



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, December 11, 2002**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Wednesday, December 11, 2002

The House met at 2 p.m.

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*Prayers*

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• (1405)

[*Translation*]

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

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

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## STATEMENTS BY MEMBERS

[*Translation*]

### MEMBER FOR ABITIBI—BAIE-JAMES—NUNAVIK

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, yesterday, we learned that our colleague, the hon. member for Abitibi—Baie-James—Nunavik, was hospitalized.

It seems that he experienced some cardiac discomfort early yesterday morning. We are waiting to hear more about his health, after the various tests that he is undergoing at Hull's CHVO. Knowing the competence and dedication of the staff at this hospital, I am confident that our colleague is receiving high quality care.

On behalf of all the members of the Liberal caucus, I wish him a quick recovery. Mr. Speaker, I invite my colleagues in the House to join me in offering our full support to him, to his wife Diane and to their daughter Sonya Kim.

I paid a brief visit to the hon. member for Abitibi—Baie-James—Nunavik yesterday evening and, after seeing his determination, I know that he will soon be with us again.

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[*English*]

### FOREIGN AFFAIRS

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, a young man from Tel Aviv is in Ottawa today to plead the case of Israeli prisoners held captive by the terrorist group Hezbollah. Ori Tannenbaum's father, Elchanan, was kidnapped two years ago while on a business trip in Belgium and is being held today by Hezbollah in Lebanon.

Today I tabled a motion urging the government to press for the release of Mr. Tannenbaum and other prisoners including five

soldiers who have been held hostage by Hezbollah for up to 20 years.

Canada should raise this issue at the highest level with those states known to support or condone Hezbollah, including Lebanon, Syria and Iran. Instead, Canada has been cozying up to these countries with a trip to Beirut where the Prime Minister sat next to the leader of the Hezbollah, and \$200 million U.S. in aid announced for Lebanon.

Rather than rolling out the red carpet and buckets of tax dollars for these governments, I urge our government to do whatever it can to have them exert pressure on Hezbollah to release its illegally held Israeli prisoners.

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### QUEEN'S JUBILEE MEDAL

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, it is my pleasure to rise in the House today to congratulate people from my riding who will receive the Queen's Golden Jubilee Medal for their community services. I will present them with the medals during a ceremony on Wednesday, December 18 in Vancouver.

The deserving individuals are: Mr. Gian Dhesi, Dr. Donald Rix, Ms. Mary Quan, Mr. Jason Ko, Mr. Doug Chan, Mr. Terry Hui, Dr. David McLean, Mrs. Shirley Wong, Mrs. Mirina Boyd, Mr. Andrew Ko, Mr. Julian Twarog, Mr. Jozef Urbanowski, Mr. Kamlesh Dayal, Mr. George Lamont, Ms. Meghan Fitzgerald, Mr. Daniel Quon, Mr. Jim Bennett and Mr. Bud Li-Lam.

I want to extend my congratulations to all these hardworking people for their contributions to the Canadian society.

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### QUEEN'S JUBILEE MEDAL

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, I was also honoured recently to present, along with the Lieutenant-Governor of Prince Edward Island, medals to exemplary citizens of Egmont who recently were awarded the Queen's Jubilee Medal in recognition of their contributions to their fellow citizens, their communities and their country.

*S. O. 31*

These people included: Eddy and Amand Arsenaault who kept the Acadian culture alive, Verna Barlow, Shirley Beaton, John Cousins, Warren Ellis, Joseph Ellsworth for his work with fishermen, Deacon Cyrus Gallant, Muncey Harris, Francie MacDougall, Rod MacNeill, Dr. Joyce Madigane, Wilbert Meggison, Marilla Millar who fostered over 100 children in her home, Premier Keith Milligan, Margaret Penwarden for her work with MS sufferers, Aubin Richard, Marilyn Sark, Benjamin Taylor and the Reverend Charles Wagner.

Once again, I want to congratulate all those who received this distinguished honour.

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**SCIENCE CENTRES**

**Mr. Andy Savoy (Tobique—Mactaquac, Lib.):** Mr. Speaker, in order for Canada to remain one of the greatest countries in which to live, work and prosper, it is important to fuel our economy with new ideas and scientific progress.

The Canadian Association of Science Centres and its members are ready to do just that through their Canadian science promotion and learning program. Working together with the Canadian government, this program would invest in bringing the public to our nation's science centres and promoting Canadian scientific advancement. It would accomplish this by encouraging partnerships between governments, science centres, the media and the private sector, all of which could maximize both the level of public awareness and the level of scientific innovation within Canada.

I believe that a Canadian science promotion and learning program would be an invaluable investment for our government that would positively affect all Canada, not to mention generations of Canadians to come. By increasing the public's interaction with science centres and bolstering scientific pioneers, we can ensure that Canada will remain the innovative country that it is today.

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**HOUSE OF COMMONS**

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, once again the Liberals have killed an attempt by a majority of members of the House to reduce the democratic deficit. We do not know which of the two Prime Ministers sitting opposite cracked the whip but we do know that backbenchers over there cringed and tugged their forelocks and obeyed.

It was a simple agreement among all parties that would have made private members' bills votable. It was a small step toward further democracy in this place but the word democracy is a foreign word to the Liberals.

In November the House voted unanimously to adopt the 4th report of the standing committee that called for full votability of all private bills.

What optimism there was after that, Mr. Speaker. Even Liberals were joyful at the prospect of seeing this tiny baby step toward the democratization of the House. At least that is what they conveyed publicly.

Canadians should know, as do all members of the House, it does not matter who leads them, as long as the Liberals are in power Canada will be run as a dictatorship.

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● (1410)

[*Translation*]**ARTS AND CULTURE**

**Ms. Diane St-Jacques (Shefford, Lib.):** Mr. Speaker, at the end of August, I had the great pleasure of announcing that the Department of Canadian Heritage, through Musicaction, would provide \$250,000 to the École nationale de la chanson de Granby.

Last week, on behalf of the Minister of Canadian Heritage, I announced that financial support totalling \$160,000 would be provided to the Réseau national des Galas de la chanson. This money will help greatly in further promoting French language songs and performers.

The Réseau national des Galas de la chanson is a network that includes the most important Canadian galas, including the Festival international de la chanson de Granby, Chant'Ouest, Chant'Est and Ontario Pop.

With the Festival de la chanson, which is in its 35th year, and the Palace theatre, where the event is held, Granby was already playing a major role in the promotion of francophone songs. With the addition of the École nationale de la chanson and the Réseau national des galas de la chanson, Granby will become a hub for song.

I salute all those who are behind these ambitious projects. Let us make room for talent and culture in the riding of Shefford.

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**VICTIMS OF WRONGFUL CONVICTION**

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, a symposium on wrongful convictions held recently in Toronto afforded Michel Dumont of Terrebonne with the opportunity to share the consequences of wrongful conviction on rape charges.

During his address, Mr. Dumont emphasized the unconditional support and tremendous assistance he received from his wife Solange. Solange Tremblay was honoured by the Association in Defence of the Wrongfully Convicted in recognition of her devoted efforts to obtain justice for her husband.

The Bloc Québécois would like to draw attention to the courage and determination of this woman and of all victims of wrongful conviction. I would also like to see the members of this House extend warm congratulations to this couple for their efforts to raise public awareness of this issue.

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[*English*]**BIG SISTER AWARD**

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, I am proud to rise today to congratulate an outstanding member of our Burlington community.

Ms. Kathy Daniels-Owen was honoured recently by the Big Sisters Youth Services of Burlington-Hamilton-Wentworth with a Big Sister of the Year Award. Kathy was nominated by her little sister for this award which recognizes Kathy's commitment and dedication to providing a caring and supporting partnership to another young Canadian.

The relationships that develop in the Big Sisters program are a positive demonstration of the best sense of community; people looking out for other people, especially those who are more vulnerable.

I hope all members of the House will join me in congratulating Kathy. I say way to go to Kathy. She is a wonderful person.

\* \* \*

#### LETTER TO SANTA

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, I just received a letter to Santa from the member for LaSalle—Émard. It reads, "Dear Santa, I really have been a good boy this year, getting kicked out of cabinet was not my fault. It is just that the Prime Minister got a little miffed when I kept sitting in his chair and moving my stuff into his office. I mean, it is only another 14 months before they are all mine anyway.

As for that hefty air security tax on every flight in Canada, while I did introduce that tax, it is the current finance minister's fault that they have not been reduced.

As for that billion dollars I shovelled into the gun registry, that is really the fault of the current ministers of industry, health and justice. I always exercise fiscal prudence; too bad they did not do the same.

Can you please keep the media taking those nice pictures of me flipping burgers or making public statements, but for those mean ones who actually ask me policy questions, just give them a lump of coal.

Actually you can send everybody who opposes my coronation a lump of coal, because when I'm in charge I will tax every piece of carbon in the country so we can meet our Kyoto commitments".

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[Translation]

#### MADONNA DELLA DEFESA CHURCH

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.):** Mr. Speaker, I rise in this House to draw attention to an unprecedented historic event for the entire Italian Canadian community.

On November 30, 2002, the Madonna della Defesa church in Montreal's Little Italy was designated a national historic site by the Minister of Canadian Heritage.

This recognition speaks not only to the importance of the role of this church for the entire community, but also to the contribution of Italian immigrants to the growth of our country. Despite all the difficulties and problems encountered, the community can be proud to have preserved this heritage for all Canadians.

*S. O. 31*

Madonna della Defesa is the oldest church erected for the Italian community in Montreal. It was the gateway and the foothold for many Italians who settled in Canada.

In conclusion, designating this church a national historic site will help keep its riches in Canada and preserve the history of Italian immigrants for future generations.

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● (1415)

[English]

#### DISABILITY TAX CREDIT

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, today members of the NDP caucus are delivering over 1,500 letters from Canadians to the Prime Minister expressing opposition to the government's unfair approach to the disability tax credit. These letters echo the recent unanimous vote in the House which forced the withdrawal of the Minister of Finance's proposed changes to the DTC. These letters prove that Canadians are watching the government and members from all sides of the House will not accept the Minister of Finance trying to sneak the same odious restrictions back on the public agenda over the holiday break.

Five million Canadians with disabilities deserve respect from the government, not harassing bureaucracies and punitive legislation. The courts, Parliament and disability groups from coast to coast to coast are all calling for new humane and compassionate approaches to the definition of disability under the Income Tax Act.

It is time for the Minister of Finance to be Santa and not Grinch this Christmas.

\* \* \*

[Translation]

#### BUSINESS MANAGEMENT

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, SGT 2000 and VisuAide, from Saint-Germain-de-Grantham and Drummondville respectively, are two finalists in the 50 Best Managed Companies in Canada program, organized by Samson Bélair Deloitte & Touche.

VisuAide specializes in the research and development of products for the visually impaired. This company made the decision to leave Montreal's south shore for Drummondville.

SGT 2000 specializes in transportation and provides jobs for approximately 700 people. This company has 16,000 semi-trailers and serves all of North America.

Some 50 companies in Quebec submitted an application to the provincial selection committee.

Since the names of the winning companies will be made public tonight, I can only wish good luck to these two companies from the Drummond region in hopes that they will be able to affix the program logo, a prestigious and highly reputable honour, to their letterhead.

*Oral Questions*

[English]

**MEMBERS' STAFF**

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, I am pleased to rise today and to take this opportunity to pay tribute to an important and special group of people who deserve mention in the House, our hardworking and loyal assistants who manage the daily operations for all of us as members here in Ottawa and in our constituencies. They help make our work efficient and effective. They work on the frontlines. They support us and represent us in all manners of duties and responsibilities and work long hours doing so.

Without them we could not do the jobs we were elected to do. I am proud and grateful to have such a wonderful team in my office: Ihor Wons, Emily Marangoni, Judy Borges, Rossanna Pena, Jenny Hooper and Patricia Pepper.

On behalf of all members on both sides of the House, I want to say thanks to our staff and let them know how much we appreciate them. I wish them and their families a well deserved holiday and blessings of the season.

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**CHINESE CANADIANS**

**Mr. Inky Mark (Dauphin—Swan River, PC):** Mr. Speaker, in 1885, to discourage Chinese immigration, the federal government introduced the head tax and later the Chinese exclusion act, which remained in place until 1947. This act prohibited the Chinese from immigrating to Canada as they were considered unfit for citizenship.

The head tax and Chinese exclusion act remain two of the worst examples of legalized racism in Canadian history. Yesterday I introduced my private member's bill, Bill C-333, entitled the Chinese Canadian recognition and restitution act. This act, if passed by Parliament, will provide an apology to over one million Chinese Canadians and restitution in the form of an educational foundation.

I brought this issue to the Prime Minister's attention in October and I hope he will resolve this matter before he leaves office. The Prime Minister's legacy can and should include righting the injustices of the past.

**ORAL QUESTION PERIOD**

[English]

**AIRPORT SECURITY**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, as we approach the end of the session, the government stumbles from one incompetent mess to another.

Last year it brought in a badly structured tax on the airline industry. It was warned not to bring it in, and now that this tax has done nothing but damage to an industry that already has difficulties, even some Liberal members of the transport committee are calling for the tax to be suspended and re-evaluated.

Will the government finally figure it out, finally get it, and agree to suspend the air tax?

● (1420)

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, I suggest the Leader of the Opposition review the release that we put out on November 9 in which we propose discussion around the structure of the air tax going forward.

However we do not agree with him and his colleagues that the cost of additional security, which was necessary in the air service sector, should be paid for by taxpayers who do not use it.

\* \* \*

**TERRORISM**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the minister will have to take up that argument with some of his own colleagues.

Here is another area of gross incompetence. The government has refused for a year to ban Hezbollah. It rubbed shoulders and urged dialogue with this terrorist organization.

At 2:30 yesterday afternoon, the Solicitor General in the House again refused to ban it. Then at 5:30 p.m., the minister caused information to be leaked to the press that he was banning Hezbollah.

What new information appeared between 2:30 p.m. and 5:30 p.m. that caused him to flip-flop on this issue?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I can assure members and Canadians that I did not flip-flop on this issue. As I have said quite a number of times in the House, this process takes time. If we are to do our job under the act, we have to base it on criminal and security intelligent information.

We will not do our job by showboating with other groups, as the hon. member and his colleague tried to do today at a press conference. I do not have the luxury to showboat. I can only do my job according to the act.

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**JUSTICE**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, groups like B'nai B'rith are responsible organizations; they are not showboaters.

Here is yet another example of gross incompetence. For seven years the government refused to create a sex offender registry. Then it agreed to an Alliance motion to create one, and has spent two years trying to come up with legislation.

Could the government now confirm that its new sex offender registry will not even include known existing convicted sex offenders?

*Oral Questions*

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, again the leader of the official opposition has his facts wrong. The fact of the matter is that if we are to introduce legislation, which is on the Order Paper to be introduced today at 3 o'clock, we want to have the cooperation of the provinces.

We had a federal-provincial-territorial meeting about six weeks ago where we had agreement to come forward with the legislation. We will do just that at 3 o'clock this afternoon. Hold on to your shirt.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, flip-flopping and incompetence are often very closely related. The Liberal government is a master of both flip-flop and incompetence.

A national sex offender registry is not punishment for criminals; it is protection for every child in this country.

I would like to ask the Liberal government this. What good is a national sex offender registry if it does not even list Karla Homolka?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, let me put it this way. The member is trying to debate legislation before he has in effect seen it. We will bring forward the legislation at first reading this afternoon. He will have an opportunity to talk about the pros and cons of that legislation at committee.

I believe, as do the provinces and the territories, that it will be very good legislation and will do a lot in terms of protecting the public health and safety of Canadians.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, the minister admits that there are many cons in this upcoming national sex offender registry.

The minister's arguments are completely bogus. Ontario has been operating a successful, retroactive sex offender registry for nearly two years. Unbelievably the Liberal government will launch a sex offender registry with zero names on it.

What good is a national sex offender registry that will not even include people like Karl Toft and Joseph Fredericks?

• (1425)

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I would have expected the hon. member to know that Karla Homolka is in jail.

The Prime Minister, as justice minister at the time, was heavily involved in the development of the Charter of Rights and Freedoms. When we bring in this legislation, we want to ensure that it abides by the Charter of Rights and Freedoms, and we will do that.

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[Translation]

**SPORTS**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, Swimming Canada is threatening to suspend swimmer Jennifer Carroll, the 50-metre backstroke world short course champion, for the embarrassment—that was the word used by the Canadian team coach—she caused at the Commonwealth Games by stepping onto the podium with a Quebec flag in her hand.

Since this is not the first time that Swimming Canada and coach Dave Johnson have faced allegations of discrimination against swimmers from Quebec and the government has done nothing about it, I would like to know if the Prime Minister thinks it is right to have an athlete facing suspension for waving a Quebec flag?

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, this is a matter between an athlete and her national sport organization.

Sport Canada requires national organizations to have codes of discipline. This is all the information we have for now, but this is a matter between the athlete and her national organization.

My information is that the flag incident is unrelated to the athlete's situation.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, this is a public matter. The letter has been made public. The hon. secretary of state ought to follow the news and watch television.

At the Olympics in Nagano, skater Catriona Le May-Doan stood on the podium with a Saskatchewan flag. There was no penalty. With Swimming Canada, it is a different story. Jennifer Carroll is not only threatened with suspension, but she had her card and \$13,000 annual allowance taken away.

Will the Prime Minister stand up against this kind of discrimination, particularly discrimination against Quebecers? Or is he—

**The Speaker:** The hon. Secretary of State for Amateur Sport.

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we have put in place a sport dispute resolution mechanism. That is the procedure we have put in place.

We do not want to get involved in the politics of this in resolving disputes, but if there is more to the issue, we are always prepared to review it.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, according to the head coach of Swimming Canada, what Jennifer Carroll did was arrogant, disrespectful, unprofessional, unfortunate and the most embarrassing thing he has seen in all of his career. And he added that her actions further upset an already fragile team.

Are we to understand from the head coach that the mere sight of the Quebec flag upsets Swimming Canada officials?

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I do not understand why the Bloc Quebecois is reacting in this way. From what I understand, there has been no suspension. The coach may have made some comments, but the government cannot intervene every time a coach makes comments.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, Nadine Rolland and Yannick Lupien have already gone through this, and now it is Jennifer Carroll's turn to experience the wrath of Swimming Canada. What do these athletes have in common, except for the fact that they are all elite athletes? They are Quebecers.

What is the federal government waiting for to put an end to this discrimination, which is intolerable and unacceptable? We are not going to take it anymore.

*Oral Questions*

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there are mechanisms in place to review disputes between national organizations and athletes. We are very satisfied with how they are working. This was established on an interim basis, but if there are further questions, we are always prepared to review this with all those involved.

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● (1430)

[English]

**FOREIGN AFFAIRS**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, my question is for the Prime Minister.

Earlier this week the foreign affairs minister made it clear that he is quite prepared to have Canada participate in America's latest star wars plan, the national missile defence scheme. Canada no sooner agrees to U.S. troops on our soil, and what is next? We fall in line with the militarization of outer space.

Could the Prime Minister tell us, is that where Canada is headed?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I do not think that the Minister of Foreign Affairs has said anything like that. As for the project of the Americans on the so-called star wars, we are not participating in that and we have not been asked to participate. It is just a hypothetical question that the hon. member is dealing with.

We have a policy that was clearly stated in the House of Commons many, many times and many months and years ago.

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, my question is for the Prime Minister. The Minister of Foreign Affairs says, after signing the new military deal with the United States, that now Canada is "quite prepared" to study the star wars scheme.

I want to ask the Prime Minister this. Instead of studying this dangerous, expensive, untried technology, why will the Government of Canada not stand up for Canada and say to George Bush, "We will not be part of your new star wars scheme," and stand up for Canadian interests instead of selling out to George Bush and his star wars scheme?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, if they ask us something, of course we are not like the member: If we have a request, we study the request, and I hope that people do before answering a question.

We have said clearly that we have not been asked. If they make a request we will look into it, but at this moment we are not interested. The policy is very clear and has been stated in the House by myself and ministers over the years.

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**GOVERNMENT OF CANADA**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, this Parliament has been sitting for 42 days since the throne speech. On only 14 days did the government have legislation to bring to the

House. Of the 19 bills before us, 13 are recycled from the last Parliament.

I would like to ask the Prime Minister, why is the government not bringing legislation to Parliament? Is it that bills are not being proposed by cabinet? Or is it that the government House leader is not competent to steer them through the government's divided caucus?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I think our House leader is very competent. We have legislation in front of the House of Commons regularly.

I know that the leader of fifth party always is preoccupied by process and quantity. On this side of the House we are more preoccupied with the quality of our legislation, including the vote on Kyoto, which he voted against yesterday to protect his seat in Alberta.

**Right Hon. Joe Clark (Calgary Centre, PC):** So far this session, Mr. Speaker, the government House leader has bungled the government's handling of the election of committee chairs. He did not consult his caucus on the ethics package and he was forced to back down. It was the same thing on campaign finance reform. Now he has bungled the issue of modernization of the House.

I understand that the Prime Minister is driven by loyalty, but in the interests of letting Parliament work, would he not consider naming a new government House leader who can manage the House and his own caucus?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I know that right hon. member very well. He just wants to attack people personally.

Here is a very dedicated, hardworking minister, who has a lot of experience in Parliament and who has done a very good job.

For Christmas, the leader of the fifth party, who is about to go soon, wanted to have another personal attack.

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**TERRORISM**

**Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance):** Mr. Speaker, Ori Tannenbaum, travelling from the Middle East, where his ailing father is being held hostage by Hezbollah, was not showboating today. Lieutenant-Colonel Bob Chamberlain from Kingston, who was held at gunpoint by Hezbollah, was not showboating today. Daniel Eisen, speaking for missing soldiers in action, was not showboating today. B'nai B'rith was not showboating.

The only boat is the sinking Liberal ship that we look at every day. That is the only boat here. Why—

**Some hon. members:** Hear, hear.

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

● (1435)

**The Speaker:** I do not know if we have a question, but the hon. Solicitor General may respond.



*Oral Questions*

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I have no intention of and you will not see me commenting on whatever is the most popular sensationalized interest group of the day, as that member continues to do.

I can tell Canadians with great confidence that the decisions we make in terms of the listing of entities are based on criminal and security intelligence information that will stand up to the tests of appeal or the courts. That is the kind of decision I have to make and that is the kind of decision we made.

**Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance):** Mr. Speaker, he wants to talk about lists and groups and evidence. The groups that were banned months ago in Canada were less known and less dangerous than Hezbollah, with far less information.

Here is Hezbollah, the A-team of terrorism, known for it worldwide, which the minister has allowed to escape with assets and funds from Canada because of his delay.

What took him so long to ban this group when it took him only a matter of weeks and months to ban less known and less dangerous groups? Why this group?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I think the hon. member should keep in mind, and I believe it was in 2001, that we listed the military wing of Hezbollah under the United Nations suppression of terrorism regulations. We did that.

Today I and we as a government have an obligation under the act to make sure that our facts are absolutely accurate in terms of the listing of entities. We have done that. We have listed three entities today.

The member should be standing up and congratulating us on—

**The Speaker:** The hon. member for Quebec.

\* \* \*

[*Translation*]

**OFFICIAL LANGUAGES**

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, when awarded the official languages portfolio, the Minister of Intergovernmental Affairs pledged to produce a plan to support the development of minority communities by making services in their language more accessible.

But according to the latest census data, the percentage of francophones outside Quebec continues to decrease and nothing can be done about it. Now close to 18 months have passed since the minister was assigned the task of formulating a new action plan to strengthen the official languages program.

What is he waiting for to produce this plan? This is a matter of the utmost urgency.

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, in fact the number of francophones outside Quebec has increased. What has decreased, and nothing can be done about it, is the public's support for the Bloc Québécois. It is waning, and the reasons are obvious, the main one being its attempts to drive a wedge between the francophones of this country. This will not happen.

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, the Minister of Canadian Heritage has announced that immigration must contribute to the development of the francophone communities. According to the Commissioner of Official Languages, the structures for welcoming immigrants in minority communities are non-existent.

Will the government ever figure out that, unless a specific structure is created to welcome francophone immigrants outside Quebec, they are now simply doomed to assimilation by the anglophone community, which has such a strong majority?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I recommend that the hon. member consult her colleague from Laval Centre. She will learn that we have a program known as IPOLC. Canadian Heritage and Immigration Canada work with the francophone communities, not only in order to ensure francophone immigration throughout Canada, but also in order to be able to use the resources in the communities.

To that end, we need to get the communities to take responsibility. That is what we are doing. We do indeed intend to have a policy for francophone immigration in Canada.

\* \* \*

[*English*]

**AIRLINE INDUSTRY**

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, transport, finance and Senate committees are currently studying the air traveller's security charge and the impact it is having on the travelling public.

Numbers given to me today from the Saskatoon Airport Authority show that air travel between Saskatoon and Regina fell by 50% between April and August this year, compared to the same time period in 2001.

This tax is indisputably devastating to short haul routes and to small market economies. Why does the Minister of Finance refuse to axe this tax?

● (1440)

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, I will take it as a representation from the Alliance that they are prepared to add additional costs. They like spending money. We have learned that, with \$2 billion for this and a billion for that, and in this case \$400 million.

To be perfectly frank, one has to wonder how much research the hon. member did in concluding that at a period that followed September 11, 2001, she thinks all of the reduction in air travel was because of a charge for additional security. I do not think so.

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, private companies must be accountable, unlike the government. They respond to the bottom line.

*Oral Questions*

WestJet is one of the few airlines worldwide to maintain profitability in the post-September 11 environment. Its stock was hammered on the Toronto Stock Exchange over the past few days. Why? Because WestJet's president and CEO announced a revision of their economic projections and said that the air traveller's security charge has probably had the greatest impact in causing travellers to avoid short trips. Taxes are up. Air travel is down. There is a link.

The government refuses to listen to stakeholders. Why will it not axe the tax?

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, if it were that simple, fine, we could deal with it, but we do not charge that tax in the United States and air travel is down in the United States as well. Maybe the member should be able to explain that.

The point remains this: that we believe the users of the service ought to pay for the additional security. We have put out a paper showing why we expect there may be some ability to reduce the charge. We will wait to hear from stakeholders how they think the charge should be structured. I think that is the prudent and appropriate way to deal with it.

\* \* \*

[Translation]

**ÉCOLE DE MÉDECINE VÉTÉRINAIRE DE SAINT-HYACINTHE**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, yesterday, the Minister of Agriculture announced investments of \$113 million for Canada's four faculties of veterinary medicine, but he overlooked the fact that only one of them, that of Saint-Hyacinthe, lost its full accreditation and can only get it back with an urgent investment of \$59 million, not \$35 million, which means that the issue is far from being settled.

Can the minister tell us why he did not look after what is really urgent and did not include in his plan the immediate payment of \$59 million to Saint-Hyacinthe, and postpone by a few months the subsidy of \$37 million to Guelph, which got back its full accreditation three weeks ago, for seven years?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the hon. member refuses to understand that at this time no veterinary college in Canada has lost its accreditation.

Annually, all four veterinary colleges have to submit a report to the American Veterinary Medical Association in order to demonstrate what they are continuing to do in their colleges in order to maintain their credibility.

Each one of our four colleges has to do that and we as a government have supported all four veterinary colleges across the country.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, in the case of the École de médecine vétérinaire de Saint-Hyacinthe, it is a partial accreditation. The other three institutions have a full accreditation. This is not hard to understand.

We find it hard to understand the minister's attitude, and particularly the speed with which he followed up on the request from Guelph, which happens to be his alma mater. Guelph is in a comfortable position for the next seven years, while we must continually keep after the minister as regards Saint-Hyacinthe.

Will the minister realize that, without a full payment of \$59 million to Saint-Hyacinthe, that school could find itself in an even more perilous situation in just a few months?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the presidents of all four of those universities wrote to me and to the government asking for support. We responded to that request in an equal manner to all the veterinary colleges across Canada, this country of ours, in response to the way in which the presidents of those universities asked.

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**GOVERNMENT CONTRACTS**

**Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance):** Mr. Speaker, the Canadian Alliance called repeatedly last spring for a public inquiry into the Liberal sponsorship scandals.

The public outcry for such a forum continues to build. Canadians now know that several on the frontbench over there are overly friendly with companies that receive millions of dollars in questionable contracts followed by the prerequisite campaign donations.

Now we learn that the Prime Minister gave the green light for his buddy, Jacques Corriveau, a campaign fellow, to belly up to the same trough.

What is stopping the minister from calling a public inquiry? Fear of the truth getting out?

• (1445)

**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, all of the hon. gentleman's innuendoes will not hide the fact that we have launched a whole series of inquiries and investigations: some of those by the RCMP; some of those by the Auditor General, and some on her own initiative; some by the internal audit department of Public Works and Government Services Canada; some in relation to the time verification audits; and some under the auspices of the Treasury Board.

We have obviously launched inquiries where appropriate, on all fronts, to make sure that this process is thoroughly ventilated.

**Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance):** Mr. Speaker, we have seen inquiry after inquiry sanitized to the point that there is nothing left in them, far from the truth, anyway. Canadians cannot trust the same ministers who approved the system of rewarding Liberal friends to investigate it. They just will not go for it.

We know the Liberals hate public inquiries. Somalia, APEC and Krever all gave Canadians a glimpse into the Liberal government's incompetence.

Is not the real reason the minister refuses to call a public inquiry that he knows it will lead directly into the Prime Minister's Office again?

**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.):** Absolutely not, Mr. Speaker.

Long before I was appointed to this portfolio, the Prime Minister made it clear in a speech in the House that wherever there were legal issues they would be investigated by the police, wherever there were administrative mistakes they would be corrected, and where there was a money problem that the money would be recollected.

When he appointed me to this job, the Prime Minister's instruction was clear and simple. He said, "Find out what's wrong and fix it". I am in the process of doing just that, those innuendoes notwithstanding.

\* \* \*

[Translation]

#### HUMAN GENES

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

Last week, the Supreme Court of Canada handed down its decision on the patenting of life forms. In response to a question posed in the House on this matter, the minister said, and I quote:

We will be acting soon in response to the issue. We will be consulting Canadians.

Up to now, the private sector has dominated the debate on the patenting of human genes and life forms.

Can the Minister of Industry tell us when and how the government will consult with Canadians on this important issue?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, as the hon. member remarked, the Supreme Court decision was handed down quite recently. We intend to act soon. Over the coming weeks, we will begin consultations to ensure that we can introduce legislation which will strike a balance between innovation and, at the same time, Canadian values with regard to this complex and difficult issue.

\* \* \*

[English]

#### TAXATION

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Minister of Finance. It has to do with the U.S. Senate's investigation of a one day, \$1 billion sham loan from financial giant J.P. Morgan Chase that was used to produce \$60 million in Canadian tax breaks and \$65 million in benefits to Enron.

I ask the Minister of Finance, why was this apparently legal? If it was, what is he going to do to fix the Canadian tax system so this kind of outrage never happens again?

**Hon. Elinor Caplan (Minister of National Revenue, Lib.):** Mr. Speaker, the member opposite should know that I have been informed by my officials that I cannot, nor can anyone, discuss any

of the details of this case as it is before the courts. Section 241 of the Income Tax Act is very clear. We just cannot discuss it.

\* \* \*

[Translation]

#### HIGHWAY INFRASTRUCTURE

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, following the announcement of a \$90 million investment by the Minister of Labour for highway infrastructure in northeastern New Brunswick, involving highways 11 and 17, the Government of New Brunswick pledged to invest the same amount, \$90 million.

The province is still keeping its word, even though the federal minister is now talking about previous commitments for other highways in the south.

My question is for the Minister of Transport. Is the minister prepared to honour the promise made by his colleague, and invest the \$90 million for the economic development of northeastern New Brunswick, or not?

[English]

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, we have the strategic highway program which calls for \$600 million to be spent across the country. New Brunswick has a portion of that. The financing is fifty-fifty between the province and the federal government. Some expenditures have been announced.

In addition, I might say that under the strategic fund in the last budget there was an announcement by the Prime Minister and the premier earlier this year on another highway in New Brunswick.

It is quite obvious that these programs are working. The people of New Brunswick, along with people in other parts of the country, are benefiting from this government's investment in highways.

\* \* \*

● (1450)

#### COAST GUARD

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, the Canadian Coast Guard has recently pulled out of the joint Canada-United States agreement aimed at preventing marine catastrophes on the Canadian and United States coasts.

The main reason for the breakdown of this agreement is the lack of Canadian financial resources. As a result the Canadian Coast Guard was unable to fulfill its obligations for a new cross-border cooperation agreement on vessel traffic control.

How could the Minister of Fisheries and Oceans justify such blatant disregard for coastal security and protection on Canada's west coast?

**Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, Canada and the United States continue to work cooperatively in supporting one another to ensure marine safety. Both countries have limited ability to overlap in the other's territory. It is a problem we continue to work on cooperatively and very successfully.

*Oral Questions*

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, the minister should go to both Washington and Tofino and compare. Not only is Canada's west coast in trouble, eastern Canada is also suffering the same fate. In Newfoundland the Coast Guard officials are being told to sail their vessels for shorter periods of time at slower speeds in order to reduce financial costs. This is completely unacceptable.

Whether by accident or by design, is the government simply attempting to meet its Kyoto commitments by instructing the Coast Guard to comply with such measures, or is it just another example of the government's complete and utter disregard for the safety of mariners and the Canadian Coast Guard in general?

**Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, it is sometimes confusing to listen to the opposition members who ask us to spend less money and to spend more money at the same time.

If our Coast Guard is operating more efficiently, using its resources in a responsible manner to live within its budget, I congratulate it, as do all Canadians.

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**GOODS AND SERVICES TAX**

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, the Minister of National Revenue knows that she is covering up the total amount of GST fraud. The minister hides behind a barrage of stats.

The fact is GST fraud has been buried in the public accounts using Enron style accounting practices. Here is another fact. The total written off from public accounts over the last seven years was \$6 billion.

How much of this \$6 billion write-off was GST fraud?

**Hon. Elinor Caplan (Minister of National Revenue, Lib.):** Mr. Speaker, as I said yesterday in the House very clearly, \$25.4 million, not \$1 billion, has been reported publicly on our website. Every time there is a conviction, we post it on the website and we put out a media advisory.

The reason we do that is that we want to be as open and transparent as we can be. It acts not only as a deterrent but it lets people know how successful we are in catching those who would fraudulently apply for GST credits.

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, that number is probably 500 times higher and the minister should be open about that here in Parliament. She refuses to bring that to light. Canadians deserve to know how many millions have been lost in GST fraud. The minister has an obligation to present the real figures to Parliament. She preaches about transparency but continues to hide the real numbers.

What will it take for the minister to be open and transparent to Parliament?

**Hon. Elinor Caplan (Minister of National Revenue, Lib.):** Mr. Speaker, this is the first time that the member or anyone from his party has asked a question on this file in the eight years that we have been reporting this way.

Senior officials have been to the public accounts committee on many occasions. We are always available to answer questions on bad debt. I have given the member the facts and the figures in the House.

If we were not as effective in putting on our website the almost two convictions per day we are getting, the member would not have any questions to ask.

\* \* \*

[Translation]

**ÉCOLE DE MÉDECINE VÉTÉRIINAIRE DE SAINT-HYACINTHE**

**Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ):** Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

The associate dean of the École de médecine vétérinaire de Saint-Hyacinthe confirmed yesterday that the \$35 million provided by Ottawa will only allow it to deal with the most pressing needs. Of the \$100 million needed, Quebec has already given \$41 million and Ottawa must provide \$59 million.

Are we to understand that the Minister of Agriculture and Agri-Food, having given only \$35 million to the École de médecine vétérinaire de Saint-Hyacinthe, will be providing the remaining \$24 million in time for the school to fulfill its commitments?

• (1455)

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, this is an area that the federal government has not participated in before. In recognizing the importance of the veterinary colleges not only to animal safety but to the health of Canadians, we did make a contribution yesterday to all the veterinary colleges in order to help them maintain their accreditation.

[Translation]

**Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ):** Mr. Speaker, I do not think the minister understood my question. I asked him whether he will be providing his full share.

Some of the work can be started now, but it must all be completed when the American Veterinary Medical Association visits the École de médecine vétérinaire de Saint-Hyacinthe in August.

Can the minister therefore at least guarantee that the second instalment of \$24 million will be provided in time, or promised today, so that all of the work can be started?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the hon. member should be standing and thanking the government for the contribution of \$35.46 million to the college in Saint-Hyacinthe yesterday. The other colleges across the country have thanked the government.

As I said, this is not an area that the federal government usually gets involved in, provincial institutions, but we recognize the importance of them and we are prepared to help them. Yesterday we helped them to the tune of \$35.46 million to the college in Saint-Hyacinthe.

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#### SOFTWOOD LUMBER

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, it is now clear that the government is incapable of managing the firearms registry, it has tried to bury GST fraud and it has no plan to implement Kyoto. Liberal mismanagement knows no boundaries.

The people hurt by the softwood lumber dispute have concluded that the government has no real plan other than to make promises and then never deliver.

Why will the government not deliver on promises made by the senior minister from British Columbia?

**Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.):** Mr. Speaker, what the hon. member is saying is simply not true. All he has to do is look at the program that we have.

First we provided a \$100 million program to make sure that we work on research and development and look for new markets for our softwood lumber products. Then in the second phase we announced \$240 million. That is a total of \$340 million to help the forestry workers.

We have also said if we do not get an agreement in the next four to five months, we are willing to look at more. We would certainly want to work with the hon. member to see what more would need to be done.

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, the softwood lumber industry and workers are awfully tired of hearing, "Actions are a work in progress. Yes, we are still considering loan guarantees. Yes, we are still looking at other programs". We have been hearing that for months and months. This was going to be resolved before Christmas two years ago.

What actions can we anticipate from the minister between now and the upcoming NAFTA decision in February?

**Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.):** Mr. Speaker, I guess the hon. member does not think that \$340 million is a lot of money. Three hundred and forty million dollars is a lot of money to help the softwood lumber industry.

What we are working on is to make sure we have a long term agreement. The Minister for International Trade is working to make sure we have an agreement which allows us free access to the U.S. market, which is best for us. We want to make sure we have a long term agreement and that is what we are focused on. If further measures are needed, everyone can be assured that we will be there to support the industry and workers.

#### Oral Questions

[Translation]

#### FAMILY LAW

**Mr. Raymond Simard (Saint Boniface, Lib.):** Mr. Speaker, yesterday the Minister of Justice revealed his new bill on the child-centred family justice strategy.

Can the Minister of Justice tell us how this bill could help families in need?

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I would like to thank my hon. colleague for his question. It is a very important question for families and children. As hon. members know, there have been many consultations on matters of family law.

Yesterday, I was especially proud to put forward amendments to the Divorce Act. First, these amendments continue to take the best interests of children into account. And the concepts of custody and visitation rights are being changed, making it an issue of parental responsibility now. It is no longer a matter of law, but a matter of responsibility.

In addition, the Canadian government continues to invest in support programs such as mediation programs. It is going ahead with adding more judges—

• (1500)

**The Speaker:** The hon. member for Surrey North.

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[English]

#### JUSTICE

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, two years ago Irene Thorpe, an innocent pedestrian, was killed by a car involved in a street race in Vancouver. Last fall RCMP Constable Jimmy Ng was killed by a car involved in a street race in Richmond, B.C. Last weekend there was a horrendous crash in Winnipeg involving street racing.

For many years now police have been calling for government action to stop the carnage. Why will the government not listen and bring in tougher laws for this horrendous crime?

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as we all know, discussions with regard to reforms to the Criminal Code are taking place on an ongoing basis. Various committees are looking at various parts of the Criminal Code as well. We are having federal, provincial and territorial discussions each and every time.

As well, we are planning to proceed with further amendments later next year. As everyone also knows, at this point in time we are consulting in order to see if reforms should take place in the criminal laws and if that is the case, the way we should proceed in order to fulfill our duties.

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** More studies, Mr. Speaker.

*Point of Order*

Irene Thorpe's killers were convicted of criminal negligence causing death. The court records indicate that neither one is a Canadian citizen. The Immigration Act states that any permanent resident convicted of an offence punishable by more than 10 years in prison is inadmissible to Canada. Criminal negligence causing death is such an offence.

Will the Minister of Citizenship and Immigration commence the removal process immediately to ensure that these individuals are deported?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I will not comment on any specifics here today. However, under the new Immigration Act, in certain situations we apply the new regulations to make sure that we again improve the security of our citizens.

\* \* \*

[Translation]

**FISHERIES**

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, in its April 2002 report, the Fisheries Resource Conservation Council states that the main cause of the depleted fish stocks in the Gulf of St. Lawrence is too large a seal population.

What is the minister waiting for to give a clear to the industry and raise the seal hunting quotas so that ground fish stocks have a chance to recover?

**Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I thank the hon. member for his excellent question. He will recall that flexible measures were adopted last year for seal hunt management. This is the first or second time in 25 years that the quotas have been reached. Since market conditions were very good and the communities were in need, authorization was given to exceed the quotas. I have invited my department to look into the possibility of a long term plan which would entail higher quotas. These consultations were held not long ago.

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[English]

**AUTOMOBILE INDUSTRY**

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, while the industry minister takes seven months to get around to meeting with the auto sector partnership council for only a second time, 871 GM workers in London are being laid off with the help of a \$3.2 billion loan from the government. That is on top of the 2,200 jobs lost at Navistar, in Chatham, which is moving to Mexico.

While he muses about his leadership ambitions we have more than 3,000 new jobs and investment in excess of \$1 billion in jeopardy in Windsor because the minister will not come to the table.

When will the minister get it right? We are asking for a Canadian auto strategy, not the Mexican plan his colleague has implemented. When will we have a Canadian auto strategy instead of meeting once every blue moon when the minister's campaign schedule needs a photo op?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, while the member continues quite wrongly to portray the auto sector

in Canada as declining, the facts prove just the opposite. Over the last number of months, indeed in recent years, major car companies have made significant investments in assembly plants, adding shifts and products, because Canadian auto workers produce excellent cars.

The auto council last met in June. It will meet again next week. It is 19 people and in between times we have had five working groups doing hard work on the substantive issues, unlike the member who relies only on—

**The Speaker:** The hon. member for Pictou—Antigonish—Guysborough.

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**FIREARMS REGISTRY**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, last week the government was forced to withdraw its backdoor request for an additional \$72 million for the farcical firearms fiasco. There was evidence of enormous cost overruns, blatant mismanagement and no connection to public safety. Against that, the justice minister has stubbornly refused to cancel this ridiculous registry.

Examples of the government downloading the costs and cuts, and leaving the program administration to the provinces include: legal aid, youth justice, health care, and infrastructure.

Will the minister guarantee Canadians he will not surreptitiously sneak more taxpayers' money into the gun registry or leave the provinces holding the empty bag?

● (1505)

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, it was not a backdoor request. It was part of the supplementary estimates which were tabled last week.

If the hon. member would read the report of the Auditor General he would see that we were talking about numbers that were reported through Justice Canada or other departments. What the Auditor General signaled essentially is that she would like to have a single point of accountability. We are working on that and we will keep proceeding with the registry because we believe in safety.

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[Translation]

**POINT OF ORDER****HOLIDAY SEASON**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I rise on a point of order. This may be the last chance I will have to put questions to the Prime Minister before we adjourn for the holidays, and I would like to take this opportunity to wish him a Merry Christmas.

I have a very important question for him. We have learned that one of the most prominent citizens of Canada's north, namely Santa Claus, will be visiting the homes of Canadians during the evening of December 24.

This is an arduous journey, which requires enormous preparation.  
[English]

Could the Prime Minister assure the House that the government, and all ministries and departments are prepared for the arrival of Santa Claus?

[Translation]

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I wish to inform the Leader of the Opposition that we welcome Santa Claus and that all departments will ensure that he can have access to all Canadian families.

He has been very generous with Canada in recent years. He has helped us create 500,000 jobs. He has helped us achieve a level of unemployment the closest to that in the United States in 20 years. He has helped us achieve a sixth consecutive balanced budget, which is unprecedented in the history of this country. And the list goes on.

[English]

I think that he has been a very good chrétien and we welcome him. As he has his own way of travelling he will not be obliged to pay the security tax, and he will arrive in homes everywhere.

**The Speaker:** I do not think there is a necessity for ruling on that particular point of order.

The right hon. Prime Minister on another point of order?

MEMBER FOR HALIFAX

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, today will be the last time that the leader of the New Democratic Party will be in the House because when we come back she will still be happily a member of Parliament, but she will not be in that seat.

I would like to thank her for the good work she has done over the years as the leader of the NDP. She has been a great addition to the House of Commons. She made very useful contributions and represented her riding and her party very well. I would like to wish her a merry Christmas and a happy new year, and I cannot decide for whom I will be voting.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I appreciate the generous comments of the Prime Minister, but because my constituents in Halifax, who I am proud to represent, may be wanting some explanation of why I will not be hard at work here in Parliament tomorrow, I want to make it clear that this is not in fact my last day in Parliament as leader of the New Democratic Party. I fully intend to be back here tomorrow hard at work.

• (1510)

**The Speaker:** The Chair has notice of a question of privilege from the hon. member for West Vancouver—Sunshine Coast.

*Privilege*

**PRIVILEGE**

STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, I rise on a question of privilege regarding a matter that occurred in the Standing Committee on Procedure and House Affairs. While I recognize that committees are masters of their own proceedings, the procedure and House affairs committee has gone beyond its authority by ignoring an order of this House.

Mr. Speaker, there are two issues that you must consider. My first point is the actual charge of contempt, and my second point is the issue of timing, which is not as straightforward as the prima facie case of contempt. However, I am sure you will find that my arguments are sound for raising this question of privilege now.

On November 6, 2002, the House adopted a report of the Standing Committee on Procedure and House Affairs. The report dealt with improvements to Private Members' Business, namely, providing for all items to be votable. The report in part read:

After much deliberation, the Committee is proposing new procedures for Private Members' Business... We, therefore, propose that the Standing Orders of the House of Commons be amended in accordance with the following principles and instructions.

Without going into details, the committee outlined these principles and instructions. One of the instructions read:

This new procedure will be adopted on a pilot project (provisional) basis from the Fall of 2002 to the end of the 37th Parliament, provided that it is subject to a review by the Standing Committee on Procedure and House Affairs after one year.

Mr. Speaker, the clerk was asked to draft the new Standing Orders and he has complied. The draft rules were submitted to the Standing Committee on Procedure and House Affairs. The Liberal majority voted them down and referred the matter to the modernization committee. If the Liberals want to refer the matter to the modernization committee they will have to seek the consent of the House and they have not.

I will get to the timing issue in a moment, Mr. Speaker, but please allow me to finish my first point.

On page 854 of Marleau and Montpetit, it states:

Committees are bound by their orders of reference and may not undertake studies or make recommendations to the House which go beyond the limits established by them.

Citation 760(2) in Beauchesne's 6th edition states:

Committees receive their authority from the House itself and the authority of the House overrides that of any committee.

Citation 831(2) points out that:

A committee is bound by, and is not at liberty to depart from, the Order of Reference [from the House].

This is exactly what the procedure and House affairs committee did. It departed from an order of reference from the House.

I will now address the issue of timing. The date in the fourth report that was adopted by the House stated "the Fall of 2002". Mr. Speaker, as you are aware, fall ends officially on December 21. As you are also aware the House is scheduled to rise on December 13. Therefore after that point the Standing Committee on Procedure and House Affairs would clearly be in contempt of the House.

*Privilege*

I would argue that since the committee has not agreed to report its decision to the House, and procedurally it is now impossible for the committee to meet, report and have that report adopted, considering it takes 48 hours notice to move a concurrence motion, it is in contempt as we speak.

The Speaker cannot consider the possibility of unanimous consent because the committee will never get that unanimous consent unless it is over my dead body and that of every member of the official opposition. While I cannot speak for other parties, I would think every other opposition member and many members of the government caucus as well would protest such a move. The committee will never get the consent it desires to scuttle and put off these reforms for which many members fought long and hard. Therefore, Mr. Speaker, the only avenue you must consider is the so-called normal channel, which as Speaker you are charged with upholding.

The tale of how this contempt occurred began nine years ago. Procedurally it began with the first report of the modernization committee that reported in June 2001. While it is the mandate of the Standing Committee on Procedure and House Affairs to consider matters of parliamentary reform, the modernization committee was commissioned to do the job because the procedure and House affairs committee failed to do so for nine years. The committee demonstrated how totally incompetent it can be at times. It could be incredibly partisan at others, insular most of the time, and with respect to improving Private Members' Business, disrespectful to members of Parliament.

• (1515)

If you look at the membership, Mr. Speaker, you will see why it was necessary to strip them of their parliamentary reform duties. The membership consists of the Parliamentary Secretary to the Prime Minister, the Parliamentary Secretary to the House leader, the chief government whip and the deputy government whip. It is the finest control group ever assembled, all taking orders from the PMO.

The modernization committee reported and it left one item for the Standing Committee on Procedure and House Affairs committee. The one item was improvements to private members' business. The member for Yorkton—Melville, a member who knows the reputation of the House affairs committee, moved a motion expecting the committee to carry out the wishes of the modernization committee. It was adopted on June 12, 2001, and it instructed the committee to report in November of that year. The committee reported back to the House seeking an extension in April.

In December the committee did a curious thing. It reported back to the House four months ahead of deadline, that it found the task too difficult. Notwithstanding, and after some pressure from behind the scenes, the committee took up the challenge again and in the first session presented its report to the House.

It reinstated the report in this session and on November 6 the House adopted the report. Yesterday the committee backtracked and kicked the matter back to the modernization committee from whence the first instruction came. I call that completing the circle of incompetence. We have tolerated enough incompetence, enough disrespect and enough contempt.

On page 225 of Joseph Maingot's *Parliamentary Privilege in Canada*, it states:

Contempt is more aptly described as an offence against the authority or dignity of the House.

The House has ordered the new procedure for private members' business to commence this fall. Pursuant to our rules, it is procedurally impossible for the standing committee to ask for an extension or to ask to refer the matter to the modernization committee. Therefore, it is in contempt.

To comply with the order of the House you will note, Mr. Speaker, on the Order Paper and Notice Paper that I have a motion, Motion No. 326, that would give effect to the House order of November 6. It contains the actual Standing Order changes that the clerk was instructed to draft. I will read only the first paragraph because it is a very long motion.

That, pursuant to the motion adopted by this House on June 12, 2001 instructing the Standing Committee on Procedure and House Affairs to draft, and report to this House, changes to the Standing Orders improving procedures for the consideration of Private Members' Business, including a workable proposal allowing for all items to be votable; and pursuant to the adoption of the 4th report of the Standing Committee on Procedure and House Affairs on November 6, 2002, which gave effect to the instruction by the House on June 12, 2001, the Standing Orders be amended by replacing Chapter XI with the following:

I ask, Mr. Speaker, that you transfer this motion on private members' business to be considered under the rubric motions so as to allow the House to consider these Standing Orders changes pursuant to its order of November 6. I see no other means for which this House could comply with its own wishes.

In conclusion, I urge the Speaker to find a prima facie question of privilege so the House can charge the Liberal members of the Standing Committee on Procedure and House Affairs who voted against the authority of the House with contempt. I am prepared to move that motion, if you find the prima facie case.

• (1520)

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, as a member of the Standing Committee on Procedure and House Affairs, I also wish, on behalf of my Bloc Québécois colleague who sits on that committee, as well as of all of my colleagues who have sat on it in the past, to inform the House leader of the Canadian Alliance and member for West Vancouver—Sunshine Coast that we support the question of privilege he has raised.

In this connection, I wish to indicate that, as a member of the sub-committee on private members' business, I undertook in good faith, as did all of my colleagues on both sides of the table in the Standing Committee on Procedure and House Affairs, to perform the arduous task of reviewing and revising the current procedure surrounding private members' business, whether private members' bills or motions.



*Privilege*

We had hour after hour of meetings in that sub-committee. We heard from Marie-Andrée Lajoie, who works here at the Table. She did an excellent job of informing committee members of what is involved in amending the Standing Orders. We acted in good faith, therefore. What we were treated to yesterday by the Parliamentary Secretary to the Prime Minister, the Parliamentary Secretary to the Leader of the Government in the House, the government whip and the deputy government whip was not very edifying. One might well wonder if the entire operation was nothing but a sham and a masquerade with the ultimate intention of putting the Standing Committee on Procedure and House Affairs under the thumb of the leaders' committee or even, I might say, of the leader of the government in the House.

If the government House leader states that he was not aware of this procedure, it must be because there are some people on his side of the floor who do not talk to him.

I would therefore like you to take a serious look at the problem, Mr. Speaker. I am certain you will do so with care, and will take a serious look at the question of privilege being raised by the House leader of the Canadian Alliance.

What is of concern to us, our primary focus, is to enhance the role of backbenchers, who are neither ministers nor parliamentary secretaries, giving them the right to represent the interests of those who elected them. That is what we are calling for, regardless of where we are sitting in the House.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I am pleased to rise to support the House leader of the Canadian Alliance regarding the question of privilege that he just raised. I will explain why.

As the Bloc Québécois member pointed out, it is, among other things, because of the way the committee acted yesterday. I am referring mainly to government members.

I was present during the proceedings of the Standing Committee on Procedure and House Affairs when it was decided to develop a new rule to discuss whether all private members' bills and motions should be votable items in the House of Commons. I was among those who were not convinced that all motions and bills should be votable items. It is the Liberals themselves, including the Parliamentary Secretary to the Prime Minister, who said that they should all be votable items.

Now, the Liberals are taking advantage of this opportunity—I was not at that committee yesterday, since I was with the Standing Committee on Finance—to show up with a majority and vote in a way that is contrary to the wishes of the committee.

What is odd here is that the government claims to want to modernize Parliament. However, it is only prepared to do so when it is in the mood. The Liberal member who put the question to the committee was pleased with the idea of voting to elect committee chairs. Now, she does not like the process and wants to discuss it with the modernization committee. I think that she has decided to listen to the Prime Minister.

As for the Leader of the Government in the House of Commons, it is unacceptable for him to state that he was not aware of the actions of his assistants. Therefore, I recommend that the issue be referred

back to the Standing Committee on Procedure and House Affairs for a new vote. This time, we must have a real vote, following a debate. The whole thing was done in an underhanded way, and this is a disgrace. It is unacceptable.

Mr. Speaker, I would like you to rule on this.

• (1525)

[English]

**The Speaker:** The hon. member for Brandon—Souris I hope will stick to the question of privilege that has been raised rather than the outrage that may or may not have been committed. I am more concerned about the procedural point.

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, I promise I will not demonstrate much of the outrage.

I, too, am a sitting member of the Standing Committee on Procedure and House Affairs and was present when the change was made quite dramatically. I cannot state the procedural arguments any more succinctly than have already been stated by the House leader of the opposition. I have two points, however.

One is that the motion was to send it back to the modernization committee. I can assure you, Mr. Speaker, that there may well not be a modernization committee struck if in fact this ruling is allowed to stand, because there is no demonstration of democratic reform or any demonstration of democratic opportunity from that side of the House. I agree it is a total contempt of the House when in fact the House has sent direction and it has been overturned by the government.

I would like to simply ask a question. Who sent the order to change the direction and rules of this House? Was it the House leader of the government? Please rule in favour of this breach Mr. Speaker.

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I will comment briefly. Perhaps others will want to comment as well.

First, the accusations I believe made against my colleagues are totally unwarranted. They do nothing to enhance the debate. Language such as “shameful” and so on against Liberal MPs who sit on that committee, whether I agree or disagree with how they do business on any particular day, is not appropriate.

I want to get to the substance of the alleged question of privilege that is before the House. If the hon. member will contain himself for a minute, perhaps he would serve us all well.

I understand that the committee will report on—

**Mr. John Cummins:** Don, you sound like you need a weekend away.

**Mr. Vic Toews:** Have I got a hotel for you to stay at.

**Hon. Don Boudria:** Mr. Speaker, I have been told that the committee will report later this day, which of course it is entitled to do. Once that report is filed, I would suggest that report will then be before the House. Once the report is before the House, then perhaps it would be appropriate, if Mr. Speaker feels he has to judge on this, to do so then.

*Points of Order*

What we have essentially before the House or what we will have, although it is not there now, once the report is tabled in the House is two different things. One, there was a decision made in the House toward having such a policy in principle. The issue was sent to the parliamentary committee in order to work out what would be the standing order changes to be brought back to the House.

The committee decided, as it is entitled to do—and if members do not think that is the case they are entitled to state that too—that this was not something that the committee wanted to move ahead with. It did so by a majority vote. It will table this particular report in the House later this day.

Then I suppose the House could ultimately be called upon to decide which of the two prevail, the vote that was taken earlier or the one contained in the report that will be tabled now. Either way, depending on how the Speaker adjudicates on the matter, this issue could be sent back to the committee if that is the wish. This latest wish of the committee adopted by the House could then be the new wish of the House in this regard, if that happens to be what we adopt, but we have not yet adopted that. The report has not even been tabled and is not before the House.

There is another point. If it was appropriate for the modernization committee to ask a year and a half or so ago the Standing Committee on Procedure and House Affairs to look at one aspect, I ask colleagues, who are disagreeing today, why it is similarly inappropriate for the Standing Committee on Procedure and House Affairs to ask another committee, namely the same one, modernization, to revisit this issue again? Something is inconsistent in that message no matter how one looks at it.

Either way, I just want to review the procedural aspects. This is not before the House yet. It will be shortly. Once it is, members are free to move concurrence or otherwise in the report. If the report is concurred in, I would submit that it would be a new decision of the House. If it is not concurred in, amended and sent back to the committee, then the committee could look at it again. If it is defeated, then I suppose there would be two different propositions and therefore you, Mr. Speaker, would have to judge upon one of the two. However it is not there yet.

● (1530)

**The Speaker:** I think at this point it would better if the Chair took the matter under advisement. I have heard two sides of the argument. The report of the committee, as the government House leader has pointed out, is likely to be tabled later this day.

If the hon. member wishes to make some submissions I will hear briefly from her on this point. I know she is a member of the committee.

**Mrs. Carolyn Parrish (Mississauga Centre, Lib.):** Mr. Speaker, not only am I the member for Mississauga Centre, but I am the former queen of democracy as of three weeks ago. It was a short crown.

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

**The Speaker:** Order, please. We are dealing with a question of privilege. It would be helpful if we could hear the submissions of the hon. member, whatever her title may have been.

**Mrs. Carolyn Parrish:** Mr. Speaker, I rise primarily because I moved the motion at procedures yesterday. I want to make sure, procedurally, that it is very clear why I did so.

I have been—

**Mr. Vic Toews:** Because you were ordered to.

**Mrs. Carolyn Parrish:** No, that is absolutely incorrect. I have been the chair of the private members' business selection committee for many years. I had serious concerns with the direction that the new standing orders were going in.

I asked two questions several weeks ago. First, how would the committee be formed that is going to establish the criteria? Second, how could we accept this without knowing what the criteria are for rejecting bills going into the House that are totally votable?

Those questions were never answered. I believe the job of the committee was not completed. I believe it has to be referred.

**The Speaker:** I am reluctant to continue this because I do not think the hon. member's submission is relevant to the question of privilege that is before the House.

If the hon. chair of the committee wants to say something more about the proceedings in the committee, I am more interested in hearing on the procedural question of privilege that has been raised, which may in fact be a point of order. We have an allegation of contempt and that is the one I want dealt with, not other more extraneous matters because I think we have strayed a bit from the point.

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, that is correct. I am the chair of the Standing Committee on Procedure and House Affairs. I simply want to say for your benefit, because some of the members have been saying, and it has probably bewildered you, that this item should be referred back to our committee.

I want to simply confirm that it is my intention, as chair of the committee, to table this report today. The report essentially says that we should continue with the existing system until such time as the Special Committee on Modernization and Improvement completes its business and reports.

For your information, Mr. Speaker, I intend, unless I am directed otherwise by you, to table that report today.

**The Speaker:** I think we have heard enough on this point. I will take the matter under advisement and get back to the House in due course.

\* \* \*

● (1535)

**POINTS OF ORDER**

## QUESTIONS ON THE ORDER PAPER

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, I put some questions on the Order Paper in reference to an advertisement that has been carried out by the Royal Canadian Mint in which the word "Christmas" has been substituted with the word "giving". I think there are many members as concerned about this as I am.

*Points of Order*

However we do have the opportunity in this place to put questions on the Order Paper, and we do that for a number of reasons. Some questions are very detailed and require more than just a 30 second response and, to be very honest, we sometimes are reluctant to bring matters like this before oral question period. We want to ask those questions that are deemed very important, that are of international importance and whatnot, and so we have the opportunity to put questions of, you might say, minor significance or less significance on the Order Paper. That is not to say that they all are, but often times they are detailed and we do demand answers to them.

The difficulty is that yesterday I submitted these questions to the Journals Branch. Mr. Speaker, I want to go through the detailed list of questions so you will get a sense of what we are asking and what it is all about.

I will from my letter to the Journals Branch yesterday:

Order Paper Question—Minister responsible for the Royal Canadian Mint

Did the Royal Canadian Mint use an advertisement changing the words of the traditional Christmas carol “The Twelve Days of Christmas”, and if so;

- a) what words were used;
- b) why were the words changed;
- c) is it the policy of the Government of Canada to abolish government references to Christmas;
- d) has the government instructed Canada Post to cease the use of Christmas postage stamps;
- e) what other steps has the government taken to remove references to Christmas from its programs and publications;
- f) is it the intention of the government to amend the Holidays Act to include Christmas;
- g) is it the intention of the government to introduce a motion in the House of Commons to amend Standing Order 28(1) to remove the reference to “Christmas Day” as part of its modernization initiatives;
- h) whose decision was it to take the “Christ” out of Christmas?

Much to my surprise, and I guess much to the surprise of many members to whom I brought this forward, some of these questions were ruled hypothetical, unacceptable and in fact the word inflammatory was used.

For example, question h), “whose decision was it to take the “Christ” out of Christmas?”, was ruled inflammatory by a clerk in the Journals office.

The reason I am bringing this again to the floor of the House of Commons is simply that we have many people employed in this place whose only job, it appears, is to block members of Parliament from doing their job. It does not involve you, Mr. Speaker, because if we go through Beauchesne's and Marleau and Montpetit, I think it is pretty obvious that the rules that I followed were the rules to which you ascribe, if you will. Those very questions would not have been ruled out of order if they had been asked in question period. That is my belief.

The reason I am saying that is, and I will quote from Marleau and Montpetit at page 441:

A written question is judged acceptable if it satisfies the general guidelines for oral questions and the restrictions provided in the rules.

It goes on to say:

A question must be coherent and concise and the subject matter must pertain to “public affairs”; “no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same”.

Mr. Speaker, I think I followed that rule.

● (1540)

On page 124 of the 6th edition of Beauchesne's, article 428 states very clearly:

It has been observed by a Speaker that “one need only look at citation 171 of Beauchesne's Fourth Edition, in which will be found numerous, and in many cases, inoperable, restrictions covering the form and content of questions. I suggest that if each and every one of these restrictions were applied in every case, very few questions would ever reach the Order Paper”.

I am quoting from the Journals of March 30, 1965, pages 1193-94. The citation the Speaker used at that time referred to a list of prohibitions. I do not want to go through those prohibitions, Mr. Speaker, because the list is very lengthy and I know that you will legitimately and for good reason cut me off.

The fact of the matter is that those questions were not out of order and they would not have been deemed out of order by you, but yet someone hidden in the bowels of this institution, in an anonymous way, in anonymity, rules against a member of Parliament.

Mr. Speaker, I believe they were wrong in doing that. If we want to use the rules of the House for the reasons that they are there, for the public good, if you will, to represent our constituents, to ask legitimate questions of the Government of Canada, I believe that we have to exercise a level of generosity, and I do not believe that it is fitting that someone not elected, who does not have to be accountable to their peers, as you do, Mr. Speaker, would rule in that fashion.

Therefore, Mr. Speaker, I am simply asking you to make a very quick decision on this one. I have abided by the rules of the House, and it is very unlikely that you would rule a question like that out of order during question period. As we go through Beauchesne's and Marleau and Montpetit, if those rules do apply and we stick to those rules as best we can, I am urging you to reconsider that decision made by the clerk in your office and rule that in fact members do have the right to put questions on the Order Paper. If those questions are good enough for oral question period, they should be good enough for the Order Paper, Mr. Speaker

**The Speaker:** The Chair is quite prepared to deal with the point of order raised by the hon. member. I note that he filed a question which had eight parts. It was found that five of the parts were acceptable and three were not.

On review of the situation, I think that I am prepared to allow parts 6 and 7, that is (f) and (g), to be included, but I agree with the exclusion of (h) since it appears to be argumentative. It contains inferences. It is “ironical, rhetorical, offensive, or contain[s] epithet, innuendo, satire” or whatever, as stated in Beauchesne's in the citations to which the hon. member has referred so ably in his argument.

Accordingly I am allowing (f) and (g), but continue to disallow (h), and the Order Paper will be amended accordingly.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***REPORT ON RURAL CANADA**

**Hon. Andy Mitchell (Secretary of State (Rural Development) (Federal Economic Development Initiative for Northern Ontario), Lib.):** Mr. Speaker, pursuant to Standing Order 32(2) I am pleased to table, in both official languages, the third annual report to Parliament on rural Canada, entitled "Celebrating Success in Rural Canada".

\* \* \*

**GOVERNMENT RESPONSE TO PETITIONS**

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

● (1545)

**Mr. John Cummins:** Mr. Speaker, I rise on a point of order. The Minister of National Defence is sitting on a report from the military ombudsman concerning Corporal Christian McEachern, whose trial is ongoing in Edmonton at this time. I believe that this particular document could have an influence on that trial.

Corporal McEachern is a young military man who was administered the anti-malarial drug mefloquine. It may bear on this issue. The ombudsman promised in his report of last February that he would have this document available in nine months. I understand that the minister has it and I would ask that this document be tabled.

**The Speaker:** I do not know what the point of order is. It sounded like a question. I am sure that the Minister of National Defence will take the hon. member's representation under consideration.

\* \* \*

**SEX OFFENDER INFORMATION REGISTRATION ACT**

**Hon. Wayne Easter (Solicitor General of Canada, Lib.)** moved for leave to introduce Bill C-23, an act respecting the registration of information relating to sex offenders, to amend the Criminal Code and to make consequential amendments to other acts.

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

\* \* \*

**COMMITTEES OF THE HOUSE****HUMAN RESOURCES DEVELOPMENT AND THE STATUS OF PERSONS WITH DISABILITIES**

**Mr. Eugène Bellemare (Ottawa—Orléans, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the first official report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, entitled "Tax Fairness for Persons with Disabilities".

*[Translation]*

More than a third of adults with disabilities say that they must cover additional costs associated with their disability that are not reimbursed by any public or private program.

The committee recommends, among other things, that the government review the eligibility criteria for the tax credit, as well as federal tax measures targeting the disabled.

*[English]*

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I should explain, given the discussion previously, that I will be presenting two reports today. The first report from the Standing Committee on Procedure and House Affairs, which is actually the 13th, refers to the private member's bill of the member for Lethbridge.

I have the honour to present the 13th report of the Standing Committee on Procedure and House Affairs regarding private members' business. This report recommends that one of the bills from the first session, reinstated in this session, be made votable since it was never considered by the subcommittee on private members' business prior to prorogation.

If the House gives its consent, I intend to move concurrence in this 13th report later this day.

The second report is one I mentioned earlier. I have the honour to present the 14th report of the Standing Committee on Procedure and House Affairs regarding the rules governing private members' business.

**Mr. John Reynolds:** Mr. Speaker, I rise on a point of order. Would the chair of the procedures and House affairs committee advise the House whether that report is in both official languages?

*[Translation]*

**Mr. Peter Adams:** Yes, Mr. Speaker, this report is in both official languages.

\* \* \*

*[English]***FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT**

**Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.)** moved for leave to introduce Bill C-334, an act to amend the Federal-Provincial Fiscal Arrangements Act (work for welfare).

He said: Mr. Speaker, the bill would require all provinces to implement a work for welfare program.

We must not forget that the money used to fund welfare programs comes from hardworking taxpayers and they deserve a guarantee that their generosity is not being abused. Welfare fosters a cycle of dependency among those who abuse it. People who are capable of working but choose not to should be denied entitlement to welfare.

The government should promote personal responsibility and end welfare dependency by people who are capable of working. We should give people on welfare a hand up, not a handout.

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

\* \* \*

• (1550)

#### CRIMINAL CODE

**Mr. Myron Thompson (Wild Rose, Canadian Alliance)** moved for leave to introduce Bill C-335, an act to amend the Criminal Code (child pornography).

He said: Mr. Speaker, I am pleased to introduce this private member's bill today. It is simply an act to amend subsection 163.1(1) of the Criminal Code to eliminate the defence of artistic merit with regard to child pornography, and to have the government indicate to all Canadians that it is not prepared to entertain the artistic merit defence, for the public good, as it does not apply to child pornography, which Canadians want stamped out. That is the intent of the bill.

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

\* \* \*

#### TAXPAYERS' BILL OF RIGHTS

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance)** moved for leave to introduce Bill C-336, an act to confirm the rights of taxpayers and establish the Office for Taxpayer Protection.

He said: Mr. Speaker, it is a pleasure to reintroduce this bill, entitled the Taxpayers' Bill of Rights, which is an iteration of a similar bill I have introduced in previous sessions. It seeks to enshrine in law the due process rights of taxpayers when dealing with the Canada Customs and Revenue Agency, to place the burden of proof on the Minister of National Revenue when it comes to actions taken against taxpayers who have demonstrably acted in good faith.

It furthers creates an office for taxpayer protection, which would act as an ombudsman to assist honest taxpayers who are being unfairly and unduly harassed by the revenue agency.

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

\* \* \*

#### CRIMINAL CODE

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance)** moved for leave to introduce Bill C-337, an act to amend the Criminal Code (murder of a firefighter).

He said: Mr. Speaker, this enactment amends the Criminal Code to add the murder of firefighters acting in the course of their duties to the list of offences that constitute first degree murder.

With the growing prospect of urban terrorism, it is often firefighters who are the first into harm's way of a created, premeditated, dangerous situation. Also, our International Association of Fire Fighters has been asking for this measure for some time, and I hope the House of Commons will soon oblige with this appropriate recognition and protection.

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

#### Routine Proceedings

#### CRIMINAL CODE

**Mr. Chuck Cadman (Surrey North, Canadian Alliance)** moved for leave to introduce Bill C-338, an act to amend the Criminal Code (street racing).

He said: Madam Speaker, two years ago, Irene Thorpe, just out for an evening stroll, was struck and killed by a car involved in a street race in Vancouver. Last fall, RCMP Constable Jimmy Ng was killed by a car allegedly in a street race in Richmond, British Columbia. Last weekend, there was a horrendous crash in Winnipeg allegedly again involving street racing.

I am introducing legislation to amend the Criminal Code specifically to provide that street racing is to be considered an aggravating factor for the purposes of sentencing a person convicted of dangerous operation of or criminal negligence involving a motor vehicle.

In addition, the bill provides that any person convicted under these provisions who was involved in street racing be subject to a regime of mandatory national driving prohibitions ranging from one year to life, to be served consecutively to any other sentence imposed.

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

\* \* \*

• (1555)

[Translation]

#### PROSTITUTION ACT

**Mr. Réal Ménard (Hochelaga—Maisonnette, BQ)** moved for leave to introduce C-339, An Act to decriminalize activities related to prostitution and to implement measures to assist sex workers and persons with a drug addiction.

He said: Madam Speaker, the purpose of my bill is to decriminalize sex work on a five-year basis. It asks the provinces and the federal government to examine this new legal situation. It also provides for various measures to assist sex workers.

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

\* \* \*

[English]

#### DAIRY TERMS ACT

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance)** moved for leave to introduce Bill C-340, an act respecting the use of dairy terms.

He said: Madam Speaker, I am glad to introduce two bills today. The first is called the dairy terms act and is seconded by my hon. colleague from Egmont. Others will be in support of it too, and we have a non-partisan effort underway here.

*Routine Proceedings*

Dairy terms are popular for labelling food items because of the reputation that dairy products have among consumers for quality and nutrition. On one hand, consumers who look for a dairy product could unintentionally buy a non-dairy alternative due to the misuse of dairy terms on the label, and that has happened. On the other hand, consumers who are lactose intolerant and look for a non-dairy alternative may mistakenly overlook the necessary substitute product. As a result, producers lose market share because of inaccurate or misleading labels.

Consumers are entitled to a properly informed choice in the matter of dairy products and non-dairy alternatives. Each year Canadian dairy producers spend over \$75 million on advertising dairy products and promoting the nutritional benefits of them.

I believe this dairy term act would improve the existing federal regulatory structure by providing the clarity and the much needed labels and rules in respect to dairy terms.

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

\* \* \*

**CRIMINAL CODE**

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance)** moved for leave to introduce Bill C-341, an act to amend the Criminal Code.

He said: Madam Speaker, this is my second bill dealing with impaired driving. The bill would make it easier for police officers to gather the evidence they need to successfully prosecute impaired drivers. It would strengthen their powers to demand an on the spot physical coordination test. It also would strengthen their powers to demand breath and blood samples from drivers involved in a collision that caused bodily harm or death, if they have reasonable grounds to believe the driver is impaired.

Finally, it would authorize the use of passive alcohol sensors.

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

\* \* \*

**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Adams (Peterborough, Lib.):** Madam Speaker, I feel obliged again to explain that my intervention at this time refers to the private member's bill of the member for Lethbridge. I move that the 13th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day, be concurred in.

(Motion agreed to)

● (1600)

## PUBLIC ACCOUNTS

**Mr. John Williams (St. Albert, Canadian Alliance):** Madam Speaker, I move that the second report of the Standing Committee on Public Accounts presented on Tuesday, November 26, be concurred in, and I would like to speak to this.

I am glad to debate this issue because it is something that should have been debated long ago.

To give some background on this motion, I quote from the Public Accounts of Canada 2001, Volume I, at page 1.28, which is Supplementary Information and Observations of the Auditor General on the Financial Statements of the Government of Canada for the Year Ended March 31, 2001. I quote from the second paragraph where the Auditor General states:

The balance in the [Employment Insurance] Account...\$36 billion at March 31, 2001 which is well in excess of \$15 billion, the maximum amount considered necessary by the Chief Actuary of Human Resources Development Canada. (...) The [Employment Insurance] Commission did not provide an adequate justification for the size and rate of growth of the Account balance. Accordingly, I am unable to conclude that the intent of the Employment Insurance Act has been observed in setting the 2001 premium rates.

I quote again from the Public Accounts of Canada 2001, Supplementary Information and Observations of the Auditor General on the Financial Statements of the Government of Canada for the Year Ended March 31, 2002. I quote from the article on page 1.30, which states:

The balance in the Employment Insurance Account stood at \$40 billion on March 31, 2002, well over the \$15 billion that the Chief Actuary of Human Resources Development Canada says is the maximum amount needed. Neither the Employment Insurance Commission nor the Government, in setting the EI premium rates for 2001 and 2002, has clarified and disclosed what they consider to be an adequate balance of the Account, the time required to reach that balance, and the factors considered in setting the rates. Accordingly, for the second consecutive year I am unable to conclude that the setting of premium rates observed the intent of the Employment Insurance Act.

Continuing on, page 1.31 of the 2001-02 public accounts, the Auditor General states:

Employment Insurance (EI) is a major program administered by the Government of Canada. Since 1986, its revenues, expenditures, assets and liabilities have been consolidated or combined with those of other Government programs in the Government's financial statements. Consolidation of EI is the proper accounting because EI is a Government program like any other Government program—it is controlled solely by the Government. It is the Government, either directly or through the EI Commission, that sets EI premiums and benefits.

She continues on in the next paragraph and she states:

Due to its size, the EI program has a significant effect on the Government's overall financial results. The financial statements show that approximately 10% of the Government's total revenues come from EI premiums; and approximately 11% of the Government's total program expenditures is for EI benefits and administrative costs. The Government's surplus in 2001-2002 of \$8.9 billion would have been \$4 billion lower were it not for EI.

Continuing on page 1.232, the Auditor General also states:

EI premiums, like most other Government revenues, flow into the Government's bank account; there is no separate bank account for the \$40 billion EI surplus at March 31, 2002. In establishing the premium rates for the years 1997 up to and including 2001, the Chief Actuary of Human Resources Development Canada (HRDC) reviewed the accumulated balance in the EI Account and economic prospects for the next few years. Based on that review, he normally suggested to the Commission a range of premium rates for the following year. The Employment Insurance Commission then set the rate, with the approval of the Governor in Council on the recommendation of the ministers of Finance and HRDC. The rates set, however, exceeded the maximum in the range suggested by the Chief Actuary for 1998 to 2001.

*Routine Proceedings*

•(1605)

A table is attached. The table for 1998 the chief actuary suggested a rate of \$2.40. The government set the rate at \$2.70. In 1999 the chief actuary suggested a rate between \$2.00 and \$2.50. The government set the rate at \$2.55. In the year 2000 the chief actuary suggested a rate between \$2.00 and \$2.25. The government set the rate at \$2.40. In 2001 the chief actuary suggested a rate of \$1.75 to \$2.10. The government set the rate at \$2.25.

In 2002 the chief actuary was removed because the government did not like the suggestions he made. It said that it did not want to hear from him any more, legislated his report out of existence and set the rate at \$2.25, which is still above what he had for the previous year.

The government has played around with EI, got a \$40 billion surplus and likes that \$40 billion surplus because the money is in, as I pointed out, the consolidated revenue fund of the government. It has come to enjoy the benefits of EI to balance the books and then brag to Canadian taxpayers how well it has done. I think I heard the Prime Minister the other day brag about his surpluses for the last six or seven years. Now we know this has been done on the backs of the employers and the employees.

The government was not interested in listening to the Auditor General's audit observations contained in the public accounts, so the Auditor General wrote a report in chapter 11 of her December 2002 report.

At page 38, chapter 11, is a whole section on the employment insurance account. It starts off by saying that no explanation was provided to Parliament for a surplus reaching \$40 billion. That is reminiscent of her remarks the other day when she talked about the gun registry. She said that Parliament had been kept in the dark. It is nothing new about Parliament being kept in the dark. She has also said that we have been kept in the dark about the EI.

She goes on to say that neither the commission nor the government clarified or disclosed key factors in setting the employment insurance premium rates. There is a whole chapter of about three pages where she goes into great depth to say that since 1996 the EI insurance account has collected more revenues than the expenditures it has to pay.

The public accounts committee decided it was time that it became involved. On November 26, the Auditor General appeared before the committee and gave us the note from her opening statement. She talked about the Employment Insurance Act and how the EI account had grown by another \$4 billion in the last fiscal year, and is still growing. As of March 31 the surplus was \$40 billion, which is \$25 billion more than the government's chief actuary said is the maximum amount needed. She said:

I question if this was Parliament's intention with respect to the Employment Insurance Act, even after taking into account recent amendments to the Act.

The Auditor General is saying that if Parliament did not intend to have a surplus of this magnitude in the employment insurance account, why do we have it?

Because the Chief Actuary was consistently saying that the government was wrong, the government brought changes to the

Employment Insurance Act and suspended that process for two years. The Liberals said that they would decide themselves without the benefit of the Chief Actuary. During that two years they were to hold private and public consultations to see what should be done.

At the public accounts committee, representatives from the Department of Finance said that the public consultations had not yet begun. It did not appear as if the government had any intention of having public hearings on this issue.

•(1610)

Under questioning the civil servant from the Department of Finance admitted that while the government only had two years to figure out what it was going to do, there was nothing to stop it from extending that for another two years and another two years and for as long as the Liberals were in office. Hopefully that will not be another two years but who can tell.

There is no openness and transparency here. We have a government claiming to take the money and balancing the books and bragging about the surplus on the backs of employers and employees.

The public accounts committee Recommendation No. 1 states:

That the government clarify and disclose to Parliament and the public accounts committee all the relevant factors used in setting the Employment Insurance premium rates, particularly with regard to determining the nature of the employment insurance account balance and deciding on its disposition. That the government table the relevant information to Parliament and the committee no later than March 31, 2003.

Since the government will not listen to the Auditor General of Canada, and it will not listen to the representations of the opposition because we have raised this issue many times in the House, I do hope it will listen to a unanimous report of an all party standing committee of the House of Commons, namely the public accounts committee.

Recommendation No. 2 of the public accounts committee report states:

That during the review of the employment insurance premium-setting process, the government take all necessary steps to include consultations with employee and employer groups, along with the Canada Employment Insurance Commission and the Chief Actuary of Human Resources Development Canada and all other relevant stakeholders.

It is a perfectly honest and reasonable request, that the people who pay the tax, the employers and employees, be asked for their opinions, that the chief actuary of HRDC, who always had the job of having input into the process before, be invited for his input as well, plus any other stakeholders and the people who run the Employment Insurance Commission. They should get together in a public process and decide what to do. That is reasonable. I certainly hope that the government is listening.

Recommendation No. 3 states:

That the government prepare a status report on these consultations, summarizing each participant's position, contribution and conclusions to the review of the employment insurance rate-setting process, and table the document to Parliament and the public accounts committee when the review is complete.

*Routine Proceedings*

We did not put a deadline on that report because the government admitted that it really had not started the process and could not give us any indication as to when it would. Shame on it. In the meantime, employers and employees are paying far too much. The Auditor General says they are paying far too much. Yet there is not a word out of the government which continues to accept the money without even so much as an apology.

**Recommendation No. 4 of the report states:**

That the Government formally reinstate the requirement that the Chief Actuary of Human Resources Development Canada prepare and produce full and complete actuarial reports for the EI program for 2002 and 2003. That these reports be made available in a timely fashion to all stakeholders and the public on the Human Resources Development Canada website.

**It continues:**

That the government consider legislative amendments that would require the Chief Actuary of Human Resources Development Canada to produce on an annual basis actuarial reports on the EI program. That these reports be made available in a timely fashion to all stakeholders and the public on the Human Resources Development Canada website.

We want openness and we want transparency. I fully understand that when we came here in 1993, which is a long time ago, there was a problem with government finances and there were debts and deficits that were spiralling out of control. That is not the case today.

Why is it when we recognize that it is the private sector employers and employees who go to work each and every day who generate the wealth in this country and provide the prosperity that we all enjoy, that we continue to penalize the very segment of society that creates our wealth by taking more money out of their pockets through an employment insurance program? What is required to fund the program?

• (1615)

We now have \$40 billion in there. The Auditor General pointed out that every nickel of the premium paid represents about \$425 million in income. The excess revenues are approximately \$4 billion each and every year.

It is quite conceivable that the rate could be dropped by 50¢, not the 10¢ that the Minister of Finance is proposing. It is quite conceivable that the rate be dropped by 50¢ per \$100 of insured income and the fund would maintain a balance. It would not even be reduced. It would just be balanced and that \$40 billion would remain there as overtaxation on the people who create the wealth in the country.

Why can the government not look at that? Is it so important for the Prime Minister, the Minister of Finance and the government to tell us how they are wasting a \$1 billion on the gun registry? There was the \$1 billion boondoggle in HRDC. The Groupaction advertising contracts for \$40 million are being thrown around.

Every rule in the book is being broken by the government. It is so much in need of the cash from the EI that it wants to spend it in that way. It is an affront to the employers and employees in Canada. How can the government justify this type of spending and this kind of taxation on the citizens of Canada? It is absolutely an affront.

The EI program is no longer an EI program. It is a payroll tax. We have known for years that payroll taxes kill jobs. Here we are with some anemic growth where we are trying to avoid a recession and

we continue to penalize and destroy the competitiveness of the private sector which creates the wealth that has provided the wonderful lifestyle that we have.

The government wants to wring the last nickel out of people and hope that they do not choke to death. The government thinks that there is no end to how much money they can and will pay. There is an end and the Auditor General said it should have ended before now.

I am asking the government through this report, and the public accounts committee is asking the government through its second report to do something about the rate and to explain itself why it is this way. Why does it continue to hide behind the privacy of the order in council decisions and come out with an announcement from on high saying the rate will be \$2.10 when it could be \$1.60?

**An hon. member:** Exactly, 50¢ lower.

**Mr. John Williams:** It could be 50¢ lower. It would create jobs. I would not mind if the government were to take credit for creating jobs if it were to drop the EI rate and that is what created the jobs.

We have to be competitive in the world. We understand how our productivity is declining versus that of our friends in the United States. What happens? The government continues to squeeze the employers and employees for more tax and more tax. The Auditor General has pointed out that is not appropriate. It may not be illegal but it is definitely inappropriate.

We could look at the other types of things the government has wasted money on. We voted on the Kyoto accord yesterday. That will also be another tax on industry. It is fine for the Minister of Finance to stand up and say that he will put a cap of \$15 on every tonne of carbon dioxide that is produced but our friends in the United States do not have to pay a single penny because they are not going to participate in the Kyoto accord.

How are we going to maintain our competitiveness? The cost of Kyoto will be foisted upon business. The cost of this overtaxation on EI has been foisted on business. It goes on and on.

The Liberals seem to think they are acting more like socialists than entrepreneurs where they think they can tax those people and they will continue to produce. They will not continue to produce. They will pack their bags and move to the United States or somewhere else where there is a government that is friendly toward the concept of job creation, wealth creation and for that they do not mind paying a share of that in tax. But to be gouged by the government is not on.

• (1620)

We think also of the \$7 billion that the government has parked in foundations. There is the \$2.5 billion millennium scholarship fund. There is the medical research foundation. It goes on; there is a whole list of them.



*Routine Proceedings*

The Auditor General pointed that out too. There is \$7 billion of taxpayers' money parked in private bank accounts, paid for by the taxpayers of the country, paid for by the employers and employees of the country. The government has stashed it in private bank accounts so that it can at its wish, at its time and at its whim, decide that the money is going to be spent and presumably at the most appropriate time to buy votes for the next election. The Auditor General has been highly critical of that also.

The second report of the public accounts committee takes issue with the fact that the government takes the surplus, it continues to take an excess of EI premiums from employers and employees of the country. It puts the money into the general bank account of the Government of Canada and at the end of the year says, "What a wonderful thing. We have another surplus".

The Liberals brag about that surplus as they take that overtaxation and stick it in private foundations. They waste it on gun registries where the costs are totally out of control. They waste it on the \$1 billion boondoggle at HRDC. They waste it on advertising contracts. We heard evidence before the public accounts committee where it was said, "I knew what I was doing", but the Auditor General said that they broke every rule in the book.

The litany goes on. The waste goes on. The overtaxation goes on. Canadian taxpayers are fed up. They want this to come to an end. Therefore, I would ask that we concur in the second report of the public accounts committee.

**The Acting Speaker (Ms. Bakopanos):** Before I take questions and comments, it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for New Brunswick Southwest, Health; and the hon. member for Elk Island, Government Advertising.

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Madam Speaker, I too sit on the public accounts committee. I certainly support the Auditor General in almost all the recommendations that she comes down with.

The government needs to re-examine and regularize the way in which employment insurance is collected. I would take issue with the member opposite that this is a payroll tax that is having a negative effect on the economy. I would remind the member opposite that employment insurance is a shared charge. It is not just the workers who contribute to employment insurance, it is also the employers themselves.

In a very strong sense those who contribute to employment insurance are the very large manufacturing corporations, the automakers, the steel industry and so on. When we talk about reducing EI premiums we must remember that in doing so we are reducing the expenses of the corporation. It is not just the organized workers.

I would also observe that many of the people who pay into employment insurance are the unionized workers for the very large corporations who make, in the case of General Motors and some of the large automakers, the base rate. The base rate for unskilled labour is I think about \$69,000.

I think one has to bear in mind that the payroll tax that we are talking about, and I suppose we could call it a payroll tax, I have no problem with that, is a tax that benefits the economy. The \$40 billion I point out is a notional amount of money. We can debate how real it is. The point about the \$40 billion is that it is not much less than the debt.

We do know that anything that the government can do to reduce the debt has a net positive effect on the economy. It creates jobs. I point out to the member for Prince Albert that Canada is leading the United States in economic prosperity and job creation right now.

How did that occur? The fact is that the government had its priorities straight. It looks to debt reduction. It is true that in the employment insurance procedures that are being undertaken right now I think that the government should revise how employment insurance is collected.

I would like to see a two scale system, where the large manufacturing companies and those sectors of industry in which the salaries are very high pay perhaps a higher employment insurance premium than those people who are in the less affluent and less safe sectors, the small businesses.

The message that we get from the Auditor General is that it is time for the government to again review employment insurance. It is time to structure it in a way that it does not simply benefit the large corporations and protect the large unions that have such benefits from their corporations that even when they are unemployed they have the opportunity of receiving 95% of their income.

We must take this message from the Auditor General that the way employment insurance is managed now is not satisfactory and turn it into an opportunity to give a break to those small businesses that have one, two or three employees and are forced to contribute to employment insurance and give the kind of protection that we need to give to the small entrepreneurs and the people who are in marginal income categories and for whom an employment insurance premium is a significant deduction from their payroll.

● (1625)

I must say that when we are in that category of worker where the base rate for unskilled labour is around \$70,000, then I am not so sure that the employment premium of \$2.10 is so terribly unfair.

I always support the member for St. Albert when he says laudatory things about the Auditor General because she has been doing excellent work now, but a government must always remember that its job is to govern and to find a way to manage the government's finances and the country's finances that benefit not just the best off in society, not just the best paid workers, not just the large corporations, but benefit small businesses and employees who have less opportunity.

I think a two tier employment insurance system is a great idea and I would love to hear the thoughts of the member for St. Albert.

**Mr. John Williams:** Madam Speaker, I would like to thank the hon. member for his intervention. He does sit with me on the public accounts committee and I do appreciate his contribution to the committee. However I must take a couple of exceptions to some of the remarks he just made, while I may agree with some of them.

*Routine Proceedings*

First of all, I do not see that there is any tax of any kind that could ever be called a benefit to our society.

The other area is this concept of notional account. The dollars taken for EI are real and expensive dollars. They are consolidated with all other tax revenues, as I explained in my speech, and the cheques that are paid out in EI benefits are all written out of the basic bank account of the Government of Canada.

We are required to keep track of EI revenues and expenditures in order that they may balance themselves roughly over the business cycle. That is the issue: real dollars in, real dollars out; \$40 billion more real dollars in than has gone out. The chief actuary has said \$15 billion is sufficient and we would have a surplus of \$25 billion.

I appreciate the member's point of view about two different rates for small business versus big business. Today we have one expensive rate for all business and all employees. If the member has some compassion for small business and the lower income employees, why is he not standing in his place and demanding that the government introduce EI reductions for small business? It is a great start, but I have not heard him stand in his place and demand that. He has supported the government in keeping the rates artificially high, higher than they would otherwise be, not just for the high income wage earners, but even for the low income wage earners, and also for the small business people who sometimes have a difficult time making ends meet.

We have the worst of all worlds. We have an EI rate that is too high. There is no recognition of the complexity and the difficulty for small business people and low income earners, no recognition or sympathy, and everyone else has to pay.

I would hope that if the member believes that he would join with others such as ourselves in the official opposition to demand that the government bring openness and transparency, and explain itself as to what is going on, and how it could ensure that the rate be reduced.

• (1630)

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, I would like to ask the member who has been speaking about a phenomenon I am seeing every day in my riding. I am seeing many more people who are no longer eligible for employment insurance.

Over the last couple of years \$20 million has been removed from my community that used to come in to workers who were unable to find work, or who were without work for a period of time. That is \$20 million that would have gone into small businesses, into the community, and is no longer there because we have been carving out the employment insurance system and putting it all in this growing surplus.

I would like to ask the member how it is that he is able to justify with his motion the further hollowing out of this important income support program for people who are unable to find work, or who are without work for a certain period of time.

**Mr. John Williams:** Mr. Speaker, we are not proposing any hollowing act. We are saying that the government is collecting far too much money to provide the service that it is currently committed to providing.

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, I was not going to enter this debate

but since the member has raised a number of issues I thought I would set the record straight.

The government has been in the business of reducing EI rates ever since it came into office. The EI commission set the premium rates from 1998 to 2001, not the government. The commission is made up of representatives from labour, business and the government. It follows the criteria set out in the Employment Insurance Act in setting these rates.

Analysis done by the chief actuary at the time did not suggest that the rate could be lowered to anywhere close to the rate being suggested. Furthermore I would point out that had it been lowered to the amount suggested the federal government would have recorded a deficit in 1998 and 1999.

This is the same group across the way which talks about not getting into deficit spending. We cannot have our cake and eat it to. Either we are not going to go into deficit which the government has pledged not to do, or we are.

With the possibility of a deficit again in 1999 and 2000 it would not have been able to implement in October 2000 the \$100 billion tax reduction plan or provide incremental funding to the provinces for health care in September 2000.

On the one hand if we took the advice of our friends across the way there would have been no personal income tax reductions which our friends claim they support. In fact they would like us to go further. Our friends across the way suggest to us that in fact we should do more for health care and help the provinces deliver health services. Yet at the same time they apparently are able to do all of these things magically that no one else can do. It is not possible, not even by the arithmetic suggested by the Canadian Alliance.

Prior to 2002 the government did not set the rates. That was the responsibility of the employment insurance commission. It set the rates according to the criteria set out in the Employment Insurance Act at a rate to be set at the level which would be appropriate. In doing so what did the commission have to do? It had to look at two things: first, ensure that there would be enough revenue over a business cycle to pay the amount authorized to be charged to the EI account, second, and maintain relatively stable rate levels through the business cycle.

Each year the commission received the chief actuary's annual report on EI premiums. The commissioners reach a consensus on the premiums each and every year. This resulted in the rate being lowered. In fact it has been lowered every year since 1994. The legislation passed by the House in 2001 gave the government the authority to set the rate for 2002 and as we know the rate was lowered again. The minister announced a further reduction.

We have said, and the record proves it, that we want the EI rate to be brought down over time to a point where it just covers the cost of the program. However we are not going to be irresponsible and go into a deficit, again something that the members across the way would be the first to holler about if we did.

*Routine Proceedings*

The member should know that the employment insurance account is not an account containing cash. It is an accounting device used in setting the premium rate. The EI account has been consolidated with the books since 1986, on the advice of who? The Auditor General. Therefore any annual surplus or deficit in the EI account affects the government's bottom line in the year, but the cumulative surplus is simply a bookkeeping entry that adds up to these annual amounts.

Maybe the member has missed this and I should mention this for his edification. In 1990 the employment premium was \$2.25 and the annual surplus was \$.9 billion. The account balance was \$2.2 billion. In 1991 it went from \$2.25 to \$2.80. Then we had a \$4.2 billion deficit.

● (1635)

In 1992 it went to \$3.00. Members will notice that it was going up. Then we had an annual deficit of \$2.6 billion. In 1993 it was \$3.00 again, a \$1.2 billion deficit.

In 1994 we started to see a decline, as I said. Eventually what happened was that in 1996 it went to \$2.95, then to \$2.90 in 1997, then to \$2.70. In other words, it was continually going down. It went down to \$2.25 in 1998 and in 2000 it went to \$2.40. It was \$2.25 in 2001 and \$2.20 in 2002. As we know, the Minister of Finance announced in the House that it is now at \$2.10.

Clearly there has been a downward approach. Again, we have indicated very strongly that we believe this is the continued approach we want to take but that we want to take it in a fiscally responsible manner, which I think is very important to all members of the House, whatever side they happen to be on.

The issue before the House is the member's suggestion that somehow we can do all these things at the same time and be able to balance the books. I have clearly demonstrated the intent of the government. I have indicated what we have been able to do and how we are committed to reductions in that regard. I think that is very important in terms of looking at this particular issue.

I do not think there is any question that we all agree the rates need to come down and that is why we have been committed to doing so. It is not, however, appropriate, in my view, to make some wide-eyed suggestion that we can suddenly reduce it by 50¢ or 60¢ and not look at the repercussions on the finances of the nation.

At the same time, we are dealing with reports, including the Romanow report. We are going to be committed to looking at the issue of health care funding and, at the same time, committed to reducing personal income taxes, which again I know my friend across the way has, with all due respect, supported on a continual basis.

Harry Houdini passed away many years ago. He is not alive and well here. We are not able to do the impossible. What we are able to do is to be fiscally responsible, to make sure that we deal with the corporate tax issue. As we know, corporate taxes by 2006 will be five percentage points lower than in the United States at the present rate. As we know, the \$100 billion tax cut continues, again committed to by the minister and the government.

I would suggest that the issue before the House is whether the government is taking a responsible approach in reducing EI

premiums. The answer clearly is yes. Every year it has continued to go down and every year the rate has been set. The new rate this year alone will save employers and employees \$860 million. That is not exactly a small amount. I think that is important for us as members of Parliament to take note of.

If my friends on the other side wanted to criticize us, they could have criticized us if we had not been reducing the rates but we have reduced them in a responsible manner. We have indicated that we are interested in moving to the point where we will be able to reach an appropriate level but that in order to do so we have to do it in a responsible manner. I have not heard anyone complain about the fact that we have been reducing them.

Some may say the pace is not as fast as they would like, but the reality is that we on this side of the House are charged with governing and we are going to govern in a responsible manner. We are going to make sure that when the EI rate is reduced it will be reduced to cover the cost of the programs, and we are going to do that effectively.

● (1640)

All the cheap shots that I keep hearing from across the way do not add up to the fact that we are still responsible for making sure that we do it in a responsible manner.

Maybe I should get my friend across the way a new calculator because the reality is that we cannot do what has been suggested. We cannot do it unless we go back into a deficit and we on this side of the House will not use that word. We are not prepared to do that. I have very clearly outlined the position of the government.

I certainly am prepared to go further but I think my colleagues across the way, if they ponder and review the comments that I made, will realize that we have moved, I think, quite significantly. When we talk about a rate that was \$3.00, we are now down and continually going down in a responsible manner from when we came into office, I would suggest that is good governance. I would suggest that is showing responsibility, and doing so, as I said in the past, in a very fiscally responsible manner.

The issue that the member has raised realizes that we are continually reviewing all expenditures. Our colleagues across the way have made some comments about some issues that are in fact figments of their imagination.

I hear them talk about the HRDC issue, which is absolute nonsense. They know that a billion dollars was not lost but they continue to fabricate and promote a myth. That is rather irresponsible on the HRDC issue, and they know that. Some of the members who were on that committee should know better. If they do not, they should have a discussion with their colleagues who were on the committee at the time.

In any event, we are committed to making sure that we govern in a responsible manner. We made sure that the elimination of the \$42.5 billion deficit was supported by Canadians. It was done with the support of people across this country. People said that it could not be done but it was done.

*Routine Proceedings*

The opposition sometimes, particularly some in the Alliance, will suggest to us that the provinces suffered. The provinces have the same access to taxation authority that the federal government has. Governing is about making choices. If their choices were making tax cuts first while they had a deficit and not spending money on health care but tax reduction, then that was their choice, certainly not our choice.

We took a more fiscally responsible approach and said that we would eliminate the deficit first and then we would deal with tax cuts. We did that.

As I say, I have no fault with the provinces. If the Ontario government wanted to cut taxes while at the same time complaining that it needed more money for health care, more money for education or more money for this, that was its decision. It, through its legislature, was responsible to the people of Ontario. The important point here is that in terms of the transfers, we made sure that we did it appropriately.

I find it unbelievable that side of the House would suggest for one minute that somehow we should do all these things and at the same time be able to slice the EI rates by 50¢ or 60¢.

The reality is that it is about choices, and as I said, the provinces have the same ability as we do.

I know they will be after us and saying that we have to be— Madam Speaker, I think there is another conversation going on.

• (1645)

**The Acting Speaker (Ms. Bakopanos):** Order, please. There are two conversations going on. It is very difficult for the Chair to listen to the hon. member. Members will have 10 minutes for questions and comments. If there are comments, I will make sure that everyone who wishes to make a comment or ask a question has the floor.

Right now it is the hon. Parliamentary Secretary to the Minister of Finance who has the floor and he has 4 minutes and 41 seconds left.

**Mr. Bryon Wilfert:** Madam Speaker, one of the members yelled out that this information was incorrect. I am saying it nicely. The reality is that those are the facts. I know we are not allowed to use props but I have the listing of those reductions. The reality is that these are the facts.

It is funny that some people are entitled to an opinion but apparently we on this side are not entitled to give answers because those on the other side have all the answers.

What I said about the provinces apparently offended one of the members across the way. The member should check the record. The provinces have the same ability to tax as we do. They made decisions and we made decisions. We stand by our decisions and they can stand by theirs. We did not cut health care. We do not deliver health care. The provinces deliver health care.

Last year the government of Ontario announced \$1.2 billion in funding for health care and \$1.1 billion came from the federal government. The province happened to conveniently leave that out.

In terms of the government's commitment to health care that we made in September 2000, we make no apologies for that. We make

no apologies at all as the provinces agreed to that at the time. Absolutely not.

The Minister of Finance stood in the House and talked about the reduction, talked about the savings of \$160 million to employers and employees. That is not a trifle.

• (1650)

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Madam Speaker, I want to question the competence of the government. I just heard a ridiculous speech from the member. He made a number of erroneous and misleading statements. There were so many I hardly know where to begin.

I want to address the issue of the Human Resources Development scandal where the government did lose a billion dollars. Does the member across the way deny that when the audit became public the audit revealed that grant money was handed out without applications, through verbal agreements and that money just disappeared somewhere into the atmosphere?. That is what the audit revealed.

What we see every time the government gets up to deliver some kind of new program is that it has no way of keeping track of the money. The same is true of the firearms registry. The same will be true for Kyoto. It has no plan for Kyoto.

We on this side of the House are arguing that instead of going into deficit the government has another option. It can be responsible with the money that it already has. If it were it would not have to worry about constantly raising taxes or, in this case, not lowering taxes to where they should be.

The member was wrong again when he said that the actuary was not recommending that EI premiums come down much more than he is arguing. The actuary is recommending that they be as low as \$1.75 a hundred, 50¢ lower than they are today.

I challenge the member on a number of things that he said and I ask him to respond to what I just commented on.

**Mr. Bryon Wilfert:** Madam Speaker, the member can make sarcastic comments but I will not lower myself to such negativity.

I would point out that we have said this over and over again and the facts prove it, there was no billion dollar boondoggle. I would be surprised if they could find the word in the dictionary. In any event, no billion dollars were lost. He knows that but he continues to propagate the myth.

We are the government that released the audit and we are the ones who said that we would have the Auditor General report to committee four times a year on HRDC. This was at the same time that issue was being debated in the House. Members were scurrying across here asking the Minister of HRDC if she could prove this or prove that but at the same time they were denouncing publicly a program that they wanted.

The reality is that there were no billion dollars lost. They know that. Everyone on this side of the House knows that. The facts prove it and, quite frankly, it is a bit tiring listening to that nonsense.

*Routine Proceedings*

[*Translation*]

**Mr. Odina Desrochers (Lotbinière—L'Érable, BQ):** Madam Speaker, at the beginning of his speech this afternoon, the Parliamentary Secretary to the Minister of Finance said, "I was not going to enter this debate".

Given the remarks he made, I think that he should have just remained seated as it is apparent that he does not realize the magnitude of the problem.

**An hon. member:** And the issue.

• (1655)

**Mr. Odina Desrochers:** He does not realize the magnitude of the issue either.

The Auditor General's name has been mentioned. The Auditor General has said three times now, "People, this is not working. The surpluses are too high. Where is the money going?"

I want to ask a question. The statistics presented to the Standing Committee on Public Accounts were quite clear on this point. Money from the unemployed and SMEs goes toward the Liberal government's debt.

Will the Parliamentary Secretary to the Minister of Finance have the courage today to admit that the government is relying strictly on the employment insurance fund surpluses to pay down the debt and also to pay all its little hangers-on?

[*English*]

**Mr. Bryon Wilfert:** Again, Madam Speaker, maybe the member should have sat down and not asked the question, because I am not sure what the question was. The reality is that we continue to reduce EI premiums. Every year they are being reduced. Every year money is going back to employers and employees. I will say it again: \$860 million in the latest reduction.

If my colleagues on the other side have a concrete proposal that they can provide and would like us to evaluate, they should do so. Instead, all we hear is negativity. We do not hear any constructive suggestions on how they would reach that. They can say they want to reduce it by 50¢ or 40¢ and they can say this and that, but again, it is about how. How would they do that?

Again, the reality is that we have demonstrated this. We have eliminated deficit. We have reduced EI premiums every year. We continue to support health care in this country. We continue to do the types of things that Canadians want. Until this government came in, we were not seeing that. In fact, we were seeing a reversal. We were seeing a larger deficit. We were seeing larger EI premiums. But again we do not get any thanks from the other side, because of course the other side says, "Just let us do it. We can do it better. We can do it faster. We can do it more effectively". In fact, the reality is that we are doing it. We are not just talking about it. We are actually acting.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Madam Speaker, the member asked us to be constructive so I will do my best, but it is difficult. Frankly, I find it disappointing that the member would put such delusional partisan rhetoric on the record, such as he did when he said the government did not cut health care. I sat in the provincial cabinet when we were forced to deal with downloading from this government firsthand. Without pre-notice,

without consultation of any kind in any way, shape or form, that government decided to cut our transfer support for health care. For the member to put that on record flies in the face of the facts.

The member suggested in his comments that we fabricate and that our statements and criticisms are figments of our imagination. I suggest to him that the fabrication comes from that side of the House and certainly shows in his own comments. When he reads them I hope he will recognize that it was the receivers of health care services who were directly impacted by his government's arbitrary decision.

That being said, I would now like to move to the constructive suggestions.

Yes, we in the Canadian Alliance would reduce EI premiums. We would reduce them by making cuts elsewhere. The cuts we would make would be in areas such as untendered granting of contracts on a partisan basis. We would end the violations of Treasury Board guidelines so commonly undertaken by members opposite and which have resulted in the shuffling off of numerous members on their frontbench as a consequence of them following the lead of a Prime Minister who violates his own guidelines in his conduct. We would pursue changes of that nature.

We would avoid doing things like cancelling a helicopter contract and costing taxpayers hundreds of millions of dollars just so the government could avoid doing the right thing for the good of the country. It cancelled a contract and caused the taxpayers in Canada to pay hundreds of millions of dollars on the basis of nothing else but politics.

We would avoid wrongfully condemning previous prime ministers and having to fork over hundreds of millions of dollars, as in the Airbus scandal.

We would avoid the excessive partisanship of the member, and his comments are revealing of excessive partisanship, and we would avoid using taxpayers' money to try to cover our partisan backside.

**An hon. member:** Oh, oh.

**Mr. Brian Pallister:** The member will have her chance to speak, and I certainly encourage her to do that.

The member for Oak Ridges spoke about figments of his imagination and he threw around the buzzwords of responsibility, good governance and things like that, but the fact remains that this government which, for example, has invoked closure more than any previous government in the history of Canada, has also been besieged by wrongful conduct by its members and in particular members of its cabinet. This country has seen that kind of conduct.

The Prime Minister, rightfully, has taken efforts to move those members off to the sides. That is an interesting thing that largely has gone unnoticed by the member opposite in his comments, but over here we certainly have noticed the changes. They are happening pretty well every weekend. In fact, one of the members opposite said about a month ago he was hoping the Prime Minister would let him golf with him on a Sunday. I think he said that in the hope the Prime Minister would not announce his demotion that Sunday as he had moved other members around on the three previous Sundays.

*Routine Proceedings*

We have a basic objection to this boondoggle approach that the member denies the government has taken, and he of course contradicts the Auditor General. I put more faith in the Auditor General's comments than I do in those of the member. The gun registration program is boondoggle number two and boondoggle number three is just waiting to happen, because the government is way past understanding that it cannot run the country like the Liberal Party. It has to run this country for the benefit of all Canadians, not just members of its party.

This is my question for the member. Does he not understand that by shedding some of these old style, patronage based and long discarded approaches to good management he could save taxpayers of this country hundreds of millions of dollars and, therefore, his government would be able to reduce EI premiums along the lines that the Auditor General has suggested would be appropriate?

• (1700)

**The Acting Speaker (Ms. Bakopanos):** Unfortunately time has run out, but I will permit the parliamentary secretary to answer if he so wishes.

**Mr. Bryon Wilfert:** Madam Speaker, I find it ironic that on this side of the House when we make constructive comments and present the facts, we are being unduly partisan and on the other side when those members make comments, they are not partisan at all.

I find it rather interesting when that party talks about good governance and good fiscal management. Bad fiscal management would have been to take the \$42.5 billion deficit we found in 1993 and extend it. In fact we eliminated it. We did not extend it. We eliminated it. Bad management would be to have EI premiums go up even further from \$3. In fact, no, they went down. I do not know what is in their water—

**The Acting Speaker (Ms. Bakopanos):** Resuming debate. The hon. member for Rimouski—Neigette-et-la Mitis.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ):** Madam Speaker, as you likely know, I will be sharing my time with the member for Lotbinière—L'Érable.

The motion before us is one that is very interesting. We have a report that we will be concurring in, but which makes reference to a major problem. Since coming to the House in 1993, I have heard about one issue almost every day: employment insurance. The second thing we hear about, is that the premiums are disgustingly high. The third problem that we hear about, when it comes to employment insurance, is the negligence of the government, which decided to drastically cut benefits for the unemployed.

Another problem, since the premiums are too high and the benefits too low, is that the surplus has reached inordinately high levels. The surplus has grown so much that one wonders if helium was used. We have seen the numbers in the House. There really is a surplus. This requires no leap of the imagination.

And what happens when there is too much of a surplus? The government says it is going to pay down the debt. The surplus becomes a hidden tax. The government does not even have the courage to call it a real tax on workers and employers. They are the ones who have to pay for it. At the end of the year, the government

tells us, “We are going to pay down the debt; we have ended up with an enormous surplus”.

The former Minister of Finance could not count, except when it came to his companies in the Bahamas. Then he had no problem counting. However, when it came to the government's budget, he was never able to tell us beforehand how big the surplus would be. What he was most interested in was how much of a surplus he could squeeze out of the EI fund.

Three times now we have been told by the Auditor General—first the former Auditor General, and now the current Auditor General—that the surplus in the EI fund was too big, that the fund had too much money. That is one way of describing it. I want to make this clear, because people are listening to us. In fact, there is no fund. It is a fund with no money, because money in the fund goes directly into the consolidated revenue fund of Canada.

**An hon. member:** Like Ali Baba's cave.

**Suzanne Tremblay:** Yes, it is a little like Ali Baba's cave. My colleagues are in a festive mood and are recalling childhood tales. However, this is not fiction, this is a disturbing reality.

The money is pouring into a cavernous fund and the government no longer knows what to do with all of it.

The Auditor General says that if we had a little cushion of two or three billion dollars, it could help. The government should understand once and for all that it has to create an independent fund for employment insurance contributions. It must hand over the responsibility of managing this fund to those who contribute to it and delegate government representatives to ensure that the fund is well managed, if need be. We have all witnessed the Liberal government's extraordinary expertise in managing funds.

• (1705)

The \$2 million budget for firearms grew to \$1 billion. With such astounding expertise, the government could at least be allowed to delegate someone to the fund's board of directors to ensure that employers and the unemployed manage it properly.

It is vital that this be understood. If it was a real fund, those in charge of it could invest the money from it. They could set aside the two or three billion dollars they need for contingencies and, with the rest of the money, they could provide decent benefits to those who are insured against losing their job.

If you have replacement cost insurance on your car, you will pay the corresponding rates. But then you lose your car, it is stolen, and you are told “No, we have changed the policy. You are insured for the cost of replacement, but we are only going to give you 55% of the value of your car. Sorry, but that is all”. Would you be happy? No, you would not.

*Routine Proceedings*

So, how can the government think that the workers I met in Saint-Fulgence and Saguenay—Lac-Saint-Jean are satisfied? We also met with workers in the Berthier—Montcalm riding, and I see them in my region. A spectacular assistance program has been announced, but it is just more party politics and propaganda and does not help anyone because it is ill suited to their needs.

If there were an independently managed fund, premiums could be increased by 55-60%. We could take a certain amount and say, for example, “There is a problem there, the cod are gone. So, a special program will need to be created to help the cod fishers”. It is true that those suffering from the cod problem are in Quebec. Fishers in the Maritimes received assistance, but it is not clear if there will be help for those in Quebec.

In any case, with an independent fund that had truly competent managers, money could be withdrawn from the fund—not stolen, not misappropriated for other purposes than those intended—but this money could be used to create special programs to assist cod fishers, because the cod are gone. These people could get help learning to do something else, getting retrained. They might become seal hunters, who knows? If they want to. But, at least, the fund managers would have some means at their disposal.

For the poor minister who has to manage the fund, there is nothing in it. When she wants to announce new programs, she has to consult with the ministers for Natural Resources, Foreign Affairs, International Trade, and Industry. By the time they get together and agree on a program, it is so watered down and whittled away that it ends up helping no one.

The second report contains very interesting recommendations, which the government should follow in order to be able to do much more for the workers who contribute to a plan.

This is what the government must understand. Strangely enough, when they were in opposition, the Liberals realized that what the Mulroney government was about to do made no sense. They said, “Elect us. We will not do that. They are really going too far. What the Conservatives want to do makes absolutely no sense”.

Once in office, the Liberals figured, “How great it would be if we were Conservatives instead of Liberals. It would be much better. Let us do what the Conservatives did; let us go ever further. Let us be even more right-wing than the Conservatives we have just defeated”. There were no Conservatives to speak of at the time anyway, which allowed the Liberals to be arrogant, even with just 38% of the vote.

• (1710)

Mr. Speaker, you are signalling that my time is up; I find it very sad because I would have much more to say. I hope that the government will not ignore the second report that was just tabled today.

**Mr. Serge Marcil (Parliamentary Secretary to the Minister of Industry, Lib.):** Mr. Speaker, to listen to the hon. member, it is as though employment insurance were a disaster. The term “employment insurance” is perfectly clear. It is not a job creation fund. It is an employment insurance fund. It provides income insurance for workers who lose their jobs. That is what it means.

All those years prior to 1990, when we had the infamous unemployment insurance, as it was called at the time, the Government of Canada ran deficit after deficit. When the other party was in power, that is the Progressive Conservative party, it decided to change things. In 1990, it ran a deficit. In 1991, it ran a deficit. In 1992, it ran a deficit. In 1993, it ran a deficit. It constantly increased the premium rates in order to balance everything. At one point, in 1994, the premium rate reached 3.7¢. It was at that point that the employment insurance fund had a surplus. Thus, in 1995, the government decided to lower the rates. It had a surplus.

In 1994, the rate was 3.7 and today it is 2.20. That is a decrease of almost one dollar. Contrary to what the hon. member said earlier, there is cause and effect. Look at the Canadian economy. The unemployment rate has decreased by almost three points since 1995. Therefore, there are more people who are employed. If there are more people employed, there are more people contributing. Every year there is a decrease—

**The Acting Speaker (Mr. Bélair):** I am sorry to interrupt the hon. parliamentary secretary, but the hon. member must have an opportunity to respond. The hon. member for Rimouski-Neigette-la Mitis.

**Mrs. Suzanne Tremblay:** Mr. Speaker, I am wondering what to respond to since I have not heard any questions. The member took this opportunity to make a speech.

If people are paying employment insurance, it is so that if they lose their job, they can get benefits, thanks to their insurance. That is the purpose of employment insurance.

In some ways, it is good that we have this system and employment insurance. What is bad when we talk about employment insurance, is that the government has misappropriated it for other purposes. When the Bloc refused to support Bill C-44 in 1997, it was because the government was using this bill as a licence to steal. That was the issue.

In 2000, the government came up with Bill C-2, which made theft from the fund legal. That is what is unacceptable.

• (1715)

[English]

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, the member opposite just said that she was waiting for the question from my hon. colleague, but we are in questions and comments. We can make comments. We do not necessarily have to ask a question.

However I do have a question. The member made a good point that if one is buying a car, one wants to get the full worth back, not just 55% or something. In the case of Canadians, right now we get about 79% back in services because 21% goes to paying off interest on the debt.

During her speech the member said and it sounded to me that she said, with some disdain, that if the government has money it decides to pay down the debt.

*Routine Proceedings*

Is it the official Bloc position that we should not be paying down the debt? Or, did I misread the mood of the statement and it was not with disdain, and it really would like to pay down the debt?

[*Translation*]

**Mrs. Suzanne Tremblay:** Mr. Speaker, the Bloc has always encouraged the government to pay down part of the debt, but it has never encouraged it to do so by taking money from the fund set up for workers and employers. There is a difference.

If the fund is not used for benefits, then it should be used to fund retraining and new programs, but at no time should it be used to pay down the debt. Misappropriating the fund for this purpose is a disgrace. If our surpluses were taken and 75% went to the debt and 25% for new expenditures, then fine. It could even be 50:50. But, stealing from the fund must stop.

**Mr. Odina Desrochers (Lotbinière—L'Érable, BQ):** Mr. Speaker, I am pleased to speak to the report that was tabled today. I helped draft this report, since it is the Standing Committee on Public Accounts, on which I sit, that also examined premium rates and employment insurance surpluses.

We asked many questions in the House. The Department of Human Resources Development provided some explanations. So did the Department of Finance. This is the third time that the Auditor General has sounded the alarm and said "It really makes no sense that, with current premiums, there is a surplus which, on March 31, 2002, reached \$42.8 billion".

I invite members opposite to read the report. There are some very interesting conclusions and recommendations. We hope that, for once, the government will address this issue.

I want to say something about the first recommendation. When recommendations are made to this government, it is important to include dates, because this government has a habit of saying "Soon, soon, soon". But for us, soon now means 2003, if not 2004.

The first recommendation is very clear and it includes a cut-off date. It reads:

That the government clarify and disclose to Parliament and the public accounts committee all the relevant factors used in setting the employment insurance premium rates, particularly with regard to determining the nature of the employment insurance account balance and deciding on its disposition.

That the government table the relevant information to Parliament and the Committee no later than March 31, 2003.

This means that the other side will have to wake up and begin to realize that there is a major problem with premium rates and the employment insurance surplus.

The second recommendation states that:

During the review of the employment insurance premium setting process, the government take all necessary steps to include consultations with employee and employer groups along with the Canada Employment Insurance Commission and the Chief Actuary of Human Resources Development Canada and all other relevant stakeholders.

We put a question to Human Resources Development officials. They told us "We will soon begin consultations and that is about it". We asked where these consultations would lead us. They replied "If we cannot agree, we will go back to the old method".

The old practice is the one that allows the government to keep on collecting the surplus and strangling the unemployed.

I will continue because this report is very important. The last time the Auditor General referred to the EI fund, she said, "This is the third time I have raised this issue. I hope that the government will deal with this very important issue once and for all".

The third recommendation is as follows:

That the government prepare a status report on these consultations—

It should start with this. This is most important.

—summarizing each participant's position, contribution and conclusion to the review of the employment insurance rate setting process and table the document to Parliament and the Public Accounts Committee when the review is complete.

I think that the members of the Standing Committee on Public Accounts have once again found ways and methods for this government to finally resolve this problem that affects workers and small business. The way that premiums are paid hurts small business and creates problems in terms of competition. The members opposite do not seem to understand this.

I will continue with the fourth recommendation, and I hope the members opposite will take the time to read this report.

● (1720)

The Auditor General said that if the government did not act, she would have very harsh criticism when she returns before us in April, 2003. She has warned the government three times now and she hopes that they have heeded her.

The fourth recommendation reads:

That the government formally reinstate the requirement that the Chief Actuary of Human Resources Development Canada prepare and produce full and complete actuarial reports for the EI program for 2002-2003.

As my colleague, the member for Rimouski-Neigette-et-la Mitis, said earlier, since Bill C-2 was passed, the whole issue has been left in the hands of the government and the Minister of Human Resources Development. We do not know where the money goes, nor how the premiums are set. It is high time, therefore, to return to more transparent and more effective methods.

I will finish by quoting the fifth recommendation from the report:

That the government consider legislative amendments that would require the Chief Actuary of Human Resources Development Canada to produce on an annual basis actuarial reports on the EI program. That these reports be made available in a timely fashion to all stakeholders and the public on the Human Resources Development Canada website.

There are five major recommendations in this report, which are to my mind logical and necessary if we are to get to the bottom of this problem with employment insurance, which affects workers and small businesses. The current employment insurance rates are strangling them.



*Routine Proceedings*

I am directing this message to the government, and to the present Prime Minister as well, if he really wants to leave a legacy, an image of someone who cares, who has given some thought to the fate of the jobless and the small and medium size businesses that are struggling. He has an opportunity, in my opinion, to leave us as the mark of his passage through here as Prime Minister, the proof that he is humane, a man of compassion and one who understands the suffering in our society.

I do not think this will happen, because there is a conspiracy within this government, the present Minister of Finance, his parliamentary secretary who has just spoken, the member for LaSalle—Émard, the Liberals, or the Quebec Liberal caucus, to keep on digging into the employment insurance fund.

This government's sole objective, in maintaining the premium rates and the surplus in the fund so high, is to keep its hand in the till so it can pay down the debt. It is doing this at the expense of the unemployed workers and the small and medium size businesses. This is unacceptable, heartless, totally arrogant.

I trust that the Liberals over there, the federal Liberals from Quebec, will take time to read this report so they will understand what poverty is, and will get moving once and for all on solving the problem with the EI fund and its surplus.

• (1725)

[English]

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I guess the member's colleague was in a jovial Christmas mood in saying that when there is a fund there is a fund and when there is not a fund there is no money in the fund. The member was laughing. I think the member was stating the obvious. In different debates, a number of members on the other side have made this confusion. Under the Financial Administration Act of Canada all the revenues come in to one source and then Parliament decides what the government expenditures will be and then they go out. Every time the Government of Canada gets a revenue it does not go into a separate bank account or fund.

The question I want to ask relates to disabilities. A constituent approached me a couple of weeks ago and suggested that people with disabilities—

**An hon. member:** That is wrong.

**Mr. Larry Bagnell:** Is the member not interested in helping people with disabilities? He is only going to heckle.

**An hon. member:** Just ask the question.

**Mr. Larry Bagnell:** The Alliance member too.

[Translation]

**Mr. Robert Lanctôt:** Your government passed an act to do that. Ask your question.

**The Acting Speaker (Mr. Bélair):** I must put an end to all this. The hon. member for Lotbinière—L'Érable has the floor if he wishes to comment on the remarks made by the hon. member for Yukon.

**Mr. Odina Desrochers:** Mr. Speaker, it is difficult to comment on such incoherent remarks, because they make no sense. He told me "Fund, fund, fund".

The only fund that I see is the virtual fund, the fund into which the Liberals are dipping to pay down the debt. I call this a virtual fund because, as my colleague said, there is no fund. It is gone; it has disappeared.

To the member who is trying to tell me that Bloc Québécois members are not sensitive to the plight of the disabled, I say that my colleague, the hon. member for Laval Centre, toured Quebec precisely to see things firsthand, and she has found once again that this government is targeting society's poorest.

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, I think that members opposite did not read the report. They did not see it. Either they cannot read it, or else they cannot understand it.

**An hon. member:** They do not know how to read.

• (1730)

**Mr. Jean-Yves Roy:** Perhaps they do not know how to read. I thank the hon. member. He may be right.

What the Auditor General says is simple. Premium rates are too high. They are unusually high, since the employment insurance fund is designed to provide insurance for workers, not pay down the debt.

The fund stood at \$42 billion on March 31, 2002, and it may be \$44 billion or \$45 billion now. The report says that the maximum amount needed to maintain and operate the employment insurance fund, even during an economic crisis, is \$15 billion.

This means that this money was stolen from workers and small businesses, because not even 40% of the unemployed qualify for employment insurance. Yet, it was for them that this fund was created.

This was not a question; it was a comment.

**Mr. Odina Desrochers:** Mr. Speaker, I am pleased to respond to this comment, because it shows both realism and perceptiveness. It fits exactly with what we are experiencing in Quebec at the present time, and in the rest of Canada, as far as this EI fund scandal goes, this scandal of excessive contribution rates, this misappropriation of the funds of the workers and small and medium businesses to pay down a debt. I will not start repeating everything the Auditor General has had to say since the beginning of the year, for it would take me hours and hours.

Already in Lac-Saint-Jean—Saguenay and Berthier—Montcalm, the people of Quebec have indicated clearly that they want nothing to do with the Liberal government.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, it is a pleasure for me to take part in the debate on the Auditor General's report.

As the hon. member for Matapédia—Matane said, I think that the Liberal members opposite cannot read. I do not want to be too insulting, but the Auditor General stated that they have \$30 billion more than they need. That is the issue. There is a \$40 billion surplus in the employment insurance fund and only \$15 billion is needed for emergencies.

*Routine Proceedings*

During the last election, in 2000, the Prime Minister toured the Atlantic provinces saying, "We will fix the employment insurance problem. We will make changes because the Liberals lost seats here. We have to fix this".

When the House resumed, the member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok told the Minister of Human Resources Development, "This is a cry from the heart. Changes must be made".

I remember Bill C-2. When it was introduced following the 2000 election, the Liberals opposite came to us and said, "It has to be passed quickly. The government is willing to pass this right now. We will work in committee to make other changes. We know that the workers need changes".

How can this government proudly say, "We took your \$30 billion in surpluses that we did not need. We paid down the debt, we balanced the budget, we lowered income taxes and we invested in social programs". But who gave them permission? That is the question.

The Auditor General said herself that this was not right. Now, the Liberals want to justify themselves. Is it because they cannot read or because they do not know how to listen?

[English]

They come in with cheap shots in saying, "You don't believe the people who have a handicap". Which party not too long ago cut their income tax credit? It was the Liberal Party that did it and it almost split the House. We know what happened to the motion that came from the NDP. The people who care about the handicapped people are on this side of the House and not on the government side.

• (1735)

[Translation]

As for the bill we wanted to present to the House on the recommendations made by the parliamentary committee, all parties agreed that changes were necessary.

Either we accept our country the way it is, or we do not. Our country is diversified. This is obvious when hon. members rise in this House and say "The money was used for this and for that". Yet, when it comes to taking money from employees who worked hard for it, that is something else.

There is a small fund called the EI fund. If workers lose their jobs, they are eligible for employment insurance benefits that come out of this fund. The government is taking this away from them.

As if that were not disgraceful enough, as if they had not taken enough money away from workers without asking, the government is so greedy that on July 1, 2002, it added interest to EI overpayments

We are talking about people who are out of work. The woman from Tracadie owed \$15,000 to employment insurance. She thought her employment insurance benefits had been calculated properly. She had a small business. She worked. During the off season, she did not receive any money. She paid her bills and made deposits at the bank.

One day, the government, through the Minister of Human Resources said "It is too bad. You did not declare your employment, now you owe \$15,000 and you are disqualified from receiving EI benefits".

It is a disgrace that today the government turns around and says "That is fraud". This person did not even receive any money and she is being treated like a crook. The woman from Tracadie paid \$120 to the federal government each month to try to repay her debt. She took this \$120 from her employment insurance benefits.

With the interest the government is charging on the overpayment, guess how much money goes to his debt? Twenty dollars a month and \$100 in interest. It is a disgrace to see how the Liberals go after poor people's money.

They cannot even monitor the GST, with the result that some companies rob them on a daily basis. It is a disgrace to go after the country's poorest. I would like to see Liberals rise and challenge what I am saying here this evening.

It is estimated that the government deprives New Brunswick of \$278 million in benefits every year. It is small and medium size businesses that lose these \$278 million. These are benefits that were spent in stores and restaurants, benefits that helped people make a living.

Instead of taking action and helping people get organized to find work and stimulate regional economies, the government cut support to the country's poorest, because they cannot protect themselves, they cannot afford to hire lawyers and they do not contribute to the Liberal campaign fund. This is the only reason they are punished. This is a disgrace.

It is a terrible disgrace to see a government manage our country in this fashion. It is disgusting. The government should be ashamed.

A recommendation was made by all the parties in the House to make changes to the employment insurance program. The Prime Minister travelled across the country. He went to the Gaspé, to Belledune, in New Brunswick, to Cape Breton, to Halifax. He promised to make changes, but he did not make these changes. Now, the only thing that the government says is, "Ah! we are giving that money to Canadians".

I have no right to steal money from my child and give it to someone else to please that person. This is no way to run a family; this is no way to run a country. This is a disgrace.

That money is deducted from people's paycheques. Workers get up every morning to go to work and they receive their paycheques on Friday. The stub shows their gross earnings, their total earnings. Then, they can see how much taxes they paid. These taxes are used to fund our social programs and to manage the finances of our country. As for the Canada pension plan, it is for people, when they are ill or when they retire.

*Routine Proceedings*

● (1740)

Employment insurance is for when one loses his or her job. It is not for balancing the budget and attaining a zero deficit. It is not for giving the former Minister of Finance a reason to pat himself on the back and boast about what a great finance minister he has been. "I was careful with public funds. I have no deficit. We are paying down the debt."

But at whose expense? We have a government spending a billion to register firearms. We know that Groupaction got its hands on \$22 million, and that scandals abound. Then the poor little workers are grabbed by the throat and told, "You have no right to a living. Your family does not have the right to have food on the table tomorrow morning".

The government would have the House on the idea that 85% of qualified EI recipients in fact receive benefits. They say that 85% of qualified workers receive benefits, but that figure should be 100%. They ought to be ashamed that 15% still do not qualify. What they are not saying, however, is that only 40% of people who pay into EI are actually drawing benefits.

What has happened in regions like the Atlantic region? Young people could have seasonal employment and have some hope of staying in the region. But they are told, "No, you need 910 hours. If you don't have them, go work in Ontario or out west. That is how we will treat you".

And what about the construction workers? "This is how we will treat you. Go to Alberta to work, leave your wife and kids behind. If you quit your job after that, there won't be any EI". The general theme was, "Tough luck, you can starve to death."

These are very proud people, good people. My colleague over the way comes from PEI. I am sure he agrees with me, but he cannot rise and talk about what is going on in PEI.

What is happening to the fish plant workers and the forestry workers? They depend on EI. How many times have I repeated here in this House: big city people like to have 2x4s to build with, and the lumber comes from trees cut down in our part of the country. Big city people like their blueberries, and they are picked in our region. Berry picking does not go on when there is snow on the ground. How many times have I said the same thing?

It is not on Yonge Street, in Toronto, or on Sainte-Catherine Street, in Montreal, that fishers catch cod, but in Chaleur Bay, in the Atlantic or in the Pacific. This is seasonal work. We need to understand this. And so do Canadians. To build a united country, we need to work together. The Liberals ought to be ashamed.

Frankly, my concern is not with EI premiums. I have seen no worker or demonstrator in the street, shouting that the premiums were too high. I have seen no employer in the street, shouting that the premiums were too high. What I have seen is people shouting, "I no longer qualify for EI. The Liberal Government of Canada is picking on me".

In 1989, when Doug Young, my predecessor, was in opposition, he criticized the Mulroney government for making changes to the EI program. He said, "I encourage all New Brunswickers to fight any

changes to the unemployment insurance system with vigour, because they would spell disaster for New Brunswick".

In February 1993, when he was in opposition, the current Prime Minister of Canada stated that the Progressive Conservatives were not acting properly in connection with the changes to EI.

What did he tell, in Rivière-du-Loup, a group of people opposing the changes to the EI system? He told them that the government was not acting properly, that it should not be attacking men and women, that it was discriminatory. He said that, instead, it should be dealing with the economy and creating jobs, and that those who went back to work would no longer need employment insurance. We must give these people a sense of pride, and stop putting them down.

● (1745)

I find it disgusting to hear that \$50 million going to Toronto described as an investment, whereas \$6 million going to Atlantic Canada is described as social assistance. We have had it. There is no place for this kind of language in a united country. It is not fair to say that people in Atlantic Canada are abusing the system. These are proud people; they want to work, but they need job opportunities.

If millions of dollars were pouring into New Brunswick, as they are in the pockets of Groupaction, there would be jobs in New Brunswick and no one would be unemployed. If the government were serious about economic development, we would be able to develop our economy.

Last week, the Liberal Minister of Labour said in Belledune that there was \$90 million set aside for northern highways. This week, she said, "What I meant to say is that this is \$90 is part of the \$500 million that were promised last year". Announcements cannot be made two or three times. That is not how announcements should be made. When you make an announcement, it is done. The \$500 million that was announced was for highway 2 in southern New Brunswick, not for northern New Brunswick. Now, we hope that they will keep their word. They cannot move forward by going back on their word.

In New Brunswick, people believe in economic development. We believe that infrastructure needs to be put in place. We need to stop cutting and invest in people and the economy. That is how to solve the problem.

We cannot cut the Gaspé Peninsula, or the Atlantic regions off and tell the people there that there is nothing left for them and that we no longer believe in them. It does not work like that.

I quite like Toronto. It is a fine city, but the folks from back home do not want to live there. It is not where they come from, it is not their home. When a government is in power, it has a responsibility: it cannot look after just one province, it is responsible for the whole country. It has to understand how people live. That is what a real government is all about.

These days, the government has forgotten all about this. It does polls. It asks itself, "Will we get enough votes? If so, we are fine. Did we cut enough? We cut too much; we will give back a bit. They are hungry; we will solve it with a few crumbs".

*Routine Proceedings*

In human terms, we need more than this. Back home, small businesses want to succeed. They want to create jobs. There cannot be jobs if the government does not build the infrastructure to get people to work.

For example, in northeastern New Brunswick, they want the government to build a natural gas pipeline. They say, "Where the natural gas pipeline is being built, there will be job creation". When you look from out west all the way to Bernier, in Quebec, there are jobs. Any further, and there are no more. Which means that if there were natural gas back home, the region would prosper. It would pave the way for businesses and people could work. People would give anything to work or to create jobs.

Last week, I met with representatives of the local chamber of commerce. They asked me what they could do to create employment. I told them the only way would be to have infrastructure and to get the wheels turning to attract companies and create jobs.

• (1750)

As I was saying before, all of a sudden one week they announced \$90 million. This dropped to \$77 million on Monday, and today, Wednesday, there is no money left at all. Some announcement. That will create jobs.

People do not just want employment insurance. It exists and was created for cases when the government cannot fulfill its responsibilities or else for companies to find employment for people. People do not want to go on social assistance. People are eager to work. People from back home go to work in northern Ontario, in Toronto. You meet people from my region everywhere you go, and some of them have left their family behind in order to find work.

It is a disgrace to hear people say they are all lazy and no good and do not want to work, as my predecessor said. I answered back, "If you worked for \$5.50 an hour, you would be lazy too".

People want a good job, they do not want to be on employment insurance. That is not what they want. It is a program that belongs to them to help them out when they are going through hard times.

As I have said before and am saying again, 35 days before a general election, the Liberals believe in everything that I just talked about. But the day after the election, and for the next four years, they forget all about it. They become true right-wing Liberals and say, "We will look after our major corporations and people like those who run Groupaction. We will throw money at them, to the tune of \$20 million or \$22 million a shot". Now, these people have fun; they are not on social assistance and they have food on the table every morning. Their children are not hungry. These people have no problems.

But that is not the case back home. I meet people; every day, my office receives between 50 and 100 calls from people who are in dire straits. On the government side, it seems that they only get a couple of calls, usually from Groupaction, Bombardier, GM or other corporations. Now they have nothing to worry about: one call, and everything is settled. As for the others, let them starve to death.

Let us hope that the government will realize what needs to be done. It is not about benefits, it is about having a system that works, and it is about beginning to give money to remote regions, to regions

that have seasonal workers, so as to help them and create jobs. At the same time, we could have a program to ensure that these people can survive during those periods when there is no work to be had. We cannot let them down.

We do not live in that kind of country, I think. It is said that we live in the best country in the world, but today there 4.1 million children who are going hungry in this country. Three hundred thousand children depend on food banks each month. That is nothing to be proud of.

Therefore, I am asking the government to do some soul searching, particularly since Christmas is coming. Perhaps the government will have some good news for us in January.

**Mr. Serge Marcell (Parliamentary Secretary to the Minister of Industry, Lib.):** Mr. Speaker, I think that the member for Acadie—Bathurst has earned his Christmas vacation, after the speech he just gave.

I read the report tabled. There is often a tendency to separate things, to divide reports into sections, in fact, not to see the big picture with regard to Canadian public administration.

Employment insurance was mentioned, but what was not mentioned is the fact that the unemployment rate has dropped dramatically over the past five years, which has led to the creation of over 500,000 new jobs this year in Canada. That obviously has to be taken into consideration.

These things cannot be separated. A public administration does not have dedicated funds. People might say, "The gasoline tax should be used to pay for roads, this other tax for the health care system and this other tax for something else". That is not how a country is run.

Has the premium rate not gone down over at least the past decade? It is lower now in 2002 than it was in 1994. Even if it went up to \$3.07 in 1990, it is now \$2.20. There has certainly been a decrease. I would like to know what the member for Acadie—Bathurst has to say about this.

**Mr. Yvon Godin:** Mr. Speaker, what I have to say is that they ought to be ashamed to have the contribution rate at \$2.10 and have \$30 billion they do not need at their disposal. That is what I have to say.

They ought to be ashamed to be taking the money from the disadvantaged to pay down the debt or pay for programs that ought to be financed of some other source. They ought to be ashamed that they are not going after the big businesses that are getting away with not paying the GST. They do not even have a system recover that money. They will, however, go after some poor little lady in Tracadie or Petit-Rocher, who does not have two cents to rub together and who owes \$15,000. She has to pay \$100 in interest every month out of a payment of \$120.

This is what they ought to be ashamed of. That is what I have to say to the Parliamentary Secretary to the Minister of Industry. If he wants to solve our problems and put our money to good use, let him do so by creating jobs. That is how it will be done.

*Routine Proceedings*

I would like to remind the Liberal government that, when the Conservatives took money and put it in the consolidated revenue fund back in 1986, the Liberals were against this. They said that, if they were elected, they would put an end to this theft and would change things. The present Prime Minister said this to the women of Rivière-du-Loup, and to the country as a whole.

Again in 2000, he said to have lost votes in the Atlantic provinces because he had cut EI. When a few seats were won in Halifax and in Cape Breton, his reaction was basically, "Take that, you guys". I will not say what came after.

It is a pity that families are struggling because this government sings two different tunes, one before the election and one after. The ones who get it in the neck are the poor.

[*English*]

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, I thank my friend for his impassioned speech. Obviously it is a subject he cares about a lot. I want to say to people watching this on TV that they should not adjust their sets. That was actually the colour of the hon. member's head. He got a little red during his speech, but we cannot fault him for that. He cares about this. He is sporting Christmas colours a little bit, so that is fine.

I want to argue that the discussion we are having today is essentially about trustworthiness. If people were to take the time to go through the Auditor General's report or through the public accounts report that deals with the employment insurance fund, they would find that starting in 1996 the government disconnected the connection between benefits and premiums.

The result is that over a period of time we saw the fund build up to the point where there is a notional surplus of about \$40 billion. It is completely disconnected from where the premium levels are supposed to be. In fact when the chief actuary of the fund commented on it, he said that the premium levels should drop to a point where they are about 40¢ lower than they are today, which takes into account the 10% cut that the government has just proposed.

I want to argue that a big part of this has to do with being trustworthy. I think a powerful case can be made that the government is not trustworthy when it comes to the EI fund. However it is not the only example. There are many other examples.

I want to draw the attention of the House to other ways that governments have taken big pools of money in the past and used them for things that had nothing to do with the original intention. The Canada pension plan is one example. The excise tax, which my friend mentioned a minute ago, is another example. The GST and the public service pension plan are two other examples. There are many examples.

I just wanted to draw the attention of my friend to this and to ask him to comment on the trustworthiness of the government when it comes to these big pools of money.

● (1755)

**Mr. Yvon Godin:** Mr. Speaker, I want to assure my colleague that it is not a pleasure for me when my head turns red. I am glad Christmas is coming because I am afraid my colleagues would think

that I was going over to the Liberal Party. I can assure my colleagues that it is not my intention to do that.

I have to agree with the member when he says there is a problem with trust. We just have to look at the lack of trust that people have in government and politicians. It is too bad that it has come to that point. We just had an election and only 30% of the people in the ridings voted. It is a shame, but the reason for that is that they have no trust in government any more. The government is not leading. It is not looking after the money and the affairs of the people.

The government is supposed to represent the people and people are not happy. The previous Conservative government put the GST in place to pay the debt. The Liberals said that they would get rid of the GST. However, when the Liberals came to power they not only kept the GST but they took away employment insurance from people who have lost their job. They are bragging now because they say they have a \$7 billion per year surplus but at the same time there are \$7 billion in the EI account that is part of the general fund. How can they be proud of taking money from people who have lost their jobs? It is as simple as that.

I gave the example of the GST. The Liberals said that they did not need the GST but they kept it. Even the Prime Minister said in the House that he never said that. CBC ran the tape again and he did say that he would get rid of the GST.

It is one scandal after another and Canadians are not happy. The polls show that in the last election there were some ridings where only 50% of the people voted and in other ridings it was less than 50%.

We are the best country in the world and we are losing it. It is a shame that we are losing the best country in the world to live. This country is supposed to have no hungry children but we have 1.4 million hungry children. We have 300,000 children going to the food bank every month. Should the Liberals be proud of that because they brought the income tax down? On the other hand, they take money away from the poor people who have lost their jobs, letting them starve, forcing them to go on welfare and cutting off everything they have. They are losing their house and everything. Are the Liberals proud of that? I would be ashamed of myself if I were a Liberal today.

● (1800)

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, I would like the people who are listening to us today to understand how it works.

Employment insurance was created. It is the same in the private sector. The government cannot use taxes to pay benefits when someone loses their job. Therefore the employment insurance fund was created. In other words, "Pay a premium and I will give you benefits". It is the same thing in the private sector in terms of insurance.

*Routine Proceedings*

My question is simple. In the private sector, a company could say to people "I am going to make you pay premiums so that if the need arose, you could receive benefits". If that company had a lot of debt, it would raise premium rates in order to make a profit. People would pay and at least have the assurance that they would eventually receive benefits.

What would happen if, several years later, this company, knowing it had a lot of debt, took this money out of its profits and, without telling people, paid off its debt? In the event that people needed their benefits, the company would say "There is nothing left in the fund". What would happen to this private company?

**The Acting Speaker (Mr. Bélair):** The hon. member for Acadie—Bathurst, although he is out of time. However, I will be indulgent and give him a minute or two to answer the question.

**Mr. Yvon Godin:** Mr. Speaker, here is what would happen. People could lodge a complaint and turn to the court for a ruling.

As for employment insurance, the Prime Minister has been informed of the situation, but he boasts about having used that money for other purposes. This is what happens in our public system, as opposed to the private sector. This is why opposition parties are agreed that the employment insurance fund should be managed by an independent commission run by workers and employers. That commission should be managed by these two groups, not by the government, because the government spends its time trying to balance budgets and achieve zero deficits at the expense of those who have lost their jobs.

[*English*]

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, it is a pleasure to get involved in such a debate. It is not such a pleasure to follow my hon. colleague from Acadie—Bathurst. I have been in the House for a couple of years and I think everybody here will agree with me that no one becomes more impassioned than the member when he is talking about his constituents, about the less fortunate in this country, about the people who have seasonal employment, about people who have to depend on unemployment insurance and about how the way the present employment insurance is set up affects people. We all agree with the hon. member and we support him in what he is saying. I do not think there is anyone in the House who could say it the way he has.

Today I listened to one of the hon. members across the way talk about the employment insurance and the premiums. He said that a lot of people who work in the auto industry get very well paid. He said that the companies make lots of money so it does not matter what the premiums are. He said that even the unskilled workers were making, I think he said, \$69,000 as a base rate. I must say that is pretty good. He said that they did not care about how high the premiums were.

Well, a lot of people in the country do not make \$69,000. A lot of seasonal employees do not make \$69,000. A lot of small businesses do not have all kinds of money to throw into premiums that are gobbled up by government and used to subsidize its abuses, such as wasting money on gun control, the unaccountability of money in relation to the EI fund itself and in the Department of Human Resources Development. It goes on and on.

We have lots of uses for any excess money that might accumulate in the EI fund within the system itself. There are two ways of

looking at dealing with the ballooning surplus in that fund. One is to ask the question, why is there such a surplus? Is the EI fund not supposed to be designed so that it covers the cost of administering and delivering the program with perhaps a comfortable cushion?

Today in our country we have a relatively good employment rate, although in parts of the country that certainly is not true. Heaven knows what tomorrow might bring. We have had our ups and downs. A one or two point change in the employment rate will make an awful lot of difference to the amount of money that is taken out of the fund. We need a cushion. The recommended cushion by all the experts is roughly \$15 billion, and that is quite a cushion. If we have the gun registry for another 10 or 15 years it is about the same amount of money as will be wasted, I guess, in relation to that.

Right now, as we speak, we have about \$25 billion above and beyond that cushion resting in that fund, and for what purpose? We know for what purpose. It is to be dumped into the general revenue fund to make the government look a bit better in relation to its bottom line.

What about the people who paid into that fund? What about the people who are supposed to benefit from the fund? What about what the department involved, Human Resources Development, is supposed to do for the people of the country who are less advantaged?

As I said, there are two ways of looking at the fund. One is to ask the question: If the fund is growing at a rate of \$6 billion or \$7 billion a year, why are employers and employees paying such rates into the fund? Should the rates that they pay not be more in line with what it takes to administer the fund, to deliver the necessary programs and to have a reasonable cushion? I think most people would say yes to that.

● (1805)

If we have a surplus, are there not ways of allocating some of that surplus to people in need who are administered to by the department involved? Let me give members some examples.

We have a lot of small business operators in the country. One of the major employers generally, from coast to coast to coast, is the hospitality sector. The Canadian Restaurant and Foodservices Association and the hospitality groups are basically seasonal employers. Many of these people are not the big rich multinational conglomerates. They are small individual hotels, motels, tour operators, restaurant and bar operators who cater basically to tourists. They make their money during the peak tourist season and that varies in different parts of the country. Whether it is skiing in Jasper or Banff, whale-watching in Newfoundland or going across the Prairies in autumn, it depends on what people like. There are peaks and valleys in different parts of the country at different times in the tourism hospitality sector.

*Routine Proceedings*

Many employees in that sector are seasonal. They are hired during the peak season. Many of these employees, especially in the summer, are students. They are hired when the colleges and universities close. They are bright, intelligent young people, first line individuals who deal with people who come to our different areas from within the country or from outside the country. They are impressive young people, some of whom speak several languages to cater to those people who come from outside.

All in all, our whole method of promoting tourism in the country is improving greatly, not because of any great input by government but because of the input by the individuals involved, small businesses that recognize they have great potential in their respective areas to sell a product from which others would love to have the benefit. They have frontline people who can do the job for them.

Many of these young people do not work long enough to qualify for employment insurance and because they are at university do not qualify to draw employment insurance anyway. However they are still paying exorbitant rates for a program from which they never benefit.

That industry has been asking for years now for a yearly basic exemption. It has said that if does not have to pay employment insurance premiums on the first \$3,000 or \$4,000, then it would solve a number of problems.

First, there is all the paperwork involved in dealing with a whole bunch of new employees who will only be working for a short time, who do not qualify for employment insurance and who should not have to pay into the program because they will pay in time when they graduate and start working. Second, it also puts a heavy burden on the small employer to keep track of that and pay the matching premiums.

The exemption itself would wipe out all these amounts of paperwork. It would also leave in the pockets of students who need the extra few dollars the amount that they pay into premiums from which they do not benefit.

That is just one idea on how we can help a whole sector of the economy. Everyone says that it is a great idea but year after year when the budget comes down, the government fails to address this. That is just one way.

Are there other ways that we could use this great surplus? People who draw employment insurance quite often are people who work seasonally and have to depend upon the employment insurance to get through the period of the year when work is not available.

•(1810)

If we look at the statistics, we will see that many of these people have not had the training that leads to full time employment. The great Department of Human Resources Development talks about its training programs. What we must do is invest in education. We must get people off the EI rolls and into the workforce. What an opportunity. Without having to go on bended knees to government or to the Minister of Finance or Treasury Board or without having to look for money elsewhere, within its own department it has all kinds of money to do what it should do. Is the department doing it? Of course not.

We are four months away from the end of the fiscal year and we have not even gone through Christmas. A number of students are preparing to go back to college again after the Christmas season. In human resources development offices throughout the country these students are being told that funding has run out. These students had been told that the department would assist in financing their education. People were told that they qualified for training allowances, that they met all the criteria and that their program was in line with what the department sponsored. Now they are now being told that there is one hitch: the funding has run out and that they cannot be sponsored to finish their courses.

This is incredible. I can understand that there might be a greater than ordinary demand for more money than the local office has to administer because of layoffs or more people suddenly got interested in an education. However I do not understand why there is no avenue for the local office to go to its regional office or to the department itself and say that it has a lot of people who want to become educated, or they want to get off the unemployment rolls, or they want to get into the workforce full time and fully trained and the office has a chance to help them. That not happening. They are told that the money has run out and that nothing can be done for them. To me that is shameful.

Who do we blame? Do we blame the poor person sitting behind a desk at the local office who has been given directions to spend what is available and that is it? Do we blame a minister who should be on the phone asking if there are more people interested in training and if more money can be spent on educating our people?

Over the year we have stressed over and over again how important it is to invest in education. As everybody knows, we have students who are paying exorbitant tuition fees. Because of high tuition fees, many cannot afford to become educated. It does not matter whether they are young or old but they want to go back and be retrained.

This especially applies to our young people. The cost of education at a university or a college has become so great that it has become turnoff. Members might say that tuition is not great and student loans are available to cover tuition. For those who do not live near a university and for those whose parents are not well off, there are all kinds of other costs. If someone lives outside the university town, there are transportation costs, room and board or apartment costs, food, furniture and all the associated costs of amenities such as the telephone and whatever. These things add up and they are all above and beyond what someone would get even if they borrowed the maximum amount available under a student loan. If a student borrows the maximum of a student loan and takes a five year or six year course, they will have a horrendous debt load when they finish that course.

•(1815)

What is the option? If we do not educate our young people, then we will find more and more of them on the employment insurance roll. We will find more and more of them lined up at clinics because of the conditions in which they find themselves.

*Routine Proceedings*

Well educated people who can afford to look after their health and eat properly do not cost the same in relation to health care services as those who are less educated and not in good physical or mental condition. With regard to our social programs that look after those on social welfare and that provide for those who are imprisoned, there is a relationship between education and the number of people involved in such institutions.

We have a choice. We invest early in our young people so they become educated and contribute to society. Through their lives they will earn money and pay income tax. We all spend what we make. Every time we buy something, 15% of it is taken off the top and put into government coffers. On top of that, we help to employ other people. The dollar keeps going around and around. That is what boosts the economy. If we do not invest in education and we have a larger percentage of people, young or old, taken out of the system, we lose on both ends. They take out more and contribute less.

To me it is a complete no-brainer. We should try to convince government that every young person should get the highest education of which he or she is capable with a properly designed financial assistance package. I am not saying we should make it free for everyone. That can be abused. However, we should make it affordable for everyone. That is entirely different.

What a country we would have after 10 or 15 or 20 years. All we would have to do is compare two students: one who is helped, goes through the system, finds good employment and becomes a contributor; and one who is not helped, is supported the rest of his or her life by the system and has no way of contributing. The figures at the end would be startling.

Another way we can use some of the money available is to assist in providing services to areas of the country where services are few and far between. I saw an example awhile ago where a regional office spent a lot of time and energy figuring out ways to cut hours from small outreach offices throughout the general region. It was thought that these offices in the outlying regions were performing services that were outside their mandates.

They were not sticking strictly to being counsellors. They were assisting people in filling out applications to different government programs. They were spending more time than they should with people who wanted to get funding for education. They were spending more time than they should in giving direction to people as to how to help themselves and their communities. All this did not fit in under the general guidelines, so it was decided they would be cut. The offices were cut down from a five day week to a four day week, depriving rural areas of the only service and government contact people had. It does not make any sense. While that is being done, there is a surplus of \$40 billion dollars.

There are so many ways that money could be used to help people who are trying to put money in their piggy banks in the first place. No wonder people have become disenchanted with the government. All we can hope for is that as Christmas approaches we will see a change of attitude over there. Friday night we head home to our families. All of us can provide the amenities for Christmas. However a lot of people cannot because of the way this fund is being used.

● (1820)

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, unfortunately I will not have time to do my 20 minute speech which was next, but I would like to get a couple of points into my question.

I understand the member's hesitancy of speaking after the passionate speech from the member for Acadie—Bathurst who asked if we are proud of our \$100 billion tax cut, the biggest one in history. I would say, yes, we are definitely proud that a majority of that went to people who were not high income people and proud of the child tax credit that helps poor people.

He also said that people would rather have jobs than employment insurance and of course, I agree. He talked about the gas pipeline in New Brunswick and hopefully he will support our pipeline along the Alaska Highway that would create many jobs for British Columbia and Yukon.

One of the points that no member has talked about today is the balance in the EI. There are years when we must pay out more, when the economy is much worse than it is now. The government then must pay in which means balancing that fund with the fact that we must pay extra now.

I want to applaud the member that just spoke for the most part, until the last 30 seconds. It was one of the best speeches in the House today because I have always had the same thoughts about education that he had, that it is one of the key issues, especially in the changing world. I wonder if he could talk about advanced provisions to use the fund for education and for the disabled. I had a constituent approach me who thought we could change the rules because a disabled person may get weak and may not get his number of weeks in and maybe we—

**The Acting Speaker (Mr. Bélair):** Order, please. I am sorry to interrupt the hon. member for Yukon, but the hon. member for St. John's West needs time to answer also.

**Mr. Loyola Hearn:** Mr. Speaker, the member raises a great point. He also agrees with investment in education. It is not something that can be done haphazardly.

There must be a tremendous amount of time and dedication. There are many good government programs but many of them could be made better. There are new ones that could be instituted. However, if we were to throw out money and say that we have a new program and it would help certain people, and there is no real follow-through or accountability, then the programs would not be successful.



*Adjournment Debate*

Nobody realizes how many people we have with disabilities. When the percentage of the population of people with disabilities is quoted, people think if people are not on crutches or in a wheelchair they are not disabled. There are many different types of disabilities. It could be age disability, or it could be people out of the work force so long that they are not tuned in any more. We are not catering to a lot of these people. It cannot be done in the ordinary stream. Special provisions must be made for that and I agree with the member. It is certainly one of the ways where we can target more money and help more people.

• (1825)

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, I appreciate having the opportunity, thanks to the brevity of the previous question and answer, to make a quick thank you. I want to thank the member for St. John's West for his comments, not just the manner in which he presented them, but the comments themselves, and the way in which he conducts himself in this chamber is a tribute to all of us.

I really appreciated his comments in this respect. We know the old saying about not seeing the forest for the trees, sometimes the reverse is true, sometimes we cannot see the trees for the forest.

Government members who are on the front bench, having responsibility as cabinet ministers, deal with billion dollar items, and make large massive budgetary decisions. Sometimes they lose an understanding of the impact their decisions have on individual people. The member today reminded us with his comments of the impact that decisions on a multi-billion dollar EI fund have on individual people.

Family members must provide for other family members. There are also people who are burdened with the responsibility of protecting other people with their financial reserves.

In this country, people work in most provinces half the year to pay taxes to a government that manages them or mismanages them. The consequences of mismanagement, in a billion dollar gun registry for example, are real on the impact they have on individual Canadians.

I would like to ask the member, because I understand the difference between the government—

**The Acting Speaker (Mr. Bélair):** Order, please. The hon. member for St. John's West.

**Mr. Loyola Hearn:** Mr. Speaker, maybe if we were to take ourselves more seriously in the House and listen to each other instead of sometimes just listening to ourselves, we would pick up some ideas. We would understand each other as well as other parts of the country and the problems all of us face.

All of us are here because people thought we could do a good job for them. There are things that can be done collectively to help people, but quite often we get caught up in our own little world. So often we forget there are a lot of people who need help and the best people in the country to help those in need are us.

Maybe after Christmas members will come back with new year's resolutions and we will try to work for the people and not worry about our party. I saw some of the members opposite during the year become renegades and take stands to make a difference. All of us

can. We are never alone. One idea can change the country and change the way people think. Maybe after Christmas we will see a different House.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I have more of a comment than a question. It is about those wonderful people who work in the glass booths behind us here and provide the interpretation. I thought of that, particularly when they were interpreting for the hon. member for Acadie—Bathurst. The interpreter not only interpreted the words from French into English so that I could understand, but also used effective intonations to express the pathos of the member speaking. I thought I would take these closing few minutes to thank the interpreters and to wish them a Merry Christmas.

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent of the House to see the clock as 6:30 p.m.?

**Some hon. members:** Agreed.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1830)

[*English*]

### HEALTH

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, on November 28 I rose in the House to ask a question of the finance minister regarding the Canada health and social transfer. My question was whether the government would consider changing it. It has been a complete policy failure.

When I talk about the CHST, I am talking about the moneys that the federal government transfers to the provinces for health, welfare and education. Because the House has been preoccupied for a number of years on the health care file and the difficulty the provinces have in delivering health care because of the huge, massive cutbacks by the federal government, I suggested that the government reconsider that transfer and identify very clearly how much money is going to health care in the various provinces.

I am not alone in this. The Auditor General suggested the same thing back in 1999. In fact, this year in September when she brought down one of her reports which was specifically on health care, again she reminded the government how can we intelligently discuss reforming health care when the Government of Canada cannot tell us how much it is transferring to the provinces? The Auditor General said in her report:

Nor can the federal government say what its total contribution to health care will be. Consequently, parliamentarians must make decisions about federal support of health care delivery without adequate information on the federal contribution.

We cannot nor would we be expected to make intelligent decisions unless we know how much is being transferred. The Auditor General has picked up on that and she went on at great length and in detail.

*Adjournment Debate*

As evidence of this, most of us watch television from time to time, and there is an ad that is being run by the provinces suggesting that the federal government is only putting in 14% of the total health care bill. The provinces are saying they are paying 86% of the cost and the federal government is paying 14%. The Government of Canada does not know if it is 86%. It does not know if it is 85% or 84% or less. It depends on what province it is.

The point is that is a policy failure which the Government of Canada must address. Romanow recognized it. Kirby recognized it, as did Mr. Mazankowski, and the list goes on. Every time a royal commission or a provincial commission has been set up to examine health care expenditures and the role of the federal government, they have concluded, as has the Auditor General of Canada, that the federal government simply does not know.

Let us recognize that the former minister of finance made a mistake. The Government of Canada made a mistake in 1995. We want to get rid of the smoke and mirrors. Let us truthfully and conclusively, without the use of tax points which is another confusing issue, tell the provinces how much they are getting for health care. Then we can make the necessary changes to improve the health care system in Canada.

[*Translation*]

**Mr. Jeannot Castonguay (Parliamentary Secretary to the Minister of Health, Lib.):** Mr. Speaker, I thank my colleague for raising this issue. I will try to provide an explanation of the current situation.

The agreement reached in September 2000 between first ministers laid the foundation for the recent reports by all 14 jurisdictions—federal, provincial and territorial—on comparable health indicators. This is related, somewhat, to the point raised, about the importance of accountability.

All 14 reports were released on September 30 of this year. Some reports in the media referred to them as “report cards”.

The mandate provided by the first ministers to their health ministers was clear. It was to begin a process of comprehensive and regular reporting to Canadians. This reporting is not only to inform Canadians about their health and health system, but also to provide valuable information for governments and health care providers, allowing them to make better informed choices.

These reports were examined independently by the various auditors general in order to ensure the highest possible degree of reliability of the information.

Before mentioning a few of the highlights of those reports, I want to underline the very high degree of cooperation between all jurisdictions in producing these reports, the first of their kind.

What have we learned from these reports about health status? The federal report shows that Canadians are living longer than ever, and have one of the highest life expectancies in the world. Life expectancy for Canadians reached 79 years in 1999, compared with less than 75 years in 1979.

Compared with other developed countries, the proportion of babies born with a low birth weight is relatively low.

What have we learned about health outcomes? That the potential years of life lost due to heart attack, such as acute myocardial infarction, or unintentional injury have declined significantly from 1979 to 1999.

What have we learned about the quality of services? In the area of patient satisfaction, Statistics Canada survey data shows that more than 84% of Canadians rated the quality of the overall health services they received as being either excellent or very good in 2000-01. An estimated 88% of Canadians reported having a regular family physician in 2001.

There is still room for improvement, but at least we have an idea of where we are at in the area of health.

This is a first step toward public accountability. In two years' time, the same exercise will be undertaken. The provinces will strengthen the agreements between themselves in order to establish a base for comparison and to be accountable to Canadians. This was, incidentally, one of the recommendations in the Romanow report. He said, “Accountability must be improved”.

I completely agree with this and I believe that this is one of the points raised by my colleague. There must be accountability to Canadians when it comes to how public funds are spent. It is their money. We must administer and manage it well. That is what we intend to do in cooperation with the provinces and territories.

• (1835)

[*English*]

**Mr. Greg Thompson:** Mr. Speaker, was it not Mark Twain who said that we have lies, damn lies and statistics? We can talk statistics all we want but the fact of the matter is that we have a complete policy failure on the part of the Government of Canada, recognized by all health officials across the country and all premiers. Unless we know what we are paying on the service, how can we improve it? The system will simply gobble up new money unless we have an accounting process that actually works.

I want to identify three other policy failures that give the House examples to show that this is not the only one engineered by the would-be future prime minister, the former finance minister. Let us take a look at them: the gun registry, a billion dollar boondoggle, not working; the HRDC fiasco, a billion dollars gone missing, unaccounted for; and the CHST transfer, with billions going in, but the government does not know how much.

Therefore, why will the government not change that system and clearly tell the provinces how much it is putting into the health care—

[*Translation*]

**Mr. Jeannot Castonguay:** Mr. Speaker, first, I am very happy to hear my hon. colleague state that statistics can be made to say whatever we want them to. This is frequently what happens when the provinces talk about the federal government's contribution of 14%, when it is quite clear that this is not the case.

*Adjournment Debate*

That said, I am not entirely in agreement with my hon. colleague about needing to live in the past and stir up stories from the past. I believe that we have to look forward and improve the current system. We know quite well that there are problems. There will always be problems. We are human, we do not live in a perfect world

However, we took steps in the right direction when we decided to work together with the provinces to become more accountable to Canadians. We are on the right track and we will continue in this direction under the current government.

● (1840)

[*English*]

## GOVERNMENT ADVERTISING

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I am pleased to be able to pursue further the question I raised in the House on November 29 on a Friday afternoon when things are very exciting around here.

The question I asked had to do with the amount of money that the government spent on advertising at the Grey Cup. I proposed that the government should not be wasting a bunch of money advertising itself since it is not likely to go out of business. The government is wasting a lot of money on advertising, which more properly should be spent on health care.

The Minister of Public Works and Government Services, in his response to me, said that he would be happy to provide the details with respect to this matter in response to an Order Paper question, so of course that is what I did. I am expecting to have an answer to this question with respect to how much money was spent on advertising at the Grey Cup and also some defence of the government on its wasteful spending on advertising.

This question actually arose because a constituent of mine raised it with great irateness and, I would venture to say, even a small degree of anger. He went to the game, where someone, on behalf of the government, was handing out little knick-knacks with Canada put on them. That is great and we are all happy to be Canadians, but as I said in my question on November 29, we are reminded that we are Canadians every time we look at the deductions on our pay stubs. We do not need to remind ourselves that we are Canadians.

We recognize that the government has to spend a certain amount of money in advertising some of its programs and so on, but generally the advertising done at sporting events does not advertise any specific program. It is just simply a "feel good" type of advertising, which I think has limited value.

One of the things we are really concerned about is the huge waste. Of course the minister made reference to the fact that in this particular instance the government did not use any advertising agencies, that it was done internally. I guess once in a while we need to give the government grudging applause for some of the measures it is taking. The fact that there was not a Liberal-friendly firm getting a cut out of this is at least a move in the right direction, but still, the money is spent excessively.

Even despite the fact that the government is saying that it is reducing its sponsorship programs and its advertising, we found out that Groupe Everest, for example, is still getting a lot of money. It

still gets \$3.5 million per year in order to engage in advertising. There is some indication, in a secret report that the government has, that it charged in some instances up to 43% commission on the advertising it handles, which is a very high rate of commission.

We find the government advertising in the Attractions Canada portfolio, \$500,000 worth in the VIA magazine. It does not advertise a specific program, it just says, "Hey, feel good, we're Canadians". There is subliminal advertising there that says, "Hey, isn't it great to be a Liberal". We object to that. We think that ought not to be done.

With that, I eagerly await the response from the parliamentary secretary.

**Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Mr. Speaker, tonight's intervention will represent my final duty as the Parliamentary Secretary to the Minister of Public Works and Government Services, as my two year term has come due.

I would just like to share with you, Mr. Speaker, that the Minister of Public Works and Government Services has become affectionately and respectfully known as the "closer" for the way in which he has subdued the difficult challenges of the department he took over.

I want to first address the specific question the member raised with regard to the CFL.

For the 2002 season, yes, the Government of Canada did sponsor the CFL for \$1.2 million in exchange for opportunities to raise public awareness and understanding of the Government of Canada's priorities, programs, services and access channels, as well as to increase the presence of the government through this very popular national sport.

The opportunities received in exchange for this sponsorship, which is what the member asked about when he asked what the value was, were not just "feel good". It included: Government of Canada theme days; a link to the CFL website; information on programs and services included in the game programs; a Government of Canada kiosk at the Grey Cup; and signage at each 2002 CFL playoff game and also at the Grey Cup game.

As well, part of the \$1.2 million sponsorship was used for a dollar for dollar visibility exchange with VIA Rail. In return, the Government of Canada receives visibility and promotional opportunities from VIA Rail, such as displays with information on the Government of Canada at train stations and brochure inserts in VIA's magazine.

The sponsorship plan and the exchange with VIA Rail allow a better value for money and increase the opportunities for promoting our programs and services for all Canadians. This exchange is laid out in a formal letter of agreement, a binding legal contract between VIA Rail and the Government of Canada.

*Adjournment Debate*

The Government of Canada continues to examine possibilities for more comprehensive changes to the sponsorship program. The member is quite right: there are difficulties but, Mr. Speaker, I want to assure you that the “closer” is on the job.

•(1845)

**Mr. Ken Epp:** Mr. Speaker, I find this quite incredible. Whenever I think of spending money, even out of my office budget, I always think, “What about those people in my riding who work as hard as they do, then have taxes on top of all of their other bills and are having trouble making ends meet? Should I really be spending their money this way?” Yet here we have the parliamentary secretary who just flippantly says, “Yes, we spent \$1.2 million on the CFL”.

The fact of the matter is that no one looked at an ad in the CFL in order to find out where to go to collect unemployment insurance benefits, or employment insurance benefits, as they are now inappropriately called. Nobody got information directly on instructions to do this or that because of the government making an announcement. It is in every instance just a case of feel good, it really is.

The parliamentary secretary should take back the message to the minister that he ought to fix that part of it and stop wasting millions of Canadian taxpayers' dollars.

**Mr. Paul Szabo:** Mr. Speaker, I understand the concerns the member has raised. We have a disagreement about what the purpose of sponsorship programs is.

The program gives the Government of Canada an opportunity to raise awareness of its programs and services through its support of worthy cultural, sporting and community organizations and activities all across Canada.

In September 2002, the Government of Canada did sponsor the CFL for the two final games and the Grey Cup for \$1.2 million, for visibility reasons and to advertise our website, as well as the 1-800-OCANADA number. The results from that, and the feedback, are absolutely astounding.

I think the best way that I can convince this member about the importance of our sponsorship program and about the services that we provide is to invite him to join me for a personal tour of our cell banks, our call centre, and our sponsorship area, where he can see just how many Canadians value this very important service.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** 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 6:48 p.m.)

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