero from us, to paint him as a Canadian, when he is a Quebecer. We see that \$500,000 was spent so that the Minister for International Trade could strut around Quebec to try and make connections between the government and Quebecers—whose national government is in Quebec City—to make people realize that the government in Canada is the one in Ottawa. He is allowed to strut around Quebec, along with other ministers, at the expense of Quebec taxpayers, to try to bond so that Quebecers will feel closer to them.

Are we to believe that with this code of conduct, something in this country is going to change?

Government Orders

●(1255)

Mr. Pierre Brien: Mr. Speaker, unfortunately, I do not think that it will change the nature of what the hon. member for Trois-Rivières described.

My colleague did raise the question, and for a good part, the answer was also in his comments. We must remember what led to the establishment of the sponsorship program, which began, in a more controlled fashion, in the aftermath of the referendum.

During the Easter recess, I read on public works' Internet site all the conditions imposed on the department regarding its corporate image, or how to sell Canada. It was obvious that the whole thing had been written with Quebec in mind. I am not convinced that they show the same rigour across Canada.

All this is based on a logic that is the result of the last Quebec referendum. People in Ottawa got a real scare and told themselves "If so many Quebecers vote yes, it must be because they did not understand something. There is a problem". When they say that the public did not understand, perhaps they should ask themselves if they themselves understood. So, they figured, "We will make Canada visible everywhere. That should take care of problem".

If they think that this is the way to the future for them and let themselves be fooled by this gain, the shock will only be greater when Quebecers decide to have another referendum on the matter.

It may not be tomorrow morning, but it will happen some day.

Hon. Pierre Pettigrew: In 2040.

Mr. Pierre Brien: I hear the Minister for International Trade, who is a candidate in a possible Quebec Liberal Party leadership campaign, tell us 2040.

I remember that when I first joined the Parti Québécois, at the age of 17 or 18, they were predicting that the referendum held in 1995 would never take place. But it did take place, and much sooner than anticipated.

So, let us leave Quebecers go at their own pace and make their own decisions at the appropriate time. They will make this decision when they want to. I respect this. We will go at the same pace as them and follow their aspirations. However, I am convinced that they are not headed toward less autonomy, but greater autonomy in the future.

That being said, in order to fight this movement, Ottawa chose to invest in its sponsorship programs. It took this opportunity to reward all the friends who helped set up campaigns for the referendum and for various candidates, and who supported defeated candidates between elections.

All these friends of the government found two objectives. They thought "We are going to promote Canada and at the same time we will line our own pockets. We will justify it to the Canadian public by claiming it is good because it is being done for the benefit of Canadian unity. Everything done in the name of Canadian unity will be accepted".

I am happy to see that people outside of Quebec are waking up and condemning this situation because it is unhealthy, in a true

democracy, to work this way. It is also unhealthy, in a true democracy, to pass a law telling Quebecers how to practice democracy when they already have extremely high standards in this respect.

This same logic is behind the clarity bill, the sponsorship programs and others. This logic was brought here by the Minister for Intergovernmental Affairs; his vision is shared by the Prime Minister. We could talk about this for a long time.

However, I do not believe that what is before us now will deal with this fundamental problem, namely that the government does not understand what is going on in Quebec. It may be boasting now but the wake-up call will be all the more difficult to take. Their little Liberal cousins in Quebec are not doing too well. If I were them, I would avoid spitting up in the air because, as they say, what goes up must come down.

In the same vein, I would add that if the government wants people to believe it when it talks about ethics standards, it will have to be a lot less shallow than it has been of late.

I have a problem with the fact that only two days before we are scheduled to adjourn and a week before the end of the session which, as we know, will very likely be prorogued this fall, the government is all of a sudden announcing its great plans regarding a code of ethics.

We question its real motives, all the more as in the background there are major internal struggles among our opponents across the way, which explains why some of them are behaving the way they are.

In short, I would tell my colleague from Trois-Rivières that, unfortunately, what is there will not assuage his concerns. I do not think there is any major motivation for the government to do so, because it has explained that losing a few millions here and there, for the cause, could be justified.

Now it is up to the voters of Canada to judge. I am sure that they will find this increasingly unacceptable in future, especially if the other opposition parties do their homework and speak out against practices like these.

●(1300)

It is one thing for them to go about boasting the merits of what they consider a good system, but it is quite another to mess with public funds in order to buy off people or to pay back friends for political support and co-operation with party activities. Ultimately, unlike the Prime Minister, I am not convinced this will serve their cause.

To put it succinctly, all this will also be affected by the motivations of each of us as far as this bill is concerned. There is one thing for sure, however: we will be extremely vigilant.

Government Orders

Something has just come to mind now that I had neglected to mention. The sponsorship program is one of the rare programs in which Quebec got more than its share from Ottawa. I have listened to my colleague from the NDP asking how it was that there were no sponsorships in his riding, in his region. Quebec was heavily advantaged in this \$40 million program, whereas we would have liked to have been equally advantaged for programs relating to real problems such as health care funding and post-secondary education.

If they really want to give people tangible assistance, let them inject funds into these programs, rather than sponsorship goodies—

An hon. member: In transportation as well.

Mr. Pierre Brien: In transportation as well, where they had made a multitude of commitments but where results have been slow in coming. Let them get busy addressing real issues. Our deepest convictions are not going to be influenced by a few million dollars worth of sponsorships to buddies.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am pleased to join in the debate today regarding the creation of a special joint committee to develop the much awaited and called for code of conduct for parliamentarians, MPs and senators.

The debate we are having today stems from recent events. On May 23 the Prime Minister announced a plan to introduce eight measures for ethical conduct he said would make parliamentarians more accountable. We welcome some of the initiatives although we challenge the language used in the introduction of the plan. It was called a bold eight point plan of action. We reject the very premise of that, to borrow an expression from the former hon. member for Windsor West. There is nothing bold about the plan. If anything it is rather lame in scope and magnitude. If the government had a real burning desire to make meaningful changes it could look to its own red book which was cited by other speakers today.

In fairly strong language the Liberals' 1993 red book called for the introduction of an ethics counsellor who would report directly to parliament and not just to the Prime Minister. Page 95 of "Creating Opportunity: The Liberal Plan for Canada" said a Liberal government would:

—appoint an independent Ethics Counsellor to advise both public officials and lobbyists in the day-to-day application of the Code of Conduct for Public Officials. The Ethics Counsellor will be appointed after consultation with the leaders of all the parties in the House of Commons and will report directly to Parliament.

That is pretty clear. A promise was made in 1993 to the Canadian people in legitimate reaction to a terrible era of corruption. Tory cabinet ministers were dropping like flies and getting caught with their hands in the till. However at least the Tories did something about their ministers. They brought them into line, disciplined them or kicked them out of cabinet. There were lots of them but there has been a lot of mismanagement here too. Rather than being upfront, honest and transparent about the process the Liberals have fostered a culture of cover up and denial. They have not introduced meaningful changes or shown any well meaning spirit.

The New Democratic Party is no stranger to calling for a code of conduct for legislators. NDP MPs have put forward legislation in three consecutive sessions of parliament to create an independent

ethics counsellor and a code of conduct for parliamentarians. One of the bills came up for debate. It was introduced as a private member's bill which, as we know, must go through the process. However it came to the floor of the House and the Liberals voted against it.

It was a well thought out bill. The hon. member who brought it in, the former member for Halifax West, was the ombudsman for the province of Manitoba for 10 years and has a great deal of background in this type of thing. He put together a thoughtful, comprehensive and well researched piece of legislation that called for an independent ethics counsellor and a detailed code of conduct. When it came up for debate the Liberals not only spoke against it. They voted it down. It died after second reading.

That is the Liberal government's level of commitment. The Liberals have had ample opportunities since 1993 to follow their own red book or at least favourably view the efforts MPs from other parties have brought forward to the House.

We question whether the government's so-called bold eight point plan of action is that meaningful. We also question the timing of its introduction. At least a couple of the points, two and three, seem geared more toward thwarting leadership aspirations than cleaning up practices in the House of Commons.

● (1305)

If that was the intention it has backfired. Although mandatory disclosure of campaign financing for the leadership would be retroactive it would only apply to ministers. The former minister of finance is no longer a minister. He is a regular member of parliament so it would not apply to him. That was either sloppily done or plain bad luck on someone's part.

I will walk members through some of the historical context I have alluded to. The Liberal Party has had opportunities to introduce meaningful changes. In a 1973 green paper entitled "Members of Parliament and Conflict of Interest" the then Liberal government proposed a code of conduct for parliamentarians as a first step toward adopting a regime of ethics throughout the public service.

In 1984 the Tory government of the day appointed the hon. Michael Starr and the hon. Mitchell Sharp to head a task force on conflict of interest. The task force was charged with devising a comprehensive conflict of interest regime for public office holders. It recommended rules to deal with nine forms of activity that could lead to conflict of interest and suggested penalties for non-compliance. The recommendations were detailed and comprehensive but concerned only with cabinet ministers and parliamentary secretaries.

In June, 1992 a joint committee on conflicts of interest recommended the adoption of clear rules to guide members of parliament. In March, 1993 the Prime Minister sent conflict of interest legislation to the committee. The committee decided it would not be implemented. We got as far as bringing the rules to committee and the committee struck them down.

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Shortly after that a third Special Joint Committee on a Code of Conduct was struck in 1995 and was jointly chaired by Senator Donald Oliver and the current Speaker of the House of Commons. Its March, 1997 report was quickly buried by the 1997 election but it recommended specific rules that would apply to all parliamentarians. That is why we are pleased that the fifth point of the government's eight point plan makes reference to the committee's report. In May the Prime Minister stated in the House of Commons:

For the fifth point in our action plan, in consultation with the opposition parties and drawing inspiration from the Milliken-Oliver report, it is our intention to proceed...with a stand-alone code of conduct for members of parliament and senators.

Let us look at other jurisdictions. The NDP is no stranger to this concept. It was an NDP government in B.C. that introduced the Members' Conflict of Interest Act that applied to all MLAs and ministers. It provided for a conflict of interest commissioner who would report to the whole legislative assembly. That is right on track. It is pretty much the standard the general public demands.

It was an NDP government in Saskatchewan in 1979 that introduced the Members of the Legislative Assembly Conflict of Interest Act which was similar to the B.C. act. It was an NDP government in Manitoba in 1987 that introduced the Legislative Assembly and Executive Council Conflict of Interest Act, one of the most rigid and binding pieces of conflict of interest legislation anywhere in the country. It was an NDP government in Ontario in 1994 that brought in the Members' Integrity Act under which an integrity commissioner would report directly to the legislative assembly.

Unfortunately, the other provinces have not had the pleasure of having NDP governments so they do not have worthwhile conflict of interest legislation although they have some semblance of it.

Australia has a strong ethics system for its public service and elected officials. In his speech in Australia our ethics counsellor Howard Wilson said:

—we are not as advanced as Australia in introducing strong ethical systems into the public service. And our Parliament has yet to introduce a conflict of interest regime applying to backbench MPs and Senators—

• (1310)

It is a little embarrassing that we send our ethics watchdog to Australia to admit that we have fallen far behind our other Commonwealth colleagues in that regard.

We look forward and welcome this joint committee that may finally lead us to a mature and evolved code of conduct and code of practice for all members of parliament. The timing is such that it does not take a person with a jaded view to realize that this was introduced as a smokescreen to take the public's attention away from the real issue of the growing body of evidence associated with scandal after scandal that is coming forward every day now at the public accounts committee.

The government has finally realized that what looked like isolated incidents of mismanagement and wrongdoing have been threaded together and can safely be viewed as a comprehensive, elaborate, and illegal criminal scheme to defraud Canadians and to defraud parliament in fact.

Let me explain. As a member of the public accounts committee I receive a lot brown envelopes and confidential phone calls from current and former civil servants. I wish to describe what is happening with these Groupaction scandals.

This is not a kickback scheme. This is not nearly as primitive and as crude as a customary kickback scheme. In the old days, in a less sophisticated time, the government would give a juicy contract to a company. The company would then kick back a little campaign donation to the party. That would be the extent of it, and that has been going on too much in previous years.

This is far more elaborate and comprehensive than that. What we have here is not a kickback scheme. It is a kick forward scheme. When Groupaction charges \$500,000 for a contract where no work gets done and nothing gets produced, it banks that as a credit so that when the Liberal Party of Canada comes to Groupaction at election time to buy a small communications contract, it gets \$500,000 worth of work done. The same applies to Lafleur, Everest, and to that whole group of Liberal advertising contracting companies. They are holding taxpayer money.

Taxpayers paid good money for a service. The service was never delivered and the company pads the billing hours, et cetera, to look like \$300,000 or \$400,000 of work was done and it was not. It is like a credit being held in store. This is what has come to light.

I believe the government is nervous that we are that close to having civil servants come forward to testify that is what is happening. People within public works were being asked to sign cheques for work that was never performed. They knew full well it would not be performed because it was a way to shelter taxpayers' money in these companies until such time as the Liberal Party could come and pull it out.

I would like to outline some of the other things that we have been learning. It will be interesting on July 9 when Pierre Tremblay and Chuck Guité finally appear before the public accounts committee. That is what we have been waiting for. A lot of the things that we have theorized and speculated about will be borne out. We look forward to calling other witnesses too.

There is one name that keeps coming up in a lot of the information. It is a man named Roger Collet, who was the executive director of the old Canada information office. He was the first executive director. He used to brag to his co-workers and colleagues that he did not take directions from anyone but the PMO and that Jean Pelletier was in regular communication with him, giving him direction as to how to get this money into Quebec and how to get this scheme going there.

We have a great deal of information about Mr. Collet. It is interesting that he has taken sanctuary under a contract for the current minister of immigration. He seems to have an incredible capacity to land on his feet when he moves along.

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•(1315)

He first became infamous because he delivered the \$5 million from Heritage Canada to the no campaign during the Quebec referendum. There was the scandalous idea that Heritage Canada could find \$5 million to deliver to the no campaign to try to influence the Quebec referendum. It was Mr. Collet's job to be the bagman for that and to make that happen.

There are a dozen questions we would like to ask Mr. Collet if we can ever get him to appear before us but Mr. Guité will be revealing too. This is why, as we approach that July 9 date, it became important for the government to get the public seeing the government dealing with codes of conduct and conflict of interest legislation when this information was about to blow at the committee stage. I can sympathize and understand why government members are in such a rush to get this started now when they were not in any rush from 1993 on.

Mr. Guité was unwilling to come to the committee until it was made clear to him that the information given in committee could not be used against him in a court of law. One of the unfortunate byproducts to the evidence given and what we will learn in committee is that guilty men may walk free. Frankly, those of us on the committee do not care if Mr. Guité ever goes to prison even if it would be well deserved. Once that information is given as testimony it has the same privilege as if it was testimony given in the House of Commons. The RCMP could not use that information against Mr. Guité in subsequent charges unless it can prove the same thing by a completely separate body of evidence.

That is an unfortunate byproduct but the truth must come out. We must know what motivated these senior civil servants to break every rule in the book which is what the auditor general said. I do not believe that senior civil servants or senior bureaucrats would jeopardize their job by breaking every rule in the book unless they were told to do so from somebody higher up. Did the former minister of public works direct these guys to break every rule in the book? Did the PMO contact Chuck Guité the way he was contacting Roger Collet when he was running the former Canada information office to break every rule in the book?

All of those questions will come to light on July 9. This why we are seeing the government scrambling to paint itself in a more positive light when it comes to issues surrounding codes of practice and codes of conduct. If the government was serious about implementing these changes it would implement fundamental changes. If the government is going to talk about the financing of elections and codes of conduct around that, why do we not go one step further and take an example from the province of Manitoba and ban all union and corporate donations for all elections? Why not make it so that only a person on the registered voters list can make a contribution for a political campaign?

Then we would not have all these Liberal dominated contractors getting handouts because they would not be allowed to reward the government or to pay back the government with campaign donations. It would be barred, outlawed and cleaned up. The public would appreciate that.

The only people who screamed about it in the province of Manitoba were the National Citizens' Coalition. The head of that organization was jumping up and down, and ranting and raving that we were trying to silence it by taking away its political voice and stifling debate. It was ironic that it was not the unions that raised the protest. They said if their money was not wanted, fair enough. However, the National Citizens' Coalition went ballistic because it felt it was being silenced by the bad government.

I would be interested to know how the current Leader of the Opposition would react to a proposal like that from the federal government. I would be interested to see how he might respond. That would be true reform. That is not to be found in this eight point mushy document. This is not a bold plan of action. This is a wishy-washy, lame plan of action that is designed to take away the spotlight from the terrible scandals that are boiling over and will be coming to a peak on July 9 in the public accounts committee.

•(1320)

I am glad to have had this opportunity to share some of our views. There are good models out there. I hope the government borrows heavily from the Milliken-Oliver report. I hope it borrows heavily from some of the private member's bills that have been brought forward and debated with good recommendations as to how we can have an ethics counsellor who would be independent and a code of conduct that we can all be proud of that would elevate the standards of the House of Commons.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I was going to say that it is a pleasure to rise and talk about this issue today but it is not a pleasure. Talking about the ethics of the House and parliamentarians is not something any of us wish to talk about.

I must say this whole concept is smoke and mirrors in an attempt to diffuse the spotlight on Liberal cabinet ministers who have come under such spotlights these days for questionable activities and what has been called corruption and scandals. This attempt to spread this to government backbench members of parliament and opposition members and senators is absolutely pointless. No one can name anyone on this side of the House who has been the subject of one of these investigations by the media or the opposition for scandal or questionable activities or anything else. In order to diffuse the spotlight we are included in this great debate about ethics.

Forming a committee to discuss a committee report when only one simple thing has to be done and only one thing matters is an incredible approach to take. All of the other proposals and ideas contained in the bold eight point plan proposed by the Liberals mean nothing unless the ethics counsellor reports to parliament. All speakers have mentioned this at one time or another in their remarks today. The bottom line is that it is the essential part of an ethics package.

I often think that if the auditor general reported only to the Prime Minister we would never have known anything about many of the issues brought up recently in a variety of departments. In the last report that the auditor general brought up we would never have known about certain issues that were referred to the RCMP.

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I contend that if the auditor general answered only to the Prime Minister those issues would never have been sent to the RCMP for investigation. They would never have gone any further, and in fact would have been swept under the rug until someone in the opposition or the media pried open a crack in the door shedding some light on the issue. That is the difference between the auditor general reporting to parliament and the ethics counsellor reporting only to the Prime Minister.

In my view the ethics counsellor is no longer an ethics counsellor. He is like a minister of defence in charge of defending ministers. Instead of advising them and bringing their offences to light, it is his job to defend them. This is not complicated but rather quite simple. If somebody is responsible for criticizing the boss and the boss's associates, who will do that, particularly when it is a good job with a large pay package, lots of fringe benefits, and lots of accoutrements that come with the position? There is a built in conflict of interest right from the beginning with the ethics counsellor. The way it is set up now is totally wrong.

There are two reasons as far as I am concerned why the ethics counsellor should report to parliament. The first reason is simple. The foundation of ethics is telling the truth and keeping one's word. In the 1993 red book on page 95 the Prime Minister said:

The Ethics Counsellor... will report directly to Parliament.

That was the Prime Minister's promise to Canadians. That was his word. If he cannot keep his promise about ethics, how, if a promise is broken right at the very beginning, will the ethics counsellor be effective? The promise was broken in step one.

Second, it makes sense to have the ethics counsellor report to parliament for the same reasons I mentioned earlier when I compared this position to that of the auditor general. The auditor general is effective and respected by everybody in the country for the great job she does. We are fortunate to have her. She is one of the last institutions in this place that provides an objective view on issues. Can members imagine the difference in her reputation and the reputation of the ethics counsellor. The ethics counsellor does not fool anybody. He works for the Prime Minister and is there to defend the Prime Minister and get his government. That is what he does.

•(1325)

This morning when I was rereading an article in the *Ottawa Citizen* written by Graham Greene, entitled "Double Standard Part 1", which I think is the Prime Minister's favourite article, it stated "This week Jean Chrétien fired one minister and demoted another for ethical"—

The Deputy Speaker: Order, please. I just want to remind the House that everyone here has a riding name, a ministry or a portfolio but are otherwise non-distinguishable.

Mr. Bill Casey: I apologize, Mr. Speaker. In my haste I just read the name off the newspaper article.

Basically it is an article entitled "Double Standard Part 1". I will not go into details on the headline but it goes on to detail how the ethics counsellor cleared the Prime Minister of an accusation of a conflict under the Ethics Act brought in by Brian Mulroney, the Conservative prime minister who introduced the ethics package that

the current Prime Minister did not even honour when he did not declare a \$300,000 debt, which he was supposed to do.

None of the other arguments we deal with here in my opinion mean anything. None of the other parts of the eight point plan mean anything unless the ethics counsellor reports to the House in the same way that the auditor general does.

That will be our point through the committee. We look forward to presenting our case to the committee and listening to the presentations at committee. We will participate as actively as we can and we hope at the end we will have an ethics counsellor who does report to parliament, because that is the only way these issues will be resolved.

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, my hon. colleague from Cumberland—Colchester mentioned that the auditor general is an independent officer of parliament and reports to parliament. I believe the information commissioner and the privacy commissioner also report directly to parliament. How easy would it be for the government to change the way it does business with the ethics counsellor? How easy would it be for that ethics counsellor to be changed to an ethics commissioner who reports to parliament?

•(1330)

Mr. Bill Casey: Mr. Speaker, I am not sure about the exact details but I can assure the hon. member that it would happen with the snap of a finger, because from what I have heard today every opposition member would support that act. The only reason it would not pass is if Liberal members voted against it. However every single person who has spoken on this, except for the Liberal member, said that the ethics counsellor must report to parliament and must become an ethics commissioner.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I would just like to ask the member for Cumberland—Colchester if the question of an ethics commissioner is one that has led him at any point to look into the provincial administrations across Canada? Has he looked at the overnight transition that occurred in British Columbia and Alberta when they put ethics commissioners in place and how that actually affects the culture of political governance in what I think is a very positive way to put some checks and balances in place that are really in the public interest? Maybe he could comment on the merits of all of that.

Mr. Bill Casey: Mr. Speaker, I actually cannot comment knowledgeably about those provinces. However I can say that I was involved in an instance where a federal minister of transport signed a contract with the province of New Brunswick with a particular person, the minister of transport of New Brunswick. When the federal minister of transport was defeated and lost his job, he immediately signed another contract as a private operator of a company to take over the very same Trans-Canada Highway sector that he had paid for as a minister of the federal crown.

Government Orders

We took that to the ethics commissioner in New Brunswick and it was not effective at all. The same thing happened in Ottawa, even though the same two people signed the contract originally who signed it later on. Again, the federal minister of transport signed the contract with the provincial minister of transport. Then when the federal minister was defeated, he signed a contract as the president of Maritime Highways Corporation with the same minister of transport to take over that highway and all the funding the federal government put into it. I thought that was contrary to the post-employment ethics criteria in the ethics commission report, but again the ethics counsellor is there to protect the ministers and not to get to the truth and to ensure ethics.

Mr. John Duncan: Mr. Speaker, my next question relates to the fact that there has been a lot of focus in the debate on an ethics commissioner, but would the member not agree that in actual fact the major determinant is leadership from the top or lack thereof, ethics flowing from the top or a lack of ethics flowing from the top?

The way to guarantee that in the long term and to change the culture is an ethics commissioner, but in actual fact we need that kind of check and balance, especially when we do not have that kind of leadership from the top.

Mr. Bill Casey: Mr. Speaker, the hon. member makes my point exactly that the leadership at the top is the problem. In 1993 the leadership at the top, the Prime Minister, said to the Canadian people "vote for me and the ethics counsellor will report directly to parliament". That was a promise by the current Prime Minister to the Canadian people. The deal was, the way I see it, that if they voted for him he would give them an ethics counsellor who reported to parliament. That has never happened and it has not happened now in this bold eight point plan which just goes all around the concept and avoids it.

All of these issues could be put to bed with one single stroke, making the ethics counsellor an ethics commissioner who reports to parliament. That person would then have the respect, I believe, of the Canadian public as the auditor general has. However now the ethics counsellor does not have any respect as far as I am concerned from the media, the opposition or the Canadian public. Again it comes down from the leadership of the party. The leader promised the Canadian people he would do this but failed on that promise and continues to refuse to do it.

• (1335)

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, I am interested in the response from the member. I appreciated his comments so far.

I am just curious. In terms of the amendment to the motion which our leader presented, does the member think this would have handled situations faced by his party, when it was in government at the time, more effectively? Does he anticipate full support from his party members now in terms of our amendment?

Mr. Bill Casey: Mr. Speaker, I believe the amendment would address questions like this now, in the future and would have in the past had it been there. I have not seen the words to the amendment but based on what I have heard, it sounds like it would address and resolve the issue we have raised and continue to raise. Again it would move toward honouring the Prime Minister's promise that he made back in 1993 but which he has never honoured.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to the motion that is before the House today.

Perhaps we should remind ourselves what it is we are speaking to. It has very little to do with some of the issues that have been raised in the last little while.

We are being asked to speak to the following proposition: That the report of the Special Joint Committee on a Code of Conduct, the Milliken-Oliver report, be brought back to the attention of members to be updated and, hopefully, as updated, changed, modified or improved, to be approved by the House and the other place as a code of conduct for all of us. That is the motion that is before us today.

Later on today the question that will be asked of all of us is whether we are in favour of or against having a code of conduct for members of parliament in principle. If we delay this by using manoeuvres to stop it from moving ahead, Canadians will know the truth. They will know that those who have trust funds and other things do not want them reported. They will know that those who receive funds for running their campaigns from sources undisclosed to all of us do not want it reported. They will know that some of the money that comes in to keep them in operation will go unreported because they do not want a code of conduct for themselves and others in the House.

We will find that out some time later today if either the members across do not want this item voted on or if they use methods in order to avoid us voting on the principal issue that is before us this afternoon.

The moment of truth will come to the attention of all hon. members in the House later today. I am anxiously waiting to see whether all members will say, yes, that we need to review the report that was made, and yes, we want to use that as a base for having a code of conduct for all of us, the way our Prime Minister wants us to have one, or whether we want something that is something else, like not disclosing anything because it suits our own selfish ends.

A little earlier today we had a rather curious amendment proposed on the floor of the House. I am technically speaking to the amendment right now. It says that the Leader of the Opposition refuses to study having a code of conduct because he wants the Prime Minister to implement the code of conduct before we study the details of how we should make it work.

Perhaps the Leader of the Opposition could explain to all of us why he feels it is appropriate that we would implement that which we should do and consult him later.

If that was not confusing enough for most of us, let me get to the next proposition. He said that the committee should not have until October 31, that it should have 30 days.

Government Orders

This is the second last or last sitting day, depending on how we look at it, before we have the summer recess. When we come back on September 18, 30 days from then would give us until October 18. We are offering October 31. He is offering an amendment to avoid debating it on the pretext that he would save five sitting days. That is the phoniness of the amendment that is before us. He is pretending that he wants to report five days ahead but what he really wants is to cause a second division vote on this item to occur only next fall therefore preventing us from proceeding with the issue that is before the House today.

The Leader of the Opposition has a choice. He can withdraw that amendment and vote on the main motion to create this committee to report on October 31 or he can pretend that he wants 30 days, which really means that the committee would be reporting earlier, so that he would not have to disclose any other source of outside income, if he has any, any other source of outside financing for his leadership or other such finances.

An hon. member: Does he have something to hide?

Hon. Don Boudria: I have no idea whether he has anything to hide. That is not for me to say. However let us vote on the motion and start with the process.

[*Translation*]

An opposition member says that there should be an ethics counsellor who reports to the House. Well, that is fine.

• (1340)

I have here a news release dated June 11, 2002 from the Right Hon. Prime Minister which says, and I quote:

New Appointment Procedure for the Ethics Counsellor

The Prime Minister announced today that the Ethics Counsellor will be appointed after consultation with the leaders of the opposition parties, serving for a term of 5 years. Further, dismissal could only take place with the concurrence of Parliament.

So it is not just this House but both Houses which will have to do it. This is even more prudent of the Prime Minister.

The release goes on to say:

In addition, the Ethics Counsellor will inquire into complaints, or other matters related to a Minister of the Crown, referred to his Office by any member of Parliament. As promised by the Prime Minister on May 23, 2002, there will now be an annual report on the activities of the Office of the Ethics Counsellor that will be presented to the Speaker of the House.

[*English*]

An hon. member: He does report to parliament.

Hon. Don Boudria: That is the point. The Prime Minister has said that he will report to parliament. The opposition is asking that this official report to parliament. That has already been announced. The opposition is asking the government to do something that it has already doing. If it was not doing that, it would be doing what I just said, which it is.

Let us go to the 1993 red book. Let me bring this to the attention of hon. members. It states in particular that "a Liberal government will appoint an independent ethics counsellor". He is independent. This is an individual who has consultation with both sides of the House. He has served the Canadian public for decades as a senior civil servant. He advises both public officials and lobbyists on the

day to day application of the code of conduct for public officials, public officials being defined as those who hold public office; in other words cabinet ministers, secretaries of state and of course parliamentary secretaries. They hold what is known in parliamentary parlance as public office.

It states further that "the ethics counsellor will be appointed after consultation with the leaders of all parties in the House of Commons and will report directly to parliament". He was already subject to this consultation with leaders. Everyone recognizes that and remembers it.

As a matter of fact some people are summarizing how long the conversation took place between the Prime Minister and leaders of other political parties when that was done. Now, given what I just said about the Prime Minister's press release, he will report directly to parliament. Therefore that was fully delivered once again by the Prime Minister of Canada who always delivers on the promises that he makes to Canadians as we all know.

That is not the issue before us today. One member from the New Democratic Party also raised something that is important. In the past Bloc members have also raised this.

[*Translation*]

The issue in question is reform of the Canada Elections Act. I agree with them. This has nothing to do with the motion before us, but I do agree with them. We can amend the elections act. In fact, I am the minister responsible for the act.

Just the day before yesterday, I consulted with the chief electoral officer. Next week, I will be going to Alberta and Manitoba to consult with people about reform of the elections act. I intend to do the same thing across Canada during the summer, with the goal of tightening the act up.

For example, should there be limits on the size of contributions? I think there should. Who should be allowed to contribute? The issue raised earlier by the member for Winnipeg—Transcona is an important one. I agree that there need to be rules about this.

When it comes to financing leadership campaigns, I would want to know not only who within my party is raising money—obviously, this is interesting—but also when the leader of the opposition—Lord knows there have been enough of them in recent years—will be replaced by another leader—this will no doubt happen again soon—I would like to know if the next leader's campaign will be financed by interests outside of Canada. This should not be the case. It should be done with money from Canadian taxpayers, whether it be in selecting the leader of the government party or the opposition party, it is the same thing. Only Canadians should have the right to contribute to this type of campaign. Is this the case right now? We do not know. It is an interesting matter.

There should be amendments to the elections act to deal with all of these matters. Incidentally, I would like to congratulate the member from the New Democratic Party for raising this issue, because the member is right. In the past, in response to other reports, members of the Bloc Quebecois have raised similar issues, and they were also right. I agree with them that we must make the elections act more transparent. We did so the last time we made changes to the act.

Government Orders

For example, there is the third party issue. I do not want to mention the National Citizens Coalition—but I would if I could—that has challenged the existing rules of transparency. I wonder who led this initiative by the National Citizens Coalition at the time to challenge the rules regarding who is spending money in an election campaign on behalf of these third parties.

I think that Canadians have the right to know. They have the right to know who is telling people to vote against a particular candidate. If, during a campaign, people have the right to know who is funding a campaign in support of a candidate, they should also have the right to know who is asking voters to vote against a candidate. This is my position, and that is what I included in the latest version of the elections act.

Who challenged it? The National Citizens Coalition. A well-known member of this House used to work for that organization. I would like to know what that member thinks of the actions of the National Citizens Coalition, which is against the rules of transparency regarding those who fund campaigns against certain candidates. Canadians have the right to know.

All this is related to the elections act, but the time will come to deal with that. It will be in the fall. It will be a bill that I will have the honour and privilege of introducing in the House of Commons, with, of course, the consent of the Prime Minister of Canada, who has appointed me—and I thank him for it—Minister of State and Leader of the Government of the House of Commons, which means that I am responsible for the Canada Elections Act.

• (1345)

[*English*]

Let us get back to the issue before us today. A report was prepared a few years back on whether there should be a code of conduct for members of this House and the other House. In opposition I worked on such a code. I remember that the spouses of government members at the time were working against me. I was supporting the government but the Parliamentary Spouses Association at the time was in disagreement with what I was saying about the registration of assets.

It is a difficult issue and I recognize that. I recognize people have a right of privacy. I recognize those issues can be very complicated and they have to go back to a parliamentary committee.

House leaders discuss issues from time to time. I will not say what one said versus another about whether we should adopt the package that is before us today. Needless to say, even some House leaders of various parties are afraid that components of the Milliken-Oliver report could go too far while others say we could do more. This nonsense that we should immediately adopt all this today and then think about how it will work later will not work.

Members of the House need to have that kind of structure. I believe there should be a juriconsult, an officer of parliament. I believe it should be mandatory for the officer of parliament to be physically located inside the building so members can consult that officer at all times with such things as, “Juriconsult, a family member of mine works for a certain corporation. I am called upon to vote tomorrow on such and such a bill. Is it okay that I do so?”

What about a member of the Senate or a member of this place, if dissatisfied with that, being able present himself or herself before their peers in a parliamentary committee called upon to review these things and to plead with colleagues about how such rules of conduct should be administered in the event of a dispute? Why not have that kind of structure? Why not have these kinds of appeal mechanisms to one's own peers? That is what we are talking about here.

Why not have these kinds of structures? Why do we not all vote today, hopefully in unanimity, about creating a parliamentary committee which will review these draft rules, which were put in place five years ago at a time when many people were not even in this Chamber? Why not let the committee say that yes, in 2002 this is reasonable or, no, such and such a proposal is not reasonable, that we have now crossed a different threshold and that we can improve upon it in the following way? We should address these issues that way and improve upon the rules.

Members can sidetrack all they like and put the kind of amendment which I see today, which suggests that we replace October 31 by October 18, which of course is bordering on nonsense. Remember we are off one of those weeks anyway, which really makes no difference at all. Then it suggests that the Prime Minister be asked to implement the code of ethics first and then consult members of parliament afterward. That is what the Leader of the Opposition said in his amendment.

I know he is paying attention to what I am saying. Therefore, I ask him to withdraw that amendment. Canadians will be forced to believe he does not want a code of conduct for members of parliament and they will ask.

An hon. member: What is he hiding?

Mr. Don Boudria: I do not want to go that far.

• (1350)

[*Translation*]

Today, there have been consultations among political parties. A party—the Bloc—has brought forward a positive amendment. This party says that we should change this order of the House to appoint this committee so that the committee could only sit if there are parliamentarians from both houses representing the government and the opposition to form a quorum.

This is acceptable, and I am prepared to support this initiative, because it is the right thing to do, and because the report that we will be submitting should be based on consensus. If we can change the order of the House to ensure that parliamentarians can, as much as possible, contribute and be comfortable with what they will suggest, I support the type of change that has been proposed.

However, I do not support a dilatory change such as the one that was just proposed by the leader of the opposition, who refuses and wants to create a condition whereby we will never know why he wants to impose unnecessary delays.

We just saw two examples. Some members of this House said “We want to change the motion and we ask for the unanimous consent to improve it”. This is true and I support them. I would be willing to do so. Of course, the question remains: will the others also be willing to do so? This would be acceptable.

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However—and I am addressing the official opposition—when they say “We want you to implement the report and to consult us afterwards”, I find this quite strange. Second, we would also be changing the Standing Orders. Do you know what they want to do through this change? They want to replace October 18 with October 31 and, in between, there is a week off, which means that it all boils down to the same thing.

What the opposition could do today is force a recorded division on one of these motions, defer the division until next fall and, for the official opposition, the job would be done.

• (1355)

[*English*]

What has the opposition done? It could ask for a recorded vote on this and delay the implementation of its own motion to accelerate the process by slowing it down until next fall. That is what we have before us. I do not pretend to be an expert on parliamentary procedure but I have been in public office for 27 years and I know a little about some of these delay tactics that are being reported to us today.

I say to members across that they should withdraw that motion. They should vote in favour or unanimously with the motion that is before us, perhaps with an amendment that was brought forward by other hon. members which I would be ready to support, and I think all members would support, that we need a quorum by having members of both Houses and both representing the opposition and the government in order to constitute this to happen. I would be willing to concede that because that is reasonable. However for us to produce these amendments which have no other purpose than to delay is wrong.

I have been consulting members for three weeks about getting this committee going and we cannot get that committee going again and that is wrong. Today we have an opportunity to make it right. I say to colleagues on all sides of the House, let us make it right.

I have been consulting them before, in the modernization committee and elsewhere, about doing this and I am doing it again today. Let us see whether today, before parliament adjourns, we could all do what is right. Let us create that committee and produce a good quality report. Let us implement the rules for all members of parliament the way that we should all want and the way the Right Hon. Prime Minister of Canada wants because he wants what is right. We know the Prime Minister has nothing to hide. He wants good and transparent rules. Let us see whether the Leader of the Opposition and others also want the same thing.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I rise on a point of order regarding the records of our publications of May 29.

Private Members' Bill C-415 was adopted on division yet the journals recorded it as being “agreed to”.

The members for Elk Island and Dewdney—Alouette were on duty and clearly said “no”. As well, Mr. Speaker, if you review the speech of the critic, the member for Provencher, you will see that we clearly opposed the bill. I bring this point up today to ensure that the record is clear.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

STATEMENTS BY MEMBERS

[*English*]

HOUSING

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the Peterborough Community Housing Development Corporation is a non-profit grassroots group set up four years ago to fix up old houses and turn them into rental units for low income tenants.

With the help of the Sisters of St. Joseph, the city of Peterborough, local businesses, charities and numerous volunteers, the corporation has refurbished properties creating 17 rental units and building up a considerable equity for future work. The first rental unit was produced by fixing up a house scheduled for demolition. The second was a house relocated onto a vacant city lot. An Anglican church rectory has been converted into a residence for low income older women. This local housing corporation is an example for others across Canada. It is part of a continuing effort to address homelessness in the city and county of Peterborough.

I wish to honour and thank everyone involved in this fine, caring work for the homeless of Peterborough and across Canada.

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GOVERNMENT CONTRACTS

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, it is no wonder that 70% of Canadians think that the government is corrupt. Looking back at the revelations concerning the government's shocking ethics scandal, even more words come to mind to describe this terrible mess.

Shameful might be the word to describe the fact that Alfonso Gagliano is now Canada's ambassador to Denmark, despite the fact that he was blatantly diverting taxpayer dollars to Liberal friendly corporations, friends and political allies. Dubious perhaps is the word to describe the Liberal government's rushing through of a \$101 million purchase of Challenger luxury jets in the final days of the fiscal year, leaving the Canadian military with obsolete equipment and inappropriate uniforms.

I would say that the actions leading to the Cabinet shuffle that saw another former minister of public works and the former defence minister fired were deplorable. Unfortunately, these days Canadians are resigning themselves to the word typical, especially when they see Liberal leadership hopefuls using tax dollars for kickbacks to supporters and fundraisers.

Canadians deserve better.

•(1400)

MARIJUANA

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, I wish to compliment the Regional Municipality of Niagara Police Services Board in my region on passing a resolution in response to the serious threat of marijuana grow houses.

These communities, like many others in Canada, are experiencing an unprecedented increase in the illegal cultivation and distribution of marijuana by organized crime. This marijuana is sold to children and adults alike, the residual effects of which contribute to additional threats of crime and violence further impacting innocent members of the community. Potential fire and health dangers also exist to adjacent homes and for our firefighters due to unsafe use of electricity and chemicals.

I call upon the Minister of Justice and the government to enact strong legislative deterrents, including lengthy periods of incarceration and substantial fines to combat this plague. The safety and security of our communities, police officers and emergency responders is paramount.

* * *

[Translation]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, on June 17, on behalf of the Secretary of State responsible for Canada Economic Development for the Regions of Quebec and Liberal member for Beauce, I announced the awarding of a contribution of over \$4.5 million to COREM, a consortium of applied research for the treatment and transformation of mineral substances.

This project will create some 15 to 20 high-skilled jobs. Canada Economic Development's mandate is to promote the economic development of the regions of Quebec. To that end, it focuses on two main areas of activity: enterprise development and improving the environment for economic development of the regions of Quebec.

The project will have an impact on the profitability of the entire Quebec mining industry. As well, it will benefit resource regions, more specifically in Abitibi—Témiscamingue, the lower north shore, James Bay and Nunavik.

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[English]

MILLENNIUM SCHOLARSHIPS

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, as one of the ways the government has demonstrated its commitment to education in Canada, we introduced the millennium scholarship program three years ago. The program is intended to assist deserving students with access to post-secondary education.

In my riding of Halifax West two such deserving students have been awarded millennium scholarships this year. Nitya Das of Charles P. Allen High School and Caitlin Pierlot of Sir John A. Macdonald High School exemplify the sorts of students this important program is designed to assist.

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I wish to congratulate Nitya and Caitlin for their accomplishments to date and wish them the best of luck in all their future endeavours. They are our future and it looks pretty bright. I say well done.

* * *

LIBERAL PARTY OF CANADA

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I want to advise all hon. members that the species at risk legislation is not as comprehensive as we first thought. For example, there is no mention whatsoever of protection of one of the most endangered species of all and that is honest Liberals.

As their numbers dwindle by the day, who will step forward to provide protection for those poor and rare reminders of a cleaner environment? What about that other species at risk, the ambitious former finance minister and leadership candidate? Are there no protective barriers behind which this species can hide from the heavy boots of its natural enemies? Maybe I should say the singular enemy.

Goodness knows there is that other species which requires protection as well. Who will step forward to propose amendments to protect the lame duck Liberal leader?

* * *

WOMEN'S ROYAL CANADIAN NAVAL SERVICE

Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.): Mr. Speaker, I rise today on behalf of the Minister of National Defence to acknowledge the 60th anniversary of the Women's Royal Canadian Naval Service, more commonly known as Wrens.

The Wrens were established on July 31, 1942, to release Canadian sailors from shore duty. From across Canada, women volunteered to serve their country by performing non-traditional jobs ranging from maintaining anti-submarine equipment and aircraft to cryptology communications and signalling. These women performed crucial roles in support of Canada's war efforts as full and equal partners. The Wrens were trailblazers for women in Canada and the Canadian forces. By 1955 women were fully integrated into the regular force component of the Royal Canadian Navy and they continue to serve in the defence of Canada to this day.

I would ask all members to join the Minister of National Defence and myself in offering our thanks and congratulations on this the 60th anniversary of the Women's Royal Canadian Naval Service.

* * *

•(1405)

[Translation]

EMPLOYMENT EQUITY

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, last week, a report was tabled in this House, entitled "Promoting Equality in the Federal Jurisdiction: A Review of the Employment Equity Act".

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In this report, the committee members express regrets that the Treasury Board and the Public Service Commission of Canada have ended the employment equity positive measures program and closed down the enabling resource centre, right in the midst of the review of the employment equity legislation.

Given that the representation of disabled employees has dropped in 19 of the 40 federal departments, the committee has recommended that the government reverse its decision and restore these programs.

While the Liberal government has been handing out goodies to its cronies to the tune of tens of millions of dollars, in connection with its propaganda campaign, we can only hope it will not be so cynical as to refuse to assist the disabled in integrating or reintegrating the work force. It is a matter of social justice, equity and respect.

* * *

OFFICIAL LANGUAGES

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, I rise today to highlight the announcement regarding the new official languages legislation that was adopted by New Brunswick.

The new legislation is based on the original act that was introduced by former Premier Louis Robichaud, after New Brunswick became the only officially bilingual province in Canada, in 1969.

I am most pleased with this initiative from New Brunswick's legislature, which was supported by all of the parties, and I am confident that this new official languages act will help ensure that the linguistic rights and privileges accorded all New Brunswickers by the Canadian Charter of Rights and Freedoms are respected.

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[English]

GOVERNMENT CONTRACTS

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, the Liberals are gushing with gratitude for the looming summer recess. In summers past their eagerness to depart was due to their natural inclination to do as little as possible and still pretend to represent the interests of Canadians.

Today the situation is different. Their eagerness to depart is fueled by embarrassment and shame and by a desire to run for cover. While the Liberals are on vacation the official opposition will continue to do its work of exposing the government's list of scandals and corrupt practices, a long list that is still growing day by day. Not all members will be holidaying at the cottage or by the pool.

The public accounts committee will continue to meet throughout the summer. We have the serious work of holding hearings into the Groupaction scandal to find out if there was political interference in the awarding of these bogus contracts. We will be questioning public servants in charge of these files that "broke every rule in the book" according to the auditor general.

As the Liberals watch the lobsters boiling in the pot or barbecue steaks this summer, we hope they will ponder the heat that awaits them when they return to the House this fall. Canadians deserve better, much better.

[Translation]

NATIONAL HERITAGE FAIR

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, from May 8 to 12, Heritage Fairs were held in every province in Canada. In the Outaouais, more than 250 students took part by presenting projects on history, heritage and culture.

Two students in the Outaouais distinguished themselves: Lauriane Dubois and Mathieu Falardeau. In the Pontiac, Kylie Beck won an award.

These students will be accompanied by teacher Julie Coutier, who will chaperone them during their trip to the National Heritage Fair, which will take place from July 8 to 15, in Saint John's, Newfoundland.

Danielle Lessard will lead the Quebec delegation. Ms. Lessard, who is an administrative assistant in the Private Members' Business Office, was the winner of the Honorius Provost silver medal for volunteer of the year, 2002. This award was given by the Quebec historical societies. She received the honour on Saturday, June 15, at the annual conference in Sherbrooke.

Congratulations and bon voyage on your trip to Newfoundland.

* * *

[English]

WINDSOR, ONTARIO

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the city of Windsor is the busiest and most vital crossing point between Canada and the United States.

The three crossings in Windsor play a significant role in business, social and political interactions for our nations. Sadly the residents of the area have been taken for granted.

Although the Minister of Transport did indicate that the government needs to move faster on a binational study to address border congestion, I am concerned that the government will not follow through with any real action on his words.

Compounding my concern is the lack of public consultation and the behind closed door meetings that have occurred, and may continue to happen.

I understand the Deputy Prime Minister has established a handpicked task force to report back to him by the end of July. Without being provided any information on the membership, mandate, terms of reference and specifics on the task force, I can only hope the process is open, inclusive and involves the public and city of Windsor residents who will pay the ultimate price for any recommendations from the panel. He should also act on the city's request for \$1.2 million for immediate operational improvements to show good faith.

•(1410)

[Translation]

ACADIAN PEOPLE

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, certain individuals seem incapable of expressing the slightest opinion without covering everyone around them in insults. But as we know, insults are the weapon of the weak.

This is true of the member for Beauséjour—Petitcodiac. After accusing me of opportunism in connection with the motion to have the crown apologize for deporting the Acadians, he called me a hypocrite and a cynic when I brought the subject up again in April.

And he is still at it, now referring to all the members of the National Assembly—PQ, Liberal and ADQ—as hypocrites because they have passed a unanimous motion to support the Société nationale de l'Acadie in its effort to get the crown to officially recognize the facts surrounding the deportation.

This man, the very one who questioned the professional integrity of the auditor general, to the point where he was publicly chastized by the current government House leader, can let down his people without even blinking in the hope of one day being able to ride around comfortably in a ministerial limousine. So be it. But he can stop his unseemly attacks on all those who are showing their support for Acadians.

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[English]

OLD AGE SECURITY

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, yesterday the fifth actuarial report on old age security was tabled in the House. We learned that our old age security payments will increase from \$25 billion to \$93 billion annually in just 25 years.

These payments to nearly eight million retired Canadians will be made from general tax revenue. The cost of OAS will grow almost 40% faster than total employment earnings.

Having conquered the challenge of the deficit, it is time that we begin setting aside part of our current surplus to pay for future retirement costs and prevent destructive tax increases or cuts in our seniors' benefits.

Canadians who have paid a lifetime of taxes deserve and expect that their old age security will be secured by government foresight.

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FISHERIES

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the next NAFO meetings will be held in September in Spain. The Standing Committee on Fisheries and Oceans tabled a unanimous report recommending that Canada withdraw from NAFO and take custodial management over the nose and tail of the Grand Banks and the Flemish Cap.

The Minister of Fisheries and Oceans rejected the report without even reading it.

S. O. 31

What kind of message will this send to the countries who pillage our resources? Come on folks, it is open season on the Grand Banks.

The minister also said that Russia would take action against the *Olga* which was caught overfishing in the NAFO zone. It said that the boat would not be allowed to fish in the zone for a year. Well the *Olga* is out fishing there today.

Maybe the minister should get a new job, buy a dory and head for the Grand Banks.

* * *

PHILIPPINE INDEPENDENCE DAY

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, this past Saturday the Filipino Canadian community of Greater Vancouver celebrated Philippine Independence Day. This year marks the 104th anniversary of Philippine independence.

The Philippines was the first independent republic to be declared in Asia. Over 5,000 people attended the two day celebration held at the Plaza of Nations in Vancouver.

I congratulate the president and board of directors of the Philippine Day Confederation and all its volunteers for their hard work in organizing the celebrations. I salute them for their cultural contributions to our community.

I invite all members to join me in wishing them happy Philippine Independence Day.

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ORAL QUESTION PERIOD

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, as question period co-ordinator for the official opposition it is my job to help our team put together thoughtful, probing questions each day to hold the government accountable on behalf of the voters and taxpayers.

However, I am very frustrated. We ask pointed questions which demand an honest answer and all we get back is deflect, deny, dodge and distract. We ask a question of the Prime Minister or a minister for which they alone know the answer and someone else stands up in their place to deflect and deny. We just cannot squeeze answers out of this government whose only goal seems to be to cover up its misdeeds.

This has gone so far that only an independent public inquiry will put the question to rest. The fact that they refuse this inquiry is in my opinion further tacit admission of guilt. If they have nothing to hide, they would welcome the exoneration of the inquiry. I believe it is because they have much to hide that they do not want the truth to come out.

Oral Questions

●(1415)

[Translation]

WORLD REFUGEE DAY

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, in 2000, the UN General Assembly passed a resolution making June 20 of every year World Refugee Day.

With the new immigration act coming into force next week, the government has decided not to create a refugee appeal division. The representative in Canada of the United Nations High Commission for Refugees has long been critical of the absence of such an appeal mechanism.

The negotiations under way for a safe third country agreement with the United States, which might allow Canada to avoid its obligations to many refugees, is of very great concern. These facts require us to be vigilant and to question the present actions of the government.

The Bloc Québécois wishes to point out that refugees make a significant contribution to our societies and that the need for security does not excuse the adoption of measures which call into question the fundamental principles of protecting refugees.

ORAL QUESTIONS

[English]

ETHICS COMMISSIONER

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, this session is rapidly coming to a close. It is a session that has been marked by one consistent theme. The Prime Minister and cabinet refuse to be straightforward about their actions or the lack of them. When we demand details we get dodges. When we ask for action we get anything but. I want to try one more time.

The Prime Minister has refused for nine years to keep his promise regarding an independent ethics commissioner. Will he commit today to legislation to create an independent commissioner with the power to deal with the kinds of abuses we have seen perpetrated by the government?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, what we have now is a bit of a strange twist. Earlier today there was a motion in my name to establish the committee to create eventually that exact same kind of thing. Who proposed a dilatory motion in order not to have it? The Leader of the Opposition.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, we did not ask for a committee, we asked for action.

Two professors from the University of Ottawa have studied this government and found a paranoid style of neurosis, a culture of secrecy and a climate of distrust. The suspicions that the Prime Minister has had a hand in the firing of senior journalists only contributes to this. The government compounds the problem by covering up and withholding information.

Since the government would not do the first thing, would the minister of public works order the immediate release of the list of all the companies, departments and dollar amounts in the several hundred files under review that the minister referred to earlier this week?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, a great deal of that information may already be in the public domain. I will examine the inquiry that the Leader of the Opposition has made. Of course the important thing is to make sure that nothing we do here impedes any other investigation that may be ongoing.

However I assure the hon. gentleman that transparency is very much an objective of mine, just as I know it is one of his.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the minister has perfected giving assurances without answering the question.

The Prime Minister; the Deputy Prime Minister; the ministers of public works, one, two and three; the immigration minister; the justice minister; and the House leader have all been asked questions about the government's lack of ethical standards relating to ad contracts. The answers have been vague, imprecise, evasive and unclear. Canadians deserve better. They deserve an independent ethics commissioner with the power to prevent abuse in the future and they deserve answers as to why there has been such abuse in the past.

Will the government call a full independent public judicial inquiry into ad and sponsorship corruption now, yes or no?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, the Leader of the Opposition knows perfectly well that the first ever ethics counsellor appointed by a Canadian government was appointed by this government.

Not only did we announce the toughest lobbyist legislation in the world but the Prime Minister has committed to an ethics counsellor, appointed by parliament, unable to be fired by anybody, for a term of five years who would report to parliament.

What we do not have is one bit of information about who paid for the leadership campaign of the Leader of the Opposition.

* * *

●(1420)

GOVERNMENT CONTRACTS

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, I wonder if that diversionary tactic will work for Canadians.

Back in 1996, when Groupaction was caught on the gun registry issue, it received \$330,000 and did not provide anything for that money. The Prime Minister, the Deputy Prime Minister and all the government knew about that back then. Why for six years did they let this scam go on?

Oral Questions

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I have indicated very clearly that the file is under very close review. If there are matters there that warrant reference to police or other authorities that action will be taken.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, when was the action taken? The action was taken almost six years later when it was exposed in public.

The minister knew back in 1996 about Groupaction and the \$330,000 for work that was never asked for and work that was never done. The Liberal policy is to find friends, give them a juicy contract and then get some money back.

Why did the minister not act back in 1996? This is 2002. That is a long time not to act?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, many of the details with respect to the difficulties in the sponsorship program were revealed as a result of an internal audit conducted by the department of public works. That audit was instigated by the department of public works, not by any other external source or force. It was by the department itself.

The internal audit section of my department has been described as courageous and excellent by the auditor general. The auditors did their job. They identified the deficiencies at the beginning of the year 2000 and a corrective action plan was put into place to make sure it did not happen again.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday in this House, the Minister of Justice refused to admit that the exclusive contract to Groupaction for his entire department's advertising is still in effect. In fact, the Minister of Justice said nothing more than "There is no work pending with Groupaction".

Can the Minister of Public Works and Government Services confirm to us that the advertising contract between the justice department and Groupaction does indeed exist but is suspended currently because there is nothing being done at this time?

[*English*]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, to the best of my knowledge there is no active work underway. As I indicated earlier, anything that requires the approval or the action of the department of public works, either directly or indirectly, will not be taken in respect of any company for which a referral has been made to the police.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, this is indeed confirmation that the exclusive contract is still in effect and cannot be suspended indefinitely.

The advertising requirements at justice will continue to exist. Under the contract, any new project will go to Groupaction. This is in the contract.

In order to avoid violation of the moratorium he himself has imposed, can the Minister of Public Works and Government Services assure us that the Department of Justice will award no more work to Groupaction, notwithstanding its contract with them.

[*English*]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the Minister of Justice indicated yesterday in very clear terms that his department, like every other department of government, is complying with the requests that have been made by my officials.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the government has not terminated any contract with the advertising firms that overcharged the government, did not properly fulfill their mandate, or are under police investigation.

No, it merely called for a moratorium which can be terminated at any time after a case by case examination of the projects the government might be tempted to entrust to it.

I would ask the minister of public works whether he ought not to order the pure and simple termination of contracts with the firms that are being investigated by the police, and not just a moratorium which can be terminated at any time.

• (1425)

[*English*]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I have indicated that wherever there has been a proceeding that has been referred to the police, my department, whether acting on its own behalf or on behalf of any other department or agency of the Government of Canada, will not proceed with any further work with those firms. That is a very clear unequivocal undertaking. That is the rule that we are following as a government.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the minister of public works himself has opened the door by stating that there will be an examination on a case by case basis before other projects are awarded to companies like Groupaction.

Will the minister not admit that, with Groupaction's five year exclusive contract and given the requirements of the justice department, among others, what is likely to happen is that a case by case examination will end up with the admission that another contract with Groupaction might be a good idea?

Ought the minister not to just terminate the contract just to be sure?

*Oral Questions**[English]*

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I indicated as part of the position I took earlier that where there was work in progress that would have to be examined on a case by case basis. In terms of new work the position is very clear. There will be nothing further. I have had no requests to my knowledge to examine anything in progress.

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AGRICULTURE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Deputy Prime Minister. In the United States George Bush has put up 100% of the cost, the whole shot, of farm subsidies to American farmers. He did not ask the state of Montana or North Dakota to put up any money.

International trade is clearly under federal jurisdiction, yet this government is putting up only 60% of the cost. Why is the federal government evading its responsibility when international trade is under federal jurisdiction? It should put up all the costs of helping our farmers.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the federal government does the negotiating for international trade, but the benefits and challenges of trade to any industry in Canada are shared by the provinces. The agriculture industry is no exception.

The difference between Canada and the United States is that the agricultural industry is a joint jurisdiction between the federal government and provincial governments, which is not so in the United States.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, in that case why does the federal government not cost share health on a 60:40 basis as well. That is only fair. Saskatchewan and Manitoba are shouldering 40% and the federal government 60%. It is that way for agriculture but how about for health as well.

Saskatchewan and Manitoba are shouldering the greatest burden of American farm subsidies. That burden has now been compounded with this package where the province has to share 40% of the cost. It is unfair for Saskatchewan taxpayers to pay 10 times as much as Ontario taxpayers.

Will the Deputy Prime Minister now admit this is unfair and treat Saskatchewan and Manitoba fairly by changing this package and changing it today?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I would like to remind the hon. member of the reality of how the federal government supports agriculture in his province of Saskatchewan.

For the last number of years, it is a percentage of the gross domestic agricultural product in most provinces in Canada and the federal and provincial governments contribute an equal percentage. Per cent wise of the gross domestic product, the federal government has contributed at least twice as much as the Saskatchewan government. Agriculture is an important industry in Saskatchewan.

I am sure its government will be there to continue to support it as it has in the past.

* * *

PRIME MINISTER

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, all the government scandals track back to Shawinigate. Yesterday the Prime Minister said that he acted under the advice of the ethics counsellor when his personal company allegedly sold the Grand-Mère golf course shares to Akimbo Development Corporation in 1993. The ethics counsellor has testified before the industry committee that he did not know about this sale until 1996, so he could not have given advice in 1993.

How did the Prime Minister act under advice that was not given? How did he sell his shares to a company that does not appear to exist?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, it is rather sad. This has been hashed over repeatedly. The explanation for Akimbo is that it is a trade name. It is recognized as a trade name for Park Inns, which is an incorporated company owned by this Prince individual.

Today we announced \$5.2 billion for agriculture. However on the first round of questions only the NDP was willing to ask a question on such an important issue for Canadian farming.

● (1430)

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, the Prime Minister's story that he sold his shares keeps falling apart. Last year Industry Canada found the Prime Minister still listed as a registered shareholder. Now corporate registries show no trace of Akimbo Development Corporation, the alleged purchaser. The Prime Minister's personal lawyer carefully referred to the debt resulting from the golf course share as the Prince debt not the Akimbo debt. The only indication that the shares were ever transferred is a unwitnessed handwritten agreement on a napkin naming as a purchaser a company that apparently does not exist.

Was there an actual sale and transfer of shares in 1993? To whom were the shares transferred? Where is the purchaser incorporated and registered?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, this has all been dealt with before. Perhaps if the hon. member got into second year law school, he would have learned a little about how these things work, how contracts are assigned, what constitutes a contractual agreement and how shares are transferred. He might have found that some of these things would have fallen into place for him.

GOVERNMENT CONTRACTS

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, the public works minister seems to agree that something bad happened but he does not seem keen to expose who is at fault. While he only refers the most serious matters to the RCMP and salutes the auditor general for the good work she does, he also does not really want the whole truth to come out. Only a full independent judicial inquiry will reveal the genesis of this corruption. Such an inquiry would expose the roots of this scam. The minister refuses to call for such an inquiry and Canadians wonder why.

Is it because all the cash for contracts arrangements began with the Prime Minister's authority and his encouragement?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I reject such a scurrilous assertion. This government has taken all the steps that are appropriate in the circumstances as we know them today. The issue came to light as a result of an internal audit procedure. We have implemented the recommendations of that audit. We are pursuing a further departmental review. The auditor general will be conducting a government-wide examination. Police references are made wherever the circumstances are appropriate. For the future, treasury board will be re-examining both the governance structure and the management framework to ensure that these problems cannot recur.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, the minister makes it sound like the public works department is the victim of all this ad sponsorship scamming. I contend that the only victim is the taxpayer of Canada.

The previous public works minister is in hiding. The Prime Minister, the former and current political ministers for Quebec, other ministers of this government who are buddies with the ad companies and the Liberal Party are all perpetrators of this corrupt scheme.

I would just like a simple answer. Why does the minister keep refusing to call a full public judicial inquiry? Let us have it and get this out in the open.

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the work that we are pursuing is very much out in the open. For example, the internal audit has been revealed through the Internet at our instigation. The work of the auditor general will ultimately result in a full report that will come to this parliament and will be referred in the normal course to the public accounts committee. The treasury board will report publicly on the governance system and the management framework. We are pursuing all the proper principles of transparency.

[Translation]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, in the affair surrounding the contracts awarded to communications firms to pay tribute to Maurice Richard, an internal public works memo mentions that there are few documents available in the file, since the decisions that were made were highly political.

Oral Questions

Will the minister of public works admit that the highly political line has been used since the CIO was created in 1996 to prevent millions of dollars worth of contracts awarded to Liberal pals from being publicly scrutinized, supposedly to protect Canadian unity?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, what was revealed, as a result of the internal audit, was there were practices that did not in fact comply with the requirements of treasury board and that there were other procedures and mechanisms employed that were not appropriate in the circumstances. All those defects were outlined in the internal audit as well as an action plan for how to respond to those things and the action plan was implemented.

• (1435)

[Translation]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, as we listen to the minister day after day, it becomes clear that there was not much that did comply with the Treasury Board requirements.

Will the Minister of Public Works and Government Services admit that, given the mystery surrounding the contracts given to their buddies to save Canadian federalism, as they put it, an inquiry is essential, since millions of taxpayers' dollars disappeared into businesses belonging to friends of the Liberal party, without a trace?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, we certainly need to ensure that all the recommendations flowing from the internal audit are fully and properly implemented. We need to ensure that the management framework and governance system is a modern 21st century system that is in full compliance with all of the requirements of the treasury board. We need to ensure that all advertising and sponsorship contracts are totally and thoroughly audited on a government-wide basis. We need to ensure that anything that raises any questions of a legal nature are properly and immediately referred to the RCMP, and we are doing all of that.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, to listen to the minister of public works we would think he moves swiftly to correct the problems, but that is not really true. The first red flag on Groupaction was raised nearly six years ago. Audits were conducted four years later and only now, once the scam was exposed, have measures been introduced to clean up this mess.

Why did it take so long to cut off the funds to Groupaction?

Oral Questions

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the difficulties were revealed in a comprehensive way by the internal audit that was ordered in the year 2000 by the deputy minister of public works. As a result of that, a great deal of public exposure and disclosure has been achieved.

There was an action plan to implement the recommendations of that audit report. We reviewed that in the spring of this year to determine that the action plan had been implemented.

With respect to Groupaction, my predecessor began the process of terminating that relationship.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, the only action clearly was group action over there. The government had a cozy arrangement set up with firms like Groupaction, Groupe Everest, Lafleur, Polygone and Coffin. The evidence is conclusive. Its alibis do not stand up. Now, with the scam exposed, it is scrambling to find some way to make us believe the Liberal government is the victim. It is the perpetrator.

Will the Prime Minister finally admit that he has been the mastermind in this cash for contracts scam?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Again, Mr. Speaker, we have a very personal and very scurrilous allegation for which there is no evidence of any kind upon which to base it.

The difficulties with respect to this program on sponsorship were revealed initially through the internal audit. Since that audit in the year 2000, there has been a long series of steps that have been taken by the government and by my predecessors to ensure that the problems are exposed, that they are corrected, if there are overpayments that we recover them and wherever there is any illegal activity that is investigated and prosecuted.

* * *

[*Translation*]

TAXATION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, 73,000 people who would normally receive their GST rebate cheques in July will not receive them.

The excuse given by the federal government is that these people owe the government money. However, in the past, the government acknowledged that these people had a low income and that they needed the rebate, and it issued the cheques.

How can the government justify being so intransigent all of sudden with low income citizens, when it is so understanding when it comes to friends' PR firms that have collected hundreds of thousands of dollars for work that was never done.

[*English*]

Ms. Sophia Leung (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, the hon. member has all the

facts twisted. We have never mistreated anyone. The government is very sympathetic and compassionate toward people. Therefore I want the member to review the facts.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the fact remains that 73,000 people with a low income will not receive a cheque in July.

It took two years from the time an incriminating report on the sponsorship program was published for the government to start wondering about possibly recouping the money handed out to its pals' firms.

Why did it only take a few days for the government to decide to recover the GST it was supposed to pay these 73,000 low income earners, who needed this money to make ends meet?

• (1440)

[*English*]

Ms. Sophia Leung (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, for those inquiries, our auditor general already pointed out and we already requested that it be looked into.

I am on the public accounts committee, so we know all about this. In the meantime we already have requested the witnesses to come before the committee. We even will come back in July, on July 9, to continue committee work.

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GOVERNMENT CONTRACTS

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, in 1996, perhaps sooner, these Liberals were giving out inflated contracts to ad companies that did nothing in return except recycle the money back to the Liberal Party.

Now, many years, many millions, many companies and many investigations later, the Liberals claim to be fixing the problem.

Hiding a minister in Denmark and introducing some phony guidelines do not erase the sleaze of the government.

Why does the Prime Minister not admit that the jig is up and throw himself on the mercy of a full, independent, public, judicial inquiry now?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, it is more of the same. This is what we are getting from this member all the time. There are allegations—

An hon. member: Oh, oh.

Hon. John Manley: —statements that he would never make outside of the protection of parliamentary privilege.

He knows perfectly well that all of the facts are being investigated by the auditor general, who has extensive powers under the act. He does not think that is sufficient.

Oral Questions

The truth is, despite the fact that the government put on the table today a \$5.2 billion package for agriculture, those members cannot even think of a question to ask about it.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, we know we are getting a lot of manure from the government today.

We note that the RCMP will look at the criminality of this scandal. We also know that the auditor general will look at the numbers, but who is looking at the culture of corruption in the government?

We have our own six point plan over here. We want a full, independent, public, judicial inquiry now. When are we going to get it?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, the six point plan is all right. Let us have an ethics counsellor for parliamentarians, but the Alliance Party? No, a dilatory motion, let us stop that one in its tracks. Disclosure of contributors to members of parliament for political purposes? No, they do not want to tell who gave money to the Leader of the Opposition. They would rather hide that. They do not want all those names coming out. Let us have a six point plan from the other side. Let us see them implement it for themselves.

* * *

[Translation]

PERU

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, my question is for the Secretary of State responsible for Latin American and Africa.

During the violent demonstrations which broke out last week in the streets of Arequipa, Peru, many Canadians found themselves stranded in Arequipa.

What is Canada doing to ensure the safety of these Canadians?

Hon. Denis Paradis (Secretary of State (Latin America and Africa) (Francophonie), Lib.): Mr. Speaker, the safety of Canadians abroad is a priority for Canada.

According to our information, there were some 33 Canadians in this troubled region. They were able to make it out of the region with the help of Canada. I myself spoke to students of the Montmagny Cegep and their parents. They are now safe.

In conclusion, I would like to thank and congratulate the staff of our embassy in Lima, as well as our ambassador, Hugues Rousseau.

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[English]

AGRICULTURE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the minister of agriculture.

I want to ask the minister of agriculture why it is that the government refuses to describe the payment it is making today as a trade injury payment when it clearly follows on a trade action by the United States. Is it not because the minister of agriculture and the

government do not want to admit their responsibilities when it comes to this problem?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I think the hon. member would stand up and thank the government for the \$5.25 billion announcement this morning to support agriculture and the agrifood industry in this country.

That announcement this morning is a long term approach to agriculture and has bridge funding and bridge programming to get there to address a number of issues. It is a long term approach to prepare our industry for the future, but also to help it get there, to address the effects of a number of things, including drought, including excess water, and including the actions of other countries. We are there to support our agriculture.

• (1445)

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister and Minister of Finance. Is the government not open to the possibility of providing this money on an unconditional basis, of being flexible, as the Canadian Federation of Agriculture has said it should be?

Does he not understand the fiscal position he is putting have not provinces like Saskatchewan and Manitoba in by making this federal help for farmers conditional on provincial participation?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we are in negotiations with the provinces. When the federal government has been asked by provinces and the industry to support them in the past, the provincial governments have been there too because of the importance of agriculture in each particular province.

I am confident that because of the importance of agriculture in the province of the hon. member that surely his province will be there to support its industry in the future, as it has in the past.

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FISHERIES

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the minister responsible for ACOA, the member for Humber—St. Barbe—Baie Verte, says that the shrimp markets are too weak to support an increased quota. He said the minister assured him that no increase has been granted, but the member for Bonavista—Trinity—Conception says that the minister confirmed to him last week that there will be a 20% or 22,000 tonne increase.

Let me the ask the Minister of Fisheries and Oceans, who is telling the truth? Will there be an increase and, if so, who is getting it?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, some members of our caucus might have expressed their concerns and their opinions, but I would like to assure the member that when the plan for northern shrimp is announced it will be announced by the minister. It is currently under consideration.

*Oral Questions***CANADIAN FOOD INSPECTION AGENCY**

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, my question is for the minister of agriculture. Peninsula Farm, Canada's smallest yogurt maker—

Some hon. members: Hear, hear.

Mr. Gerald Keddy: This is not a good story.

Canada's smallest yogurt maker has been shut down by the Canadian Food Inspection Agency. Sonia and Gordon, the owner-operators of Peninsula Farm, have used the same yogurt making techniques for 26 years, yet now they are told they do not meet CFIA standards.

What is the minister doing to ensure that this small agricultural business, which employs 43 people, is not forced to close its doors?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the primary concern of the Canadian Food Inspection Agency is the safety of the product that is produced in the Canadian food process. As of April 1 of this year dairy processors were informed that they had to meet the standards of the Canada Agricultural Products Act and the dairy products regulations of Canada. They were told they had to meet them.

In an inspection on June 4 of this year the particular establishment that is being referred to had not yet done that. If they provide the documentation and, if necessary, the action plan to meet those standards to ensure the safety of their products, they will certainly be able to continue to process.

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GOVERNMENT CONTRACTS

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, look at the record. For weeks we have been asking questions on behalf of angry, disappointed and frankly puzzled Canadians. Many times the response from the Prime Minister or the minister is to attack us. In a real court of law, this behaviour would be considered in contempt.

Is not the reason the government is deflecting the questions in this manner that it does not want Canadians to know how it really does business?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, in the nearly four weeks since I was appointed to this portfolio on May 26, I have tried my very best to provide full and complete answers, not only to members of the opposition but also to the Canadian public. I must say that I am very grateful for the many, many expressions of support and encouragement that I have received from Canadians.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, deny, deflect, detract, dodge: that is all we are hearing. Every tactic to avoid answering the question has been used, the government is so desperate to hide and cover up.

The U of O study documents that the Liberal government is in fact meddling in the auditing process, which is adding to this culture of

corruption. Why not simply clear the air and have a public, independent, judicial inquiry now?

• (1450)

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I am surprised at the reference to meddling in the audit procedure. It was in fact the deputy minister of public works who on his own initiative launched an internal audit in the year 2000 that exposed and revealed the difficulties in the sponsorship program. It was the Auditor General of Canada, a very independent officer of parliament, who said that the work of the internal audit department of public works was in fact courageous and excellent.

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[Translation]

GUARANTEED INCOME SUPPLEMENT

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, while the government is reluctant to go after millions of dollars in over-payments to friends of the party, more than 270,000 seniors are being done out of the guaranteed income supplement to which they are entitled.

Quebec's human rights commission is categorical, calling for nothing less than full retroactivity.

Does the Minister of Human Resources Development intend to meet this demand?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member knows full well that the department is working aggressively to identify those Canadian seniors who are eligible for the guaranteed income supplement.

I am happy to say that as a result of a new approach and a new relationship with the department of revenue we have been able to identify those seniors who may be eligible. We have sent them a very simple form, which they have returned to the department. In very short order they will be receiving this very important benefit.

[Translation]

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, the hon. minister forgets that the guaranteed income supplement problem was caused by the negligence of her department for over eight years, and nothing has been done to correct it.

Does the minister intend to make amends and pay back the money owing the most vulnerable members of society?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, on the contrary, we have had a consistent approach of ensuring that Canadian seniors do know about the programs that are there for them.

I have just itemized one particular new advancement in our relationship with seniors. We are working at the community level with other organizations to make sure seniors are aware of these programs.

Oral Questions

I am surprised the hon. member presents his question in such a fashion. Rather, at home he was scaring seniors, suggesting that the Government of Canada would not make sure that these programs would be there for them and I would ask him to apologize for that very dastardly tactic.

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GOVERNMENT CONTRACTS

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, we know of quite a few messy contracts flowing out of the government ad scam: \$1.6 million in triple billed Groupaction reports; \$116,000 of Coffin Communications missing reports; the \$112,000 Lafleur Communications cheque delivery fee; a street safety CD-ROM; \$330,000 to Groupe Polygone for a missing fishing show and then a double payment for the missing fishing show; and gun registry ads that no one asked for and no one can find.

This is a clear pattern of abuse. Why will the minister not agree that the tentacles of Liberal corruption can only be exposed through a full, independent, public, judicial inquiry now?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, surely in terms of matters related to financial propriety the very best authority is the auditor general. She herself, using all of the powers available to her under her legislation, has indicated that she will be conducting a government-wide examination of everything having to do with advertising and sponsorships. Surely in matters related to legal issues, the best authority is the Royal Canadian Mounted Police.

We are engaging the services of both.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, there is no doubt that the auditor general and the police will do their work, but we need more than that. Canadians deserve more than that.

The Prime Minister pretends he is accountable in the House. He said we could even ask any questions we want. The only trouble is he never answers them. He says we can use access to information, but the trouble with that is we have to wait two years before we get a response.

This is all simply evidence of cover-up and denial. Why not simply have an independent, public, judicial inquiry and give Canadians the truth and the facts?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the foundation document in this matter was the internal audit. That was posted in October of the year 2000 on the Internet, together with the action plan to indicate how the errors disclosed in the audit would in fact be corrected. There has also been a running tally on the Internet of the actions taken to implement the recommendations of the internal audit.

This has been a very transparent process, fully exposed through the rules of transparency that apply to parliament, including the Access to Information Act, which has been very useful.

● (1455)

MULTICULTURALISM

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, my question is for the Secretary of State for Multiculturalism. This country has always been proud of its diverse nature. Since September 11 we are worried that the tolerance for other cultures has taken quite a shock.

On this 30th anniversary of adopting a multicultural policy, could the minister tell us what we are doing to promote the understanding that we need?

Hon. Jean Augustine (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, as we all know, multiculturalism connects Canadians to one another, builds bridges between us as Canadians and also acknowledges our differences.

Coinciding with the 30th anniversary of the multiculturalism policy, we want to reaffirm our diverse heritage and see that diverse heritage as our strength.

In the coming years we are looking at enhancing contact and interaction between Canadians and supporting capacity building initiatives in communities.

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GOVERNMENT CONTRACTS

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, it is obvious to most Canadians that when the former minister of public works was shipped off to Denmark it was to get him out of the reach of the police, the auditor general, the opposition and all these embarrassing questions. This was an admission from the Prime Minister that the jig was up and the star witness needed to be put under wraps.

Now with the government refusing to answer questions, refusing to appoint an ethics commissioner and refusing a full inquiry, what other conclusion can Canadians come to?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, we have done a tally on the questions with regard to this matter and I think the hon. gentleman would find that over the last four weeks, not including five hours in the committee of the whole, we have answered more questions with respect to the department of public works than at any period of time before in history.

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, and yet the public servants are afraid.

The evidence keeps piling up that the government is determined to keep its cash for contracts scheme going. Just prior to the last election when the department auditors found all kinds of problems with ads and sponsorships, the Prime Minister could have stopped it all but he chose not to. Instead the department and the PMO met with five ad bosses trying to keep the gravy trains running on time.

Why did the government turn a blind eye to the five finger discount by the five firms right out of the taxpayer's pocket?

Points of Order

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the audit was conducted in the year 2000. The report was released in the latter part of the summer, the early part of the fall. It was posted on the Internet in October. Reports about it appeared in the *Globe and Mail* the very next day.

An action plan was developed by the appropriate officials to implement the recommendations that came from the audit report. Through the rest of that year and the year 2001 the implementation action was in fact taken. In the spring of this year we sent the auditors back in to confirm that the action had been taken.

* * *

[*Translation*]

SOFTWOOD LUMBER

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the Bloc Québécois has made known its plan to help out workers and companies that have fallen victim to the softwood lumber dispute of three months ago.

The main point in this plan is the extension by five weeks of the employment insurance benefits to the workers and loan guarantees to the companies.

While the Quebec premier is in Ottawa to seek solutions to this crisis, will the government at last announce a true plan to assist the softwood lumber industry and its workers as promptly as possible?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the government already has programs in place for short term worker assistance.

The Minister of Human Resources Development has announced that \$13 million would be allocated to assistance and services to B.C. softwood lumber workers.

The Minister of Natural Resources has announced a \$30 million program for the wood export program; \$30 million to support R and D; \$15 million for the value-added research initiative for wood products; and \$20 million for combating U.S. protectionism—

The Speaker: The hon. member for York South—Weston.

* * *

● (1500)

[*English*]

SPECIES AT RISK ACT

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, as members know, earlier this month the House approved Bill C-5, an act to protect species at risk. It would appear that the bill cannot receive royal assent this summer.

I would ask the Parliamentary Secretary to the Minister of the Environment if she would please outline for the House what the government intends to do in the interim to protect species at risk.

Mrs. Karen Redman (Parliamentary Secretary to the Minister of the Environment, Lib.): Mr. Speaker, earlier this month the Minister of the Environment, the Minister of Canadian Heritage and

the Minister of Fisheries and Oceans announced a \$10 million funding plan to fund over 160 stewardship projects across Canada.

These recovery projects will engage more than 400 individuals and organizations to help more than 200 federally listed species, as well as 80 provincially listed species. This is the third year funds have been provided to community based projects through the habitat stewardship program.

I would also point out that for every federal dollar, \$1.70 of individual money is invested in this worthwhile project.

[*Translation*]

The Speaker: Order, please. I would like to draw to the attention of hon. members that today is the last day Deputy Principal Clerk Gérard Laliberté of the committees directorate will be in the House of Commons as clerk at the table.

[*English*]

He will be leaving the House this summer to take up new challenges in the fall in Quebec City. Gérard has been at the House of Commons since September, 1999 where his commitment and his comprehensive knowledge of the history of parliamentary practice and tradition has served us all very well.

[*Translation*]

I know that you will want to join with me in paying tribute to the contributions of Gérard, who is seated at the table at this time.

Gérard, our best wishes for success, health and happiness in this next stage of your illustrious parliamentary career.

Some hon. members: Hear, hear.

* * *

[*English*]

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, during question period the hon. member for Calgary West was asking a question and very close to his microphone were members of the Liberal Party.

The hon. member for Portneuf was very noisy into the microphone of the hon. member for Calgary West. We are under an obligation when sitting in proximity not to speak into the same individual's microphone. I would like some sensitivity expressed by the Speaker toward the issue.

The Speaker: The Speaker has a lot of trouble during question period maintaining order among members. There is a lot of noise sometimes in question period.

Government Orders

I could not hear what the hon. member was saying. I could hear the member for Calgary West who had the floor and therefore I concluded the noise was not that great. I must say that I am sure it was distracting for the hon. member for Calgary West, but he was soldiering on as he does. Although I tried my best to quell the disturbance, as I do frequently during question period as hon. members know, on this occasion I admit I was unsuccessful. However it was not the first time.

I do appreciate the co-operation of hon. members at all times when I ask for assistance in reducing the level of noise during question period. The hon. member for Calgary West is a person who I know tries to assist the Chair because I do have to intervene occasionally with him.

We will continue to deal with the problem raised by the hon. member for Vancouver Island North in the best way we can.

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BUSINESS OF THE HOUSE

Mr. John Reynolds (House Leader of the Official Opposition, Canadian Alliance): Mr. Speaker, I would like to ask the government House leader what the business is for the rest of today and Friday.

I would also let him know that if he would like to sit next week the official opposition is prepared to keep working for the good of all Canadians and, we hope, to get some answers out of the minister of public works.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to answer the question of the hon. member about the business of the House for the foreseeable future. Like most people I would not want the attendance of the opposition to dwindle any further next week than it has this week, so I do not think we should venture on that ground too much.

First, I express my thanks and that of my predecessor to members on all sides of the House for their co-operation in making progress on the government's legislative program since January. I say so on behalf of myself, perhaps myself once reincarnated, and of course my immediate predecessor as well.

This afternoon we will consider government Motion No. 30 concerning the Special Joint Committee on a Code of Conduct, and we will do it tomorrow if necessary if the item has not been disposed of by then. We will then return to Bill C-58, the Canada pension plan legislation. If there is any time left, and subject to further negotiation with hon. members and officers of all parties in the House, we will then return to Bill C-55, the public safety bill which some but not all members have expressed enthusiasm in passing. Should there be time we will then return to Bill C-57, the nuclear safety bill.

It is my intention to inform colleagues about our agenda upon our return in early September. I have done that in previous years, contacting members a few days ahead of time so party critics could be available when debate resumed. I intend to do the same when the House resumes in September.

Meanwhile, Mr. Speaker, I take this opportunity to wish you, our staff and all hon. members my very best wishes for an interesting, fruitful and, to a point I hope, restful summer.

GOVERNMENT ORDERS

• (1505)

[English]

CODE OF CONDUCT

The House resumed consideration of the motion, and of the amendment.

The Speaker: When the House broke for question period the leader of the government in the House of Commons had completed his speech, so there remain 10 minutes for questions and comments.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I listened with great attention to the House leader's speech. Some of it was quite interesting. He said our amendment would slow things down for the fall. It would speed things up a little because the committee would not sit all summer and would not sit when we came back. We want to speed things up a little.

My real concern is that the government had five years to bring in the program. The report was finished five years ago. It was written by two well respected Canadians. The government waited until today to bring in a motion, the day before we leave for the summer.

The minister must agree that members of parliament per se are not the problem. The problem in the last few months has been ministers of the government, yet we do not have an independent ethics commissioner who reports to parliament.

The House has been looking at the issue of private members' business for a long time. We finally got the agreement of a subcommittee and a committee. The issue was referred to the House. I thought we had a deal yesterday but it obviously fell apart. I am not blaming the minister. It may have been other people. Nevertheless he could have brought it in and passed it so private members' business could be votable in the House.

The minister has told me he does not like what is in it. He says the committee did not do it the right way. If a committee of the Senate and the House of Commons issues a report that calls for an independent ethics commissioner who would report to parliament and cover everyone in parliament including cabinet ministers, what assurances can the minister give us that not only that issue but every issue in the report will be accepted by his government as soon as the report comes back to parliament?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member is asking an important question but I think he should review what he just said. He has essentially asked whether the government would agree with a report that it has not yet seen.

The hon. member for Macleod has just brought to our attention that we do have a report now, and an excellent report it is. Mr. Speaker, you, more than anyone else, would know just how wonderful the report is.

Government Orders

I like the recommendations in the report that was produced by the member for Kingston and the Islands, who so ably chaired that committee together with the hon. member from the other place, Senator Oliver, but some of the recommendations are five years old. Some questions need to be reviewed and I draw them to the attention of the member across.

I am willing to have a meeting with the committee on a number of issues. I believe the juriconsult should be an officer of parliament. I believe there should only be one for both Houses. I believe the officer should be located in one of the parliament buildings, not like some other officers of parliament who are somewhat more remote. I think the person should be available and easily accessible for consultation.

Members of either House who have had an adjudication by the juriconsult and feel that the adjudication was not right should be able to appear before a committee of their peers. We could call it the ethics committee or whatever. They could tell their colleagues on the committee what they had done and then ask permission to do what they were told they could not do. The committee would then render its verdict. Why can we not have a structure like that?

I am just giving examples here. Those are the kinds of things that should be reviewed in that.

An hon. member: Another five years.

Hon. Don Boudria: The hon. member says another five years. He obviously is unaware of the motion. It says October 31. What we have here is an amendment that says 30 days from September 18. If the hon. member refers to sitting days, it in fact brings us into November which is slower. Not only that, but by putting the amendment today we are not passing this today and therefore we cannot start on the first day when we come back.

I am willing to co-operate fully with members on all sides of the House and I am sure the right hon. Prime Minister wants the same thing, but let us start this thing immediately when we come back. Let us pass this thing now. Never mind amendments that are designed to delay. Let us just revoke them.

Other hon. members have asked for amendments, one being that the quorum of the committee should include opposition members of both houses to ensure greater transparency. I think that is a good idea and a positive statement that we should all agree with, but let us stop this stuff and get the committee started.

I have been consulting for three weeks and the modernization committee was consulted two years ago. All members of the House who worked on modernization know that. We worked on consensus. I think we could have consensus today to get this thing started. Let us do it.

● (1510)

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, today, the government House leader is passing himself off as the champion of transparency because his government has its back to the wall with this sponsorship scandal.

Can he tell House what made him change his tune all of a sudden? When the chief electoral officer published his report saying that the

names of those who contribute to leadership campaigns had to be released, the government House leader came out of here saying that it was none of his business, that it was an internal issue. We see today that he has suddenly changed his tune.

If the government wants more transparency, can the member explain to us why, when the Canada Elections Act was amended in February 2000, the government voted against the Bloc Québécois amendments that would have put a cap on contributions? The name of contributors to the trusts would have been released. These are two recommendations that we formally proposed to the House and they were both rejected by the government.

What brought about this new spirit of openness we are seeing today? Of course, we are not talking here about a legislative amendment but about the intention to bring about changes. What prompted this sudden change of position by the government House leader?

Hon. Don Boudria: Mr. Speaker, to begin with, I do not claim to be any sort of champion. That is not the purpose. The purpose is to amend the legislation.

Members will recall that, two years ago, I proposed a new legislative framework for increasing transparency in the elections act. They will recall that the bill was challenged by a certain party, rather by certain friends of a certain political party, not the party to which the member opposite belongs, but another one, because they felt that even revealing the intention of third parties was going too far.

In fact, this case is still before the courts. That shows the extent to which it was seen as going too far. The media protested because I went too far in wanting to prohibit polls. But I did anyway. But it was just for a short period at the end of an election campaign. We have gone a long way in this area and we want to go even further.

Today, the Prime Minister is seeking our input on the rules for parliamentarians and on the elections act, for which I am also responsible. In my speech this morning, I announced that I am in the process of consulting with people throughout Canada, for the very purpose of moving forward, in the same direction as the member is suggesting today.

With respect to the rules which already existed, all political parties but one, if I am not mistaken, did not want the sort of information which the member is talking about today made available. We are now in a position to move even further ahead with transparency. If the member is still prepared to support us—he seems to be saying that he is—, I thank him and I hope that the other parties will support us in the elections act initiatives.

In the meantime, with respect to the initiative before us today, which is the code of ethics for parliamentarians, I hope that the official opposition will withdraw its amendment, which obviously has no other purpose than to cause delays in launching today's initiative, which would allow researchers to prepare material over the summer in order to get the committee started on its return, on September 18.

Government Orders

• (1515)

[English]

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I want to begin by congratulating our leader for his fine speech earlier today on this subject.

I also want to say to my colleague across the way that I listened intently to his answers in the last few minutes and I certainly agree with him that the authors of the previous report did excellent work. However he never did answer the question of why the government has totally ignored that excellent work for five years. The report has been collecting dust somewhere in the House of Commons.

He also did not answer my question about forming another committee so the government can show it is concerned about corruption and ethics. Will the government adopt the report? I doubt it. It will sit for another five years on a shelf. Hopefully by then there will be a new government in this House and we will enact some laws with some real strong ethics in them .

I want to extend my sympathies to all members opposite who are cringing because their leader suddenly had to order up a committee to tell him what constitutes ethical behaviour.

Canadians will remember that the Liberals were so vague on what constituted ethical or unethical behaviour for holders of public office that they suddenly had to do what we have been demanding for years.

Most people learn from an early age the definition of ethics or ethical and an act by instinct as if what they learned is carved in stone. What we have here is perhaps a late childhood.

And late indeed it is. Why has this report languished on a shelf gathering annual layers of dust for years? Why was it not brought forward when it came out five years ago? Is it because there was no panic back then because the horror stories about scandals and corruption had not started yet? Is it really because of all the scandal in the last few weeks that the government has finally dusted off that wonderful report and decided to look at it again in the hope the public will think it really cares about ethics in the House of Commons?

We recall back in 1993 how this Prime Minister promised to restore integrity and ethical behaviour to Canada's parliament. He tossed out those promises like wedding guests throw confetti. As it turned out, the promises were just like confetti. They littered the ground for a while and then slowly dissolved or were flushed into storm sewers.

Now, in panic and desperation, searchers from the Prime Minister's Office are being sent out to fetch this dimly remembered document that was buried somewhere on a shelf. The Liberals said that they must convince Canadians that they are ethical. How can they do that when Canadians know full well they are not? They will dust off that report from way back when their reputations were still intact and hope they will be able to con Canadians one more time.

It will not work. The jury went out and it is back. The verdict is that the Liberals lack ethics and integrity. They should not be surprised that the verdict was guilty. Year after year of scandals and stories, hundreds of millions of precious dollars spent or wasted on

cronies and Liberal friendly companies would bring even the most patient or gullible Canadian to only one conclusion. It turns out that 70% or more of Canadians are of a similar mind. They believe the government is corrupt.

Canadians are asking some tough questions. They want to know how any member on the front benches or even way in the back can claim to be ethical if they did not object to all this unethical behaviour. The same can be said of those who sit silently while corrupt things are being done. If members do not object to corruption, then are they not just as corrupt as the individuals they are observing?

Another point has to be made. The Prime Minister tried to justify corruption and missing millions by saying that even if it did happen, his heart was in the right place. He said that mistakes might have been made but that his motivations were pure.

Let us examine that logic. Let us consider the case of a bank robber apprehended just as the teller begins handing over the cash. The robber explains to the arresting officer that he intended to give a portion of the stolen money to one of the Prime Minister's invisible homeless friends, and further, that he planned to give another small portion to building imaginary shelters for the Prime Minister's imaginary homeless friends. The police officer, struck by the simple logic and generosity of this defence, orders the teller to hand over the money to the robber and escorts him to the door.

• (1520)

There are those who would not accept the robber's defence or condone the police officer's choosing to wink at the apprehended crime. Those people are in a majority. The rest are part of that lavishly rich minority who cough up thousands of dollars when the Prime Minister calls and sells them a ticket to get through the door of the Prime Minister's residence.

Then again the members of that minority are the same ones who think that delivering millions to companies for work that was never done is perfectly acceptable behaviour for a government.

This is probably a good time to give those opposite a refresher. On page 355 of the *Concise Oxford Dictionary* they can find the word "ethic". The words after it say it means "relating to morals, treating of moral questions, morally correct and honourable". None of those are really big words even for a Liberal. I am certain if the Liberal members try very hard they can come to some understanding of what it means. "A set of principles", is another phrase.

No, we do not mean the people who supervise schools. The principle referred to has another meaning. On page 880 under the word "principle" we find the phrase "personal code of right conduct". After that comes the word "principled" which is defined as "based on or having praiseworthy principles of behaviour".

Government Orders

I hope those opposite are not finding it a struggle to keep up with me. To simplify it, if people have ethics, integrity and principles, they know right from wrong. If they have ethics, integrity and principles, they know what behaviour is acceptable and what behaviour is unacceptable. They are not people who would rob a bank or the taxpayers and say that they are doing it out of the goodness of their hearts. They would not do that because they would know that it is unacceptable behaviour.

If one is a person of principle and ethics one would not follow a Prime Minister who attempts to justify the theft of millions, as the Prime Minister did not so long ago. Nor would one sit quietly and condone certain practices such as paying inflated advertising contracts with public money on the understanding that the overpayment would be returned somehow in the next election or prior to that in donations to the Liberal Party. Sadly and tragically there are those who do or did sit quietly and watch this sort of thing happen.

As the smell spreads outward from the source, much like swamp gas, everyone in the vicinity takes on a certain unfriendly odour. As has been said before, there should be an amendment to the endangered species legislation which would specifically offer protection to one of the nation's most endangered species; the honest Liberal. Liberal numbers dwindle by the day as they refuse to stand and be counted and to say that this has to stop.

Perhaps the temptations are too great for the species. Perhaps some still imagine the day when they will be transported from sullen and glum wilderness of the backbench to the glorious front. We know how the species communicates. The cry is "keep your head down and your mouth shut and your integrity, ethics and principles under wraps and you too might find the road out of the wilderness".

Who will be next? The member for Richmond would be a good candidate, no doubt highly recommended by all of the people in all the parties he has portrayed. However Canadians are wondering about those who litter the front benches as well. Over all these years why did they, whether leadership aspirants or not, sit quietly while the treasury was plundered or were they waiting for the imaginary ethical guidelines to magically appear so they could have some idea of what was right and what was wrong?

Now that they have a code of conduct, will they ask if it has retroactive application? If so, do they intend to blow the whistle or will they continue to follow already established practices?

We suspect they have been told to wave the code of ethics around like they were fanning embers at a barbecue for the next three months. Do not use it to start the barbecue, just wave it and know in their hearts that the authors wrote the simple text as a public relations tool. Know also that the authors would tell them that the first rule for any Liberal is do not get caught. If they do get caught, fall back on the Prime Minister's strategy. Explain that their ethically challenged behaviour, their toleration of scandalous practices, their participation in those practices all have a simple explanation. They did it, or let it happen or did not object to its happening because their hearts were in the right place even if their souls were not.

●(1525)

I will close by repeating what I said earlier, that this is a phoney motion today put forward by a government that is ethically challenged. It needed something for the summer barbecue. Even when I gave the minister an opportunity to say to the House that, yes, if this report were passed by the House and the Senate, the government would accept it, he would not say that because the Prime Minister would not let him. This will just be another committee that meets, sits and comes up with a report just like that last glorious report written by those two intellectuals, one in each House. However it sat there for five years collecting dust. This report will probably sit there for another five years collecting dust.

That is not good enough for Canadians. They want some real action. I have not seen any clamour from my constituents about a code of conduct for MPs, but they certainly would like to see one for the cabinet. They would certainly like to see an independent ethics commissioner who reports to the House and who could answer some of these questions we have asked a lot sooner and a lot quicker.

I thought it very interesting today when the Deputy Prime Minister attacked my leader because he raised his funds during the election, well within the Canada Elections Act and within the law of Canada. He violated no rules whatsoever. Yet the Deputy Prime Minister was trying to make a phoney issue by saying, "Give us a list on all their leadership races in the past". No list is there. It is not the law. We have said quite openly if the government brings in a law, we will comply with it. We will vote for that. We have been asking a long time for that law. At the same time the government has the nerve to say that, we know that certain cabinet ministers have been collecting money over the last few years. Nobody knows who gave that money.

Even the Deputy Prime Minister had a fundraiser sending a letter to people asking for \$25,000 and indicating that they might be able to get a tax receipt for it. It is certainly not deductible under the Canada Elections Act unless they call it a business expense. They might get away with it with this government because it seems if someone donates money it is part of doing business.

We have cabinet ministers who have been receiving money over the last few years from Canadians. We do not know who made the donations and the Deputy Prime Minister and the Prime Minister forget. I might remind all those backbenchers that neither they nor we sign legislation or give out grants. It is done by the cabinet. That is why there are special rules for people in a cabinet. We should know immediately, and we will hopefully in a few days, where all the money has been coming from for these individuals.

I can remember Brian Tobin out in British Columbia having a dinner at \$1,000 a plate and 100 people attended. He said that the money was going to Newfoundland to help the Liberal Party in Newfoundland. He was a minister of the government at the time. Where is all his money? He is no longer in the cabinet. He will not fall under the same rules. Will we get him to indicate how much money he still has sitting in the bank for his leadership race? Will we get the list of the former minister of finance showing where the money came which he raised?

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The public will understand this. Remember that the cabinet ministers who have been doing this are the ones that make the rules, make the laws and sign the cheques. The rest of us speak on legislation and vote on it. We do not have control of the purse. That is why there has to be special rules when we are in a cabinet.

Other members in the House have been in a cabinet. I have. I know what the blind trusts are like. I know what we can or cannot do. I believe in openness and always have. That is the way it should be. We do not have that from the government.

The motion today is a scam to try to cover up what has been happening in the cabinet of this government over the last few months. Now we are finding that it goes back to 1996. Next we will find that it started in 1993. It has been reported and documented that this has been going on since 1996. There have been problems with grants, loans and scandals. It is time we have an independent ethics commissioner. It is time we have an independent judicial inquiry to get to the bottom of this mess so that it never happens again.

We believe our amendment is a very good and legitimate one. We believe it is one that all Canadians want. They want an independent ethics commissioner who reports to parliament. That is what our motion says. When the government can guarantee me that it will accept the report that comes from committee, for which it will have the majority, and implement it immediately, we will be quite happy to vote for it and do whatever we can to speed it along.

• (1530)

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, I rise on a point of order. I ask for the unanimous consent of the House, and I inform you that there have been consultations among all parties, to move an amendment to government Motion No. 30, which we are currently debating.

I move:

That the main motion be amended, in the eighth paragraph, by adding between the words "taken, so long as both Houses" and "are represented" the following:

“, including at least one member of the opposition from each House.”.

The Speaker: Is there unanimous consent of the House to move this amendment?

Some hon. members: Agreed.

The Speaker: The House heard the terms of the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I listened to the House leader of the official opposition. He likewise would have heard the remarks from the government House leader and the feigned indignation and haste with which the government now seems to be in to bring this matter to a committee to have the issue generally of ethics studied, which rightly should happen. However I think he will agree with me that nine years is far too little, far too late in terms of this suddenly becoming a government priority.

I think the opposition House leader would also agree that the substance of the motion, in referring it to a committee, deals more with opposition, government backbenchers, Senators and those who are not at the cabinet table. They are not the ones in a position to make these important decisions in the first instance with respect to government spending and approval of contracts and with respect to these decisions that are very much the subject of these allegations of corruption and unethical decision making.

There is certainly a high degree of distraction and duplicity in the government's suggestion that we should move with haste in this direction. It should happen but the opposition House leader will be the first to admit that he is very much aware, as are most Canadians, that the government wanted to leave and shut this place down on Wednesday. Here we are at the eleventh hour and he is saying that we have to get this through even though the Senate is no longer sitting. Does the opposition House leader not find a great deal of credibility lacking in what was just put forward by the government House leader?

Mr. John Reynolds: Mr. Speaker, I agree with my colleague the Conservative House leader on many things and this is one on which I certainly agree with him. This is a government that is in deep trouble. Members know it and they are looking to their spin doctors to see what they can do to convince the public they really have a concern about something.

I know my colleagues from all parties in the House, even some Liberals, were wishing the government had some answer for the softwood crisis. We are leaving here to go home for the summer at a time when over 50,000 people are unemployed and struck hard because of government inaction on softwood lumber. We are going home at a time when there are people in the agricultural industry suffering because the announcement today is mainly a rehash of many old things for agriculture. It will do nothing to help farmers.

All opposition parties, although we are going home, will be spending a lot of time this summer at barbecues telling Canadians exactly why we are there and what is happening in this House. From my trips just in the last few weeks, all Canadians have had an interest in what has happened with the government that prided itself on integrity and a Prime Minister who said he would do certain things. They still have not forgotten the promise to get rid of the GST or to do something about free trade. He has lived with these, he is happy and he has used all the tax dollars. However, they are starting to think that this is a Prime Minister who has talked about integrity and has always bragged about ministers not having to resign. In the Liberal Party no one has had to resign, they just have waited for a cabinet shuffle.

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It is like the member for Vancouver Centre who should have been fired for what she said in the House. He just let her sit there for awhile, then shuffled her off to the backbenches so he could still brag that he had never lost a cabinet minister for any reason. The story is getting old. Canadians are getting tired of the fact that for about three Sundays in a row new scandals have broken on grants, or loans or contracts and documents that have gone missing. People do not expect that from their government. They expect much more openness. They expect that mistakes will be made, but in this case there are too many of them. There are too many of them going to the same basic firms. The government should call an independent judicial inquiry. That is what Canadians need.

I was smiling at the government House leader today when he was shaking his head at the questions. I read *Hansard* like others do. I remember those days, and he should, when he was in the opposition. He was up demanding, yelling and screaming for independent judicial inquiries on issues against the former Conservative government. He should not be surprised that we are doing that.

When we come back in September, I can guarantee that there will be questions again on these same issues. We will be demanding answers to these issues and we will keep that up until we get some.

• (1535)

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I rise on a point of order. Given that perseverance is one of my traits, I ask once again the unanimous consent of the House to move an amendment to government Motion No. 30, which is currently before the House.

I move:

That the main motion be amended, in the eighth paragraph, by adding between the words "taken, so long as both Houses" and "are represented" the following:

“, including at least one member of the opposition from each House.”.

I ask for unanimous consent to amend Motion No. 30 accordingly.

The Deputy Speaker: Does the House give its consent to the hon. member to move his motion?

Some hon. members: Agreed.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, like other members who have spoken previously, it is with some reluctance that I stand to speak about the issue of ethics here in the House, given the sad spectacle that we have seen in the last number of weeks and months, I would suggest, and some might argue we could go right back to the beginning in 1993. We are talking about the government's record of ethics and the need to refer the matter to an independent committee to look at the issue overall.

The problem with the motion is that it is a bit of a diversion. It distracts away from the real issue of the ethics of the decision makers in this place, the cabinet and the executive branch, and those who

have ultimate signing authority over millions and millions of taxpayers' dollars and the way in which they have been conducting their duties.

I want to address the amendment proposed by the Leader of the Opposition. I congratulate him on the remarks he put forward this morning. I was certainly pleased to hear him point out the fallacy of the Prime Minister's boast that he has not fired any ministers for misconduct.

Of course what we have seen is the complete duplicitous actions of the Prime Minister in sending off and in fact rewarding some members of the cabinet, giving them postings overseas, simply giving them lateral shuffles or waiting until there is an opportune time to sort of slip them under the rug. Indeed, because of the Prime Minister's low ethical bar, as has been pointed out many times by individuals like Gordon Robertson, the retired Clerk of the Privy Council, the Prime Minister has failed in maintaining a duty of high standards for himself and for those around the cabinet table.

It is easy to have no resignations or no dismissals because high standards are what result in resignations and dismissals. To brag that there were no firings is to admit that the bar has been lowered to an all time low. Do not just take that from a partisan opposition member. Let us examine the words of Gordon Robertson who now at age 83 is in a unique position to provide commentary.

Gordon Robertson spent his entire professional life as a public servant beginning in 1941 serving parliament. He worked for Mackenzie King. He was Prime Minister Pierre Trudeau's superior in the Privy Council Office between 1950 and 1952. He served as the Clerk of the Privy Council to John Diefenbaker, Lester Pearson and Mr. Trudeau. He was the first secretary to the cabinet for federal-provincial relations. Mr. Robertson is a person who in essence achieved the very highest office in the civil service. He is a very educated intellectual in commenting on the government's performance.

What did Gordon Robertson have to say about the government's performance and in particular the Shawinigan scandal? I am quick to point out that scandal is the all time low in government and perhaps will go down as the biggest scandal in Canadian history when all the facts are finally outed. It is the type of scandal that makes the Watergate scandal look more like a shoplifting charge at a five and dime store. This is what Gordon Robertson said about the government's performance:

What happened in Shawinigan would never have met the standard set in Pearson's code of ethics. I should know. I drafted it. This Prime Minister has lowered the bar.

Certainly that is a scathing, damning condemnation from a person like Gordon Robertson.

The Prime Minister cannot provide leadership to the House on ethical questions. He has failed abysmally in that duty. In 1995, two years after the Prime Minister took office, the auditor general presented a report on ethics in government. This is what it contained in chapter one:

Four scenarios dealt with the appropriateness of receiving benefits, preferentially conferring benefits or improperly using knowledge of a department. On the whole, public servants in the four departments believe it would be inappropriate to receive benefits from suppliers to or recipients of their programs, preferentially confer benefits or improperly use their knowledge of the department.

For example: 89% of public servants, 96% of senior managers, believe it would be inappropriate to accept the use of a ski chalet from a recipient of their contribution or grant program—

Does that sound familiar?

Seventy-five per cent of public servants, 94% of senior managers, believe it would be inappropriate to accept, at cost, goods or services for personal use from a supplier to their program;

Seventy per cent of public servants, 89% of senior managers, believe it would be inappropriate for an employee to hire a brother-in-law on a \$20,000 untendered contract;

Seventy-two per cent of public servants believe it would be inappropriate for a senior manager in a department to use knowledge gained while working to secure a position with a firm wanting to do business with that department.

● (1540)

These points were brought out two years after the government took office, yet it was completely mired in this type of activity. This is what the Prime Minister was told further in that 1995 report on leadership:

Even the best codes of conduct or conflict of interest guidelines could not protect Canadians from a government that was not fundamentally honest.

Boy, there is foreshadowing.

To concentrate on public servants without emphasizing the role of leadership by ministers, deputy ministers and other senior levels would simply contribute to the existing cynicism among public servants. The literature on ethics and fraud emphasizes the importance of leadership and of the examples set by leaders in determining the ethical tone of an organization. Our discussions with former senior public servants also suggest the importance of support at the top to counter unethical acts.

That says it all. The old expression is that the fish stinks from the head. The Prime Minister was engaging in unethical activities by lobbying the head of the Business Development Bank to help an individual and a property in which he held an interest at the time. The extraordinary efforts that were made to cover the tracks and hide those facts is what remains to be shown to Canadians in the true light of day.

Michael Starr and Mitchell Sharp noted in their 1984 report entitled "Ethical Conduct in the Public Sector":

A large measure of the responsibility rests with the Prime Minister in relation to matters of ethical conduct in the public (because) the Prime Minister sets the tone for the entire government.

The actual and perceived day to day behaviour of leaders such as the Prime Minister, cabinet ministers and senior public servants must be consistent with the government's ethical guidelines. Again it is leading by example. For those who do not know the name, Mitchell Sharp is the Prime Minister's mentor and dollar a year advisor.

That information, logic and advice has been with the Prime Minister for a long time. The Liberals and the Prime Minister in particular made ethics a campaign issue. That was part of the red book promise. That was what was held out to Canadians as a shining beacon of change, that the Liberals were going to clean up government, that they were going to change it. What have they done? They have done the complete polar opposite of the promises that were highlighted in the red book such as the desire to change the free trade agreement and to get rid of the GST. They were completely broken, completely abrogated.

Clearly the Prime Minister prefers words and broken promises over actions. Effective and independent ethical regimes for himself

Government Orders

and his cabinet have gone completely by the wayside. The motion before the House is just a smokescreen to conceal the dark refusal of the Prime Minister to honour the promises he made in the red book to appoint an independent ethics counsellor to police cabinet conflicts of interest.

In recent days the ethics counsellor himself has revealed that he is certainly not a watchdog but is a guard dog for the Prime Minister and his cabinet. He has proven to be ineffectual and anaemic in terms of his ability to have any sort of moral authority over the subject of ethics.

He admitted openly before a parliamentary council that he himself had been disciplined for unethical breaches over, wait for it, the awarding of contracts. He had lost signing privileges while working in the Department of Industry for breaching ethical standards that should have applied to him as a senior bureaucrat. Even faced with that fact, the Prime Minister chose to elevate him to the position of ethics counsellor who we know only reports to the Prime Minister. It is a complete and utter farce that drives cynicism into apathy in the minds of most Canadians.

The futile effort to cover the trail of many of these scandals and the pathetic efforts to arrange for an exit strategy for Mr. Wilson in months ahead, one must really wonder where he is headed. It is probably to an embassy in Norway or Sweden, somewhere close to Denmark. All of these efforts make it appear that he has seen the light.

● (1545)

After more than eight years in office the Prime Minister has finally grasped that at some point ethical standards had to be set, that ethical standards should apply to him. It did not matter that the report that was originally put forward was not about standards for ministers or the independent commissioner with powers to investigate the cabinet or the Prime Minister's own misconduct.

Groupe Polygone, Everest, Lafleur, all these infamous names in time will be synonymous with the ineffectual broken promises and contradictions of the government in what it said and what it actually did in awarding of contracts. It does bear mentioning because it is constantly thrown back at the Progressive Conservatives about the scandalous government that preceded it.

A lack of judgment on the part of a defence minister entering a strip club hardly cost Canadians hundreds of thousands of dollars, let alone millions. It cost that person a lot of embarrassment and he lost his job over it. The fisheries minister, when 15 cans of tainted tuna were found in a private plant in New Brunswick, also lost his job, not at a cost of hundreds of thousands of dollars to taxpayers. A cabinet minister making an inappropriate remark in an airport lost his job, again not at a cost of hundreds of thousands of dollars.

This is the litany of resignations that the Prime Minister likes to cite in the House. Yet let us compare his government's record. It is just incredible. I hear the chirping of hon. chipmunks opposite. They seem to be somewhat agitated.

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What we have seen is no less than six criminal investigations embarked upon in a short period of time. We should give it time, there will be more. It is an unprecedented ethical breach that we have seen. We have never seen so much scandal and criminal investigation in our country's history in one condensed period of time.

Referring the matter to a committee is an attempt to take the pressure off the Cabinet. I highlight the fact this is for all members of parliament and it should apply. It is nine years too late but it should definitely happen. It is a listing of tools to fight corruption. Transparency International lists Canada's Access to Information Act as a vital tool. This is the same act that the Prime Minister has gutted in either a pathetic reaction to September 11 or in a Machiavellian power grab. It is an attempt now to claw back this useful tool for parliament, to somehow blunt that instrument, because it is starting to disclose information and evidence. It is allowing the opposition to disclose and uncover much of the critical evidence that is needed to expose the government.

This is the same type of legislation that the Prime Minister, at great length and great expense to the people of Canada, has challenged in the courts when inquiries got too close to him. The Information Commissioner finds himself embroiled in a court case because he will have to jump through hoops to get information from the Prime Minister's Office rather than simply disclose the information, judiciously review it and decide whether it is relevant or not. The Prime Minister is not interested in ethics or access to information or the tools that would fight corruption and instill public confidence in government.

What the Prime Minister is doing and what he is signalling is that he is only interested in staying in office so that he can continue his calls to those he knows. He can continue to do business with the Business Development Bank of Canada when it benefits him and his friends. He can hammer down the media when it starts to write stories and disclose information about his activities. He can throw caution to the wind when it comes to these contracts and how they are being played out.

We have heard the evidence. This is not something that is scurrilous or being made up. We have seen consistent reports from people like the auditor general that hundreds of thousands of dollars were paid for absolutely nothing. This magical figure of \$330,000 was paid out for a sport and fishing and hunting show that did not happen. Some reports were not written, others were written once, photocopied and billed two and three times.

• (1550)

This is not something the opposition has made up. These are facts. Groupaction has been the subject of one of the recent investigations and the auditor general herself brought to parliament's attention three questionable contracts worth \$1.6 million. The government's money is not at risk. This is public money. This is money that would be far better spent on x-ray machines, electrocardiograph machines, overtime for nurses, farm aid, or heaven forbid that we order helicopters for our military. All of this thrown into this cesspool of corruption that has been seizing parliament has taken away from the real priorities of Canadians.

We can talk about individual cabinet ministers. There is an aide to the industry minister who travelled five times to Manitoba on so-called government business right around the time that the industry minister was kicking his campaign for leadership into high gear. The *Winnipeg Free Press* filed an access to information request about this particular aide and it was found that then and only then did the industry minister reimburse the House for one of those trips.

We know about the heritage minister who has been under fire recently. It was revealed that the chairman of the Toronto Walk of Fame, whose organization received \$1 million from her same department, is also signed on as her chief fundraiser. Talk about a conflict of interest.

We have the former finance minister and Mr. Palmer and the embarrassing revelation that one of his top fundraisers in Calgary was simultaneously advising the finance department on resource tax policy and soliciting donations for the minister in the undeclared leadership campaign.

We know what happened to the former CIDA minister with respect to her voting patterns and what has happened at DND. My colleague from New Brunswick has raised this issue numerous times in questions about the Lancaster Aviation project, where thousands of dollars in parts belonging to DND are being stored in a warehouse belonging to a convicted felon in the United States.

There are the HRDC grants and contributions between 1999 and 2000. The Prime Minister refused at that time to fire an incompetent minister and the auditor general was not praiseworthy of his comments at that time. It was "more than just sloppy paperwork", reminiscent of the auditor general's revelation about breaking every rule in the book. The auditor general's report on the HRDC scandal at that time stated:

This is very serious, because taxpayers have a right to expect that the government will follow due process when it spends public money.

That was the previous auditor general. I suspect that those sentiments are also held by Ms. Fraser.

Then there is the *pièce de résistance*, Shawinigate. Throughout this longstanding, yet to be resolved scandal, the Prime Minister claimed that he never did anything wrong, that he was only acting as any normal member of parliament would. I have to beg to differ though. I do not believe any normal member of parliament would call the president of the Business Development Bank of Canada to his or her home at 24 Sussex to influence and have a decision reversed about a loan to an individual in his or her riding. The individual in question had a pretty spotty history and had purchased adjoining property in which the Prime Minister still held an interest. And of course there are the extraordinary lengths that the Prime Minister, his minions in the PMO and others like Jean Carle went to, to ensure that the public never truly got the facts on what took place there.

There have been questions raised by the right hon. member for Calgary Centre about the transaction itself, which the Prime Minister has maintained all along was legitimate. Yet the company to which he supposedly sold his shares does not exist. It is not a registered company. This backdated napkin that was signed is the height of incredulity. There is no chance that the contract was legitimate and written at the time.

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These are a few of the litany of examples. All of this is sticking to the government. It may not want to admit it but the public is looking now with a jaded eye at the performance of the Prime Minister and the government. What has happened in the midst of all of the panic and the scrambling around? We see the government coming unravelling, but not with the efforts of fixing, or giving the appearance of fixing these ethical breaches, this scandal and mismanagement of taxpayers' money.

● (1555)

What are the Liberals fixated on? They are fixated on the internal leadership battle that is under way. We have seen in recent days and weeks the Prime Minister and the former finance minister engaging in a personal battle of egos and wills, putting all of their efforts into shoring up support.

That speaks volumes to the priorities, the disconnect, the drift, and the arrogance that has become so prevalent on the government side of the House. Surely the Liberals must be hanging their heads in shame as this session comes to an end. They must be going back to their constituencies to face their constituents with a great deal of guilt and trepidation, as they should. This is a record now that they have to defend. They have spent the last nine years chastising the previous government, shifting the blame away while taking the credit for the positive financial policies that were put in place by the previous government.

The government has simply followed the previous government's plan with respect to the financial management of the country. It has broken new ground in hitting new lows in terms of ethical breach and breach of trust with Canadians.

● (1600)

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, it my pleasure to rise and address this important issue. I want to thank my friend who just spoke for doing a good job of outlining the many ethical problems the government has run into and also exposing the weakness of its solutions.

Earlier today my leader gave an excellent speech about the red herring approach to dealing with the ethical issues that trouble this government. What we mean by that is that the government is proposing a code of conduct for parliamentarians when the real problems are flowing from the cabinet of this government. That is where all the problems flow from. The government is proposing this red herring hoping that the public will not look at the details of the proposal and will not understand that really it does not do anything to address the sorts of problems that have plagued the government for the last several months.

I want to emphasize how frustrated we are with how disingenuous the government is on the issue. Surely its conscience should be tweaked by the fact that the public is upset with this. On the other hand, the government is not prepared to do anything at all to really address it.

There are so many issues we could talk about, but I just want to run through the sorry record of the government. Probably the best way to do that is to refer back to 1993 when the government came to power and made a red book promise about an independent ethics counsellor. In the red book the Liberals made a promise for an

independent ethics counsellor who would answer to parliament and be appointed by parliament. Nine years later that has not come to fruition. Here they are in the middle of an ethical storm and they still cannot understand that they need to take that step if they are going to win the confidence of the Canadian people at all. That is really the starting point for this whole thing. The government has to fulfill that first promise and start to win the confidence of the public again. It has to win over the public to the point of view that the government is serious about tackling the public's ethical concerns.

Let us talk for a few moments about some of the ethical issues that have come up in the last several months. It is well known that this latest round of scandal was sparked by an internal audit in public works that was followed up. It prompted an investigation by the auditor general. It had to do with a company called Groupaction. Groupaction in this case received a total of \$1.5 million for reports. We found out later that in fact there were supposed to be three reports. One report is completely missing. The other report is basically a copy of the first report. The public paid \$1.5 million for these shoddy, and in some cases missing, reports, if there ever were reports in the first place.

The government has moved very slowly to deal with this issue and it has moved inadequately. In fact, it has stalled and covered up at every opportunity. How did the government do that? It did that by proposing some half measures which will ensure that the real essence of the problem is never revealed. It did that in a couple of ways.

First, the auditor general is going ahead now with an investigation of the problem throughout the government. That is a good thing, but the problem is that it will take probably a year and a half or two years to do it. By and large the auditor general will focus on accounting practices, which is important, but it does not get at the essence of the problem.

On the other side we have the RCMP investigating. Right now I believe the minister has the RCMP looking into about six different contracts issued through public works. That is important because we get at the criminality, but again there is that area between poor accounting practices and criminality which many people would regard as unethical or corrupt.

● (1605)

However, the government does not see it that way. As my leader pointed out today, the Prime Minister has a very different standard when it comes to describing what is unethical compared to where Canadians are at. The Prime Minister seems to think something is unethical only if it is illegal. The Canadian public sees it much differently. As my leader said today, Canadians see any abuse of power as unethical, and we regard what the Prime Minister has been doing over the last nine years, but really only has been caught a couple of times on, as being a real abuse of power and therefore unethical.

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We want a way of addressing all those things that fall between what are breaches of good bookkeeping, of the treasury board guidelines and of the Financial Administration Act and what is clearly criminal and illegal. In order to do that, we need a full, independent, public, judicial inquiry and we need it now. If we do not have that, ultimately we will not have confidence in the government. We will not feel that we know for sure that the government is being careful with the spending of our money. More important, we want to know that the government is not using our money to pay off friends, to engage in cronyism, to try to buy votes or to do things that it thinks are politically important at the expense of the integrity of government. We want a full public inquiry, as a result, to get to the bottom of this and reveal what we believe really has become a systemic problem in government today.

I want to back up what I am saying by providing some more evidence of the nature of the problem. I talked about Groupaction and the three reports, but it goes well beyond that. Public works seems to be a nest of people who are providing contracts to political friends for their personal benefit or at least for their political benefit. I want to offer many examples. I have talked a bit about Groupaction, but there are many other names that the public is not familiar with. Groupe Everest is one of them. There is Coffin. There are a number of them.

What we do find out is that without exception these companies that are receiving millions of dollars in advertising money are also big donors to the Liberal Party of Canada. Also, there is what the auditor general described in the Groupaction deal: appalling bookkeeping. As she said, in that particular case the people in charge broke every guideline possible and they broke absolutely every rule in the book. We see that again and again in some of these other contracts.

My leader spoke today about the problem at the justice department, with public works ordering a report on how to sell the gun registry when in fact the justice department did not even order it. It seems like that report was never produced either although the government paid out \$330,000 to purchase a phantom report.

It is not just that one. There was the sponsorship program and the outdoor shows in Quebec. We have a case where hundreds of thousands of dollars was paid out for sponsorship at a show in Quebec that was never actually held. Did the government go after the \$330,000 in that case? No, it did not. Only now, when it has been revealed because of access to information requests and good work by the media, do we find that the government is finally getting to the point where it is going to address some of these issues. In a way, that speaks volumes about why we need a full, independent, public, judicial inquiry. We need it because it seems that the only time this government will really act is when it is caught with its hand in the cookie jar.

• (1610)

We have had many examples of this over the last several days. We have had the public works minister get up and say that in the year 2000 public works found some things in an internal audit and posted that on the Internet. He seems to think that solves all the problems. What he did not do, of course, is take action. He did not go through the entire department to see if there were other examples of contracts

paid out to Liberal friends for reports that did not exist. He did not do any of that, which of course is what one should do. One has a fiduciary responsibility to do that as a minister of the crown, as somebody who controls not millions but billions of dollars of taxpayers' money. One has that obligation.

What did the Liberals do? They did nothing until they were caught with their hands in the cookie jar and then they did only as much as they felt they had to do to move the issue from the front burner to the back burner. They did not fix the problem. They tried to manage the problem. That is a problem in and of itself and again we think that is evidence that we need a full, independent, public, judicial inquiry.

There are many other examples of problems in the government. I do not want the House or the public watching to think that this is limited in some way to public works. We have had problems before in the Prime Minister's own riding with Shawinigate. Just recently in the House we raised the issue of the audit that the Department of Human Resources Development had been sitting on for two years. We finally got the department to release it. The information commissioner finally got the department to release it after two years of fighting it in the courts.

What we found in that independent audit was that the Prime Minister had intervened personally to help companies in his riding, companies that were not meeting the criteria for receiving grants through the transitional jobs fund. The Prime Minister intervened on their behalf. These companies were the same ones that were showing up in his campaign literature. We also found out that according to the internal audit some of these companies may have been set up solely for the purpose of defrauding the Department of Human Resources Development. Those are not my words. Those are the words of the independent auditor. That is why the human resources minister sat on the report for two years.

In the last several days we have had the Deputy Prime Minister get up and say that there is no evidence for some of the accusations that this side is making toward the Prime Minister, but the evidence came from human resources development, from that audit. That is just one piece of evidence and there are many, many more. Already today we have heard a little bit about the problems that surround the Prime Minister's conflict of interest with respect to the golf course in which he had an interest and that whole mess. I will not bore the House with all the details because others have already spoken on it today, but suffice it to say that the issue is not closed. There are still troubling questions about the Prime Minister's involvement in that whole affair, which may have possibly put him in a direct conflict of interest.

I think justice demands that we have a full, independent, public, judicial inquiry to get to the bottom of all of this. It is not enough to have the RCMP investigate the criminality. It is not enough to have the auditor general determine whether or not accounting rules were followed. What we need to find out is whether the practices of the government fall into that area between those two things. We need to find out whether or not a judge somewhere thinks that there are practices of the government that are essentially unethical. If there are, those practices need to be changed.

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Again, justice demands that. We are talking about not hundreds of thousands of dollars, not millions of dollars, but billions of dollars that are being spent. We need to have confidence that this money is being spent ethically and certainly within the bounds of the law. That is an argument that we are making to have a full public inquiry into this whole mess.

I will wrap up now by saying that in the last number of months I think we have seen a sea change in the House of Commons. I think we have pulled the mask off the government to some degree and what we have seen on the underside is pretty ugly.

• (1615)

For a long time the Prime Minister portrayed himself as the little guy from Shawinigan. I think we are finding out that the little guy from Shawinigan can be extraordinarily ruthless not just in his own caucus but also in the sense that he is quite prepared to break every rule in the book to ensure that his friends and political supporters are looked after at the expense of the taxpayers. That is unacceptable and it has to end. It is not appropriate in a country like Canada to have that style of government.

I am glad that the public finally is getting to see what we as the opposition see on a daily basis. They are starting to understand it. I very much look forward to that day in the fall when we can get back to this place so we can continue to hold the government to account for its troubling actions.

Mr. Speaker, I move:

That the amendment be amended by inserting between the words "Special Joint Committee of the Senate and the House of Commons be" and the word "appointed" the word "immediately".

The Deputy Speaker: The Chair will take that under advisement momentarily. We will proceed to questions and comments of the hon. member for Medicine Hat.

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Mr. Speaker, my colleague touched upon some very important points in his speech.

Although it has not been mentioned in debate today, I think back to something which I mentioned in this place and I will mention it again. It goes back to 1997 when I was a newly elected member.

I remember a news story of an incident regarding a Liberal fundraiser named Pierre Corbeil. Somehow he got hold of a list of companies in Quebec that were receiving government grants or were about to get approval for government grants. He basically went to those companies and shook them down for donations to the Liberal Party of Canada. They had to come up with a donation of \$10,000 to the Liberal Party of Canada. If they did not give this donation to the Liberal Party, they would not receive the grant. This is what was alleged, charges were brought forward and he was convicted of influence peddling.

I remember at the time thinking that this was a very strange occurrence but it seems that it possibly was the tip of the iceberg. This has gone ahead through the courts, the individual has been charged and that is good. However as time has gone by we have seen time and time again these kinds of dubious contracts given out to people who have donated to the Liberal Party. They have received

government grants and then they have given money back to the Liberal Party of Canada.

I ask my colleague, how is it that Canadians could possibly trust a group of people that have engaged in this kind of activity for nine years now to be the ones to clean up that scandalous behaviour? Does he not agree that the people of Canada, the taxpayers whose money is being squandered in this way, would want to have a new government to come into place to take care of these issues? In other words, how can the people who have been the instigators of these schemes be the ones to now say "Trust us, we will clean it up"?

Mr. Monte Solberg: Mr. Speaker, I am reminded of something Einstein said. To paraphrase it, he said that the problems we have today will never be solved by the same level of thinking that created the problems in the first place. That is clearly true.

The problem as it stands today is that the Liberal government was in power when all these problems first erupted, when Pierre Corbeil was convicted of influence peddling. The same people, the same Prime Minister are saying that they will now be the reformists, the people who will clean up the ethics problems in government. They are the people who created the problems.

It stretches the limits of credulity to suggest that they are the ideal people to clean this mess up. That is why we are asking for someone from the outside to come in, someone who is not in a conflict of interest. Who knows what skeletons are hidden in the closets of Liberal cabinet ministers. Can we really expect that they would put themselves in political peril by bringing in changes that would reveal some of those skeletons? Hardly. That does not make any sense at all. That is why we need someone from the outside to come in.

The problem with what the government has proposed today is that the auditor general may produce a damning report of what she finds as she scrutinizes spending in all the different departments but it may not necessarily be behaviour that is criminal. The RCMP is called in when evidence is found that demonstrates there may be grounds for a criminal investigation.

What about all those other areas? What about all those other incidents that are never reported on, that we never find in a massive bureaucracy that spends \$170 billion a year? Clearly we need to have someone from the outside come in, pull it apart, analyze what is going on, raise serious questions and propose some serious answers. If we do not do that, Canadians will never have confidence that the government is spending their tax dollars both ethically and legally. Canadians deserve at least that much.

• (1620)

The Deputy Speaker: Before we proceed with questions and comments, upon review the hon. member's subamendment is in order.

Mr. Grant McNally: Mr. Speaker, I would like to follow up on my previous comments and make a further point.

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The finance minister came to committee yesterday and talked about the economic update of the country and how the economy was doing. I did not get a chance to ask him questions then but the point I would have made to him at that meeting would have been that during the time the government was dealing with deficits and cutting health care, education and social service spending, it kept in place the grants and contributions scheme. The government did not cut any of those dollars while it cut dollars to essential services in the country.

What has been revealed now is that the government has continued to keep the schemes in place to pay off dollars to its friends. It is unbelievable that it could continue and would be ongoing had this information not started to come to light. We wonder how much information is out there that needs to be explored.

Mr. Monte Solberg: Mr. Speaker, during that period of time starting in 1995, the government did cut expenditures dramatically for health care. If we compared expenditures for health care to expenses for grants and contributions on a graph, we would find that the health care line went down. Through that period of deep government cuts, grants and contributions remained static, almost a straight line across the graph, about \$15 billion to \$20 billion a year depending on how some of that spending is characterized.

That \$15 billion to \$20 billion by everyone's definition is spending that is unnecessary. I allow that some of that spending is important spending, but some of it clearly is frivolous spending. Even frivolous spending does not necessarily have to be politically motivated, but much of it obviously is politically motivated. That is the best case scenario because some of it may be motivated by personal interest or by conflict, which is what we were talking about before with respect to the Prime Minister. We still need answers on his involvement with respect to the golf course.

My friend raised a very good point. In 1995 the government undertook to make sharp cuts. It cut billions of dollars out of health care. Hospitals were closed. We could not afford MRI machines. People could not afford drugs. People were lined up in the hallways of hospitals. This happened because the government chose to cut health care instead of cutting into grants and contributions, which is the political grease that the Liberals use to make their party go. That frankly is unacceptable.

• (1625)

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, this is a curious debate we are having today because I believe it is a diversionary tactic along with so much else the government is doing these days. I cannot help but believe that. Had we not had the disclosure of all of the conflict and the sleaze that we have had in the last couple of months I am sure the government would not have brought this up at this time.

If we look back in recent history we will find that leading up to the 1993 election the government promoted the concept of increased ethics in government. Undoubtedly that was well-founded at the time. There were some allegations of misconduct in the previous government which the Liberals were trying to replace. The Liberals made that an election issue and it resonated with Canadians. There were a lot of people who voted for our party, the Reform Party at that time, who said that was one of the reasons they voted for someone else.

Out west a lot of people said that they would not vote for the Conservatives because there was a lot of evidence that they were not on the up and up when it came to ethical behaviour. However, they said they were not voting for the Liberals either because they still remembered some of the things that they had done. Therefore, they gave this new party an opportunity to begin spreading its influence, hopefully one that was positive and directed toward improving not only the ethical behaviour of government but also fiscal behaviour and behaviour in many other areas.

I remember many years ago when I was teaching in a high school there was a problem in our school. Audio-visual equipment kept disappearing. All of a sudden one of the projectors was gone, then one of the screens and then a tape recorder disappeared. I remember how incensed we were when the solution to solve that problem was to increase the amount of time that teachers would spend monitoring the halls at noon. In other words, instead of having three people on hall duty at noon it was increased to five or six.

We said that it was absurd because whoever was taking that equipment had access to the room where it was stored and none of the teachers had keys to that room. We had to go to one person who had a key. It was either that person or someone else who had a key who was liberating the equipment. We objected because there was a problem that was identified but the solution was opposite to what would have solved the problem.

The reason I give that example is because we have the same thing here. Unfortunately, we have here a culture of corruption. That is a phrase that has been used. It is not used inadvisably. I do not believe we are heading in the right direction if we were to say that in the midst of this culture of corruption the problems would be solved by coming up with another document. Will we behave differently from what we believe in our hearts because of the presence or absence of a document?

I have the advantage of sitting in the back row on the opposition side but directly opposite, for all intents and purposes, the Prime Minister. When we ask questions I get an opportunity to observe not only his body language but I also get to hear his words. In the last couple of months when accused of steering public money into purposes for which it was not originally intended, he seemed to suggest that it was normal. I found that to be incredible.

• (1630)

He said it explicitly. He said that he was just doing his job as a member of parliament. This happens with other members. The solicitor general was asked about trying to get a contract for a school in P.E.I. That was just a good MP working for his constituents. It so happens from my understanding that the college was not even in his constituency. He was acting as a political minister for the province. His job was to get money from the federal coffers into his province as a political minister.

Yet when we asked questions of the political minister, the Speaker, with all due respect, ruled them out of order. He said it was not a proper ministry. It was not labelled and not listed in *Hansard* as one of the ministries. The questions were ruled out of order because a ministry did not exist. Yet the government ministers and the Prime Minister were telling us that this was normal, people just did this.

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It is the thinking that has to change. These people must come to the realization that whether it is written in a code or not, it is wrong. That is the simple bottom line of it. People do not take things that do not belong to them, nor do they take things and give them to their friends if they do not belong to them.

I am incensed at the lack of ethical behaviour by the government. It is totally wrong what it is doing. It is wrong to give contracts to businesses where there is no intention of doing any work, but there is no qualm at cutting the cheque.

I have wondered about this. Where has the breach come from? I strongly doubt, and I have no evidence for it, that this was instigated by the public servants themselves. I do not know what would be in it for them. Unless they were getting immediate kickbacks from the scheme then there was nothing in it for them. In the long term it would have to be a pretty substantial one to persuade them to do this. Their job would be at risk, at least we would think so, if they were caught.

Where then does this come from? I have a suspicion, but again we cannot find out, that the source of the problem was a directive from higher up, from the political minister for the province. I will tell members the reason why I believe this.

When Nicole Simpson in California was murdered there was this bizarre situation where the helicopters hovered over the white Bronco. It was reported that O.J. Simpson was in it, apparently holding a gun to his own head. There were other stories that were circulating at the time. There was probably nothing that cast more doubt on his innocence than that particular occurrence. What bizarre behaviour if he did not know anything and was not involved.

I have used an analogy and I bring it back to the case at hand. In January there was a sudden and unexpected cabinet shuffle. The result of that shuffle included the former public works and government services minister being released from his post. He resigned from cabinet and resigned as a member of parliament and off he went to Denmark. That was totally bizarre. If there was nothing behind it in terms of these contracts that were going on in Quebec, that was bizarre behaviour. Why would one just out of the blue one day say that his job was done here, and he was gone. I cannot understand that.

The Prime Minister used to get up and say that this was a minister who was doing a fine job and he supported him. He said that for everybody, no matter what the controversy. Those words are meaningless. If the same words are used all the time, regardless of the situation, then it does not take long and the words become meaningless.

•(1635)

The Prime Minister's testimony that this was an excellent minister and he supported him all the way proved not to be true when in January he sent him hurtling over to Denmark. Why would he do that? We have no way of finding out. The Prime Minister will not answer the question directly and I guess he does not have to. The rules of the House state that we are free to ask any question and the government is free to give any answer. Most of the time when we ask a question that is directed toward getting at these facts we receive the

most absurd response. Sometimes, in fact almost always, the answer has no relation to the question at all.

As a humorous diversion, I recall when I was a youngster we used to relish in riddles. I do not know if I can remember this one correctly because we are talking decades ago and I was probably in grade 4 or 5. This was the riddle: "If your mother were a \$5 bill and your father were a cat, how many flapjacks would it take to shingle the roof of a doghouse?" The answer is 23 because a Ford does not have feathers. That does not make any sense.

Yet I have thought of that riddle many times in question period. We ask questions of the minister, the Deputy Prime Minister and the Prime Minister. The responses that we get have about the same relationship in comparison to the riddle that I just told. We ask questions on specific aspects of the investigation, where the money went, who was accounting for it or who had the right to sign for it. Invariably—

Mr. Peter Adams: Mr. Speaker, I rise on a point of order. I missed the point about the riddle, the part at the beginning. Could the member explain it again?

The Deputy Speaker: I will make a suggestion. Next time the hon. member reads *Hansard* he will probably want to cut it out, frame it and memorize it.

Mr. Ken Epp: Mr. Speaker, it was so long ago if I tried to repeat it now it would be another version of a different riddle. However it would be just as nonsensical as the answers we get from the ministry on the other side.

This is not acceptable. If we want to increase the trust of Canadians in their government and in parliament we ought to have a decent board meeting here because that is what this is. It is a meeting of the board of directors of the corporation called Canada.

Let us imagine we are on the board of a bank, business or corporation and one of the directors of the organization is in front of the board to answer questions. Let us suppose a board member asks a question and the director of one of the departments says "What kind of a member would ask a question like that? How about him? Last night I saw him doing this or doing that". I do not think the director would last very long.

That is what we have here. On the front benches in parliament we have the executive branch of government which should be responsible. The fact that we can ask questions over and over, day after day and get such nonsensical and unconnected responses is an absolute absurdity. That is why the government has such a small reputation among the people of Canada. We need to start running this place like a real business. When someone on this side has a question to ask on behalf of the shareholders, taxpayers and voters out there it should be answered. It should be given an honourable, fair and reasoned response.

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That is what is missing here. We get mockery instead of genuine answers. Why do government members give such answers? On occasion their answers have been very solemn and correct. After the tragedy in Afghanistan when some of our armed forces personnel were killed we had a couple of days of questioning in the House. The tragedy was of concern to many of my constituents because there is an armed forces base in my riding. The previous minister of defence rose solemnly and gave the best answers he could. I asked what we were doing for the families of the victims. It was a genuine question and the minister responded in a genuine and fair way.

However when we ask questions about untoward contracts why do we get such garbage from the government? The answer is quite clear: It is a cover up. There is no doubt in my mind. If there were no cover up the government's behaviour would be very bizarre. It would not make sense for government members to respond that way if they were not guilty as charged. People who are guilty will use every tactic possible to throw critics off guard and deflect questions. They will do whatever they can to get the media off the story.

The best way to get the media off the story would be to have a full, independent and public judicial inquiry. That would get the facts out. If it were truly independent there would be no partisanship. It is more important for the government to have an inquiry and let people know the truth than to use a whole bunch of tactics to try to solve its ethical dilemmas.

One tactic the Liberals are using is to introduce this legislation which has been gathering dust for six years since the committee reported. I was on that committee. I remember some of the debates we had. We worked very hard. We came up with a recommendation and suggested the government accept it. Lo and behold, there it has been sitting for six years.

● (1640)

Why did the government bring it out now? It wants to give the impression it is doing something. It reminds me of a speaker who used to say "Before I say anything, let me talk for a while". That is what these guys are doing. Before they do anything they want to talk about the code of ethics. It has been studied to death. One need only look at the history of codes of ethics in the House which goes all the way back to 1973 and presumably before that.

It is not for lack of a code of ethics that we do not have ethical behaviour. It is for lack of ethics. That is the problem. It is not the code. It is the fact that the individuals engaged in this do not distinguish right from wrong. If they do, they blatantly and deliberately betray their own consciences because they must know it is wrong. If they do not know it is wrong we are in deep trouble and voters should take the opportunity to turf and get rid of them.

As parliamentarians we should have the highest behaviour. I have been impressed over and over again by the expectations everyone has of members of parliament. It is doubly true for members in the executive branch of government. They have a lot of power over there. They make all the rules. They have the power to determine which laws will be and which will not. They have the power to enforce or not enforce them as they choose. With all that power they must be totally upright. That is where the dilemma lies. These people are morally bankrupt. They have an ethical vacuum. It is absolutely

incredible that they cannot use their own moral compasses to decide what is right or wrong.

Perhaps their behaviour is at the behest of civil servants, in which case they should be found out and prosecuted. However I do not believe that is the case. I am much more inclined to believe it is the influence of political ministers who have the power to tell bureaucrats whether or not they have jobs. They are the ones who put the pressure on. A lot of evidence is pointing in that direction. That is where the correction must be made. There is no point in having a code if we do not have an independent ethics commissioner to enforce it.

● (1645)

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: Accordingly the vote is deferred until September 18 at the end of government orders.

[*Translation*]

Mr. Jacques Saada: Mr. Speaker, I would like you to consider that it is 5.30 p.m. and that we can move on to private members' business.

[*English*]

The Deputy Speaker: Before I do that, 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 Cumberland—Colchester, Lewisporte Marine Terminal.

Getting back to the business raised by the deputy whip, does the House give its consent for the proposal of the deputy whip?

Some hon. members: Agreed

The Deputy Speaker: It being 5.30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

FIRST NATIONS GOVERNANCE REVIEW ACT

Mr. Myron Thompson (Wild Rose, Canadian Alliance) moved that Bill C-399, an act to establish a first nations ombudsman and a first nations auditor to assist with administrative and financial problems, be read the second time and referred to committee.

He said: Mr. Speaker, on behalf of grassroots natives across the country and grassroots action committees in all provinces that are calling for accountability, equality and democracy I am pleased to once again bring forward a bill that they and I feel would address the serious problems that exist on many of our reserves.

To prevent the rhetoric from flowing from that side of the House I would point out that I recognize, as do many grassroots people across the country, that a number of reserves are doing an excellent job of looking after the welfare of their communities. We commend them for that. However a great many, far too many, are suffering a great deal of problems. That is what my bill is attempting to address.

Part one of the bill would establish the office of first nations ombudsman to assist persons dealing with first nations, first nations dealing with each other, or first nations dealing with the Government of Canada if they felt they were being dealt with unfairly, unreasonably or with unreasonable delay. The ombudsman could investigate complaints and report to the minister on complaints that were not satisfactorily resolved. The ombudsman could propose changes to first nations administrative policies and practices. If a first nation failed to change its policies and practices at the suggestion of the ombudsman, the ombudsman could make a report to the minister which would then have to be laid before parliament.

Part two of the bill provides for an official from the office of the Auditor General of Canada to be appointed as first nations auditor. This individual would carry out audits of first nations communities that were insolvent or in which impropriety in fiscal management was alleged.

The first nations auditor would not be responsible for auditing all first nations. His or her duties would be limited to the terms of this paragraph of the bill. The auditor could propose changes in first nations financial management practices and make reports in the same manner as the ombudsman.

As many members know, I spent the better part of a couple years travelling across the country and in virtually every province in the land. I visited with grassroots people and watched the coalition calling for accountability grow under the leadership of some very fine people throughout the country. They included people like Leona Freed of the coalition from Manitoba, Laura Deedza from Alberta who worked hard to try to bring about accountability, Roy Littlechief and Greg Twoyoungman. I could go on and on. There is a long list of grassroots aboriginal people who absolutely deplore the conditions of the reserves and whose cries and pleas are going unheard. They are looking for someone to come to their assistance.

Why put forward a bill like this? These people are calling for equality. We should look at it from this light: If members of the House have a grievance against any business or government we

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always have an avenue in which to go. An ombudsman is at our disposal to look into our grievances or concerns and try to do something about them. This is true for every citizen of the country except natives living on reserves. They do not have such an avenue. That is total inequality. I am sure all members would agree they should be able to go to someone.

• (1650)

What do they do in the meantime? The actions that take place on a lot of these reserves remind me of the actions that takes place in this establishment. Leaked documents are provided through some of the people providing services in the administrative buildings on these reserves. They get their hands on some of these documents. They would like to do something about it.

They will not go to the chief and council because of fear of reprisal or fear of being punished for having brought it to their attention. They could go to the Indian affairs department to raise these concerns but Indian affairs quickly washes its hands of any responsibility and advises them to take it to their chief and council. They go round and round with no one really addressing the problem. Then every once in a while some of these documents are serious enough that they might warrant criminal investigation.

Let me give an example of that and it is one that I brought up before. It amazed me that this episode did not go anywhere.

Documents that came out of the welfare department of a particular reserve were provided to two individuals from that reserve. The documents listed the welfare payments made to people who lived on the reserve. As we looked down the list, several welfare payments of \$300, \$400 and \$700 were made. Then all of a sudden there were two that showed up, one for \$9,000 and one for \$8,000.

I thought it was rather unusual that there would be that big of a spread so I asked who was getting paid the big dollars and for what. That is when they produced the other documents that went along with this. The documents were death certificates for individuals whose names had been on that welfare list. They had been dead for 13 years but payments were still being made to that name. That sounded a little suspicious to me. I am not a rocket scientist, and I am certainly not a policeman, but I thought "Good grief, dead people are receiving welfare cheques. Isn't that amazing."

I convinced the people from the reserve who brought these documents to me that we should present them to the police. We went to the local detachment and presented them. The sergeant and some of his staff went over the documents and agreed with us that this was very suspicious and would probably warrant an investigation. However they said it had to go to the police force that looked after commercial crimes. That was the category it came under. We left it with the commercial crimes department, believing there would be some action.

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About four months later I personally received a call from the sergeant of the detachment where I had taken the documents. He said that he had been informed by commercial crimes that all investigations with regard to that matter were being dropped. I was a little concerned about that so I got hold of the commercial crimes department. I asked if somebody from the department could please explain to me why it was being dropped. I said that it seemed to me a lot more was happening.

These are the exact words I heard over the phone, "You don't me, you don't know my name but I'm going to tell you this, Mr. Thompson. I've been with this department for a long time, I'm going to retire in a couple of years and I'm not going to do anything to hurt my pension. But we have received orders from the ivory towers in Ottawa that we are to not pursue this matter any more, we are to drop it and we have to follow our orders".

In other words someone from the solicitor general's office told the Indian affairs office or the Indian affairs office told the solicitor general's office to pull these people back and to stop the investigation. These people went to a lot of work to provide information. Something should have come of it but it was stopped dead in its tracks. This is just one example of story after story.

• (1655)

Members of parliament who have Indian reserves in their ridings have heard those kinds of stories from grassroots people on the reserves. If members are not doing anything about it, they should be ashamed of themselves.

That is the purpose of the bill. It would provide an avenue for grassroots ordinary natives who live on a reserve to get the kind of help they deserve because every other citizen in the land receives it. They deserve it too but they have no avenue.

Then we have Bill C-61. The government says that it will solve the problem. The complaints from the reserves are of corruption, mismanagement, stealing of money and councils not looking after what they are supposed to be looking after. We are calling on that mob over there to address that kind of a problem? Every day we see example after example of corruption, mismanagement, wasting tax dollars and that mob of people say they will look after the first nations where the very same complaints have arisen. What a joke. Good grief a person who has had 15 divorces might as well be a marriage counsellor or cat might as well babysit an aquarium full of a bunch of tropical fish.

Nothing is taken seriously over there but yet they say that they will do something about these problems. Does the House know why this is not going to work? Because there are two sides every time an ombudsman is involved. If one side appoints the ombudsman or the auditor general, guess who that appointed person will go to to seek advice. They are not independent or arm's length. They are appointed by the power. Above all things, just like the Liberal Government of Canada, it must protect the power. That is why it acts like it acts. That is why the Liberals do what they do. It is not for the benefit of Canadians. It is because of their egos and their selfishness.

There will be a commission to see that this all goes well. Who will be on the commission? None other than those who are appointed by our fine Prime Minister who has set such good examples over the

last nine years. He will appoint the members, just like he appoints the parole board and the refugee board. That is more patronage. The first requirement is, "Are you a good Liberal? Have you paid your dues? By the way, if you are a Liberal, what can you do or what do you know?"

What a farce to call on a government like this to look after what has been living conditions of squalor for literally decades and decades. Nothing has ever happened. Four years ago I first introduced this kind of a measure. Even though I had a lot of support from backbenchers from all parties, nothing happened. They were supporting it because they had reserves in their areas and they knew what I was talking about. They wanted to see it fixed. It was a votable motion and almost carried.

This bill is not votable. Why is it not votable? Are native issues not serious enough? Do they not deserve some accountability? Do they not deserve equality? Do they not deserve true democracy on their reservations when they have elections instead of the farces that so many of them go through? Who are we to deny that to these people?

We have this great wonderful government that never does anything wrong. Even the Prime Minister has said "If you steal a few million dollars here and there and it is for the unity of the country, then it is okay". What a rotten attitude.

I only hope that all the voters and taxpayers, whose pockets are being emptied day in and day out, will wake up some day and see to it that that kind of a government will never have a chance to sit in front of them again and be responsible for their money. It is absolutely disgraceful.

• (1700)

The reserves are in squalor. Even the United Nations has recognized them as third world conditions. I call on the members in the House who know what I am talking about to do the right thing. I would request that the bill be made votable and I would ask for unanimous consent to do that at this time.

The Deputy Speaker: Is there consent to make the bill votable?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, it will be hard to follow the hon. member's act of statesmanship and debate. I will do my best to be diplomatic.

I would like to make a few remarks concerning Bill C-399 to establish a first nations ombudsman and first nations auditor to assist with administrative and financial problems. While I appreciate and commend my hon. colleague's intentions, or at least some of them in the bill, I have no choice but to express concerns about his proposed solutions to the problems facing first nations and aboriginal communities.

Bill C-399 was drafted with perhaps the best of intentions but does not include all the aspects and solutions of the government's proposed legislation, which was recently referred to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources for review.

The government's proposal is the product of consultations with thousands of Canadians, analysis by financial and constitutional experts and refinement by a ministerial advisory committee. My esteemed colleague's bill is the result of a more limited approach and, as a result, clearly does not reflect as much in put of aboriginal and non-aboriginal Canadians.

The hon. member's bill proposes to establish two new offices, a first nations ombudsman to assist with conflicts that arise concerning first nations and a first nations auditor operating under Canada's auditor general. Creating these offices is clearly in some respects not in the best interests of aboriginal people and could in fact generate more problems. For instance, the proposed bill provides no mechanism for first nations communities to shape the mandates of these new positions.

Under Bill C-399 the roles and responsibilities of a first nations ombudsman and auditor are ambiguous. Consequently, the Minister of Indian Affairs and Northern Development could be obliged to intervene directly in the affairs of first nations. The history of ministerial control over the affairs of aboriginal people is not in many respects a happy one. It is clearly in the interests of all Canadians that first nations communities direct their own affairs.

I would also like to point out that the ombudsman model does not allow for the resolution of situations where responsibilities lie with other jurisdictions, such as provincial and territorial governments. Nor does the proposal address areas where responsibilities are shared. We believe that these shortcomings could lead to years of expensive constitutional wrangling.

Finally, Bill C-399 does not provide a framework for increased accountability for first nations governments. Under the proposal, complainants would be encouraged to bring their problems to the attention of the ombudsman, instead of to band councils.

For all those reasons, I have no choice but to choose Bill C-61 instead of my esteemed colleague's proposal. However my decision is easy because the issues of my colleague and more are dealt with in Bill C-61, the first nations governance bill. I will now explain this in more detail.

The proposed act is more comprehensive and would ensure that first nations improve their accountability and transparency in their governance structures and develop impartial mechanisms for redress and disclosure.

The process that led to the government's proposed legislation began more than a year ago and included consultations involving more than 10,000 aboriginal people. Throughout 2001, thousands of Canadians shared their ideas and opinions at community meetings, via a toll free phone line, in letters and through e-mails.

To provide overall guidance, a joint ministerial advisory committee was established, comprised of first nations representatives and government officials. This committee presented its report to the minister for review three months ago.

The legislation now before the committee would overhaul the fundamental relationship between first nations and the Government of Canada. The act would provide tools for first nations governments to manage their communities effectively and become more

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accountable to their memberships. Impartial, community based redress mechanisms will be established.

As a result, first nations communities will build self-sustaining communities, and ultimately increase the prosperity of all Canadians. In the words of the Minister of Indian Affairs and Northern Development "This legislation puts the power to handle community governance affairs where it belongs, in the hands of first nations people".

I believe the minister captured the essence of the government's proposal. First nations communities will decide how to govern themselves, how to track their finances and how to development their economies.

● (1705)

The proposed legislation offers guidance to first nations communities and includes a series of templates on governance and accounting systems. Should a first nation be unclear on how to avoid a conflict of interest for example, it can adopt the legislation's template quickly and easily.

Bill C-61 enables first nations to design codes for leadership selection, financial management and accountability, and the administration of government, all according to the will of their communities. I am sure everyone recognizes that the key to effective democracy lies in representing the wishes of constituents.

The proposed act establishes standards for the administration of government. Leadership selection for instance must include provisions to ensure majority rule. The act stipulates the number of band council meetings that must be held and indicates how the notice of those meetings must be provided to facilitate the participation of community members. Budgets must be presented and approved annually. The act sets out rules pertaining to conflict of interest, protection of privacy and access to information.

Bill C-61 grants first nations peoples the right to vote on governance codes regardless of whether they live on or off reserve. All band members must have the right of appeal on matters pertaining to band elections and enjoy equal access to band information such as budget documents. They will have an impartial method of redress for administrative decision making.

Of course the proposed legislation is not only about granting rights; it also places obligations on first nations governments. Councils for instance would need to establish impartial methods to deal with complaints about the administration of government and the actions of council. For the first time, the Canadian Human Rights Act would apply to first nations governments.

Aboriginal communities have long struggled to develop prosperous economies. Often the biggest obstacle in their path has been access to capital, startup investment, seed money and new business loans. The proposed act would provide first nations with the legal authority to enter into contracts, acquire property, raise, spend, invest and borrow money.

In short, Bill C-61 would remove the barriers to economic development and would promote self-reliance.

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Today first nations administer budgets that often run into the millions of dollars. The Indian Act is silent on financial management and includes no sound fiscal models for aboriginal people. Instead, first nations and aboriginal communities have followed financial models imposed by various government departments and programs. Funding agreements often include requirements to manage money in specific ways. Under the proposed legislation this would change dramatically.

Bill C-61 is just one component of the government's three-pronged legislative agenda to overhaul Canada's relationship with aboriginal people. Other components include the amendments to the First Nations Land Management Act and implementation of the first nations fiscal and statistical infrastructure initiative. All three components are necessary to ensure the ability of first nations communities to fulfill their destinies.

The first nations fiscal and statistical infrastructure initiative will enable first nations communities to establish financial institutions, raise capital for infrastructure projects and collect property taxes. These infrastructure powers are similar to those granted to other governments and would enable first nations to build and maintain roads, water and sewage systems and other types of infrastructure. There are successful precedents in this area.

Under the leadership of the Westbank first nation for instance, a First Nations Finance Authority was created in 1995. Since then several communities have relied upon the finance authority to use debentures and gain access to long term affordable financing. The finance authority has benefited from a partnership with an expert in the field, the Municipal Finance Authority of B.C., which has 30 years of experience and a triple *A* credit rating.

Aboriginal communities across Canada are keen to follow in the footsteps of the Westbank first nation. All Canadians want to see first nations, aboriginal and northern communities contribute to the prosperity of our nation. We want every Canadian to have both a dream and the ability to make that dream come true. We want every Canadian to be able to control his or her destiny. Bill C-61 is designed to ensure that aboriginal communities can access the resources they need to fulfill their dreams.

I am convinced that all Canadians will benefit, aboriginal and non-aboriginal alike. I am also sure that all would agree that the government's proposed legislation is a more comprehensive option than is Bill C-399.

• (1710)

Earlier this week members of all parties spoke eloquently in support of sending the government bill to committee. Many hon. members indicated they were keen to help improve the bill. I urge all hon. members to become involved in the review process.

In conclusion, I reiterate that the goals of Bill C-399 are covered more comprehensively in Bill C-61. Therefore, I encourage everyone to vote for Bill C-61 instead of Bill C-399.

• (1715)

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, it is quite fitting to speak to Bill C-399 today, given that tomorrow is National Aboriginal Day.

There is not much that the hon. member for Wild Rose and I see eye to eye on. However, Bill C-399, to establish a first nations ombudsman and a first nations auditor whose job it will be to assist first nations with their administrative and financial problems, is a highly commendable initiative, and I wish to congratulate my colleague from Wild Rose.

The principle of the bill we are discussing appears well structured and should truly address the concerns regarding the day to day operational management concerns expressed by aboriginal communities,

And while the approach proposed by my colleague from the Canadian Alliance contains certain positive elements, I believe some mechanisms are necessary to ensure that the bill is in line with the real aspirations and needs of first nations.

Allow me to explain. First nations communities, through their leaders, have recognized the sometimes flawed management of certain communities.

In my opinion, this is an honourable admission that represents the start of a constructive approach for these communities. The financial and administrative problems of certain nations, while they may be isolated, are still problematic, and real measures must be taken together with the communities involved, obviously, to remedy the situation.

In recent weeks there have been initiatives to give greater autonomy to first nations, to gradually bring them to take full responsibility, with the leadership needed to ensure that it lasts.

There is a clearly defined will among aboriginal peoples to take charge of their destiny, something the government recognizes.

For too long now the government has had a paternalistic, even colonial relationship with first nations, undermining both the ambitions and their communities' potential for development. For decades, the attitude of the federal government should have been one of equals with first nations, one of dialogue nation to nation.

This is what the Government of Quebec realized several years ago, and this openness toward aboriginals was commended by the Grand Chief of the Assembly of the First Nations, Matthew Coon Come, on the occasion of the ratification of the peace of the braves between the Government of Quebec and the Crees of James Bay.

Thus, from a world subjected to the decisions of the Department of Indian Affairs and Northern Development for more than a century, aboriginal nations want to have access to a real level of self-government and to ensure the governance of their communities, in accordance with their culture and their traditional approach. This is also the opinion of the Bloc Québécois.

The transition may sometimes be slow and difficult, but we are convinced that the results will be better.

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This is where the vision of my colleague from the Canadian Alliance comes into play. As I mentioned at the beginning of my speech, the intent of the member for Wild Rose is to be viewed in a perspective of increased self-government for the first nations.

However, probably unwittingly, he has the same attitude that we deplore in the federal government, by giving too many decision making powers to the Minister of Indian Affairs and Northern Development and to the governor in council.

The first nations wish for and support the idea of appointing an auditor and an ombudsman. It has been established that the creation of such positions was really necessary.

However, my colleague from Wild Rose wishes for the appointment of these officers by the governor in council, that is by the government, on the recommendation of the minister of Indian affairs, from a list drawn up by the Standing Committee on Aboriginal Affairs, to whom the first nations would provide a list of candidates.

Do you see the problem here?

Quite a few people are getting to be involved in the appointment process of two people. Of course, I would never want to deprive members of the House of the powers of examination and recommendation. However, I think this process is a little twisted and leaves too much room to the arbitrary power of the minister and the governor in council, that is the government.

You know as well as I do that we must not give too many powers to the government, particularly when it comes to appointments, because Liberals being who they are, they have many friends to reward, which gives us people who are highly qualified to fill such important positions as that of ambassador to Denmark, for example.

● (1720)

What the Bloc Quebecois is proposing and we will be supporting is that the appointment process be a joint process between first nations and the federal government. Period.

For one thing, it would show the minister's good faith and it would maximize the impact of the appointment of the auditor and the ombudsman on the management of aboriginal communities.

There is a clear consensus on the need to appoint these bureaucrats to ensure transparency in the management of aboriginal communities. It would be unfortunate to cloud this consensus by giving what I would call a partisan dimension to the process, since the Liberal minister will surely be unable to resist the temptation to appoint someone who is too close to the government.

What surprises me the most is to see that this kind of proposal comes from the Canadian Alliance.

Either the Alliance acted in good faith to give parliamentarians a greater role in the selection process, which is very praiseworthy but rather harmful in this case or at least contrary to the dominant concept of aboriginal self-government, or the Alliance harbours some negative judgments regarding the first nations' ability to manage their own affairs.

We have to wonder about the real motivations of the Canadian Alliance in proposing such a bill. I honestly prefer to believe it is the first possibility.

That is why the Bloc Quebecois would have voted in favour of the bill at the second reading stage, had it been votable, and would have proposed the necessary amendments to correct these elements of the bill, as I explained, to make the appointment process a joint process between first nations and the federal government.

Members certainly know that the Bloc Quebecois, just like the Government of Quebec, clearly favours an approach based on a nation-to-nation dialogue with first nations.

In fact, this proposal is part of the Bloc Quebecois election platform and is the result of extended consultations with aboriginal groups, so that we can defend their interests just as we do for the whole population of Quebec.

The Bloc Quebecois is committed to creating strong and durable ties with the aboriginals and, in this perspective, we must support their development to benefit from it and to create the fair and dynamic society that we all want.

[*English*]

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is a pleasure to speak tonight to Bill C-399. I feel very comfortable with the debate and the discussion because I have a close relationship with a first nations band in my riding, the Millbrook Band, whose chief is Lawrence Paul.

First, I want to compliment the hon. member for raising the issue of the auditor and the ombudsman proposal. Many first nations bands have problems with negotiations and controlling money. I believe we do have an obligation to ensure that all first nations people are treated fairly, have access to justice and have a fair approach to dealing with the finances of the first nations. Not all do, so the hon. member's proposal may have some merit.

I also want to mention the new Bill C-61. I congratulate the minister for taking a courageous step. This is a very difficult issue to deal with. For years and years not a lot has been done but I believe the bill on the table now deserves a lot of consideration. I applaud the minister for his courage in bringing it forth because it is not an easy subject and not an easy issue to deal with.

I have often felt that not enough has been done. We often deal with first nations issues as they happen. We deal with the symptoms not the root causes of the problems. I believe the new bill starts to do that. I know it will come under a lot of criticism, scrutiny and opposition, but fundamentally it is a good direction and a good start. It will be very interesting to see how it unfolds, how first nations people deal with it and how they respond.

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I want to talk for a minute about the Millbrook Band. One of the previous speakers mentioned the Westbank Band and how it could be used as an example for other first nations. I believe the Millbrook Band outside of Truro, Nova Scotia could also be used as a model. Chief Lawrence Paul has done a great deal in economic development to bring a higher standard of living to his people. He has worked very hard to attract businesses and use every asset that he has at his control.

Chief Lawrence Paul and I do not always agree, in fact, quite often we disagree, but I admire him for his spirit, his initiatives and his determination to help his people. He has recently developed what he calls a huge power centre along the Trans-Canada Highway at a very high traffic area in Nova Scotia, and perhaps the highest traffic area. He has attracted a Tim Horton's, an A&W, theatres and an Ainee's Convenience Store to the centre and has plans for many more developments to create jobs and employment for his people. He has also installed an entertainment centre at this location which is a form of entertainment where his band takes in a lot of revenue.

He has also developed a Millbrook fishery. He has two approaches to the fishery. One is that he is involved in the fishery on the Bay of Fundy and the Atlantic Ocean. He is also involved in the fishery through an agricultural project which is just beginning. This is very innovative, dynamic and very imaginative for a first nations band.

I believe the Millbrook Band has managed its funds well. It has been able to return money to all its residents in the form of scholarships and housing assistance, and in many other areas. Therefore I think the Millbrook Band could be used as a model. It is certainly not perfect but it has done a lot of things right and has done a lot to help its people.

The challenge in the future will be to bring all of the first nations together to agree on this new governance model. It will be difficult because there are over 600 first nations and many are governed under different models and in different ways. The circumstances are completely different from first nation to first nation. Some are very small, some are quite large, some are prosperous and some live in poverty. It will be difficult to find one formula that fits all. Each first nations band will need the flexibility to develop in its own direction. Each band must be transparent and accountable to its people.

• (1725)

The bill we are debating today goes in the direction of ensuring there is accountability and transparency for all first nations people, not just the leaders. This is a critical part of the future for first nations.

Whether it is through Bill C-399 or through the new Bill C-61, we in this party hope the circumstances for first nations people improve. We hope they gain more ability to govern themselves, more control over their own destinies and able to use their resources and their ingenuity, like they have in Millbrook, to improve the quality of life for all natives.

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, I am pleased to support my colleague, the member for Wild Rose, on Bill C-399, which is an act to establish a first nations ombudsman and a first nations auditor.

The bill actually reflects Canadian Alliance policy. Canadian Alliance policy is developed by the grassroots members of our party, many of whom are aboriginal Canadians themselves. This particular policy, which reflects and asks for electoral and fiscal accountability at every level of government, is endorsed not only by our grassroots but by aboriginal candidates who ran for us in the last election.

Whenever there is governance, whether it is municipal, provincial, federal or in a non-profit agency, there is a necessity for fiscal and democratic accountability. The existence of an arm's length body or person with the mandate and resources to audit how dollars are being spent, to audit how the democratic process is working within any area of governance and be able to report without prejudice in a transparent manner on progress in those areas, would not only serve to improve the governance but would improve conditions for the people under that governance.

As a former minister of finance I welcome the existence of an auditor general in the province. It gives us an opportunity to actually show that we are handling funds responsibly. It gives us an opportunity to remove suspicion.

In this era in which we all live, it does not matter what area of governance we are talking about, whether it is aboriginal, municipal, provincial or federal, people in positions of government are seen with suspicion. We all are. It is unfortunate but it is a fact of life. Therefore any instrument that can reduce that suspicion and show that we are doing a good job will lead to better governance and better conditions for the people involved.

When an auditor general, for instance, reports on how funds are being expended, the auditor general will not only report if things are going well but, if things are not going well, the auditor general will come out with recommendations which then can be followed, not feared, to provide for even better governance and better management of those dollars. This could result in a supreme compliment to the persons governing that they receive an unbiased report card from an independent, arm's length individual or group who assesses the performance and delivers the report accordingly.

It is just basic human nature. History provides unquestionable evidence that, in every society, every culture and every era, people who are in positions of government will respond to instruments of accountability. Without accountability, over time governing powers at any level will tend to be less vigorous, less motivated and less intense when it comes to delivering the services in the best manner possible. It is not that they set out to deliver at a minimal level. It is just human nature and we need to recognize that.

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I want to emphasize that we are not just talking about governance on aboriginal lands or by aboriginal councils. We are talking about governance at any level. This is human nature. It is not just public government either. We can reflect on the private sector and recent developments related to Enron which did not have an independent, arm's length auditor. I am not suggesting an invasion into the market by government instruments, but it is a clear demonstration that this knows no boundaries when it comes to human performance in areas of governance. The situation with Enron was that the auditors were not fully transparent and were less than fully motivated to report what was going on.

● (1730)

Provinces have ethics commissioners in place within their legislatures to make sure that governance is as good as it can be. The House of Commons has not had an independent arm's length ethics commissioner. That is one of the reasons we have seen failings in terms of governance with this body. Remember what we have seen without an ethics commissioner in place in the House of Commons. Today we heard our party's leader go through the list of scandal after scandal and the six RCMP investigations. Much of that could have been avoided had there been an independent arm's length ethics commissioner.

Imagine if there were no auditor general reflecting on the spending of the government. Even with an auditor general in place there was a finance minister who went two years without tabling a budget. That is unheard of. It is certainly unheard of in provincial legislatures. No mayor could get away with that. The chiefs of aboriginal bands could not get away with going two years without tabling a budget, yet it happened right here with an auditor general in place. When it comes to the finances of this body, the auditor general is still asking who is minding the store.

Imagine what kind of shape the federal government would be in without an auditor general. This brings it back to the fact that accountability and transparency move people to respond and to govern at a higher level. There is no exception. It is a basic element of human nature.

As a former minister responsible for aboriginal affairs at the provincial level I worked with aboriginal people. I can say that most of the aboriginal people in governance that I worked with wanted to be seen as being responsible and most of them were. Any of us are less responsive without knowing that we are being monitored and that there will be a clear and transparent report on that monitoring. On aboriginal bands when it comes to spending, we are talking about huge amounts of money.

I believe that most of those managers are well meaning as I believe at any level of government they are well meaning, but good intentions alone are not enough. In my experience as a minister of finance I can say that if I and all the people with whom I worked did not know for sure that we were being audited, yes we had good intentions, yes we would hope to always respond and govern in the best manner possible, but it is human nature to get a little sloppy from time to time if we know we are not being encouraged to perform our best at all times.

There would be other benefits in having an auditor general and an ombudsman. It would remove the suspicion of doubt under which

those of us in governance are often held. It would lead to people in governance being acknowledged as good managers. It would improve the relations between those who are governing and those who are governed. It would deal with the inevitable so-called bad apples that are in any barrel. Whether we are talking about federal, provincial, municipal or aboriginal governments, there are bad apples in every barrel. They need to be spotted and weeded out so that the good ones can be seen as being good managers and can thrive.

An auditor general would go a long way to help accomplish that process. As for an ombudsman, as Lord Acton said, it is just human nature regardless of culture or ethnicity, that power has the tendency to corrupt and absolute power can corrupt absolutely. People who are being governed need an independent source to go to when they feel that governance is not happening the way it should.

The Westbank band, which happens to be in my own constituency of Okanagan—Coquihalla, is an example of governance which may not be perfect but it is good governance that delivers for the sake of its people. If we had an auditor general, if we had an ombudsman in place, we would see improved management as good as some of it always is. We would see the bad apples being weeded out. We would see those leaders being held in higher esteem. We would see better relations between the leaders and their people. We would see improved conditions for the people.

● (1735)

I am sure we all want to see an increased standard of living for all people in this nation, including aboriginal people. I am sure all members will support the bill to see that happen.

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, I did not originally intend to speak to the bill, but some of the things I heard have motivated me to speak in support of my colleague. I was disturbed by the comments made by the member for Yukon and his proposal that Bill C-60 would solve all the problems we face with accountability in aboriginal communities.

I concur with my two colleagues that many aboriginal bands are run well and are accountable to their members. I have had many of the same experiences as my colleague for Wild Rose. I have accompanied band members to the RCMP commercial crimes unit and to the Department of Indian Affairs and Northern Development asking for help to deal with their problems. Both of those institutions either could not or would not provide the assistance we were looking for.

Bill C-60 proposes that the band appoint an ombudsman so people in the band would be able to go to this ombudsman if they have problems with what the chief and council are doing and need to appeal. That is ludicrous.

Those of us who have lived our lives among Indian bands know that an Indian band is a tribe or an extended family. Most individuals living on the reserve are related to each other. If there is a complaint against the chief or council for some action taken on the reserve and someone goes to the band ombudsman, that ombudsman is likely to be a brother, son, uncle or cousin of the chief, or one of the councillors. Does that give anybody confidence that the problem will be dealt with?

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I am disappointed because the minister of Indian affairs promised that his legislation would deal with problems we have been bringing to him for years. The legislation has no enforcement mechanism to deal with the problems we are talking about. The only answer is an independent arm's-length ombudsman who has some power to investigate and take action if there is unethical or illegal behaviour. That is the only way those problems will be solved. That is the only way to get accountability, either political or financial.

I am also disappointed with the comments made by the member for Yukon because he knows better. We will deal with these issues when we get into Bill C-60. At this time I support the proposal put forward by the member for Wild Rose.

● (1740)

Mr. Myron Thompson: Mr. Speaker, I wish to apologize to a number of the First Nations Accountability Coalition grassroots natives who are watching tonight and were hoping we could get some strong support for Bill C-399. I apologize for the lack of concern shown by a number of members in the House about the welfare and the troubles they are going through. The members who spoke tonight know that these things have been going on for years and years.

The legislation that has been brought down by the hon. minister, although the principle is right and the ideas are not too bad, will take forever and ever. We could have at least dealt temporarily with the situation of people starving and suicides that are completely out of control. It is an absolute disgrace that members of the House of Commons are not willing to put everything aside for a moment and take the bull by the horns because there are Canadians in the form of aboriginal grassroots who desperately need our help. They cannot wait another 5, 10 or 15 years.

It takes a little courage. Let us put the canned speech over here and speak from the heart. If everyone knows of what I am speaking let us take some action. Whatever we say up here in front is what we shall do back there. Somebody will pull the strings and the little puppets and sheep will follow suit.

What a shame that we live in such an undemocratic country where we have a dictator at the helm of the controlling government. It is a disgrace and I apologize to all the aboriginal grassroots natives who belong to that coalition who are fighting desperately for their cause. May the good Lord wake up the people who are asleep over there and are unwilling to help the citizens of the country.

The Deputy Speaker: The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item, the order is dropped from the order paper.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

LEWISPORTE MARINE TERMINAL

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I am pleased to rise once again on an issue I raised on May 9 concerning the Lewisporte Marine Terminal which is being closed by the Department of Transport thereby depriving the city of its major industry. It is the biggest employer in the area. It employs between 30 and 40 full and part time people. It will be devastating to the community when it closes.

The government has no backup plan and no assistance to provide to the community of Lewisporte in Newfoundland and Labrador. It seems to have fallen on deaf ears even though on May 23 the hon. member for Gander—Grand Falls raised the issue and asked for help. He asked for the government to come up with concrete solutions and ideas for the town of Lewisporte that could be put in place to help offset the economic devastation that will result from the movement of the port.

Lewisporte has been the main terminal in that area for decades. It is to be closed with all the work and shipment facilities transferred to another port. It will have a negative impact on the community. Marine Atlantic and Coastal Labrador Marine Services are the only major operations out of Lewisporte.

Not one dollar from the federal government has been offered, put in place, or even suggested, to help offset this action which is the result of a government decision. It is through no fault of the people in Lewisporte. It is a government decision that will close the port and have a negative impact.

It goes along with the census of 2001 that showed that every federal riding in Newfoundland and Labrador suffered a decline in population. It is actions by the government that result in this decline in population. If the government does not address these issues in general then the out migration of people from Newfoundland and Labrador and other smaller provinces will continue and eventually they will not be able to maintain their health care systems, highway systems and academic facilities. It is important that the government in general address the out migration of people from smaller communities in poorer provinces to Calgary, Vancouver, Toronto and Montreal.

In this case it is a specific action that the government is taking. It is its decision to close the Lewisporte Marine Terminal. It should and must act to help the community and its people maintain their quality of life, culture and standard of living by helping them replace these 30 to 40 permanent and part time high quality jobs.

I would hope that the hon. Minister of Transport or the distinguished parliamentary secretary will have an answer for us on what the government will do to help the people of Lewisporte as a result of its decision to close the marine terminal.

● (1745)

[Translation]

Mr. André Harvey (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, first I want to thank my colleague for raising this most important issue. I know that he never loses touch with reality. It is with great respect that I will address the issue that he has raised on several occasions.

Adjournment Debate

He is fully aware of the privatization process undertaken by several western governments. There was a time when governments, including the federal government, managed nearly everything that had to do with transportation. It was true in air transportation, where the government owned the infrastructure as well as carriers. It was also true in marine and rail transportation. I think that the involvement of local people in the economic development of their region has produced very good results.

The new national maritime operations management policy with regard to the municipality of Lewisporte was officially transferred to the Government of Newfoundland and Labrador in 1997 for several hundreds of millions of dollars, I think, for the management of operations.

Unfortunately, these transfers are forcing local authorities to manage operations on their territory very carefully. The time when the Canadian government was responsible for everything that was happening is gone. It trusted the people in the regions enough to let them to assume responsibility for the transportation infrastructure, which is gaining in importance. It is normal for things to be better managed by the local population.

The secretary of state, who answered the first time, and the Minister of Transport are very sensitive to the whole issue, which affects the diversification of regional economies. It is true, I see this in my own area and people see it across the country, our regions, which used to depend on natural resource development, must now turn to new realities involving processing and making the local population more responsible.

The regions will develop if they can, with our support, turn to research and development, to critical infrastructure, with the involvement of the local population. Thus, we will be able to retain our young people, with better support for small business development, among other things, through the use of the most up to date equipment.

Then there is the whole training aspect. Provinces must be helped to assume their responsibilities. In the situation of concern to us here, where some 40 people are going to lose their jobs, it is important for the Canadian government—and I make a commitment to this on behalf of the secretary of state and minister of transport—to act as a partner in the economic diversification of this region, which is absolutely vital.

I am certain that the Canadian government will, as it always has in the past, be successful in acting as a constructive and positive partner

in the development of this lovely region, which I have had the opportunity to visit with my colleague. I have visited all of Newfoundland and have had occasion to take the ferry from North Sydney to Port-aux-Basques. These are most extraordinary regions.

They are regions well worth visiting and learning more about. It is particularly worthwhile to be partners in the diversification of their economy. I am certain that the local population realizes that an economy cannot always be focused on one activity. There must be diversification. The Canadian government will play a major role in this community's efforts toward that diversification.

• (1750)

[*English*]

Mr. Bill Casey: Mr. Speaker, I appreciate all those words but they did not really say one single thing.

We first raised this issue in the House on May 9 and we raised it again on May 23. The government has had a lot of time. I would like the parliamentary secretary to tell us exactly what role the federal government will play in helping the community of Lewisporte.

[*Translation*]

Mr. André Harvey: Mr. Speaker, the Canadian government does not lack tools for managing and providing assistance to the regions which really need it to diversify their economy.

I am sure that the minister responsible for the economic development of this region is fully aware of the full set of tools available to him: the infrastructure programs, ever broader in scope, in co-operation with the municipalities. The new research and development programs, which help us to diversify regional economy, are also extremely important.

The entire diversification sector has a direct impact on training, which must be geared toward new niches.

I am not worried, because the Canadian government, through the responsible ministers and members in this sector, will find the necessary means to diversify this economy and restore this lovely area to its former vigour.

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24 (1).

(The House adjourned at 5.53 p.m.)

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