



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, September 25, 2003**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Thursday, September 25, 2003

The House met at 10 a.m.

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*Prayers*

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• (1005)

[*English*]

**The Speaker:** The Chair heard a question of privilege from the hon. member for Yorkton—Melville concerning the form of the supplementary estimates (A) tabled recently. The hon. government House leader, I understand, wishes to make further submissions on the matter, as he indicated he might yesterday, bringing additional information to the House on this question.

I therefore call upon the hon. Minister of State and Leader of the Government in the House of Commons.

[*Translation*]

## PRIVILEGE

### ORAL QUESTION PERIOD

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, yesterday the Chair accepted my offer to provide the House with additional information on the question of privilege by the hon. member for Yorkton—Melville concerning the supplementary estimates for the Canadian Firearms Program.

As we all know, the Canadian Firearms Program was transferred from the portfolio of the Minister of Justice to that of the Solicitor General of Canada this past April 14. It is now necessary, therefore, to seek authorization from Parliament to transfer the funding to a new organization, now to be called the Canadian Firearms Centre.

[*English*]

As the Solicitor General has explained already, there is no new money involved, only a transfer of funds already approved in Parliament.

The transfers are accomplished in two ways: either through a \$1 item to provide the necessary authority to transfer the funds from one vote to another, in other words, from the Minister of Justice—

I think the Speaker probably would want to hear these points, but I can yield the floor to the hon. member if he has something intelligent to add.

**Mr. Leon Benoit:** I would like to add something.

**Hon. Don Boudria:** —and then to the Solicitor General and a new organization created; or, in this case, because we have a new organization, the vote wording authorizes the transfer of \$111.4 million, including \$10 million for the operating budget carry forward. I will get to that point later.

There are two issues here: One is the transfer within this fiscal year; and the second is the transfer of funds from the last fiscal year to this fiscal year in the operating budget carry forward. Both have already been approved by Parliament, so there is no money.

The member for Yorkton—Melville has suggested that the \$10 million for the Canadian Firearms Centre identified in the 2003-04 supplementary estimates (A) is, what he considers to be, new funding. Let me explain why this is not correct.

There is a longstanding practice with respect to operating budget carry forward from one fiscal year to another of up to 5% of a department's main estimates operating budget based on lapses reported in the public accounts.

Each year, to encourage sound management practices, every department is allowed an eligible operating budget carry forward based on lapsed operating resources from the previous year which have been obviously approved by Parliament. They were in the estimates, otherwise they could not be carried forward to the next year had they not been there to begin with.

In the 2001-02 supplementary estimates (A) the operating budget carry forward totalled \$540 million—every year there are large quantities of them, all annotated in the way that were described—for 70 departments and agencies. In the 2002-03 supplementary estimates (A) the operating budget carry forward totalled \$629 million for 87 departments and agencies. There are quantities of those in the estimates all the time.

If the Speaker would like actual examples of this to show that this the existing practice of the House, I have quantities of them here. For instance, page 36 of the 2002-03 supplementary estimates (A) has: operating budget carry forward, vote 1, \$19 million for agriculture—and I will not enumerate the other dollars, just the millions involved; page 38, operating budget carry forward \$13 million; page 46, Canadian Heritage department carry forward \$1.6 million; in Canadian Heritage, National Battlefields, operating budget carry forward, vote 65, \$340,000; and, of course, the Canadian Heritage National Film Board, \$2.3 million on page 50.

Those are various examples of the carry forwards that have been made.

*Privilege*

Each carry forward does not involve new expenditures. The carry forward is a carry forward of last year to this year within the 5% allowable amount of funding previously voted by Parliament.

The practice that I have just described encourages managers to use good management and planning rather than to use up funds in their budgets. The business of trying to encourage departments not to spend excessively in the month of March and so on was debated years ago.

When we came to power in 1993, it was established that there could be this carry forward of funds already voted. I am sure we all remember that and I think people on all sides of the House supported that initiative. We are not debating whether carry forward is a good or bad idea. I think Canadians generally think it is a good idea. The House has already said it is a good idea. We have adopted it several times in estimates and have done so for a number of years.

The principle of carry forward has two criteria: first, it must be stipulated in the estimates that it is being done, understanding that it is not new money; and, second, there must have been funds carried forward, in other words, already voted on in the previous year.

As we know, the item in question is identified as a carry forward, therefore voted on in the previous year, which means it has already been voted on and therefore is not new money. It is within the 5% allocation, otherwise it would not have been a carry forward, therefore, not new money. It is funding already approved.

**Mr. Leon Benoit:** That's Liberal thinking. No wonder we can't follow it. That's Liberal thinking.

**Hon. Don Boudria:** I am sorry, Mr. Speaker, but the hon. member still is having difficulty understanding. I will do my best.

There is an option of drawing down the carry forward from a previous year's funding in either the first or the final regular supplementary estimates. Carry forward calculations for each program must be provided to and agreed to by the Treasury Board for the inclusion in the supplementary estimates.

I also, as a minister, sit on the Treasury Board when we go through this exercise.

I would emphasize that this is a longstanding and accepted practice. I have just given a number of examples where that is the case. I have identified the actual examples.

The \$10 million in the supplementary estimates (A) represents the operating budget carry forward from 2002-03, which has already been approved by Parliament, and therefore does not represent increased funding for the Canadian firearms program.

In this case, the Canadian Firearms Centre is accessing a portion of the Justice's eligible operating carry forward budget for funds already approved by Parliament. This \$10 million was for the operating expenditures that were planned for 2002-03 for the Canadian firearms program, which were unable to be completed until 2003-04 but already voted on.

As I have indicated, in April of this year the Canadian firearms program within Justice was transferred from Justice to the Solicitor General within what is called now the Canadian Firearms Centre.

This is why the \$10 million from the Justice operating budget carry forward is being sought in these supplementary estimates for the Canadian Firearms Centre.

To conclude, there is no issue of new money here. It is simply a transfer of funds already approved by Parliament for Justice. The clerks no doubt will examine this carefully and make a recommendation to our Speaker and the Speaker will arrive at his own conclusion.

It reflects the longstanding, well-established practices for the estimates. There is no question of privilege.

No doubt the House will anxiously await the apology to the Solicitor General for what has been said.

•(1010)

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, I think most people listening to this are probably more confused than they were before the hon. minister rose to try to answer the question, because it is very clear, on page 88, that this is a new appropriation.

I want the Speaker to rule on this in the context of, and I think this is the key question here, will this amount in vote 7a be treated procedurally as new money? I believe that is what you have to rule on, Mr. Speaker. In other words, will we be allowed to oppose this amount on the last allotted day? That is what we need to know. Will the members of the justice committee be allowed to reduce this amount if that is in fact the case? I am sure the government will have some kind of opinion on this as well.

The other thing I would like to add is that what the minister has just said only applies to schedule 2 departments and agencies, according to our research. I do not believe the Solicitor General or the justice department is a schedule 2 department. It only applies to agencies such as the CCRA or Parks Canada, things like this.

That is what I would like to advise the Speaker of in addition to what the minister has just said in reply. It is pretty clear to me that in the supplementary estimates (A) this \$10 million under the heading of "New Appropriations" is clearly there and it is not a \$1 amount.

•(1015)

**The Speaker:** I want to thank the hon. member for Yorkton—Melville for the thoroughness with which he has pursued this matter and the government House leader for the submissions he has made this morning. Both members have been very helpful to the Chair and I will certainly get back to the House in due course with a ruling on this matter. I will be doing a little research of my own, and I thank both hon. members for their submissions on this important.

## ROUTINE PROCEEDINGS

[Translation]

### INTERPARLIAMENTARY DELEGATIONS

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, pursuant to Standing Order 34, I have the honour to table, in both official languages, the report of the Canadian branch of the Assemblée parlementaire de la Francophonie and the accompanying financial report. The first report is on the 29th regular session of the APF, held at Niamey, Niger, from July 4 to 10, 2003.

[English]

**Mr. John Harvard (Charleswood—St. James—Assiniboia, Lib.):** Mr. Speaker, I have the hon. of presenting two reports this morning from interparliamentary delegations.

Pursuant to Standing Order 34, I have the honour to present to the House a report from the Canadian branch of the Commonwealth Parliamentary Association concerning the 15th seminar of the Commonwealth Parliamentary Association which was held in the Cook Islands from August 16 to 23.

I also have the honour to present to the House a report from the Canadian branch of the Commonwealth Parliamentary Association concerning the 42nd Canadian regional conference which was held in Victoria, British Columbia from July 12 to 18.

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### COMMITTEES OF THE HOUSE

#### GOVERNMENT OPERATIONS AND ESTIMATES

**Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance):** Mr. Speaker, I have the honour today to present, in both official languages, the sixth report of the Standing Committee on Government Operations and Estimates entitled, "Meaningful Scrutiny: Practical Improvements to the Estimates Process". Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

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### CRIMINAL CODE

**Mr. Leon Benoit (Lakeland, Canadian Alliance)** moved for leave to introduce Bill C-452, an act to amend the Criminal Code (proceedings under section 258).

He said: Mr. Speaker, I rise today to introduce my private member's bill which would make it easier for police officers and Crown prosecutors to make drunk driving charges stick. My bill, an act to amend the Criminal Code (proceedings under section 258), is intended to aid in the prosecution of drunk drivers.

After all that has been talked about, drunk driving is still the leading criminal cause of death in Canada today. Statistics Canada figures state that four Canadians are killed everyday as a result of alcohol related crashes and another 200 are injured. Just as alarming is that although impaired drivers get behind the wheel an estimated 12.5 million times every year, most are never stopped by police.

Even when they are caught, Canada's Criminal Code makes it so difficult to gather evidence against these drivers that many officers just do not bother to lay charges. They do not believe that their work

### Routine Proceedings

will result in convictions. This has to change. We have to stop the needless waste of lives caused by drunk driving. My bill would help to achieve this.

The bill would increase the time frame within which samples could be taken to determine alcohol levels. In the absence of evidence to the contrary, the bill would allow the courts to use sample results as proof of blood alcohol levels. It would place the burden on the accused to dispute the results—

● (1020)

**The Speaker:** I thank the hon. member, but this was to be a brief explanation of the bill and not a speech on its virtues, which I know the hon. member will want to extol on another occasion when he has the debate on second reading.

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

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### PETITIONS

#### MARRIAGE

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, I have the honour to present a petition from my constituents. The petitioners call upon Parliament to reject any request to change the traditional definition of marriage, family and spouse and to continue to affirm the importance of the family as the foundation of Canadian society and that nothing in the future will change its fundamental role in society.

BILL C-250

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, it is a pleasure to rise on behalf of some constituents of mine in Nanaimo—Cowichan who are still very concerned about Bill C-250 in that it suppresses the freedoms of religion and free speech in our society. The petitioners are hopeful that the Senate will appreciate their point of view.

I therefore present this petition on their behalf.

#### STEM CELL RESEARCH

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.):** Mr. Speaker, I have the pleasure of presenting two petitions. The first petition is from many hundreds of Canadians, including many from my riding. The petition state that scientists have demonstrated that growth factors can direct the evolvment of human embryonic cells into insulin producing cells that might help to cure juvenile diabetes type 1.

Therefore, the petitioners ask the Parliament of Canada to proceed using all types of stem cells, including embryonic stem cells, because it is impossible to predict which would provide the most medical benefits.

#### CHILD PORNOGRAPHY

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.):** Mr. Speaker, the second petition is one from citizens of my riding and others. The petitioners call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children be outlawed.

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

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

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

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[English]

**PARLIAMENT OF CANADA ACT**

The House resumed from September 22, consideration of the motion that Bill C-34, an act to amend the Parliament of Canada Act (Ethics Commissioner and Senate Ethics Officer) and other Acts in consequence, be read the third time and passed, and of the amendment.

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, I am pleased to join in today's debate on Bill C-34 regarding the ethics commissioner. I already spoke to the bill at second reading stage.

As members of the House know, the bill would appoint a Senate ethics officer whose duties and functions would be assigned by the Senate regarding the conduct of its members and most important to us here in the House of Commons, an ethics commissioner whose duties and functions would be assigned by the House of Commons.

All members, and indeed all constituents, are concerned with the conduct of its members and the administration of ethical principles by the members of Parliament in this place.

The return of the bill to the House of Commons for debate this week is very interesting and perhaps very timely. We all know that the bill is part of the Prime Minister's ethics initiative first announced in May of last year, a time when he and others in his caucus were increasingly under the ethics magnifying glass.

The bill was born out of public necessity, not through foresight and careful planning. Furthermore, and as is all too often the case with the government, the Liberals use the right words but shift the meanings in such a way that what most Canadians expect and what the Liberal government delivers are often two entirely different things.

They say "independent ethics commissioner" but we all know that since the prime minister would make the choice there is no real independence. The consultation process would be with the leaders of the parties in the House and then there would be a vote following in the House itself. Remember that the prime minister does not have to follow any recommendations that are made and the confirming vote in the House would undoubtedly be a vote in which all Liberals would mysteriously vote in favour of the prime minister's choice regardless of who the person is and what that person thinks about him.

The House of Commons ethics commissioner would work under the general direction of a committee of the House of Commons, presumably the committee on procedure and House affairs.

It is appropriate that the ethics commissioner would perform the duties and functions assigned by the House of Commons for governing the conduct of its members of the House of Commons. A code of standards would be established and at some point would become part of the Standing Orders by which we all abide.

I trust then that the committee responsible for drafting the code would take a truly a non-partisan and honest approach to this very important task.

I will commend one aspect of the bill that I certainly can support. I believe it is important to recognize that a ministerial investigation can be initiated by a formal complaint from a member of Parliament or Senator and the fact that the results of such an investigation will be made public.

That sounds very good and I certainly agree with it. However I am concerned that the public report could be sanitized by removing all confidential information and what power that report might have after that is a moot point.

If there has been a breach of ethics, I firmly believe that Canadians have a right to know. What I am not pleased with is the lack of clarity as to whether a minister of the crown, a minister of state or a parliamentary secretary would be held accountable under the same rules that would apply to all other members of Parliament. This is assumed but it is certainly not specific in the bill.

Many years ago the Canadian Alliance addressed the whole issue and in our policy statement we said:

We will facilitate the appointment of an independent Ethics Counsellor by the House of Commons. The Ethics Counsellor will report directly to the House of Commons and be given the mandate to investigate, and where applicable, recommend prosecution for conflict-of-interest infractions by a Member of Parliament and/or his/her staff.

I strongly favour a high standard of ethical conduct by government and parliamentarians. I believe this is a core value in our democracy and one of the main reasons why the Canadian public sometimes views many politicians and politics in general with disdain because we simply do not measure up to the mark.

● (1025)

There are members of the House, past and present, who have abused the trust that Canadians have placed in them. The end result is the democratic deficit that is apparent all across Canada today: voter apathy, low voter turnout and contempt for many politicians.

This is not to say that my Canadian Alliance colleagues and I are in any way opposed to a code of ethics. Quite the contrary, I believe that ethics and moral standards are at the very core of what we do, so much so that we must strive for and maintain the highest standards possible. The Liberal lowest common denominator is simply not acceptable to us.

If we truly want a code of ethics that applies to all current and future members of the House we must have an ethics commissioner who is chosen by all, not appointed by and answerable only to the Prime Minister himself. To do otherwise will do all Canadians a great disservice in this exercise.

*Government Orders*

I believe that we need to give active consideration to having a truly independent commissioner being approved not by just a simple House majority but by both government and opposition parties as well.

Unfortunately, when the final vote is scheduled for the bill the government majority will prevail here in this place and, in the end, the ethics commissioner will be nothing more than a political appointment of the Prime Minister and confirmed by the Liberal majority of the House.

The one way that this may be overcome, of course, is to make this a truly free vote. It would be most refreshing if we saw a truly free vote on the government benches, not the type of free vote that the Liberal government has shown time and time again, most recently in the vote on the traditional definition of marriage, which is so important to the country, when cabinet is whipped and pressure is exerted on backbenchers to violate their consciences and not stand up for the majority wishes of their constituents.

Once again I note that in my home province of British Columbia the ethics commissioner is chosen by an all party committee that makes a recommendation to the premier, who must then obtain a two-thirds confirming vote by the assembly in order to make the appointment. Alberta has a similar process.

Let us be clear: the bill is primarily a damage control exercise. When minister after minister was shown to be in conflict and either removed from his or her posting, and we see frequent changes on the government frontbench in this place, or shipped off to Denmark or shuffled off to be quiet on the backbenches, the Prime Minister simply was forced to act. The bill did not come out of the Liberal red book, although the Liberals made that promise back in 1993. It came from the anger of Canadians all across the country who are simply fed up with the way this government handles its ethical standards.

Like a good Liberal, the Prime Minister checked which way the wind was blowing and quickly came up with a poorly thought through plan. The result is the bill that we have before us today.

The ethics commissioner should be totally and completely politically neutral. I question whether under this bill that will ever be the case. For a government that has had a decade to draft and bring a bill forward for public debate, this is a poor, last minute approach to somehow substantiate the Prime Minister's legacy and leaves much to be desired.

If this is the best the Liberals can come up with in a decade of ministerial mishaps, then shame on them, and we really are concerned about the future of the country.

•(1030)

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, I commend the hon. member for an excellent speech on this issue. We all know that in the 1993 red book the Liberals promised that they would have an independent ethics commissioner. They fought the election based on their red book promises, but now we know that they have broken many of their promises. One of them was the appointment of an independent ethics commissioner.

Since they did not do what they promised, we reminded them. The official opposition had a motion in the House on the appointment of

an independent ethics commissioner and the Liberals voted against that. Does the hon. member think that the Liberals were opportunistic in getting elected and that their cynicism and their hypocritical attitude are shown by not doing what they promised? Does the hon. member think there is no political intent on the government side to have an independent ethics commissioner?

**Mr. Reed Elley:** Mr. Speaker, let me say to my hon. colleague that it has been my sad observation of the governing party that much of what it does is simply window dressing to gain the support of the electors at the time of an election. Government members make some great speeches, pass some great resolutions and have some great policies, but when it comes right down to it, they are not prepared to walk the talk. We have seen ample examples of that over the last 10 years.

I am sure all Canadians remember the great promise about the GST. The ethics commissioner is another example of this.

If we as political parties are to gain the confidence of all Canadians and not simply the 63% who bothered to vote in the last general election, we will have to put forward policies and programs that we actually enact when we get into government. The ethics commissioner of course is one of those.

As long as we have a government which, seemingly at the end of the mandate of the present Prime Minister, brings in these last minute pieces of legislation to somehow make it appear as if it is fulfilling some election pledges, it simply will not be good enough.

The people of Canada are not that dumb. They will see through this. Eventually it is going to catch up with this governing party. The ethics commissioner bill, as important a bill as it is, is just the tip of the iceberg in terms of the kinds of reforms we need in this country to make government transparent and accountable.

Time after time in my riding I hear of people who are simply fed up, fed up with government and unfortunately fed up with all politicians of all stripes because of what the government does. They are simply opting out of the democratic process. If this goes on in this country, we are well on our way to having a process of government in which the public has little participation and little input. It simply becomes a dictatorship. Is that what we really want for this country?

•(1035)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I really am disappointed in the fact that the Liberal members opposite do not express any interest in getting into this debate. They should be responding to the suggestions we are making, either by trying to defend the fact that they are not responding or by giving us an indication that they will support the amendment.

The amendment, as I hope all hon. members in the House know, is to send this thing back to the committee to make some very important and substantive changes to the method of appointment of the ethics commissioner. I really regret that members opposite are not responding to this. I suppose their minds are made up already.

*Government Orders*

I would like to get down to a question to my hon. colleague, who has given an excellent extemporaneous speech on the spur of the moment. I appreciate his willingness to do that. There is a question to which I would like a response from him. The members on the other side in committee suggest that having the Prime Minister appoint the ethics commissioner, but after consultation with the leaders of the other parties, somehow meets the criterion that the person is independent. It seems to me that such a process could still mean that a very partisan person gets into that position.

One of the objections we have heard is that members opposite feel that if there is a real agreement required among opposition parties, among all parties in the House, it will never happen. That is their only argument. I contend otherwise. I contend that certainly when it comes to having a person who will be making judgments and rulings on the ethical behaviour of all members in the House, we would find an individual who would meet that criterion. I would like my colleague to comment on the possibility of that happening.

**Mr. Reed Elley:** Mr. Speaker, I appreciate my colleague's question and observations. I think it is quite clear that if we are going to have a truly independent ethics commissioner who is going to be able to have the backing of the House and the power to do something about the breaches of ethics that may occur on both sides of the House, that person has to be truly independent.

For this person to be truly independent, there has to be a process in place before the person is appointed, a process that will not be tainted by any kind of partisan wrangling. From our point of view, the kinds of suggestions the government has put forward simply do not make that process possible.

We want to ensure that the ethics commissioner himself, even before he is appointed, is not already tainted by the process that puts him in place. We do not believe, on this side and in this party, that this bill does that. That is the simple bottom line.

● (1040)

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, I am pleased to say a few words on Bill C-34. I am particularly interested in saying a few words on the amendment:

It reads:

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

"Bill C-34...be referred back to the Standing Committee on Procedure and House Affairs for the purpose of reconsidering Clause 4 with the view to ensure that:

(a) a standing or "an all party" committee of the House of Commons search for those persons who would be most suitably qualified and fit to hold the office of Ethics Commissioner; and

(b) the said committee recommend to the House of Commons the name of a person to hold such office".

My party supports this amendment because it is a good amendment. I cannot see why anyone would not support it. After all, this is public money that the government is spending. It is the hard earned dollars of taxpayers that we are talking about here.

Why would we not want an independent individual, arm's length from government, to oversee the ethics of the people who are spending this money on behalf of the people of Canada? Why would the government not want an all party committee to do the search and find a truly independent individual who would report to Parliament?

The public would then know that we do not have an ethics commissioner who is the lapdog of government, or an individual who is a friend of the Liberal Party of Canada acting as an ethics commissioner for the people of Canada.

It is ridiculous that we should even be talking about this amendment today. The government should already have this amendment in its bill. An all party committee of the House of Commons should be the process to be used to appoint an ethics commissioner.

We all know that an ethics commissioner should have some ethics. If an ethics commissioner were to comment on and preside over the ethics of a minister or the Prime Minister of the country, then his or her own ethics should be above reproach and scrutiny.

One way we could ensure that the ethics commissioner is indeed above reproach is to have an all party committee of the House of Commons do the search. After all, we should have absolute confidence in the ethics commissioner to do what is right.

When we get right down to it, is it fair to ask any future ethics commissioner to go poking around and judging the very people who appointed the individual if that person is not a truly independent individual?

Therefore, one has to ask the question, is the government afraid to have a truly independent individual appointed? Is the government so caught up in scandal, wrongdoing, graft and corruption that it cannot bear the thought of allowing a truly independent person to be poking around in the government's bag of secrets?

We should not even be talking about this amendment today. The amendment should already be included in Bill C-34. After the numerous scandals of the government, it should be truly rushing to have an independent person appointed as the ethics commissioner.

We all remember the main feature of the 1993 election campaign was a promise by the Liberal Party to establish new standards of ethics. It has certainly done that. The Liberals have established new standards of graft and corruption, and standards which the people of Canada are very concerned with.

● (1045)

The Prime Minister, for instance, intervened with a Crown corporation to benefit a business of which he had once been a part owner. At least three ministers have been forced from office for conflicts of interest. A fourth has been given safe refuge as ambassador to Denmark. If we had a truly independent ethics commissioner, I wonder if these things would have occurred?

The Minister of Canadian of Heritage, for instance, broke the guidelines. According to the rules, she should have resigned her cabinet position. However, the Prime Minister, going against his own rules, chose to protect his cabinet colleague. One has to wonder if we had a truly independent ethics commissioner, whether that would have happened?



*Government Orders*

The government is now proposing new legislation establishing new ethics commissioners whose appointments can be controlled by the government majority. That is not the way to go if we want to give the people of Canada confidence that their money is being spent properly and that their ministers are acting in the way they should be.

Remember the observation on Shawinigate by Gordon Robertson, the distinguished former clerk of the Privy Council, who wrote the first conflict of interest guidelines for Prime Minister Pearson. Mr. Robertson noted that there had been no specific provisions governing the Prime Minister because it never occurred to anyone that a prime minister's actions would require guidelines. It was not until this government made a show of appointing an ethics counsellor and then made a sham of the office by having it report not to Parliament, as has been promised, but to the Prime Minister of Canada. That makes a sham of the ethics commissioner.

The most notorious loosening of the rules involved the so-called blind management trust. We are all very well aware of that. For decades cabinet ministers in the House were required to put their assets in an absolutely blind trust. If one pursued one's private interests, one stayed out of cabinet and if one served the public interest, one cut off all contact with one's private assets. A choice was made. That is the way it worked way back when.

The government changed that rule deliberately. It deliberately broke the separation between private interest and public interest. It created a system where a minister could look after his or her private interests and at the very same time he or she was purported to be acting in the public interest.

If we had a truly independent ethics commissioner acting for the people of Canada over the last four or five years in particular, I am convinced that the scandals that have plagued the government and the people of the country would not have occurred, or at least would have been a whole lot less serious than they were.

As a footnote, but to make matters worse, the Prime Minister told the House of Commons that this system had been used by ministers of former governments. He knows that is not true, but he has not had the rectitude to correct the record of Parliament.

● (1050)

I do not know why the government lets ministers abandon blind trusts. I do not know if that was done specifically to meet the requirements of the Prime Minister-in-waiting, the member for LaSalle—Émard, but he was certainly quick to take advantage of the looser system that had been established. As the Minister of Finance for the country, he knew very well how he could take advantage of that system.

Some time ago, under pressure, the member for LaSalle—Émard, the individual who will be the Prime Minister of Canada, announced that he was divesting himself from his giant shipping company, Canada Steamship Lines. He admitted that during the time he was Minister of Finance he held 12 separate private meetings with his company officials regarding business activities of the multi-national private company that he personally owned. I really do not know if people are truly aware of the seriousness of that.

The Prime Minister-in-waiting—the person who was second in command in this country, the most powerful position outside of the

Prime Minister of Canada, the Minister of Finance—held 12 separate private meetings with officials of his own company while he was sitting around the cabinet table of Canada talking about tax havens, environmental problems, shipping standards, and all kinds of things pertaining to the operation of his own company. He sat around the table with his corporate officials on 12 different occasions and had 12 different meetings while he was number two in power in Canada.

For the record, I do not believe he had these meetings to make himself any richer than what he already was. He came here as a rich individual, and I do not believe he needed any more money. F. Scott Fitzgerald noted that the rich are not like the rest of us. He probably did it because he thought the rules that applied to others should not apply to him. The former Minister of Finance felt that the rules that had been established really did not apply to him, but did apply to everyone else. If we had a truly independent ethics commissioner who was capable of delving into these problems, would this have happened?

Whatever the motive, the government broke down the wall between private and public interests. That is what it amounts to. Even the member himself, the Prime Minister-in-waiting, now admits that the system fails the test of appearing to be fair. We always hear that not only must the system be fair, but it must have the appearance of being fair as well. What is clear is that the tailor-made system was not recommended by independent, outside experts who could examine the current rules and regulations and come up with some really good ones to make cabinet ministers and the Prime Minister truly accountable to the people of Canada.

Justice Parker, who conducted a public formal inquiry into the Sinclair Stevens affair, which I am sure all members remember, warned specifically against the type of arrangement that we have today. Justice Parker defined conflict of interest in his report as:

—a situation in which a minister of the Crown has knowledge of a private economic interest that is sufficient to influence the exercise of his or her public duties and responsibilities.

● (1055)

The minister need not act on that knowledge. Justice Parker did not find that Mr. Stevens acted on that knowledge. He was required to resign simply because it was alleged that he had done nothing more than what the member for LaSalle—Émard has set limits on doing on 12 separate occasions. That is worth noting.

That was the standard in Canada before the Liberal government deliberately lowered the bar on ethics in this country. Simple knowledge of a private economic interest was enough to constitute a conflict of interest. Is that not interesting? Simple knowledge of a private economic interest was enough to constitute a conflict of interest. We are all very much aware that for eight years the member for LaSalle—Émard, the prime minister in waiting, regularly acquired that kind of knowledge. That is not in dispute. The member himself admitted that he regularly acquired that kind of knowledge.

According to the Prime Minister, Justice Parker's definition of conflict of interest is at the heart of the government's code of conduct for ministers. He has repeatedly said that in the House of Commons.

*Government Orders*

Here is a very interesting quote from former Liberal Prime Minister Turner who said in Parliament on May 12, 1986:

In public administration a minister has the burden of proof, the duty to show that what he is doing is beyond reproach. The burden of proof is not on Parliament. It is not on the opposition, nor the media. The burden of proof is on the minister.

That is what former Prime Minister John Turner said on May 12, 1986. But the new looser system of the managed blind trust does have its own clear rules. Canadians have a right to know whether even these rules were respected. Article 7 of the agreement stipulates that if at any time while this agreement remains in effect it appears that an extraordinary corporate event is proposed or threatened which might have a material effect on the shares of an asset, the supervisors may consult with and obtain the advice, direction or instruction of the public office holder.

The then minister of finance was allowed to be briefed only if first, Canada Steamship Lines had an extraordinary corporate event, second, if it had a material effect on the asset, and third, the supervisor was unable to handle it on his or her own. We are asked to believe that that happened 12 times in eight years, with the former minister of finance, the prime minister in waiting, and Canada Steamship Lines.

The Prime Minister says that while he has no knowledge of the subject of these 12 meetings, he is satisfied that each of them met the criteria of article 7. Why? Because Howard Wilson said so. The member for LaSalle—Émard agreed and the Prime Minister declined to do his duty and find out if his new loose rules were respected or whether they were broken. Again this points out the need to have a truly independent ethics commissioner who will be appointed by an all party committee of the House.

The member for LaSalle—Émard says he excused himself, that he stepped aside from the cabinet table whenever there was a possible conflict of interest. However, more than the vast majority of companies, Canada Steamship Lines is critically dependent upon a wide range of federal laws and regulations, including the tax system. The question has to be asked, was the then minister of finance outside the room whenever taxes were talked about, or environmental laws, or shipping regulations, or safety standards, or changes in international laws or treaties?

•(1100)

Hopefully the government will agree to have an all party committee of the House look at this issue and make recommendations for a truly independent ethics commissioner.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I would like to commend my colleague from the other party on the opposition side of the House on a very well documented speech. He gave a number of good examples.

One of the things that we need to keep in focus here is that the government has undertaken to introduce rules of ethical conduct which will govern the behaviour of backbench and opposition members of Parliament. The problems which have plagued the government over the last 10 years in fact will not be addressed by this process, in other words, the issues that have been faced by the various cabinet ministers.

In particular there is the issue of the former minister of public works and government services who did an arabesque not only out of cabinet, not only out of government, not only out of Parliament, but right out of the whole country. That issue still will not be properly addressed in this new procedure.

I am very troubled by that. The government has chosen to solve a problem that does not exist in my view in order to deflect media attention from problems that do exist without offering a solution to the actual problems.

I would like our colleague to comment on this and perhaps to give his suggestions as to how this could be improved.

**Mr. Norman Doyle:** Mr. Speaker, I could not agree more with the hon. member's observation. The real problems that the government will surely be faced with under the direction of the new prime minister when he comes to office will not be addressed unless we have a truly independent ethics commissioner.

I want to commend the member for putting forward this amendment because as I said a moment ago, not only must there be fairness but there must be an appearance of fairness as well. I cannot understand for the life of me how any government which has come under the fire that the government has come under over the last five years, in particular with the amount of graft and corruption and the number of scandals that have plagued it, would not be rushing a bill into the House that would create a truly independent ethics commissioner. We will be going into an election six months from now. One has no choice but to surmise from it all that the government is afraid to have a truly independent individual poking around in the bag of secrets that have yet to be revealed.

I agree with the hon. member. The problems that have plagued the country and the government over the last five or 10 years will not be addressed if the government does not agree to let an all party committee look at the ethics commissioner, have a search done, have the individual appointed by that committee and report to Parliament. This is the way it should be done.

There has to be a reason. The obvious reason is that the prime minister in waiting is afraid to have his record laid before the people of Canada. He is afraid that a truly independent ethics commissioner will go poking around and find some secrets that he does not want revealed. The onus is now on the government to do something about this and to have a truly independent individual put in place.

•(1105)

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, I appreciate the comments made by the hon. member for St. John's East. He did a very good job in articulating his point of view.

Contrary to the 1993 red book which was co-authored by the member for LaSalle—Émard, the Liberals are breaking their promise not to appoint an independent ethics counsellor. In fact they voted against the Canadian Alliance motion sometime ago to appoint an independent ethics commissioner.

*Government Orders*

As part of Bill C-34 that we are debating today, the ethics commissioner will be appointed by the Prime Minister. The ethics commissioner will be rubber stamped by the Liberal majority. The ethics commissioner will report to the Prime Minister in confidence and in private.

Does the hon. member think that the ethics commissioner will be a true watchdog overseeing the ethical standards which are already so low in the Liberal government?

**Mr. Norman Doyle:** No, Mr. Speaker. It is impossible for an individual who is appointed by the Prime Minister and by the cabinet of Canada to be truly independent.

I think that Canadians are waiting on the government to show some leadership in this regard and to show that the Liberals are really serious about cleaning up their act which has been so tarnished and so dark and dirty over the last five or six years in particular. This is a time when they can truly show that the government is serious about protecting the people's money and protecting the institutions that should be protected in the country.

A way that the government can truly give the people of the country confidence again is by having the ethics commissioner appointed and established by an all party committee of the House.

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, it is my pleasure to speak briefly about the bill before us, Bill C-34, an act to amend the Parliament of Canada Act (Ethics Commissioner and Senate Ethics Officer), and the Canadian Alliance amendment to send it back to committee.

First I want to mention that the NDP has long been a supporter of the concept of a code of ethics for parliamentarians. I am proud to say that one of my early colleagues when I became an MP in 1997, Gordon Earle, the former member for Halifax West, was first to put forward a code of ethics, in the 36th Parliament. I want to talk briefly about that because I think it sets the tone for this.

Gordon Earle, a man of great integrity and a friend, really did see his job here as one of inspiring and strengthening people's confidence and trust in the democratic process. He felt that integrity, honesty and straight talk were the order of the day, that they are what we are here for, and if we cannot do that then we should be somewhere else. Really there was not a day that went by that Gordon Earle did not spend time talking about this.

He put forward a private member's bill on that very issue. I want to read to the House a couple of the thoughts he put within his private members' bill.

He prefaced his remarks by saying that over the years people have become so cynical and pessimistic concerning their elected officials, and we all know that is true, and that elected officials must not only conduct themselves in a manner befitting of trust but they also "must be seen to be carrying out their responsibilities beyond reproach and free from conflict of interest".

His bill was based on the following principles, which I think are really central to this debate today. He said:

Parliamentarians should have the highest ethical standards so as to maintain and enhance public confidence and trust in the integrity of parliamentarians and Parliament.

Parliamentarians should perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny.

Parliamentarians should avoid placing themselves under any financial or other obligations that might influence them in the performance of their official duties.

Parliamentarians upon entering office should arrange their private affairs to prevent real or apparent conflict of interest. If such does arise, it should be resolved in a way that protects the public interest.

Parliamentarians should not accept any gifts or personal benefit in connection with their office that may reasonably be seen to compromise their personal judgment or integrity. Parliamentarians would not accept any gift other than those received as a normal expression of protocol and courtesy.

No parliamentarian would be permitted to be a party to a contract with the Government of Canada under which the parliamentarian receives a benefit.

Parliamentarians would be required to make a disclosure of all assets once every calendar year and would be required to make public disclosure of the nature, although not the value, of all assets each year.

Finally, to ensure that public interest and the highest standards are upheld, there would be an ethics counsellor to advise parliamentarians on any question relating to conduct.

So now here we are back to the ethics counsellor, six years later. I am happy to say that the NDP is very much in support of this concept. After Gordon Earle put forward that private member's bill, we saw it reintroduced in this Parliament's first session by the then NDP leader, the member for Halifax.

That bill of the member for Halifax asked for a two-thirds majority in the House of Commons for a vote in favour of an ethics commissioner. That is the central point I want to address here and now. It goes back to the idea that we must have complete confidence in the choice, in the person selected.

• (1110)

That means we have to be above politics. We have to make sure that not just 50 plus one but a large majority of people in the House from all parties are willing to say, "Yes, this is a person we can trust to carry forth the idea of ethics in the House". That is an amendment we are very strongly putting forward.

The amendment before the House of Commons today calls for sending the bill back to committee to have "an all party committee... search for those persons who would be most suitably qualified and fit to hold the office of Ethics Commissioner". We support that amendment.

The NDP supports having an ethics commissioner for all parliamentarians. We support a code of conduct which would oversee a regime for the disclosure of the private interests of MPs and senators, including those of their immediate families. We support having an ethics commissioner who gives advice to parliamentarians on issues of ethics and conflicts of interest.

The NDP also feels that the public should have access to the complaint process. The ethics commissioner should have the power to receive and investigate complaints made by the public about improper behaviour. The public should be able to make complaints directly to the ethics commissioner and not just to a member of Parliament. It goes without saying that frivolous accusations should not progress to grievances; this process must be taken seriously. We must look for assurances from the government that complaints from the public will be treated seriously by an ethics commissioner.

*Government Orders*

A vote in the House of Commons to accept the appointment of an ethics commissioner should require a two-thirds majority of the House, as I have already stated. The NDP made an amendment at committee on this issue and unfortunately the government side voted it down. In our estimation, a simple majority vote of the House to support an ethics commissioner would not go the distance in giving parliamentarians and the Canadian public confidence in this office. Again, the ethics commissioner must have the trust and support of all members of Parliament to have the confidence of the House of Commons.

In conclusion, we support the bill in principle. As I have noted and am proud to say again, a couple of our members have been instrumental in bringing forward the language and principles of the bill. I was proud to read some of the references from the former member for Halifax West, Gordon Earle, in the 36th Parliament. We support the principles of the bill. We believe that the amendments improve the selection process of the ethics commissioner and we support them. However, we remain adamant that this process must be backed up by a two-thirds majority vote in the House of Commons in terms of the approval of the actual ethics commissioner.

• (1115)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I listened with great interest to the speech by our NDP colleague and appreciate her comments. I also remember Mr. Earle, who was here as a member of Parliament in a previous Parliament, and I as well respected and appreciated his work on this particular portfolio.

One of the things the member spoke about on several occasions was the necessity of having two-thirds majority support in the House for the appointment of the ethics commissioner. I would concur with that. In fact, that was originally the intent of our amendment, which we put when we decided we would like this thing sent back to the committee and improved.

However, in discussions at committee, it was stated that this would require a constitutional amendment. We got into a little bit of a hassle about it because that is not entirely clear. It is true that the Parliament of Canada Act states that votes in the House shall be carried by a majority vote. That is why, for example, last week we had for the first time in 40 years the Speaker breaking a tie in order to get a clear vote on one side or the other of an issue.

It is true that the act says this; however, there would be nothing in my view and in the view of our researchers to stop us having a provision that notwithstanding this is what the Constitution says with respect to a vote on this one issue, it is the choice of Parliament to have a two-thirds majority vote so that the individual chosen has a clear and high degree of support among members of the House. That would be one way of achieving this.

However, when we proposed to put that in as an amendment it was ruled to be unacceptable because of that constitutional question. I think the question is still unanswered, but that is really what happened. I thought I just would fill the member in on that part of it.

So our other proposal, in order to hopefully achieve the same result, is to require the Prime Minister to consult and to actually reach a consensus among the leaders of the parties before he puts the name forward for a vote in the House, because if there is consensus from our leaders then hopefully all parties would have support for

the individual chosen, and we all know that it is very important for the commissioner to have the support of all members of the House. I would appreciate a comment back on that; I think my remarks were probably more a comment than a question.

**Ms. Wendy Lill:** Mr. Speaker, I appreciate the fact that the member sits on the committee that has been studying the bill and I appreciate those internal notes on what went on in trying to draft the amendment.

I do not sit on the committee and I am not a parliamentary technician, but I do have some concern over the idea of the Prime Minister consulting with party leaders. I do not think that has the same kind of weight or same kind of public buy-in on the part of parliamentarians across the country. I do not think it is an acceptable alternative. I still hold out for that two-thirds majority vote. I guess the question is to find some mechanism that would make it possible.

• (1120)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I always appreciate the member's comments. I personally do not support a requirement on the two-thirds, mostly because of the fact that this position is the equivalent of a deputy minister in terms of appointment. It is not an officer of Parliament position. Members will know that we in fact elect or must have a vote in the House on officers of Parliament. The Radwanski situation reminded all members of that. Not only can one not be appointed without a vote in the House, one cannot be removed from office without a vote in the House.

Having said that, I want to ask the member this. If she feels that the position of ethics counsellor is so important and that it should indeed apply not only to members as cabinet ministers and the Prime Minister but also to the members at large and all members doing their jobs in the capacity of members of Parliament, does she feel that this position should be an officer of Parliament? Is the importance of the position such that it should have the same rules or conditions and independence that we grant or extend to the five officers of Parliament?

**Ms. Wendy Lill:** Mr. Speaker, I would certainly say, yes, the conditions of this person's job would cover all the people in this House. All activities and conduct of MPs would be covered by the work of the ethics commissioner.

I would have to consider the member's final question more carefully. I do not know the details about what that would actually involve in terms of it being one of the five officers, so I would have to look at that more carefully.

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Speaker, it is my pleasure to rise to speak to Bill C-34. I would like to take this opportunity to acknowledge the work that the member for Elk Island has done on the bill. He has taken the lead in this debate and has brought out the flaws with Bill C-34.

The amendment proposed by the Canadian Alliance tries in reality to address the bigger concern that we on this side of the House have with the bill. Let me go back and tell members why we have a very serious concern with Bill C-34.

*Government Orders*

I was elected in 1997. That was the time I put a foot into the political arena. One glaring issue that became quite clear was that Canadians were losing confidence in their elected officials.

Before I carry on, I would like to congratulate my other colleague sitting in the Speaker's chair, who I think is sitting there for the first time and looks pretty good in it. That does not mean my colleague will get my vote.

Back to the business of Bill C-34. As I was saying, when I was elected in 1997 I found that people held elected officials in extremely low esteem. About three or four days ago I was listening to CBC Radio. The issue was why young people did not vote in current elections. A study was commissioned by the Chief Electoral Officer, a copy of which I received yesterday in the mail, and I am sure every member of Parliament received it.

An interesting issue came up on the radio talk show. The host was interviewing a couple of young people from Carleton University in Ottawa, the capital of our country which one would say is a place where politics is very active. The general responses I heard from the young people were they were disconnected from politics. One young girl said that because she had low esteem for politicians, she, to put it in her words, did not trust politicians. Why did she not trust politicians? All she wanted was for the politicians if they made promises, to keep their promises.

The erosion of confidence in young people about their elected officials is a very serious issue. I am glad the Chief Electoral Officer commissioned a study to look into this. Practically everybody in this House works very hard, whether they are on that side of the House or this side of the House, and have the interests of the country at heart, but we seem to have sent out a wrong message to the electoral of Canada. They seem to have decided to disconnect themselves from politics after hearing about some of the things that have gone on here. They feel elected officials cannot be trusted. That is a serious blow. As a matter of fact, I would venture to say that many times this impression comes from the governing side as well.

Since I became an MP, I have heard on many occasions the so-called famous words of Prime Minister Trudeau that MPs were nobodies outside Parliament Hill. That was the Prime Minister of Canada talking about elected officials. Talk about having no confidence in these things.

• (1125)

At one time I even heard a minister say to her public official not to worry about members of Parliament but to do what the government said.

The bureaucracy, which is supposed to be an independent arm, should understand that the people of Canada speak through Parliament, through their elected voices. This is the House where we debate. This is the House where the people of Canada have a voice through their elected officials, not the other House because they are not elected. This is the place where the people of Canada can speak. Yet the Liberal government, from Prime Minister Trudeau to the ministers today, have sent out the message that the House is irrelevant, that hard-working people in the House are not relevant. Only the government, the Privy Council and the bureaucracy are relevant. That is the message I got.

As a matter of fact it has been compounded in my dealings with the public service. On many occasions this attitude comes across. The director of Revenue Canada in Calgary, the immigration officer in charge of immigration in Calgary, these public officials have told my office to leave them alone because they know what is best. They are the ones who are not cooperating. They do not understand the fact that democracy is the essence of transparency.

What is ironic is that we in Canada spent a huge amount of money lecturing other countries. Even today we have a delegation of African parliamentarians visiting Canada to look at good governance and transparency. This is what we preach to them. We tell other countries that if they do things this way, then we will look at assisting them in their development needs. That was one of the foundations of NEPAD which the Prime Minister talked about when he was at the G-8 in Kananaskis. We tell everyone out there that transparency, democracy and accountability are the key elements in good governance.

The disconnect continues. Therefore, what do we have? Canadian people are reacting and their reaction is not good news for us. They are not voting. We can see the numbers of people who vote go down and down. Do we want to make the House of Commons, the voice of the people in Canada, an irrelevant body?

At the end of the day this message seems to have penetrated the governing party. After all the corruption and scandals that we have seen or that many of us have alluded to on this side, the message that there is a serious problem with the confidence of Canadian people in the House of Commons has finally penetrated the government.

The prime minister in waiting talks about the democratic deficit. Why is he talking about democratic deficit? His party has brought us to this condition where the democratic deficit is now a glaring reality.

At the end of the day the people of Canada look at the House of Commons and its elected officials and do not see transparency. They have become disconnected and disillusioned. When my colleagues on this side of the House, and I am sure on that side too, go to their ridings and talk at town hall meetings, it is always the same. The degree of frustration is very high.

• (1130)

This is why we have talks of separation. Western alienation and separation are issues about which people talk. I want to make it quite clear that I am not in favour of separation. However that discussion is out there. Why? Because of the level frustration with the House not wanting to reflect the wishes of Canadians. From where does this all come? It comes from the governing party.

**An hon. member:** Their arrogance.

**Mr. Deepak Obhrai:** My colleague says it is arrogance. I absolutely agree.

The Prime Minister has been in politics for 40 years. Forty years is great. However as everyone else knows there is a time when it is time to go. The country needs a new vision. We need new ideas. I think there should be a fixed term. Twelve years is a pretty good time to be in the political arena because a person becomes burned out. Here we have 40 years. What do we get? We have a ship adrift.

*Government Orders*

Then of course we have the Senate where senators are politicians for life. Senators are not accountable to anyone, yet they want to make decisions. How can the people of Canada speak? That House is not even elected. What do we have then? We have a de facto opposition taken over by the provincial governments. Then we have the tugs and the pulls of federal and provincial relationships.

Finally something penetrated across the floor and into the government that there was something seriously wrong. It took a long time. There were many scandals. Now the government has come forward with Bill C-34 to try to tell the people of Canada that, yes, there is transparency in the House and, yes, the government will attend to it.

I have read editorials and it is quite generally accepted that elected officials are held to higher standards than the average Canadian. We sit in the chamber and make laws. Therefore, there is an expectation that we have higher standards. It is a given that elected officials should be held to a higher standard than average Canadians. As such, we agree with the intent of Bill C-34 to have an ethics commissioner who can look at affairs of members of Parliament, as well as the government, and to whom we can talk if we feel the rules have not been followed.

However the problem with Bill C-34 is the government is not willing to let go. It is afraid. I do not know why the government is afraid. We tell other countries what to do. The government will not appoint an independent ethics commissioner.

Last year or the year before that the issue with the minister responsible for CIDA came before the House, after I wrote the commissioner. In my dealings on that issue with the minister responsible for CIDA, I came to realize that it was very necessary to have an independent ethics commissioner. It became obvious that it was necessary to have independent officials of the House.

My friend on the other side just asked a question about whether this responsibility should be shared with other officers of Parliament. I say absolutely. These officers should be independent because the Parliament of Canada is independent.

In Bill C-34, while the government technically uses the words an "independent ethics commissioner", will that person really be independent? The answer is no. The prime minister will appoint the individual in consultations with the opposition parties. What consultations? With the government there has never been consultations. The government does not have a great track record with the Canadian public in reference to transparency. The government does not have a record of cooperating with the provinces, so why would it cooperate with opposition parties.

• (1135)

The simple question being asked by everyone is: Why can there not be a real independent ethics commissioner? Why does the government want to have a noose around the neck of the ethics commissioner? Is it because if he gets out of line the government can pull him back? What does the government fear? There is nothing to fear.

We in the House want to stand up and be counted so Canadians will see that those who are making the laws are people of integrity. I will not deny the fact that everybody in the House is working very

hard for Canadians. I therefore have to ask why the government wants a noose around the neck of the ethics commissioner.

Why does the government want to control the ethics commissioner? It is because over the last 40 years that the Prime Minister has been in the House those members have created this power and grabbed it, which is why there is tension between the provinces and the federal government. The Liberals want to grab all the power and do not want to let it go.

We just have to look at how much the Prime Minister's Office controls this country. We just have to look at how much power is concentrated in the Prime Minister's Office. Senators in the other place are appointed by the PMO. They do not run in elections. Individuals who are rejected by Canadians end up in the Senate making rules for the country. Where is the voice of Canadians?

The amendment brought forward by this party would address that concern and would bring back some respectability to the House. The amendment asks that the bill go back to committee so we can really and truly have an independent ethics commissioner. Canadians need to feel confident that an independent ethics commissioner is looking after their interests.

I hope the government will listen. I hope we will not go the same way we have gone year after year, election after election, and not see Canadians turn out at the polls.

• (1140)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member had a couple of themes in his speech which caught my attention, one with regard to young voters and why they do not vote.

This week our offices received a report from the Chief Electoral Officer on precisely that question. It was interesting to note that as the age group of voters went up, the turn out rate also went up. Eighty-two per cent of eligible voters under the age of 20 did not vote in the last election. The reasons given for this have less to do with their impressions of parliamentarians as it does to the fact that they have no interaction. We do not teach it in school. We do not teach Canadian history. We do not encourage youth participation in political activities. It might also be a cultural thing in Canada, and maybe in many other countries around the world, that we always look to our elders for wisdom. It is kind of an endemic thing.

The member wanted to know how we could get the public to look at members of Parliament with a higher level of respect. This is obviously something we have to work on. We, as the current parliamentarians, obviously are here carrying the cross for all those who came before us as well. It does not help to raise examples of what happened to one person or another.

The other theme in the member's speech was about independence and about having an independent commissioner. Would he not agree that people's independence is not something they practice after they are appointed but rather something that they have earned, something they have demonstrated the capacity, the ability and the credibility to be independent and to have integrity before their appointment? This is precisely what all parties in the House would consider and vote on.

*Government Orders*

**Mr. Deepak Obhrai:** Mr. Speaker, on the first question about young voters, I do not think he listened to my complete speech about the issue of young voters, otherwise he would not have asked that question. I alluded to that same document that he is talking about.

However I also alluded to the CBC interview where it went to young children and asked this question. This was on the airwaves. I drew my conclusions from what the young people were saying during that interview. Young people feel disconnected to their parliamentarians or their elected officials. They are disillusioned because promises have not been kept. They are dispassionate because elected officials are not held accountable.

I am sure the member, being a member of Parliament, has heard many times that Canadians tend to see politicians not in a highly respected manner. Polls upon polls have shown that politicians and, to some degree, lawyers are at the bottom of the professions that have a high degree of respect.

On the member's second question about the independence of the ethics commissioner, I was a little surprised to hear the member say "an individual with a high degree of independence". He is basing himself on the character of the individual.

What we are alluding to on this side of the House, and the member should know from past experience specifically in his party, that while the bill calls for consultation it is not necessary for the Prime Minister to agree to that. He can appoint anyone he wants, despite the fact that the consultation is going on.

As I said to him, there is a noose now. Based on his question, I am sure he also wants an independent ethics commissioner. Therefore I am asking him, which is a simple fact of the matter, to agree to the amendment as worded, take it back to the committee and bring it back to the House where the members of Parliament can vote on it.

• (1145)

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, we know that in 1993 the Liberals promised to appoint an independent ethics commissioner but they flip-flopped and broke their promise. In fact they voted against the Canadian Alliance motion to appoint an independent ethics commissioner.

We also know that the ethics commissioner will be appointed by the Prime Minister, reporting in confidence and in private to the Prime Minister and rubber stamped by the Liberal majority.

The other issue is that the process for appointing the ethics commissioner, as well as the role of the ethics commissioner, is unethical.

Two commissioners will be appointed, one for the Senate and one for the House of Commons. The Senate ethics commissioner will be appointed for a seven year renewable term. The ethics commissioner for the House of Commons will be appointed for a five year renewable term. Of course there is motivation for the ethics commissioners to appease the government members. How can they be fair in their role?

How does the hon. member view the process and why does he think there are two different standards for the parliamentarians in the Canadian Parliament as far as the ethics commissioners are concerned?

**Mr. Deepak Obhrai:** Mr. Speaker, on many occasions in the House I have expressed my point of view on the other House. I hold a very strong point of view on the other House because I have had the opportunity to represent Canada overseas many times as CIDA critic. We tell people in other countries about good governance, about elections, about how they should be elected and how they should be held accountable. We teach people in other countries how they should be accountable and yet we have a House that is not accountable.

Anything that has to do with that House, whether it is a seven year term, as the hon. member said, as far as I am concerned that House over there should not be there. It should be an elected House and be the voices of the people of Canada. That is not the voice of the people of Canada. That is the voice of the Liberal Party.

**Mr. Paul Szabo:** Mr. Speaker, one of the other issues the member talked about was the plurality for a vote to move to 66%, or two-thirds. Does the member believe that it would be appropriate for one-third of the members of Parliament to choose who the next ethics commissioner should be?

Effectively, if we require two-thirds, that means one-third of the members plus one additional member can veto anything. This is very problematic and it means that two parties getting together for other ulterior motives may very well frustrate the work of the House simply because of that rule. Would the member like to comment?

**Mr. Deepak Obhrai:** Mr. Speaker, absolutely. I am glad he made that comment. This is precisely what the Liberal Party is afraid of. They are afraid of consensus. I am not afraid of consensus.

The hon. member just asked me whether a man of integrity would be chosen. I am asking: If that is the man, why are we afraid of a two-thirds majority? They would work for it. People in the House are hon. members who understand why they are over here. I have absolutely no doubt in my mind that the a two-thirds majority over here would choose the right person to do the job. We absolutely are not afraid. That is where the Liberal Party is coming from, probably from his point of view, which is why they have a noose, according to this bill, on this new independent ethics commissioner.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, I was not on the order to speak. I was following the debate and listening to members' comments, especially those coming from the opposition members. I decided to stand and make some comments on the overall comments that have been going back and forth.

Most of us here, including the member who spoke earlier, have been around this honourable House for two if not three terms. I came to the House in 1993. We all came here to try to serve our nation.

I know on the Liberal side, we made commitments in our red book. We wanted to turn the corner; we wanted to get the country back on track. We wanted to get the people back working. We wanted to give the right signals to our youth by setting the groundwork for them to have a good future. We wanted to eliminate the deficit, which we did very early on. We wanted to create a good healthy economy, which we did. We wanted to create jobs, which we did. We wanted to cooperate with the provinces, which we have been doing. I will reflect on that in a moment as my hon. colleague said that all we are doing is squabbling, that we want to grab power from the provinces. I am going to touch on that point.

*Government Orders*

What has hurt me more than anything else is it is unfortunate that we in this House are doing damage to what my good friend said, the credibility and respect. We are supposed to be held at a high level of esteem. It is unfortunate, my good friends, and I say this to the official opposition, and I understand the politics of it that those members take it out to their constituents and the optics are what they are. They come here and talk about the boondoggles and they talk about CIDA, but what they do not say is that it was those members' request for funding and we brought them up during the campaign. They know when they stand in the House that they are protected and have immunity and that they can make innuendoes and say whatever they want to say, which passes through the media, but they could not say some of that stuff outside.

For example, they stood in the House and ranted and raved about the money that was lost after Sheila Fraser, the Auditor General, brought it up but they had not even read the newspapers. They referred to the editorials. Had they read the newspapers properly and had they been honest enough, what Sheila Fraser said was that the bureaucracy, the civil servants, should have been much more careful and should have paid proper due diligence. She did not blame the minister of HRDC, or the minister of CIDA, or the Minister of Public Works because the minister puts out the program. The minister does not go around handing out cheques. He or she does not go around looking at the contracts. He or she leaves that up to the administration and the staff to administer the programs. Along the way if due diligence had not been done, and I agree it has happened, things slip through the cracks.

It is unacceptable that members come to the House and say things publicly in front of the cameras and send this message back to their ridings because it is doing harm to this institution. It is degrading this institution. Members know that all of us have come here with the honourable intention to serve our country and to do the best we can. Most of the members who have come to the House have left good employment, good paying jobs to come and serve. They did not come here to earn a salary or take shortcuts. They say to read the editorials. I am saddened today because I read yet another story and the opposition tried to portray it falsely. They did not even bother to look at the facts as opposed to making statements.

Nevertheless, on the ethics counsellor we all know that going back to 1993, this party and the Prime Minister have said we are going to have an ethics counsellor. The message we are sending out is that by trying to raise the bar even higher we are concerned and we will do whatever we have to. There is a system. There is a process.

● (1150)

One of the members from the official opposition continuously digs, and so he should. What I ask him to do is to portray the facts as they are and not say that the minister faulted here. Let us dig a little bit deeper. Let us go below the surface.

Members of the former Reform Party which eventually changed its name to the Alliance Party came here with a holier than thou attitude. We know what has happened in the past when we talked about ethics. We did not stand up and say that they said one thing, then reneged and today they are doing another. That is not what this institution is all about.

**An hon. member:** What about the GST?

**Mr. John Cannis:** On the GST, I will answer you quite frankly. I challenge you and I would be very happy to show you in the red book. Maybe you do not know how to read, but I would be very glad to show you that the red book says specifically to replace the GST with an equally revenue generating tax.

If all Canadians are not prepared to pay the GST, then let them not have any requests for services toward pensions, toward hospitals, toward transfers to the provinces, toward security and toward airports. If that is what you want done, let us eliminate the GST, but your constituents should not have any demands for—

● (1155)

**The Acting Speaker (Mr. Bélair):** Order, please. Please address your comments to the Speaker and avoid direct confrontations.

**Mr. John Cannis:** I apologize, Mr. Speaker. I was asked a direct question and I was moved in that direction because members opposite did misrepresent the GST. We are fortunate in this country because we pay 7% GST. Countries in Europe pay anywhere between 18% to 20%. The lowest I have heard of is Australia at 12%.

I say to the hon. member who said to eliminate the GST. Let us do so. Let us eliminate that revenue, but if the government does not have revenue, if the hon. member does not have an income, who will pay his mortgage? Let him forgo his revenue. Let him forgo his income and let us see how he will take care of his family.

He is like another member on the pension issue, which I will refer to, who said that no, the members of his party would turn it down and they signed off. The hon. member, who is a good friend of mine, came back several years later and said, "I have a family to look after. I have to take it". The member opposite was one of the ones who reneged on the pension issue as well. He said that he had a family and that he had a future.

I did not want to go in that direction. That was not my intent. My intent was to point out that I believe in my heart that each and every member in the House is an honourable member. They come here with sincerity to serve the nation and to do their best. Along the way they will make some mistakes, but as is said, to err is human, to forgive divine. Canadians know how to forgive if it is a genuine mistake. When there were mistakes and misuse of money, we always came back and our Prime Minister never hesitated to say that we made a mistake and let us correct it.

I want to close by saying to Canadians out there that every initiative is being taken at all times to safeguard. On the comment the hon. member made about grabbing power from the provinces, that is another misrepresentation. When the provincial ministers get around the table with the Prime Minister, all they want to know is how they can take more power. They think Canadians are stupid, but they are not. Canadians follow this stuff. Canadians do read. Canadians do listen and Canadians know.



*Government Orders*

I remember what happened with the health transfers in the first mandate when British Columbia and Alberta were taking away medical services from people who were moving into those provinces from other areas. The federal government took the responsibility by telling them that if they wanted their transfer funds, they had to provide health services to each and every Canadian based on the Canada Health Act.

One of the principles of the act is portability. If I choose to move from Ontario to Alberta or British Columbia, I should not have to wait three months for health services. What if within those three months, God forbid, something happened to me? Why should I not be entitled to health services? Is my dollar in Ontario not the same as my dollar in Alberta or British Columbia? The federal government took the responsibility and said to the provinces of British Columbia and Alberta that if they wished those transfer funds, they must adhere to the principles of the Canada Health Act.

Who is trying to take power? Under the Romanow proposal we want safeguards, we want a council, we want checks and balances, we want a reporting system. We know the provinces do not want that. The provinces simply tell the federal government to give them the money and they will do as they choose.

That is not what Canadians want. Canadians want accountability and that is what we are trying to do. Through this initiative we are trying to provide another platform of accountability for the House.

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, I want to address one thing that my colleague said a minute ago in his speech.

He seemed to indicate that his party, or certainly members of his party, never promised to eliminate the GST. Of course we know that the deputy prime minister at the time, the member for Hamilton East, who is now the Minister of Canadian Heritage and who is running for the Liberal leadership too, actually resigned over that issue because she had in fact said that the GST would be eliminated and then had to admit that they never had any intention of doing that. I just wanted to point that out to my friend.

In the newspapers today he has been accused of using his parliamentary frank to distribute election literature for a provincial Liberal candidate. Perhaps under the rules that issue is not addressed, but I think most right thinking Canadians would agree that is not something that should be done with one's parliamentary frank.

I want to know from the member who just spoke if he is going to justify that use of taxpayers' money for something that is blatantly political. Does he consider that to be an ethical thing?

• (1200)

**Mr. John Cannis:** Mr. Speaker, I am so pleased. I actually led my hon. colleague into asking me this question and I am glad he picked up the bait.

I will answer the first question. The member from Hamilton indeed said we would eliminate the GST, I do agree with him. But she also did the honourable thing and resigned, went back to the people and they voted her in again. The member knows that very well.

On this issue, as I set the trap for my hon. colleague to ask me the question, it is exactly what I have been talking about all along. If they did their research, if they looked into the matter, they would know that I had spoken to the Speaker of the House and the Clerk of the House. I as an experienced parliamentarian would never, but never, abuse my privileges.

If he had done his homework, the member would not have had the gall to stand today and ask that question. He is feeding misinformation to Canadians through that tube. If he knew exactly what the package was that I mailed out, the Speaker saw the package, the Clerk saw the package and they gave me the go ahead and said that I did nothing wrong. I have no hesitation in facing the media, in facing the House, to answer the questions, as I did. I would be glad to at any time.

I am very happy he asked me the question. I did not abuse my member's privileges.

**Mr. Monte Solberg:** Mr. Speaker, indeed the member is very clever and shows his great cunning in drawing me into his trap, but my question was, would the member do it again?

I am not asking if he got permission from the Speaker. I am not asking whether or not he found a rule that allowed him to do that. I am asking whether or not he considers it an ethical thing to do. Given the response that he has seen from the media, from his own colleagues, from his constituents, would he do that again?

**Mr. John Cannis:** Mr. Speaker, the member is being totally inaccurate again when he says my colleagues, my constituents. The only people who commented were two members from the Alliance Party. I spoke to Mr. Rodgers who said, "There is really no story, but I am going to do something".

In answer to his direct question of would I do it again, I would do as much as they would do, as long as we are within the guidelines of the House and our privileges. That is what we are entitled to. We would not go beyond the guidelines set before us, and that is exactly what happened here.

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, I know our hon. colleague who just spoke mentioned how he was driven to his feet given some of the opposition members' statements. I do not think this debate would have been the same without his masterful intervention.

I would like him to address something specifically pertaining to this bill that we are debating in the House. We have asked over and over again, and he talked quite elaborately about integrity, about bringing trust back into the House and the confidence of Canadians. What does he specifically have against having an independent committee make a potential appointment that would come back to this place for a vote? What does he have against having an independent committee making that sort of recommendation which then would be brought to the House? Why is he so afraid of taking away that power from the Prime Minister? Maybe he could explain that to us.

*Government Orders*

●(1205)

**Mr. John Cannis:** Mr. Speaker, I thank the member for the question. I will answer it, but I think this whole debate need not even happen because it is about “bringing trust back into the House”. That is what this is all about.

Was there never any trust in the House? This is what I am so upset about. We, and I am including myself, are portraying that the House cannot be trusted.

Surely to God if we care about this nation, and I know you do—

**The Deputy Speaker:** Order, please. I would encourage the member to use the word “we” as opposed to “you”, and make all interventions through the Chair, please.

**Mr. John Cannis:** I just got a little bit emotional, Mr. Speaker. I know that colleagues, and I speak for them and all members in the House, are here because as I said earlier, we care.

When we talk about bringing trust back into the House, we are sending the message that none of us can be trusted. Surely that is not the case, as I said earlier. There is nothing that I am afraid of. We can have 10 ethics counsellors. I do not have a problem with that and I never did have a problem with that. No matter who sits in the House on whichever side, we should not be afraid to have one or five ethics counsellors with whatever power we give to them. He who has concern should not be sitting in the House.

All I ask, and I know members opposite can appreciate that as much as we can, is that we do the best we can. I know it is politics and we have to put up a certain portrayal to our constituents and the optics et cetera. I fully appreciate that; that will not go away. But there are some sensitive moments where we must not add fuel to the fire.

Canadians have told me and I know they have told other members repeatedly because we talked about the provinces. They have told us to come together, the municipalities, the provinces and the federal government. They have told us to get our act together. Whether we come from the west, Ontario or Quebec, we have heard it all over the country. We have been told to just get our act together. If there is a problem, fix it and stop squabbling.

We will continue to squabble if we talk about bringing trust back into the House. Trust was never lost in the House. We portray that trust was lost and that is not the case.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I listened to the intervention by the member. He keeps talking about building trust and restoring the confidence of Canadians in their government, and indeed in Parliament.

I agree with him on that because that is the goal. I have been on this so-called ethics portfolio for our party for not quite 10 years. October 25 will be the anniversary of our first election in 1993.

Originally it was brought in because the government, the Liberals who won the wonderful election in 1993, promised in the red book to have an independent ethics counsellor. The reason they promised it was because of perceived, or real, breaches of ethical behaviour in the previous government.

Now, 10 years later, the government is finally coming up with a bill that proposes to have an independent ethics commissioner and yet, when we look at it, we see that it is in word only. In fact, the counsellor would still be appointed by the Prime Minister.

I believe that to restore confidence the Canadian people must see that there is a watchdog on Parliament and the ethics in here, who is detached from the Prime Minister so that his or her word can be totally trusted.

I would like the member to comment on that part of the issue.

**Mr. John Cannis:** Mr. Speaker, there have always been watchdogs on Parliament. Members know that, whether it is the RCMP or other bodies. When those bodies have been asked to look into certain situations, they have and when they come back with rulings that the opposition is not happy with, the cacophony continues.

We did talk about an ethics counsellor in 1993. That did happen. Today the bar has been raised. Why? It is because of certain allegations. As I said before, in our country, the presumption of innocence is there, but what we have failed to do here is to be a little bit more transparent in this entire initiative.

The way that we are portraying it to Canadians is that during these 10 years there has been so much mismanagement, so much undermining, and so many little deals going on that now we need an independent person.

We are all accountable. My colleagues all know we are accountable, whether it is the franking system we use, the comments we make outside or whether it is how we use our budgets. We are accountable. There is a system in place. Let us not be portrayed to Canadians as unaccountable because we are.

The people to whom we are accountable inevitably are the taxpayers and voters. At the end of the day, let them judge the parties by marking their X and saying that, yes, they approve of them, yes, they are accountable or yes they are ethical. Only they can judge us.

●(1210)

**The Deputy Speaker:** Before the resumption of debate, I would like to inform the House that we will now move into the next stage of our debate on this particular important matter. Members will have 10 minutes to make their remarks without the possibility of questions or comments.

Resuming debate, the hon. member for Edmonton—Strathcona.

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, it gives me pleasure to address this particular bill. As we all know, Bill C-34, an act to amend the Parliament of Canada Act, would appoint an ethics commissioner and a Senate ethics officer.

*Government Orders*

It frustrates me, as I am sure you as well Mr. Speaker, when we hear members like the previous speaker spout off about things that they feel so passionate about. However, when it actually comes down to demonstrating a commitment to that by making changes in this particular place which would reflect that, which would strengthen our institution of democracy and give more accountability and transparency, which were the words that the member used himself, they refuse to make any commitments. They refuse to vote for changes that would improve the institution of Parliament and improve the ability for Canadians to have a voice in this particular place.

This ethics bill is interesting. What is the reason that we actually have to debate instituting a position of an ethics commissioner in this place? A reflection of the last 10 years will paint a stark picture and give reasons why in fact we are debating this sort of legislation.

Elected officials are held in a higher regard. There should not be questions of conflict of interest. There should not be ethical questions about the ability of ministers to have any influence in their own dealings when they are sitting in those particular departments, but in fact we are debating those very problems.

It is a reflection, unfortunately, of the problems we have seen time and time again from the current government. It started from the top and spread out in an incredible way to all parts of this particular government. This is one of the reasons that this whole debate about the need for an ethics commissioner has come about.

It was not so long ago that I was a student at the University of Ottawa studying political science and economics. I was here and had the fortune of working for a member of Parliament. At that time it was a Liberal MP who currently sits in the House. We often joke about that. But I remember during that time, the Liberals were in opposition and there were many things being debated because it was just before they were going to form the government.

I remember a real void in that particular group. There were a few MPs who really talked passionately about changing this place when they were in opposition, but I started to see a stark difference as that election campaign began between the things that were being said and where the party was going once it actually formed the government. I really lost hope.

Being a first generation Canadian—my family came here as refugees when I was just a baby—the idea of freedom and democracy has always meant a lot to my family, especially my father who taught me about that. That was what inspired me to get involved in politics at a younger age.

I remember that during that transition period I was so disappointed with what I actually saw taking place with the commitment to freedom and democracy, and how to strengthen those principles. It drove me far away from the interest in politics, as someone who came here in an idealistic way and who wanted to get involved in creating a stronger institution for the people. It drove me away from wanting to be involved here because I saw no commitment to that sort of change. Instead, I embraced initially this new movement which, being a new movement, had a lot of challenges, but it talked about bringing those sort of values to Parliament, especially the idea of parliamentary reform.

That is one of the reasons I joined the Reform Party and got involved along with many younger colleagues who got involved in the early 90s. Later we had an impact on that particular process and that particular thinking, and could even get involved in elected office, which is rare to see in many other traditional parties.

However, one the reasons I did get involved, which I mentioned and why I switched from the Liberal Party, was because of the fact that I saw a real void and a lack of commitment to that parliamentary reform. Now the Liberals talk about it in the same way they talk about democratic deficits and strengthening institutions of Parliament, but when it comes down to voting for change, they only go with half measures.

● (1215)

This is a particular example of that when we look at the bill that we are debating, Bill C-34. The amendment deserves merit and deserves some serious debate, which we are not getting from this particular government. The amendment has been put forward because we support the government in its effort to improve Parliament, but again its measures are only half steps.

In trying to improve this bill we would adopt the amendment by having “an all party committee of the House of Commons search for those persons who would be most suitably qualified and fit to hold the office of Ethics Commissioner”. Then the said committee would recommend to the House of Commons the name of the person to hold that particular office. What would be wrong with taking that bit of power away from the Prime Minister?

Currently, the Prime Minister controls almost every aspect of this House. When we go to this particular nomination, it will be appointed by the Prime Minister and then put to the House for a vote. As we have seen in many votes in the past, Liberal members will be whipped to follow the Prime Minister's choice and this particular ethics counsellor will not be independent of Parliament to judge the actions of members of Parliament and their dealings. That person would, in essence, become a lapdog for the Prime Minister.

This minor amendment, that has such profound effects on the way this position would be installed, would seem to me to be something that the government would embrace. What does it fear? What does it have to lose to take that bit of power away from the Prime Minister? Its own backbenchers complain about the fact that they have no say once they come to this particular place.

This slight amendment would strengthen the ability for this House to have more transparency as the previous member talked about. It would allow an independent ethics counsellor to review certain complaints that may be brought forward by members of Parliament against other individuals and report independently of the Prime Minister. It would add a bit of democracy to this place, a bit of freedom that unfortunately continues to be eroded by a government that wants to hang on to power and a Prime Minister on his way out who still does not want to relinquish any of those particular things that would provide effective checks and balances in this place.

*Government Orders*

That is something that totally amazes us. We know that in the recent past we saw a rift in that particular government when we in the official opposition put forward a motion dealing with committee chairs being selected by secret ballot. We did not want our committees whipped either because, let us face it, committees are supposed to be an independent wing of Parliament. They are supposed to be independent from the House, independent from the government, and they are supposed to study issues and make legislation better. What better way to do it if we could have the chairs of those committees selected by member of Parliaments who they thought were the best candidates for those jobs.

Ultimately it was a tough vote for the government because of the soon to be Prime Minister who has talked about this democratic deficit. There was a huge rift in that particular government when that vote came to the House and in fact that was a small victory for democracy, not for the opposition and not for our goals but for democracy and for Canadians.

Here is a chance for that same spirit to continue, where we could have true transparency by having an independent ethics commissioner chosen by a committee that would select the best possible person for the job and make the recommendation to Parliament.

I want to briefly reflect on the amendment that has been put forward by the NDP. It is something that we did in fact support. We would not be afraid of having the requirement of a two-thirds majority in this place for the appointment of an ethics commissioner. As my hon. colleague from Elk Island had mentioned, there were some complications as they pertained to the Constitution.

On that matter, anything that we could do in this place to evoke change and improve the conditions of this institution, of course, we would support. We want to see Parliament strengthened, we want to see ministers behave in the appropriate manner, and we want Canadians to have the confidence in this place that they should have.

We only wish that instead of talking the talk, the government would actually take the steps necessary to put these sorts of things in place and strengthen the institution's democracy. It is with a great sense of sadness that, unfortunately, we have to debate legislation like this because of the performance of this particular government over the last number of years.

• (1220)

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

[*Translation*]

Therefore, the vote on the amendment is deferred until Monday at the end of Government Orders.

**Mr. Jacques Saada:** Mr. Speaker, I think you would find unanimous consent in the House to further defer the vote until Tuesday afternoon, at the end of Government Orders.

[*English*]

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

**Some hon. members:** Agreed.

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**INCOME TAX ACT**

The House resumed from September 24 consideration of the motion that Bill C-48, an act to amend the Income Tax Act (natural resources), be read the second time and referred to a committee.

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, it is my pleasure to rise and address Bill C-48 today. To remind people what the bill is about, it has to do with amending the Income Tax Act to lower the corporate rate for resource sector companies from 28% to 21% over a period of years.

I want to say at the outset that my party is strongly in favour of this. This affects the oil and gas and mining industries. We have been advocating this for a number of years. In particular, my friend who is the Alliance natural resources critic, the member of Parliament for Athabasca, has done an outstanding job of championing this idea.

In fact, I have to say we are disappointed that this has not happened before now. It is something for which people have been arguing for a long time, because without these cuts until this point Canadian businesses have been put at a severe disadvantage. I will say more about that in a moment.

I will also comment for a moment on the direction I am going to take my speech. A number of people have stood up and talked about the relative advantages and disadvantages of cutting the corporate rate versus dealing with things such as depletion resource allowances and that kind of thing. I will not get into that. I will allow others to deal with those issues.

I do want to deal with the issue of cutting corporate taxes in general. I want to argue that when we delay the implementation of a reform that cuts corporate taxes, what we are really doing is delaying an improvement in the productivity in our country. We are ultimately delaying a rise in the standard of living for all Canadians. I argue that the government has been far too lackadaisical when it comes to addressing the issue of cutting the corporate tax rate for oil and gas and the mining industry in particular and for businesses in general. The government has taken too long and it has not gone far enough.

*Government Orders*

I will expand on this. First of all, over the last number of years, as people may know, the mining industry in Canada has been on the rocks, as some people like to say. It has been in big trouble. It has had a lot of challenges. One of the reasons for this is that there are many other jurisdictions out there in the world that provide much better tax treatment of revenues from mining than Canada does.

We have all kinds of regulations in place that make it very difficult sometimes for these companies to make a profit, whereas they can go to other jurisdictions such as Chile, for instance. Many of them have gone there, where they are doing their exploration, spending tremendous amounts of money and employing all kinds of people, because it makes sense for them to do that given the incentives that are in place in Chile versus in Canada. And it is not just Chile but other countries around the world. Chile is a good example, though, one that is often cited by the mining industry.

Therefore, we are very concerned that the government has not taken the issue very seriously. In fact, even now we are just going to phase in these cuts and not bring them in very quickly. We deplore that. Again, I argue that when this is done it is denying Canadians jobs. What it does is deny Canadians the ability to raise their standard of living.

I am not alone in saying this. I want to point out that there was a great article in the *National Post* the other day by Jack Mintz. Many people know who Jack Mintz is, of course. He is the head of the C.D. Howe Institute, a professor of economics who has written extensively on corporate taxation. He has prepared a report for the government in the past, urging the government to be aggressive in reducing corporate taxes. The government did not listen. It has been very slow in doing this. The government has not gone far enough.

When the government does not go far enough and quickly enough, it allows other countries to surpass us. As Mr. Mintz pointed out in his article the other day, that is exactly what has happened in the world in the last number of years.

Mr. Mintz pointed out that it is not only the gap between Canada and the United States that is growing in terms of our standard of living, and it has grown a long way, but our output per capita right now is about \$37,000 a year. It is \$12,000 behind that of the United States. It is unbelievable. We remember that we used to have a standard of living that was higher than that of the United States a generation ago. But because of poor public policy decisions on the other side of the House, we have seen our standard of living decline and decline and, I am afraid to say, the gap continues to grow.

•(1225)

It is not just the United States. Some people do not like us comparing ourselves to the Americans. That is fine. We do not have to do that, because it is not just the United States that we are falling behind. Listen to the list of countries that have surpassed us in the last number of years because they have made better public policy decisions, particularly with respect to corporate taxation: Ireland, Iceland, Denmark, Norway, Sweden, Switzerland, and the Netherlands. They have all surpassed Canada in terms of standard of living because of better public policy choices. One of the biggest choices they made was to cut the corporate tax rate to make themselves more competitive.

I would like members to think about that for a moment, because a lot of those countries are countries that a lot of people would say are socialistic. Some countries even call themselves social democratic nations, countries like Sweden. But they made that decision because the evidence was so overwhelming that cutting corporate taxes and taxes that impede investment and impede productivity leads to higher standards of living. They were able to admit, and in some cases swallow their pride, I suppose, that the market does have some answers to improving quality of life for people. They dramatically cut those corporate taxes.

Let us look at a country like Finland, a country that like Canada is at the very northern part of a hemisphere. Some people would ask what particular advantages a country like that would have when it comes to attracting investment. There really are no natural advantages; the advantage they had was to make the right public policy choices. When they cut their corporate taxes they attracted tremendous amounts of investment. Companies like Nokia and Erickson have sprung up in Finland and in other Nordic countries that have made the same public policy choices.

What has the result been? Sweden was almost ruined when it went through a terrible financial crisis, but it finally smartened up and recognized that by making smart public policy choices one can dramatically improve the standard of living of the people one represents. That seems to be lost on this government and that really is a great shame. It is a great shame because not only does it mean depriving all kinds of Canadians of a higher standard of living, but it is a great shame because we are uniquely positioned in the world to take advantage of that massive market directly below us, the biggest economy ever in the history of the world, the United States.

Some people worry about us becoming overwhelmed by the United States. I see it differently. I see it as a great opportunity to mine the United States and to utilize its market for the advantage of Canadians. We are not doing that because we do not have the right public policy in place.

Unfortunately our government thinks it is wise to go slow in reducing corporate taxes and to only do it to a point, to where it would be 21%. By the way, Ireland just dramatically turned around its economy, and when it first cut corporate taxes it cut them to 10%. That attracted just unbelievable amounts of investment to the point where Ireland, with 1% of all the population in Europe, was attracting 20% of all the new investment in Europe. It was getting 20% because it was enlightened about how businesses make decisions about where they want to invest. Ireland of course has undergone an amazing transformation. In fact, Ireland is an inspiration to me about what can be done to help people if the right public policy choices are made.

*Government Orders*

● (1230)

I know I have given this speech about Ireland many times before in this place, and members are probably bored with it, but I always get excited when I talk about it. Just to remind people, Ireland in the mid-1980s was a basket case in many respects. It had terrible unemployment, big deficits and all kinds of problems. It finally decided though, after years of doing it the wrong way, that it would do a few important things. It would control its spending, get its continual labour problems in hand and it would finally cut taxes to attract investment.

Ireland tried for a long to do it the other way, where it thought it could build big government and look after people without worrying about whether anyone wanted to invest there, but it found that it did not work. In fact, it worked the opposite way. Things became worse for people.

Ireland had an amazing transformation. Ireland for 150 years, as we all know, had exported people. Its population went down and down. We all know about the Irish coming to America, Canada, Australia and going all over the world because they could not find jobs in Ireland. However when Ireland made those changes people started to come back. Today Ireland is a magnet for people who want to be successful, to start businesses and find jobs. People from all over the world are going back to Ireland.

I have a friend who lived in the little community in which I live, in Alberta, for a while. He was born in Canada. David Sarutawri is his name and he married an Irish girl. He was an accountant. He and his wife decided to go back to Ireland to pursue the great opportunities there because they were enlightened about public policy in Ireland.

People are going back there in droves. Today Ireland is a tremendous success. It is running massive surpluses. It is able to invest the money back from its surpluses to the point where Ireland now provides free university education for everyone.

That is what a country can do if it builds its tax base big enough.

Now that Ireland has its corporate taxes down, its personal income taxes down and has cut its capital gains taxes, people want to invest there. It is very exciting, but it is not just there. It is all those other countries. The Netherlands is a great success story, again, because it made the same kinds of changes.

We have to do the same sort of thing here in Canada. I mentioned a minute ago that we are uniquely positioned. I think we are. Canada has not only massive natural resources, which are almost the envy of the world with the exception of possibly Russia, but we probably have more natural resources than any country in the world. There are massive oil and gas deposits in my friend's riding, in Athabasca. My riding has a tremendous amount of natural gas. People might not be surprised to hear that when they hear me speak and say that there is a lot of gas there.

However we have tremendous amounts of gas in Alberta and in my riding. We have massive forests. We have all kinds of mineral deposits. I would argue that we have hardly even touched the surface when it comes to finding these resources. We have a tremendous resource when it comes to our people. Our people are well educated.

I want to point out that I really applaud the provinces for doing a wonderful job of educating Canadian young people. As the House may know, I think it was the OECD that just pointed out that Canada has done extraordinarily well versus the rest of the world when it comes to educating young people. I want to point out that is a provincial responsibility, just to remind people that the provinces do a lot of things very well and they should take a bow. We are recognized around the world for our ability to educate our young people.

Obviously there are problems in some provinces and that kind of thing but, by and large, we do a very good job. Therefore we have a well educated workforce. They go on to university. We have a great resource in our well educated people.

Finally, we have a great resource in the sense that we have access to the massive market in the United States. We have a free trade agreement with the United States, which is so important. I want to remind the House that it was the government that campaigned against that free trade agreement in 1993 and fought against it in 1988, but we will set that aside for the moment and just say that we have access to the United States today.

We cannot blow that access because one of the advantages we have in Canada is if companies want to set up business and have access to the North American market very often in the last number of years they would come to Canada because we had a lower cost of doing business. The economy in the United States was so hot that it drove up the cost of doing business there, so people would come to Canada and set up. They would do that because then they could access the markets in the United States because we had that open border. It was very simple.

● (1235)

However after 9/11 the border began to close down. It has become more difficult to move goods and services back and forth across the border. We need an extra advantage to attract businesses to Canada. I want to argue that this extra advantage is lower corporate taxes, or at least it is one of the things we can do and a very important thing to do. If we were more aggressive in cutting that, all that investment would come to Canada. With that investment comes all kinds of jobs and with all those jobs comes incomes to provide for families and, ultimately, the government of course exacts its pound of flesh and gets it back in the form of higher and higher revenues.

The NDP seem to think that if corporations are doing well that is a bad thing. I want to dissuade people from thinking that way. What are corporations in the end? Corporations are people. Is it wrong for people to do well? When a corporation does well and employs tens of thousands of people, then tens of thousands of people do well. That is not a bad thing. It is a very good thing.

People want to know about all the owners who are getting wealthy. Who are the owners of businesses? They are people who own mutual funds. People who have RRSPs invested in mutual funds, they own a bunch of big companies and we want them to do well. We want that money for retirement. In the end the government gets the money back. When we redeem our RRSPs the government gets a chunk through taxes.

*Government Orders*

What we want is to make the economy bigger and bigger where everyone benefits. Do members know who else benefits? It is not just the shareholders, the workers and consumers who have more choices in the products that are provided. Third world countries also do better because these companies purchase goods and services from third world countries. How about Africa which needs all the help we can give it? These companies can then go and purchase goods and services from places like Africa and help those people.

There are many advantages to pursuing this but I am afraid the government has, to some degree, bought into the rhetoric of class warfare that somehow suggests that if a company does well—and “company” is always an ambiguous term and people always imagine the guy from Monopoly with the monocle and the top hat, Daddy Warbucks, the guy driving the Rolls-Royce—then somehow everyone else does less well. If he gets money, then it must come out of my pocket.

However that is not how modern economies work. It is not a set pie. The pie gets bigger and bigger and therefore every piece of the pie gets bigger and bigger, including the pie for workers, for shareholders, for everyone, government included.

Finally, if I have not been persuasive to this point let me make this final argument. When an economy underperforms, who suffers the most? Is it the guy with all the skills and talent, the guy who comes from the wealthy family? No. It is the people who live in remote regions of the country, people who do not have an education, people who have been left behind for whatever reason. They are the ones who cannot get a job, so we have a moral obligation to make sure the economy runs at capacity. However the government has not put the public policy in place to make sure that happens.

The member for LaSalle—Énard, who will be the prime minister, has failed to provide any kind of vision along those lines that will ensure that people at the low end of the income scale will be able to get jobs down the road. He had 10 years as the finance minister to provide that vision but failed to do it. I want to caution people to be skeptical when they consider whether or not the man who will be the new prime minister has the right vision for the economy in this country.

In closing, I have made my case that this country needs to be more aggressive when it comes to getting those corporate taxes down. I hope the Liberals will listen to that and we will see it in the next budget.

• (1240)

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I am delighted to stand today and speak to Bill C-48, an act to amend the Income Tax Act (natural resources).

When I heard last week that the bill would be coming forward I specifically asked to be on the speaking list because the bill will be good for my constituency and for resource extraction in Canada. As members know, the resource industry is part of our history and part of the foundation of our nation, and it certainly should be on a level playing field with other industries.

This is a very exciting bill. I was delighted that the member for Medicine Hat, who does economic analyses for the Alliance, was strongly supporting the bill. I quite enjoyed his analyses. I think it

helps to show what a tremendous asset these improvements will be for Canada.

I want to speak briefly about my own constituency. As the House knows, the world's greatest gold rush in August 1896, which started the European economy, is part of our history in Yukon. It has been a resource based economy, to a large extent, for 100 years, resource based and tourism. At that time the world was in a great recession and the gold rush in Yukon actually helped pull Canada out of that recession. The resource industry has been very important in my riding's history.

If I have time left at the end of my speech, I will give a bit more of the history of my riding.

However I first want to talk about the broad overall aspects of the bill and the benefits that it would provide for the nation.

First, it certainly would help the investment climate in Canada, which I am sure we all appreciate. It would improve the international competitiveness of the resource extraction industry in Canada. A previous speaker mentioned that to some extent. It would help the development of Canada's resource base and, of course, Canada has a remarkably rich and precious resource base.

The other bases are people and the knowledge based economy. However, in concert with that, we have to continue what has always worked for us. It would be a shame if we were actually importing these resources from other countries when we are so wealthy in the first place, and not paying off the national debt but importing things we already have here if we did not set up a reasonable tax regime, which is what the bill intends to do.

The bill simplifies the taxation for the resource based oil, gas and mining. I will explain a little later how it is very complex at the moment and a little arbitrary. However the bill simplifies that, which is one of the reasons I think there is so much support for it.

We have been on a movement in the last three years to reduce taxation in Canada. In the year 2000 we reduced the corporate tax rate to help us be more competitive with the rest of the world, as outlined by the previous speaker. However at that time we did not reduce that tax on the resource based sector, that sector that is so important for my constituency and much of Canada, because they had a particular credit, which I will outline later, that did not allow the reduction in the main corporate tax base, as all the other industries in Canada had. Since that time there have been many calls from industry and Canadians to reduce that tax rate. Heeding those calls, we are proceeding with that today.

We did something else in this whole regime to improve our competitiveness. There used to be and still is partly a capital tax. That particular tax was a disincentive to business in the sense that if one owned anything, whether one made any money or not, one was taxed on it. If it were over \$10 million one was taxed at .225%. That is a severe disincentive to investing in this great nation and therefore will be reduced from 2003 to 2008.

*Government Orders*

A half an hour ago I talked to people in the industry in my riding and they echoed some of what I am saying now. They wanted to make sure that anything that helps level the playing field between resource extraction, which is so important to my area in the north and the rural parts of Canada, and manufacturing is put in place, which is exactly what the bill would do. They made the point that mining, in particular, has huge upfront costs, maybe millions or even billions of dollars, for development, pre-development and exploration, that other industries do not have.

• (1245)

In the scheme, which I will outline in a minute, there are provisions such as the 10% tax credit on grassroots exploration and pre-production base. This only applies to base and precious metals and diamonds, so it will specifically help that aspect of the pre-development, which involves very expensive costs to this industry.

For those who are watching and who do not understand exactly what we are doing, I will try to explain it in a simple way, although it is a bit complex because there are a number of elements to the bill. I will try to outline it in a simplified way so that it is more understandable than it may be in some of documents people might have received.

In the main part of the bill we will be balancing the corporate tax for resource extraction businesses, like mining and oil and gas, to be comparable to other industries. If people live in a part of the country that has these types of industries, at the moment they are disadvantaged because in 2003 we reduced the corporate tax for businesses down to 21% but we left mining and oil and gas at 28%. Therefore, we will reduce that to level the playing field. This year it will 27%; next year it will be 26%; in 2005 it will be 25%; in 2006 it will be 23%; and in 2007 will be down to 21%, the same as the rest of industries in Canada.

Regarding the provision which I mentioned before, the reason we could not do it was because of an existing deductible, a 25% resource allowance, for mining, which helped. The problem with this deduction was it was a bit arbitrary. Other deductions came before and after that so companies would have to try to figure out their business plans when they invested to get the best deductions. It was a arbitrary because it was based upon income. That deduction did not make a lot of sense nor was there a lot of fairness to it. Therefore, we are removing that deduction to balance this off. In 2003 they will only get 90% of that; in 2005 it will be 75%; in 2006 it will be 65%; in 2006 it will be 35%; and then in 2007 that deduction will no longer exist.

There is also more good news for our industries in this respect because the industries also pay royalties to the Crown, the Crown being primarily the provinces and the territories, or they pay something similar called a mining tax. Once again this is a cost of doing business for mining and oil and gas and it can make them less competitive. Therefore, we will give them a deduction for that in the new regime. That will start out this year. As I said, everything is phased in to try to moderate the effects of this bill on industry and on Canada so there is no big disruption. The first year it will be 10%. The second year they will be allowed to deduct 25% of that; in 2005 it will be 35%; in 2006 it will be 65%; and in 2007 it will be the whole 100% of all those costs.

Finally, there is another tremendous credit for the industry. That is a 10% tax credit on grassroots exploration and pre-production base. This is only for base metals, precious metals and diamonds. Of course there are tremendous upfront costs in the beginning with no return. If we want development in Canada, someone has to invest and put down the risk of that, and this tax credit will assist that.

When we add all these complicated provisions together, most of which are in favour of the industry, what is the result for a particular mining or oil company? In general, in the vast majority of the cases, they will be better off. If they do new exploration in Canada, which is what we are trying to promote in the development of the sector in a reasonable, environmentally sensitive way, then they will be better off with these provisions.

If there is critique of this, the odd company may have made its discoveries long ago and it is carrying on with its investments at the status quo, collecting its royalties. In those situations they are less well off, but in general the Government of Canada will make a substantial contribution on balance to help this industry, which is just fine by me because it is a major industry in my riding.

• (1250)

The bottom line in this is a great news story for Canada. The previous speaker talked about the United States and competitiveness. I will give hon. members some sample figures to see how it helps us with our closest and main competitor in this industry.

I will give a couple of examples. Other figures are available, but these are the statutory tax rates for these corporations. The tax rate for oil and gas in Alaska is 41%, in Texas it is 35% while in Canada it is 42.1%, which makes us less competitive. Our taxes are a tad higher than Alaska and quite a bit higher than Texas. After the bill comes into effect, our taxes will be 30.1%, which is far more competitive than either of those areas.

In the mining sector the Nevada statutory rate is 35% while Canada's rate is 41.1%. Once again we are at a slight competitive disadvantage. After the bill comes into effect, ours will be 30.1%, which is a great competitive advantage for Canada. I hope we will see the results of this in the coming years.

My riding desperately needs development and in other northern parts of Canada it is sometimes very hard to find jobs for rural Canadians. They live in some of the most beautiful parts of Canada and would like to stay there. This will be a great advantage to them.

If I had time I would give hon. members a brief history of the resource extraction in my community, in my riding, which is the entire Yukon Territory, just so they would know how important this might be for my riding.



*Government Orders*

For 100 years, it has existed in the modern, European type of economic existence. Of course first nations people have been living there for thousands of years, doing quite well, preserving the environment in a great way and living responsibly off the land. In the European type of economy, which has existed for the last 100 years, there have been two industries. One of course is tourism, which explores the beauty of Yukon. It is one of the most beautiful spots in the world and I hope all hon. members will come to visit. To date the tourism industry has been weighted to the summer months, although we have some beautiful dog sled tours, skiing, hiking and events in the winter, but there are not as many tourists in the winter.

Mining has also been the greatest producer of the gross territorial product over the 100 years. We have had a wealth of mineral resources with over 50,000 claims in Yukon. Of course, they are under strict regulations to be mined responsibly with environmental sensitivity. In a way that is why I take some offence to other countries because some of them do not have the things that we accept as necessary in Canada, which may be some of the reasons why companies go there. However under this regime, they will not go to the United States because of a lack of tax competitiveness.

After the gold rush, the gold resourced in Yukon was by placer mining. This type of gold is found in the stream beds. It is fine, like sand almost. Then a few nuggets, such as on my Yukon pin, are found below the bottoms of streams, right on the bedrock level. Placer mining still exists today in British Columbia and Yukon. It is a great boon to our economy because one simply washes sand to get the gold out and it is an easily saleable commodity.

Over those years a lot of other base metals have been found. Precious metals, silver and gold, have been found. Not long after the gold rush started, a silver mine area was established near the great towns of Keno Hill, Elsa and north of Mayo. The mines have been there pretty well since the gold rush. I believe those claims are up for sale now, so if people would like to invest in a silver mine and come north, I hope they will look at those opportunities.

•(1255)

We also had one of the world's largest zinc mines in the great town of Faro. In fact I think it was the largest open pit lead zinc mine in the world. Unfortunately, it ran out of the highest grade part of its ore, but there have been others like Kudz Ze Kayah and other lead zinc deposits. There are a lot of undeveloped deposits still that could help lead to jobs. In turn that would provide revenues to Canada which could then be put it into health care, education and all the other things that governments need to do.

There was also a copper mine right within the city boundary of the city of Whitehorse. We just recently started a tiny hobby train, Miles Canyon railway train, to go around and show the history of the copper mines and the mining belt in the area.

We have oil and gas in the area. We have some capped gas at a place called Eagle Plains, which is up near the Arctic circle. We have no pipeline to get that out yet so there is not as much development as one might think, but we are working on that as well. Also gas in the southeast part of the Yukon near the Kotaneelee Field is already being shipped through existing pipelines. Of course, we have a forest industry in Yukon which is a resource development, but it is certainly not as big as mining.

I was outlining this not only, as my colleague said, as part of a commercial so members will all come to our beautiful part of the country to work in mining and to enjoy the spectacular tourism, but also to show how important this bill is to our people. We have the second highest unemployment rate in Canada at the moment and this type of fairness would be exceptionally helpful to our industry.

I want to close by reacting to a comment that the previous speaker made about Canada's standard of living. I do not think standard of living is totally based on a corporate tax rate. Standard of living is based on all the things that are important whether it is health care, family or community. I think most people would agree that we measure the greatness of a nation by how it deals with those most in need.

The United Nations has measured Canada for the last years as among the top several nations in the world. I do not think we have much for which to apologize. This will help our industry, an important part of our history. However in the long run what we choose in values are things that are not only environmentally sound, or part of the modern new economy, or on the leading edge of knowledge and technology. Rather we will make the choices that provide for the poor, the weak, the lonely, the hungry and for our diverse country. That way we will continue to build this great nation, and this bill will help immeasurably.

•(1300)

**Mr. David Chatters (Athabasca, Canadian Alliance):** Madam Speaker, I enjoyed the member's speech. It was excellent because the member's riding of course is very natural resource dependent, as mine is. I thought it was a very good speech aside from the advertising part of it. It was pretty good up until the last, then he really blew it, in my opinion.

He clearly did not get the message that my colleague from Medicine Hat was pointing out, a message that he should know in his part of the world. That is the fact that if we cannot attract investment and cannot create development, particularly in our part of the world, in the natural resources sector, we do not have the capacity to look after the poor and the hungry, health care, education and all the rest of that. The message that we are sending is that the level of corporate taxation is so important to the ability of a country, or a province or territory to provide services to its members. Therefore, I am disappointed with the last remarks.

*Government Orders*

Overall, I could not agree more with all the arguments that the member made about the value of the bill and what we are trying to do. However all those issues and arguments were valid in the year 2000. His government and the now leader of the Liberal party, the soon to be prime minister, apparently could not see the value of those arguments back in the 2000 budget when they cut the corporate tax rate from 28% to 21% for everyone but the resource industries. Therefore, I have to ask the member this. Why could the then finance minister not see then what he can see now in the arguments he has presented?

• (1305)

**Mr. Larry Bagnell:** Madam Speaker, I think the member and I agree on virtually everything.

The first point was his chiding disappointment in my advertising. He may be disappointed but I can say I will not get a single call from my constituents in the Yukon who vote for me saying that they were disappointed that I said what a marvellous and beautiful part of Canada it is.

I agree with the member on competitiveness. I totally agree with him on the question of how we can pay for social programs, education and health care if we do not have a good economy. That is why this bill is headed in that direction. That is why we made the \$100 billion tax cut, the largest in our history. It was to help competitiveness so that the jobs are in Canada and we can contribute to the things that are important to our nation.

The last question was why it was not in the 2000 budget when the other corporate tax was reduced and why it was put off for three years. I mentioned it in my speech but maybe I did not make it clear. The reason that this had to be negotiated longer is that there is the 25% resource allowance which did not make a lot of sense but somehow had to be removed in the very complicated tax scenario that I outlined.

This industry has a different set of deductions and rules. To sort it out with the industry there was extensive consultation to come up with the model.

I am sure we all would have preferred it earlier but I think by leaving it until later and getting the industry on side with its input was just as important and it will phase in to the betterment of us all.

[*Translation*]

**Ms. Pauline Picard (Drummond, BQ):** Madam Speaker, I am pleased to speak today in the debate on Bill C-48 to amend the Income Tax Act regarding natural resources. This bill will undoubtedly cause a lot of grumbling, because it also concerns the tax rate for the oil and gas industry. It is a very complex bill, but I would like to get people interested in one aspect that everyone understands and is familiar with, the oil and gas industry.

If this bill is passed, the oil and gas industry will see its tax rate drop significantly. I can already hear the reaction of people in the riding of Drummond and, I think, of people throughout Quebec and Canada, as well as of a number of associations that defend the rights of consumers and taxpayers. They will certainly not be happy to hear that there is a plan to significantly reduce the tax rate for big oil and gas companies.

The government's decision to grant oil and gas companies a significant reduction in their tax rate is unusual, to say the least. It is very special, indeed. Looking at the situation, we see that the "poor" oil and gas companies really need a significant reduction, with the astronomical profits they have made in recent months. The government even gave them an income tax credit of \$250 million. In the meantime, the price of gasoline was going up at the pumps. I am sure the whole population was grumbling. And they even told us about these tremendous profits in their annual reports.

The last budget contained new provisions giving these companies \$250 million in tax credits. That takes a lot of nerve when there are still 1.5 million poor children in Canada, and when the pensions of senior citizens have not been indexed—in fact, \$3 billion has even been taken away from them. There is also the employment insurance fund which has been pillaged to the tune of \$45 billion. Income tax rates for taxpayers are still very high, and \$250 million in tax credits is being given to big oil and gas companies who are making a profit. It is incredible.

We can understand why the government is giving suffering industries a tax break. There are some major industrial sectors in Canada and Quebec that require assistance. But we cannot understand giving it to sectors turning a profit, such as the oil and gas companies with their sky-high revenues.

In his February 2000 budget, the Minister of Finance announced his intention to reduce the statutory corporate tax rate applicable to resource income. He wants to lower the rate from 28% to 21%, which constitutes a 7% reduction over five years.

If we look at the resource sector overall, taking into consideration other allowances applicable to this sector, the effective rate is not 28% but 22%. Setting the figures and percentages aside, the truth comes out.

*CAMagazine*, the official magazine of the Canadian Institute of Chartered Accountants, recently reported,

From a federal tax perspective there will be winners over the phase-in period. The winners will be companies with high royalty rates, such as oil and gas producers operating in Western Canada.

• (1310)

The Bloc is not the one saying this; these people are not members of the Bloc. This is the Canadian Institute of Chartered Accountants saying that, over the phase-in period, some companies will be winners when it comes to federal tax, and that these winners will be companies such as the oil and gas producers.

The magazine goes on to state that,

However, in such provinces as Saskatchewan, Manitoba, Quebec and the Maritimes... the elimination of the resource allowance deduction for companies that benefited from the resource allowance results in an increase in the overall effective rate.

*Government Orders*

Ultimately, these measures will benefit all economic sectors. However, in the short term, some sectors will be winners and others losers. The winners will be the companies working in the tar sands, oil and precious metals. The losers will be companies in natural gas, potash and diamonds.

Consequently, the hon. Liberal member who preceded me should take a closer look at this issue. I know that there are diamond mines in the Yukon and that this bill, far from helping the industry he represents, will not benefit diamond mines.

Hughes Lachance, senior tax director with KPMG, says that if it were only for the first two provisions of this legislation, the oil companies would be losers. But these are not the only changes. For oil companies, the royalties they have to pay to the provinces or the crown amount to large sums of money. In 2007, they will be allowed to include in their expenses 100% of the royalties paid to the provinces. For the mining industry, where royalties are generally low, this third provision does not significantly reduce the tax burden.

The Minister of Finance estimates that, once fully implemented, the overall program will cost him \$260 million in uncollected taxes. A very large portion of this tax relief will go to the oil companies.

The impact of this bill on the oil and gas industry will actually be a 12% income tax decrease. That is incredible. Let us take a look at the consequences.

According to the Mining Association of Canada:

[when] all is said and done, the disappearance of the Resource Allowance will likely result in higher taxes paid by the mining industry, even if we are able to deduct provincial royalties and mining taxes.

The association states further that the federal government is undercutting the good work by Quebec and the provinces to make mining investment more attractive. I hope that the people opposite heard this. The Bloc Quebecois is not the only one saying that Quebec's efforts are undermined, so is the Mining Association of Canada. As I indicated earlier, not many of their members are likely to be card carrying members of the Bloc.

As for the oil and gas companies, they are no worse off. Let me quote statements from the oil companies themselves:

Petro-Canada, on page 1 of its quarterly report to shareholders for the second quarter, says:

Petro-Canada announced today second quarter earnings from operations of \$455 million, which include a positive adjustment of \$96 million for Canadian income tax rate changes.

Shell Canada, in its quarterly report to shareholders for the second quarter, says:

Shell Canada Limited announced July 23, 2003, second-quarter earnings of \$178 million... Earnings included a one-time benefit of \$54 million from a future income tax revaluation following announced income tax changes.

Esso Imperial, in its quarterly report to shareholders for the second quarter of this year, states:

During the second quarter of 2003, tax rate reductions enacted by the Federal government and the provincial government of Alberta and settlement of various tax matters benefited results, mainly in the resources segment, by \$109 million.

●(1315)

In other words, the three major oil companies are announcing additional future profits of \$250 million. These reductions in the future taxation of corporate profits already earned are a one time occurrence.

I would also like to discuss the mining sector in this connection. The federal government implies that the new tax structure being proposed will be simpler because it will rationalize the way it is observed and applied, encourage investors, make the Canadian mining sector more competitive, and support investment, innovation, productivity, economic growth and job creation in Canada.

The mining industry does not feel that the tax reform program is fully achieving those objectives. Spokespersons for this sector indicate that the provisions for gradual reduction announced in the 2003 budget are too complicated and will be hard to implement.

The planned 21% tax rate will apply to revenues from non-resource activities in 2004, while for resource-related activities it will run until 2007. As a result, during the period from 2003 to 2005, the difference between the resource and non-resource tax rate will be: 3% in 2002, 4% in 2003, 5% in 2004, 4% in 2005, 2% in 2006 and finally 0% in 2007.

The Mining Association of Canada believes that the difficulties arising out of the 2003 budget and Bill C-48 demand a prompt solution, involving the federal government along with the provincial and territorial governments.

The association also feels that the proposed changes to federal income tax impact heavily on numerous mining activities in Canada and will add to the combined federal, provincial and territorial tax burden on companies, thereby affecting their bottom dollar.

A simple solution, proposed by the Canadian Mining Association, which benefits producers of minerals and metals, would be to keep the resource allowance deduction while reducing the federal corporate income tax rate from 28% to 21%. This measure would eliminate the difference between the federal resource and non-resource tax rates without necessarily changing the provisions for revenues collected under the territorial and provincial tax systems.

I know that this is very difficult to follow because this is a very complex bill. It will also be very complicated to implement. This is not fair to taxpayers. Take the oil and gas industry for example; every day taxpayers have to use their cars and they see the price of gas climbing. These are often people who earn average or low incomes and who do not benefit from the same tax credits that the oil companies do. However, the oil companies play with the price of gas and eat into low-income families' budgets. Working people or parents often have to travel to their job by car and have to pay for gas, but they cannot benefit from tax credits.

*Government Orders*

• (1320)

Yet, companies are granted huge tax credits, like the one we saw recently. These are tax credits to the tune of \$250 million. And their tax rate should be cut significantly again? There is something illogical about this bill and that is why the Bloc Québécois is voting against it.

[*English*]

**Mr. Scott Brison (Kings—Hants, PC):** Madam Speaker, it is with pleasure that I rise today to speak on Bill C-48. Tax reform is an issue that I am always interested in speaking on. We see continued evidences of tax tinkering from the government, a one-off ad-hockery sort of approach to dealing with taxation, but no overall strategy to improve Canada's competitiveness, to make Canada a northern tiger as opposed to a northern kitten, and to make Canada a magnet for capital and the best minds and the brightest minds in the world.

We support the direction of this legislation. We have some concerns about the increase in the effective tax rates on the mining industry. Any increase in taxes on industry in Canada is a concern for us because all sectors in Canada are overtaxed. In the old days the government could get away with that, but today in a hyper-competitive global environment high taxes no longer just redistribute income: high taxes redistribute people and capital. So we do support reducing the taxation on resource based industries and standardizing the tax treatment of industries in the resource sector. This goes back to the Mintz report on business taxation in Canada.

In fact, I remember that when the Mintz report actually came out it was my recommendation and the recommendation of my party that the government move to implement the recommendations of the Mintz report without a lot of delay. The Mintz report is probably one of the most erudite and intelligent studies of the Canadian business tax system that has ever been conducted. It provided a very important road map on how to build a more competitive tax system in Canada.

The government often speaks of Canada having lower corporate taxes than the United States. That is just patently false. If we were dealing only in statutory rates we are closer, but the United States is far more competitive than Canada in terms of effective tax rates, corporate tax rates and taxes on investment.

If we go beyond that and look at some of the national economic success stories in the last 10 to 15 years, most of them have been based on governments that were willing to embrace significant and broad based tax reform, not just tax relief, which is often done based on politics, not on public policy parameters, but tax reform based on creating greater levels of investment.

Of course, greater levels of investment lead to greater levels of productivity. Greater levels of productivity lead to higher standards of living and to an increase in the government's ability, of course, to afford the social investment that people demand and need.

Ireland is probably one of the best examples of a country that has turned its situation around. I come from Atlantic Canada and I very much understand its situation, based on generations of Atlantic Canadians leaving Atlantic Canada and going to other parts of Canada seeking opportunities. Ireland was a lot like that for a long

time, in fact for generations. Now, for the first time in a long time, children of expatriate Irish in other parts of the world, in Canada or the United States as an example, are returning to Ireland. In fact, people are going to Ireland seeking opportunities, largely based on the Irish government's dramatic, significant and innovative tax reform package, which led to one of the most competitive corporate tax regimes anywhere in the world.

• (1325)

There is no better tax reform in terms of its ability to attract investment and improve productivity, prosperity and the standard of living than corporate tax reform, reform of taxes on investment and capital. Ireland had a 92% growth in its GDP per capita over a 10 year period. During the same period of time, Canada had a 5% growth in GDP per capita. The Irish standard of living has grown beyond that of Canada. It is shocking. Twenty years ago Ireland was an economic basket case and today it is truly a Celtic tiger. It has set an example of what can be done if governments take some risk and present some bold public policy, particularly on the tax reform side.

Some of the ideas that I would like to see the government embrace in a tax reform package include eliminating personal capital gains tax in Canada. There was no capital gains tax in Canada prior to 1971 with the Carter commission and the implementation of the capital gains tax. The original capital gains tax was designed to replace the inheritance tax, but eliminating the inheritance tax and replacing it with the capital gains tax made Canada a great place to die but not a great place to live.

We really should take a serious look at eliminating Canada's capital gains tax, not reducing it or tinkering with it but eliminating it. That would unlock an immense amount of capital. Capital gains tax serves to lock up capital, to prevent the flow of capital to the most effective opportunities. It hurts productivity because investors are compelled to make decisions based on tax reasons and to hoard money into static investments that may not make sense from an investment or a business perspective but simply make sense from a tax avoidance perspective.

We would unleash incredible entrepreneurial potential in Canada if we actually went beyond the U.S. instead of always just trying to catch up with the U.S. in key areas. In the capital gains area, if we actually went beyond the U.S. and eliminated the personal capital gains tax in Canada it would have a tremendous impact on Canada's economic growth and prosperity and the environment for entrepreneurs and investors here.

I would also suggest that it is a good time for us to consider what Roger Martin, the dean of the Rotman school of business at University of Toronto, has proposed, and that is allowing a 100% capital cost allowance write-off at the time of the investment. That would create huge incentives for companies to invest in productivity enhancement and provide a huge advantage for Canadian companies over American companies. Currently because of our treatment of capital cost allowance we are compared to the U.S. That is one of the reasons why the United States still has a significantly lower effective corporate tax rate environment: because of our uncompetitive capital cost allowance system in Canada.

*Government Orders*

I would go further. I would suggest that we eliminate corporate welfare from Industry Canada, HRDC and regional development programs and use that money to reduce corporate taxes nationally, but also in a targeted level in the regions. I will give some examples.

I come from a region where there is a program called ACOA, the Atlantic Canada Opportunities Agency. ACOA has a \$447 million per year budget. Total federal corporate taxes in Atlantic Canada are \$380 million. We could actually eliminate ACOA and eliminate federal corporate taxes in the region, which would leave us with provincial corporate tax rates in the 12% range, which coincidentally is about the same as Ireland's. When we really ask ourselves the question of which strategy would have the greatest capacity to create economic growth, prosperity and opportunity in Atlantic Canada, 500 ACOA bureaucrats driving around Atlantic Canada trying to tell people how to start small businesses or the most competitive corporate tax environment in North America and one of the most competitive in the world, the answer is self-evident.

• (1330)

We ought to take the same approach with all regional development programs in Canada. Instead of bureaucrats and politicians trying to select between winners and losers, we should allow the market to identify the winners. That kind of approach would unleash the entrepreneurial potential of our regions. It would in this case allow Atlantic Canada to pay into equalization in the not so distant future which would be good for all of Canada. It would create a tremendous level of growth, prosperity and opportunity.

This is an important discussion right now because one of the topics we are talking about in this sessions is the reform of Canada's EI system. We should move toward individual EI accounts. We should allow Canadians to build up capital within their own individual EI account if they do not draw from it frequently or perhaps do not draw from it at all. For instance, if a Canadian were to pay into his or her own individual EI account, after 10 years of paying into it and not drawing out from it, he or she would receive a statement every year of that EI account balance. It would go up incrementally each year. It would grow over time.

People could withdraw from their accounts to upgrade their skills educationally. That would address the very real issue of under-employment. Underemployment is growing in Canada and is as significant an issue as unemployment. The ability to withdraw from an EI account to upgrade skills, to take a course which is needed to go from underemployed to fully employed would be good for Canadian productivity.

Currently, government funding is available for people to upgrade their skills if they are already drawing EI, but not if they are actually working and want to upgrade their skills and need that little bit of help. For example, some people in their 30s, 40s or perhaps 50s are at a stage in their lives where they are stuck in a career rut and they want to improve their lot and that of their families. There is nothing that the government will do for them from a funding perspective to facilitate that unless they are actually unemployed and drawing EI. This would help in that regard.

Alternatively if people did not draw from EI to upgrade their skills or only rarely drew from EI during their careers, they would have a little bit of capital in their EI accounts which upon retirement they

could roll into their RRSPs. That would be a reward system in many ways for Canadians who work hard and do not draw from the EI system. It would be an EI system that works for Canadians who work. That kind of incentive and that kind of reward based system would help significantly.

Going further, we should eliminate the capital tax completely. Currently the government is phasing it out over a period of time. We have the budgetary capacity to eliminate the capital tax immediately. All of this can be done without creating a deficit. We are committed, as are Canadians, to running government deficit free, to living within our means. It is going to involve not just tax reform but part of it will also involve considering the size and the effectiveness and the role of government, what the federal government should focus on, what it could do effectively and what it should not be trying to do.

It seems ridiculous to me that we have a federal government that cannot provide a coherent foreign policy. It cannot manage a military effectively or fund a military. It cannot from a trade policy perspective protect Canadians' interests by protecting our trading relationship with the richest market in the world. The same government that cannot handle things such as the military, foreign policy and trade policy which are clearly in the federal domain is trying to run the education policies of the provinces and trying to micromanage the health care systems of the provinces.

The federal government should focus on those areas. This could mean taking a more aggressive approach in dealing with the Americans on the BSE issue, or working toward a Canada-U.S. security and economic partnership which not only addresses perimeter security issues but goes further to harmonize our regulatory burdens between the two countries and also as part of it addressing the ambiguity around resource pricing and subsidies and replacing it with clarity to avoid a lot of those types of trade disputes. If the government really focused on those federal domain areas, it would not have time to focus on trying to micromanage the affairs of the provinces.

• (1335)

The government, through HRDC, must stop the incredible intrusion into the private sector across Canada. An incredible amount of waste exists through small and large scale corporate welfare. The government could target some of that money toward tax reduction and tax reform in lockstep. The government must address some of the waste in government.

*Government Orders*

The fact that a ministerial assistant spent \$28,000 on food over a period of a year is shocking. That individual ought to have been named by the Canadian Restaurant Association as the political staffer of the year which is probably the only award he ought to receive. Canadians have to live within their means and pay taxes. They work hard and are having trouble just maintaining their standard of living and that of their families. It is shocking for them when they see that kind of egregious waste in government.

We need to find ways to not just in an ad hoc manner tinker with our tax system but reform Canada's tax system, reform Canada's regulatory system, address the waste in government and reconsider the role and effectiveness of government in key areas.

Every one of us in the House regardless of our political party ought to be considering ways that we can improve productivity, prosperity and the standard of living of Canadians.

We cannot afford to dilly-dally and dither while other countries are embracing bold innovative approaches to economic growth and economic reform. Canada is a relatively small country on the edge of the largest market in the world. We have the opportunity for Canada to become a true northern tiger. We must make Canada a magnet for capital, make Canada a magnet for some of the best and brightest minds in the world and to allow Canadians to have an unprecedented level of economic growth.

Free trade is a policy to which my party is unequivocally committed. It has created incredible wealth and prosperity for Canadians. We need to go further in a post-NAFTA environment and strengthen our trading relationship with the United States. As a principle we must look toward a true Canada-U.S. security and economic partnership. At the same time we must revolutionize our tax system and regulatory burden so that Canadians not only have access to the richest market in the world but they have a tax system and an economic environment that makes it an advantage to be Canadian as opposed to a disadvantage.

All Canadians want to live here, but we ought to be building a tax system that makes Canada not just a good place to live but the best place to invest and grow companies and businesses. Regardless of where they are in the world, we should allow them to make Canada the location of choice within North America.

• (1340)

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, I listened to the hon. member's comments. I do not know whether he was auditioning the fiscal platforms for the next election, but I can tell him that while he talked about taxes and the importance to Atlantic Canada, before the House today is Bill C-48 which concerns the resource sector. It is very important to Atlantic Canada and very important for companies that are going to be investing in Atlantic Canada and throughout the country.

I did not hear the member talk about the importance of the bill. I heard a lot about taxes and I would be happy to debate with him any time the fiscal record of this government versus the previous Tory government, but that is not the issue before the House today. The issue before the House today is to make sure that we are internationally competitive, particularly in the resource sector. I am sure the member is very supportive of the fact that this will mean

additional job opportunities for people in Atlantic Canada in particular. I would like him to comment on that.

**Mr. Scott Brison:** Madam Speaker, I am impressed by the parliamentary secretary's ability to stand up and extemporaneously say something on an economic matter without a written text.

If he had been listening to my remarks, he would have heard my support for the tax measures that could improve from a tax competitiveness standpoint the way we tax resource based industries in Canada, and within Atlantic Canada as well. He also would have heard my concern about increasing the effective tax rate in some areas of mining. I have some concerns about any tax increase on any sector at all.

With regard to his reference to the previous government's record, I would gladly debate with him any time, anywhere, that government's record. It reduced the deficit as a percentage of GDP from 9% to 5%. At the same time it introduced a free trade agreement that created jobs, growth, opportunity and prosperity. His party campaigned against the free trade agreement. His government has benefited from the results of replacing the manufacturers' sales tax that hurt Canadian competitiveness and our manufacturing sector with a consumption tax which his party had committed to removing but failed to do.

I would love the opportunity to compare that government's record with his government's record in terms of his government actually expending valuable political capital to do what is right as opposed to always following the poll mongers. The previous government actually did the right thing from a principled perspective. It took risks and achieved a great deal on behalf of all Canadians.

**Mr. Roy Cullen (Etobicoke North, Lib.):** Madam Speaker, I listened intently to the commentary from the member for Kings—Hants, but like my colleague the parliamentary secretary, I did not really hear any discussion about resource sector taxation. What I thought I heard was perhaps a speech that he gave at the leadership convention, or perhaps the upcoming leadership convention, or both. At an occasion like that he would be speaking to the converted within his own party, but in the House his statements have to stand up to greater scrutiny.

Our government has aggressively lowered corporate taxes and continues to do so to a point where Canada is extremely competitive. The member cited the case of Ireland. It is somewhat of a good story from Ireland, but what the member failed to describe to the House was the circumstances at the beginning of the Irish economic renewal. He described the Irish economy initially as a basket case and because it was an economic basket case, as a member of the E.U. it was entitled to massive subsidies.

*Government Orders*

The E.U. shifted massive amounts of funding for a whole range of projects, infrastructure. In fairness, the Irish government and the Irish people took advantage of that and have started to build from it. The vacant dockyards in Dublin have been made into a duty-free zone. That has caused some consternation in some circles about harmful tax competition and whether or not that constitutes a tax haven. We could take the member's argument to its logical conclusion and say there are no corporate taxes and that would be the most optimal solution. I do not think Canada is in a position to become a tax haven or a no tax zone. We are not even close to that.

I would like the member to acknowledge to the House the special circumstances that existed in Ireland notwithstanding its tax policies that came along later.

•(1345)

**Mr. Scott Brison:** Madam Speaker, I cited the Irish example in explaining regional taxation and regional development. In fact at their peak, E.U. transfers to Ireland only represented 8% of the Irish GDP. At their peak, federal transfers to Atlantic Canada have represented as much as 40%. When we consider the percentage of the Atlantic Canada economy that comes from the transfer system, it is actually far greater than what the Irish economy derived from the E.U. transfers.

On the national level when I talked about corporate tax reform and reduction done in lockstep, I addressed where a lot of that money would come from. A lot of it would come from corporate welfare programs currently existing in HRDC and Industry Canada and regional development programs as previously cited. It would be revenue neutral.

I am sure that the hon. member would agree that we would achieve far greater levels of economic growth if we actually created a more competitive tax system than by direct investment decisions being made by bureaucrats and politicians.

**Mr. Bryon Wilfert:** Madam Speaker, I would like to ask the hon. member, because I am still not clear, is the member's party in favour or against Bill C-48, very simply.

I realize that the member would like to extol the virtues of Conservative fiscal policy, which is sort of akin to asking an arsonist to give fire prevention lessons. However, this is about corporate tax rates dealing with the mining sector and oil and gas sector, and I am still not sure where his party stands. Is it in favour or not?

**Mr. Scott Brison:** Madam Speaker, the hon. member needs a hearing aid or something because he obviously was not listening. We are supportive of these changes in Bill C-48 and we have stated that.

The hon. member talks about tax policy. I will not question his knowledge of the tax system based on the expression of his views in the House today. I would accept the invitation to debate him any time on tax policy or the government record on the economy. I think that debate is great as long as both parties take some time to actually understand the issues.

On this side of the House, we have. We have taken time to understand tax policy in a way that is focused not on partisan bickering but is actually contributing in a constructive way to ideas that can build a more competitive, prosperous and productive Canada.

•(1350)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Madam Speaker, I was wondering whether you would cast your eyes to this side of the House. You gave the member opposite two chances before I got my first. But I appreciate being recognized now.

The member said so many things in his speech that I agree with that I sometimes wish we were in the same party. But maybe that is another topic.

I would like to mention one thing that he talked about, and that is EI and the scheme that we have. Right now the federal government is taking from workers and employers across the country in excess of \$5 billion per year. That is money that belongs to these people and yet the government takes it, rolls it into general revenue and uses it for its own purposes.

He floated the idea of having individualized accounts, which is an idea I had over 10 years ago. I remember playing with this before I was even a member of Parliament.

If one were to have an individualized account and were fortunate enough not to have to use it, it would have an accumulated value at the end of one's working life of 45 years, some \$580,000 in the bank as part of the RRSP.

Those were some of the ideas that I played with that never went anywhere, but I was curious about his ideas in that area.

**Mr. Scott Brison:** On the idea of individualized EI accounts, it would not simply grow based on one's contributions because, clearly, one's contributions would be used to top up those who draw more frequently. There would be a growth in one's account over a period of time if one did not draw or draw from the account infrequently. It would be as large an amount as the hon. member suggested, the \$580,000, but it would represent a significant amount that would, over time, reward people for not drawing EI.

There was a study that I would reference for the hon. member in *The Economist* magazine in 1998. The Library of Parliament has the study which was conducted by a U.K. group of academics on this idea of individualized EI accounts.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Madam Speaker, as I was preparing to speak on Bill C-48, I wondered where such a bill might have come from. In the journal of the Chartered Accountants of Canada, in an article by Neil Smith, who is a senior tax manager, core tax practice, with Ernst & Young LLP in Calgary, we read:

The release came on the heels of a significant lobbying effort by the resource sector for federal corporate tax rate reductions—

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We might wonder whether the resource companies really were winners in this respect. For example, it is interesting to read extracts from oil company annual reports regarding their semi-annual performance. For example, on page 1 of Petro-Canada's second quarter report to shareholders, we read:

Petro-Canada announced today second quarter earnings from operations of \$455 million, which include a positive adjustment of \$96 million for Canadian income tax rate changes.

Therefore, these measures have already netted Petro-Canada \$96 million in tax savings.

The shareholders' report issued by Shell Canada Limited for the second quarter states:

Shell Canada Limited announced July 23, 2003, second-quarter earnings of \$178 million... Earnings included a one-time benefit of \$54 million from a future income tax revaluation following announced income tax changes.

Petro-Canada apparently paid \$96 million less in taxes, over the first few months of the year, which is a very short period. In the case of Shell Canada, that figure is \$54 million. The same goes for Esso Imperial, which reported the following:

During the second quarter of 2003, tax rate reductions enacted by the Federal government and the provincial government of Alberta and settlement of various tax matters benefited results, mainly in the resources segment, by \$109 million.

So, the three largest oil companies have declared additional future profits of \$250 million. This is a direct consequence of the federal government's decision to lower the taxes applicable to oil and gas companies. They are not the companies suffering the most; they are companies that made astronomical profits in early 2003 and that introduced quite significant price hikes.

In the meantime, the federal government continues to collect 1.5 cents in excise tax per litre of gas. This tax is to pay down a deficit that has not existed since 1998. So, in a few short months, the oil and gas companies have pocketed hundreds of millions of dollars. It is not clear why they need this advantage.

Meanwhile, the federal government continues to pocket money because of a tax designed to pay down a deficit that no longer exists. We are talking about \$2.8 billion in five years. No wonder taxpayers think this is ridiculous. Indeed, according to chartered accountants, the bill came "on the heels of a significant lobbying effort by the resource sector for federal corporate tax rate reductions."

In other words, this government, which prides itself on helping the less fortunate and ensuring a better distribution of wealth, is granting \$250 million in tax cuts to oil companies, and at the same time telling us it cannot give the provinces the \$3 billion it owes them for health. This is a big problem. It shows an unacceptable lack of professional and political ethics. We cannot allow a bill to create this kind of situation.

• (1355)

**The Acting Speaker (Ms. Bakopanos):** I am sorry to interrupt the hon. member. He will have 16 minutes remaining to conclude his remarks after oral question period.

**ROUTINE PROCEEDINGS**

[English]

**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**The Acting Speaker (Ms. Bakopanos):** Pursuant to order made Tuesday, September 23, 2003, the motion to concur in the 45th report of the Standing Committee on Procedure and House Affairs regarding membership of committees is deemed moved, the question deemed put and agreed to.

**STATEMENTS BY MEMBERS**

[Translation]

**PHARMACEUTICAL INDUSTRY**

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Madam Speaker, the three Prix Galien awards were presented at a ceremony in Toronto on September 18. The Prix Galien are awarded annually to highlight the accomplishments of Canada's pharmaceutical industry and research community.

The Prix Galien Canada Innovative Drug Product Award, for the medication considered to have made the most significant contribution in terms of innovation, efficacy and safety, went to Gleevec, a product of Novartis Pharmaceuticals for the treatment of patients with chronic myeloid leukemia.

The jury selected Dr. Mark Wainberg, director of the McGill AIDS Centre and director of research at the Lady Davis Institute, Jewish General Hospital in Montreal, to receive the Prix Galien Research award.

The Prix Belleau-Nickerson went to Evista. This drug produced by Eli Lilly Canada belongs to a new generation of estrogen-like but non-estrogen-containing drugs. It is used to treat and prevent osteoporosis in premenopausal and menopausal women.

Congratulations to the prize winners.

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[English]

**MEMBERS OF PARLIAMENT**

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance):** Madam Speaker, recently we had votes which were not administrative but reflected basic societal structure and had moral implications for many in my community.

My electoral pledge requires me to engage the local marketplace of ideas and ultimately be guided by community consensus. That is our Canadian Alliance commitment to grassroots representative democracy.



We believe that a high level of citizen participation in the democratic consultation process is vital to ensuring the legitimacy of Parliament. MPs must ensure major issues receive a full and fair public hearing so that an informed democratic decision can be made by the community. Where an MP finds that a clear consensus can be obtained, it is his or her responsibility to vote accordingly over party or personal view.

I urge all parliamentarians to be better representatives and aspire to the higher standard of the Canadian Alliance Party.

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● (1400)

[Translation]

#### FRANCO-ONTARIAN FLAG

**Hon. Diane Marleau (Sudbury, Lib.):** Madam Speaker, the Franco-Ontarian flag is an emblem dear to the hearts of the French-speaking community of Ontario. Today is its 28th birthday.

It was on September 25, 1975 that the Franco-Ontarian flag was raised on a flagpole for the first time, at Laurentian University in Sudbury.

In 1977, the community adopted it as its official flag. In 2001, the Legislative Assembly, in a unanimous vote, recognized it as one of the official emblems of Ontario. Today, Franco-Ontarians fly it proudly in all corners of the province.

This flag symbolizes our pride and our membership in our community. It is an expression of the linguistic duality of Canada.

September 25 is an opportunity for all French-speaking Ontarians to show how much they care about keeping our beautiful language alive.

\* \* \*

[English]

#### BEEF INDUSTRY

**Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance):** Madam Speaker, just when the Canadian public thinks things cannot get worse with the government's spending habits and department investigations, it is hit with another slap in the face. This time it is the beef industry.

Yesterday, when the government was given an opportunity to actually do something by supporting a motion regarding opening the U.S. border for our beef, what did the Liberals do? They voted against sending a delegation to Washington to get the border fully open to Canadian cattle.

The Leader of the Opposition did this in July. Why will the Prime Minister not do it now? What does yesterday's vote mean? It means that the Canadian beef industry will continue to lose \$11 million a day in exports, with an added \$7 million a day as the price of beef falls.

Cow-calf operators in this country are not covered by the latest compensation package, meaning a whole sector of that industry could be indefinitely, if not permanently, in decline. About 80% of this industry is dependent upon the United States market, and the

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Prime Minister and his party are content to fine dine in Ottawa restaurants while this vital industry is crippled.

\* \* \*

[Translation]

#### CANADIAN WOMEN'S SOCCER TEAM

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, I want to congratulate the Canadian women's soccer team, which has given us some great moments of excitement and emotion.

Yesterday, during the team's second World Cup soccer match in the United States, it beat Argentina by a score of 3-0.

Congratulations, in particular to Charmaine Hooper who scored the first goal off a penalty kick, and Christine Latham who, late in the game, scored the other two goals in three minutes.

Saturday afternoon, Canada will face Japan to determine which team will advance to the quarterfinals. We have high hopes that our team will repeat its win.

Our Canadian athletes, no matter what sport they play, make us proud and are an example of perseverance. We encourage them to pursue their dreams and continue to do their best.

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#### HUMAN RIGHTS

**Ms. Yolande Thibeault (Saint-Lambert, Lib.):** Mr. Speaker, it was a huge relief to learn this morning that Amina Lawal, who had been sentenced to death by stoning for adultery by the lower court, was acquitted by the Islamic appeals court.

This 32-year-old mother was found guilty in March 2002 of having a child out of wedlock. Her daughter Wasila is now nearly two.

I want to congratulate Pierre Brun from Lawyers Without Borders, who helped defend Ms. Lawal. Mr. Brun travelled to Nigeria to defend her right to a fair and just hearing.

His unfailing dedication and tireless efforts will serve as an example to others concerned with the right to life.

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#### WORLD FORESTRY CONGRESS

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, this week, the largest international meeting on forestry is being held in Quebec City. The XII World Forestry Congress, under the theme of "Forests, Source of Life", will provide an opportunity to take stock of the state of forests around the world, to raise awareness among decision makers and to provide them with recommendations, the application of which will depend solely on governments and international or other organizations.

Last week, the papers reported the release of a study on Canada's wild forests. On Monday morning, Greenpeace held a demonstration in front of the Quebec City Convention Centre. Ecologists and scientists gave warnings.

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The same thing applies here. We have to work on the protection and health of forests to ensure that they are here for future generations.

\* \* \*

• (1405)

[*English*]

### LITERACY

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, I wish to congratulate the *Ottawa Citizen* and its volunteers for the second annual Raise a Reader Day to help fund literacy programs in eastern Ontario and western Quebec.

Unfortunately, while the federal government has publicly stated that literacy is a priority, recent changes to the operational guidelines of HRDC's summer career placement program has penalized libraries across Canada.

Programs that operated for years have been cancelled because the government has the mistaken notion that public libraries make money. By revoking their non-profit status some rural public libraries were forced to cut their book budgets in order to continue their reading programs. Libraries in small Ontario communities provide an important service, and in the case of places like Douglas, Killaloe and Sterling, scarce summer employment.

Small rural communities do not have the funds to make up the loss by this arbitrary change in funding criteria. It is time for the government to stop this attack on public libraries and support literacy in Canada.

\* \* \*

[*Translation*]

### THOMAS ROUSSEL-ROOZMON

**Ms. Raymonde Folco (Laval West, Lib.):** Mr. Speaker, allow me to acknowledge in this House the perseverance and talent of Thomas Roussel-Roozmon, a young man of 15 from Laval, who is currently battling for the highly coveted title of international chess grandmaster.

Thomas Roussel-Roozmon is currently ranked third in Canada in the junior division and he is number one in Quebec in the under 20 category.

Last summer, he also won his very first international match, a feat he will have to achieve many times to earn the title of international grandmaster.

Thomas Roussel-Roozmon is an example to us all of tenacity and I join the people of Laval in wishing him good luck. We all hope he earns the title of international chess grandmaster in Greece.

\* \* \*

[*English*]

### CANCER

**Mr. Rex Barnes (Gander—Grand Falls, PC):** Mr. Speaker, I rise today to speak about a very serious medical condition in our country, that is the alarming number of cancer cases. An estimated

140,000 new cases of cancer and 67,000 deaths from cancer will occur in Canada in 2003. Right now there are more than 710,000 Canadians living with cancer.

In my riding of Gander—Grand Falls, Mr. Gerald Higgins has been on a one man crusade since his wife was diagnosed with cancer in May 2000. Mr. Higgins' crusade is about transformers and cancer. What is the connection? For example, in one community, 49 of 51 people were diagnosed with cancer; in another, 16 of 21 people were diagnosed with cancer; and in another, 21 of 23 people were diagnosed with cancer. In one community 35 residents have died from cancer.

What is the connection with transformers? All have transformers in close proximity to their homes. Is there a relationship—

**The Deputy Speaker:** The hon. member for Terrebonne—Blainville.

\* \* \*

[*Translation*]

### HUMAN RIGHTS

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, this morning we were delighted to learn that the Islamic court of appeal in Katsina, Nigeria, had acquitted Amina Lawal.

In March 2002, this single mother of four was sentenced by an Islamic court to be stoned to death for giving birth to a child out of wedlock. She was to be executed in January of 2004.

Since Shariah law was adopted in 2000, a number of sentences of stoning for sexual relations outside of marriage have been brought down. None of these has been carried out, however.

Right from the start, the entire world has condemned this expression of violence and discrimination against women, of which the sentence against Amina Lawal is a tragic example.

The Bloc Québécois wishes to commend Quebecker Pierre Brun of Lawyers without Borders for his excellent work on this case. He travelled to Nigeria to help defend Amina Lawal, and is certainly in part responsible for the fact that today we can celebrate her release.

\* \* \*

[*English*]

### EDWARD SAID

**Ms. Colleen Beaumier (Brampton West—Mississauga, Lib.):** Mr. Speaker, it is with great sadness that I rise today to pay tribute to a leading Palestinian intellectual, Edward Said.

Mr. Said was born in Jerusalem but lived most of his life in the U.S. He studied at Princeton and Harvard and went on to become a leading advocate on behalf of the Palestinian people.

As a professor at Columbia University, his writing and speeches made him a central voice in the Palestinian struggle. He was equally critical of corruption within the Palestinian Authority and Israel's occupation of the West Bank and Gaza.

Professor Said died this morning at the age of 67 after a long battle with leukemia. He leaves behind an intellectual void that will be difficult to fill.

He will be greatly missed.

\* \* \*

● (1410)

### TOURISM

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, on behalf of my federal and provincial New Democratic Party colleagues, I rise today to draw the attention of the House to the importance of tourism to Canada's economy, standard of living as a nation, and quality of life for all Canadians.

Tourism is worth \$52 billion a year. It is Canada's fourth largest export industry and its eleventh largest industry overall, accounting for about 3% of the country's gross domestic product.

Canada's 159,000 tourism related businesses operate in communities from St. John's to Victoria and from Iqaluit to Yarmouth. They keep 1.8 million Canadians working, providing vital income for individuals and families, especially in rural Canada. They also generate an estimated \$17 billion in tax revenues, which support government programs at all levels.

On behalf of all of us as we prepare to celebrate World Tourism Day, I urge all my colleagues on both sides of the House to support Canada's vital tourism industry and for all Canadians to travel our country and see what a truly wonderful country we are blessed with.

\* \* \*

### JOHN MUNRO

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, I would like to take this opportunity to inform the House of the passing away this summer of one of its own, former health, labour and Indian affairs minister and great Canadian, the Hon. John Munro.

For 22 years Mr. Munro sat in this place as the representative of the people of Hamilton East, serving with distinction in the portfolios assigned to him by then Prime Minister Pierre Trudeau, but most of all serving Canadians and especially aboriginal Canadians with all his heart.

Mr. Munro was also very much a grassroots politician, of a kind that we rarely see today, and was ever mindful of his constituents. He looked to improve their lives by bringing opportunities to the city of Hamilton, the steel town that he loved. McMaster Health Sciences, the Canada Centre for Inland Waters, these are but two world class institutions that are part of the Munro legacy in Hamilton.

Well done, John. Well done.

\* \* \*

### JOHNNY CASH

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, two weeks ago we lost an icon in the entertainment industry. The Man in Black, Johnny Cash, has moved on to a better place.

### Oral Questions

Johnny Cash's career spanned 50 years. He was inducted into the Country Music Hall of Fame in 1980. He followed that up with the Rock and Roll Hall of Fame in 1992. He is one of only a handful of performers to be so honoured.

His hard living and torturous schedule took their toll, but his marriage to June Carter in 1968 turned his life around.

Johnny Cash worked with Elvis, Jerry Lee and Dylan. He recorded with Willie, Waylon and Kristofferson. He recorded gospel music and music for children. His fans came from all walks of life and all ages.

From *Hey Porter* and *Cry, Cry, Cry* in 1954, the hits never stopped coming. *Teenage Queen*, *I Walk the Line*, *Ring of Fire*, *Folsom Prison Blues*, *A Boy Named Sue* and, my favourite, *Sunday Morning Coming Down*, are just a few of his hits.

Although all country music fans will miss him, we know he is "walking the line" in a far better place.

\* \* \*

### INFORMATION TECHNOLOGY

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, Canadians have been eager to adopt and make use of new technologies. We are increasingly turning to the Internet for government services, information and education, and to keep in touch with friends and family around the globe.

A study released yesterday by the Geneva based International Telecommunications Union found that Canada is now one of the most connected nations in the world.

Our government has pledged Internet access for all Canadian communities by 2005. One way we are doing this is the Broadband for Rural and Northern Development pilot program, which makes high speed Internet access available to communities where service does not already exist.

Thanks to the Liberal government's vision and ongoing commitment, Canadians across the country are able to take advantage of the opportunities offered by the Internet.

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## ORAL QUESTION PERIOD

[English]

### HEALTH

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, there is a new Liberal leader but already there are trial balloons being floated on the health accord. Reports indicate the government may withdraw from the \$2 billion in health funding that it promised to the provinces early this year.

*Oral Questions*

My question for the health minister is quite simple. Is the government firmly committed to delivering the \$2 billion of new money it promised to the provinces?

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, let me read what the health accord said. The federal government committed to, and I quote:

provide up to an additional \$2.0 billion for health for the provinces and territories at the end of fiscal year 2003-04, if the Minister of Finance determines during the month of January 2004 that there will be a sufficient surplus above the normal Contingency Reserve to permit such an investment.

We stand by that.

• (1415)

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, this government had money this week for the gun registry and for scandal ridden public works and HRDC departments. It should have money for health care.

This government should not be playing peekaboo with health dollars or with the health of Canadians and the minister should not be standing here like a corporate lawyer reading the fine print of the health accord.

Will he commit firmly that he will give the provinces the money they are expecting to implement the health accord?

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Yes, Mr. Speaker, we are giving them all of the \$34.8 billion that we promised and, if they meet the conditions that are necessary, there will be more in January, but look at the table. It is only September.

[*Translation*]

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the government is reluctant to follow through on its promise to deliver \$2 billion for health services. Hon. members will recall that the new Liberal leader has said that the health accord was a missed opportunity and does not address fundamental issues.

Is the government trying to gain some time because its new leader does not support this promise of \$2 billion for the provinces?

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, the answer is the same in French. This was a promise made in the accord, provided the money is available in January. We are not there yet; this is September. We are going to do exactly what we have committed to do. This is not complicated. Why is the leader of the opposition trying to confuse the public?

\* \* \*

[*English*]

**TECHNOLOGY PARTNERSHIPS CANADA**

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, the Minister of Industry thought it would be a good idea to hand out \$4.9 million to Canadian Shipbuilding & Engineering in June through technology partnerships Canada.

The new Liberal leader until a few weeks ago owned a controlling interest in CS&E through his shipping company, Canada Steamship Lines. This TPC money was awarded while the new Liberal leader was still in charge of his company.

Why did the minister give the new Liberal leader \$4.9 million while he was still in charge of CSL?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, technology partnerships Canada does careful due diligence before making any investment to promote innovation. It did due diligence here and found that this investment is a good use of money to commit to the development of new technologies in a shipbuilding sector that holds great promise for the region in Ontario where this company is located and for the sector as a whole.

If the member would spend more time looking at the merits of this investment rather than the cheap politics he is pulling here, he might be better off.

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, the reality, and the minister knows this, is that there was a clear conflict there and he should have acted diligently in not awarding this until there was a clear schism between the former minister of finance and Canada Steamship Lines.

To add to this controversy, CS&E sits on Industry Canada's marine advisory committee, a group that makes recommendations to the Minister of Industry regarding shipbuilding and marine policy. Could the Minister of Industry confirm CS&E's advisory role? Did the CS&E representative on this advisory board lobby for this grant itself?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, first of all, the former minister of finance has been scrupulous over the last 10 years to avoid any conflict between the interests of the corporation and his political responsibilities.

Second, I am very proud to receive advice from CS&E and other excellent Canadian companies involved in the shipbuilding sector.

There was nothing wrong with this investment. It was made after due diligence by TPC. It is a good investment to promote innovation in Canada.

\* \* \*

[*Translation*]

**TAXATION**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the Quebec Minister of Municipal Affairs, who was a campaign organizer for the member for LaSalle—Émard, had a word of caution for the future Liberal leader. Instead of denying that a fiscal imbalance exists and using the surplus to deal directly with municipalities, Ottawa should give a portion of its gasoline tax revenue to Quebec, which will look after distributing it.

Will the Prime Minister admit that the stage is set, and that a simple transfer of funds, much more than the negotiation of a new pact, as advocated by his successor, would allow Quebec to quickly provide much needed assistance to the municipalities?

*Oral Questions*

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, as the Minister of Finance always says, each level of government has its own taxation powers. Those provinces that choose to increase their taxes on goods such as petroleum products are entitled to do so.

As for us, if we have a surplus in January, the first \$2 billion will go to health, as agreed to in the health accord. That is our policy. There may be different policies later, but for the time being this is the policy of the government that is in office at this time.

• (1420)

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, my point is that the gasoline tax will be primarily used to interfere in municipal jurisdictions. Hence my question to the Prime Minister. That is what his successor intends to do, despite the fact that the Minister of Municipal Affairs told him, “Give us the money so that we can distribute it among the municipalities.”

Does he agree with his successor, who is talking about a fiscal pact directly between Ottawa and the municipalities instead of one between Ottawa and Quebec and the provinces, as it should be?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have an equalization system to help provinces when their tax bases are lower than those of other provinces. That is the system. One cannot tell what will happen one, two or three years down the road.

The current system is clear: there is a federal gasoline tax and a provincial gasoline tax. We have no intention of increasing our tax for the time being, but if the provinces want to increase theirs, they can do so, they have the power to do so.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the future prime minister is trying hard to present an image of renewal, but unfortunately for him, what he has to say about federal intervention in municipal affairs is essentially the same as what the Minister of Intergovernmental Affairs told municipal representatives in May 2001, and I quote: “It would be a real anomaly not to have direct and intense relations between federal and municipal leaders”.

Can the Prime Minister confirm that his successor's approach is exactly the same as that of the present government, as expressed by the Minister of Intergovernmental Affairs in Banff in 2001?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is rather confusing. They must be talking to each other. He says it is exactly the same thing, so there is no change.

I can say, as the Minister of Finance did yesterday, that on the issue of infrastructure programs, we are helping municipalities to develop their infrastructure. That has been going on for generations. Canada's federal government has been involved in subsidized housing for a long time. We are even more involved now, and the municipalities are very happy.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the least one can say is that the Prime Minister is confused. We are talking about a direct fiscal agreement between the federal government and the municipalities. Quebec is excluded from that fiscal agreement.

I am asking the federal government if it is not being disingenuous in stating that, when there are problems in a sector such as municipal

affairs, such problems justify the federal government's intervention, even though it has no jurisdiction.

Would the federal government not claim that its exclusive jurisdiction was at stake, if, for example, on the pretext that there were a lot of problems in Canada's military, the provincial governments announced their intention to intervene in order to solve these problems? It is the same thing.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, to me, the situation is very clear. We have longstanding relations with the municipal governments. Very often, these involve tripartite programs, with contributions from the municipal, provincial and federal levels. These programs have been around for a long time. The municipalities do not complain and the provincial governments all participate, including the Government of Quebec. The infrastructure programs are a very good example of cooperation between municipal, provincial and federal governments.

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[English]

**LIBERAL GOVERNMENT**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, yesterday I asked the Prime Minister if there was a problem; if he saw a problem with a Liberal lobbyist meeting with the head of the Privy Council Office. In his usual manner, he said no problem whatsoever.

Luckily Mr. Robinson himself saw there was a problem and is now disassociating himself from this high profile client.

I have a question for the Prime Minister. Will he now provide a list, a full list, of the new Liberal leader's transition team who are meeting with PMO officials, departmental officials or his cabinet?

He may be leaving his office. Unfortunately the Liberal government is not.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there was one meeting where they discussed exactly that problem, the previous status of Mr. Robinson, his professional activities and how he could deal with the Privy Council. They had a gentleman's discussion and the conclusion was that he could not be a lobbyist and do that job. They did not discuss any matter but that. In the weeks to come, if there is some need of communication, there will be communication, and there will be absolutely no conflict of interest.

• (1425)

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, now it appears that there is a problem. Confidential information should not be made available to Liberal lobbyists just because they are part of the Liberal leader's transition team.

The Minister of Finance runs one of the most sensitive departments in the government yet he recently stated:

### Oral Questions

It would be appropriate to have some level of communication either directly or through his transition team that I know he's been putting in place.

Would the Minister of Finance tell the House if he or his office have been speaking to members of the transition team, particularly lobbyists?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the member is ignoring one fact: the member for LaSalle—Émard is a member of Parliament and there will be some community work on the preparation of the budget.

The members of Parliament work with the Minister of Finance. They make suggestions. If the member for LaSalle—Émard wants to make some suggestions we will be happy to hear them. Preparation for the budget has to start right now. As we have done over the last eight years, every member of Parliament with a good idea can give it to us.

Even the Leader of the Opposition was trying to find a new party, so we will have another new Leader of the Opposition in a few months. I never thought I would have a new one before departing.

\* \* \*

### INTERNATIONAL COOPERATION

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, today we hear yet again about the pandemic of AIDS in Africa. We hear again how literally millions of people are dying tragically because they cannot afford the drugs to keep them alive. Canada is yet again doing nothing to help the flow of affordable drugs.

I have a question for the Prime Minister. Stephen Lewis says that Africa needs just one G-7 country to step forward and help the cheap drugs flow. Will Canada be that country? Will the Prime Minister ensure that?

**Hon. Susan Whelan (Minister for International Cooperation, Lib.):** Mr. Speaker, as Stephen Lewis and, hopefully, the hon. member well knows, Canada has already pledged \$150 million to the global fund for fighting HIV-AIDS, tuberculosis and malaria. On top of that, we have contributed \$50 million to the Canada fund for Africa for the vaccine initiative for HIV and AIDS.

Canada has stepped forward and Canada will continue to step up to the plate to help fight HIV-AIDS, particularly in Africa.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, it is unfortunate, because Canada has not stepped up to the plate.

I want to switch my question to another topic. The new Liberal leader has raised \$1 million more than he can spend. We do not know who gave or what he promised but we are sure the gift will keep on giving for the donors.

If the heritage minister should stop campaigning because she has lost, surely the finance minister should stop fundraising because he has won.

I would like to know, has the Prime Minister—

**The Deputy Speaker:** The hon. Minister of Finance.

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Unfortunately, Mr. Speaker, I did not win.

### CITIZENSHIP AND IMMIGRATION

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, there is new evidence today that the government turns a blind eye to the serious problem of bogus visa schools.

The minister tells immigration officials to issue student visas on acceptance letters from these unsavoury operations. The Liberals allow excellent foreign students to be victimized by these so-called schools. The Liberals leave an unguarded gate that invites criminal exploitation.

Why has the government failed in its duty to protect foreign students and failed to protect Canada?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, it is the opposite. We are doing what we have to do.

It is like what I am hearing from another provincial party which is putting immigrants in the crime agenda.

We have to be very careful. We need foreign students. We need to do what we have to do. Our officers scrutinize the situation and they are doing a tremendous job. However to label every foreign student as a potential criminal is total nonsense.

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** On the contrary, Mr. Speaker, the minister makes every foreign student a potential victim by not shutting down these bogus schools. Bogus schools use helpless students as captive labour. They are fronts for laundering money. They are an open gateway for security threats.

Today we learned that the minister was warned over a year ago of the “unbridled growth” of these operations, of the abuse and of the security risk.

What possible reason could the Liberals give for failing to shut down these bogus visa schools?

• (1430)

[Translation]

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, at some point, there needs to be a proper understanding of the distribution of jurisdictions. Some things are provincial and some federal. Our role is to ensure that all cases are properly screened. We are doing that. We are still maintaining a balance between openness and vigilance. Each time questions about foreign students are raised from that side of the floor, they make it sound as if these students were criminals.

We want to increase the number of foreign students we have, and we will.

\* \* \*

### TAXATION

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the special gasoline tax is no longer needed, but has been retained by the federal government nevertheless. That same tax will be used in future by the new prime minister to deal directly with the municipalities.

*Oral Questions*

Is this not the perfect example of fiscal imbalance, allowing the federal government to use the revenue from a tax that is no longer necessary to invade areas that are under the jurisdiction of Quebec and the provinces?

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, we have had this same question a number of times here in the House, but the answer is still the same.

We cut taxes in the 2000 budget. Then, in subsequent budgets, we cut them by \$100 billion over five years.

**An hon. member:** They voted against it.

**Hon. John Manley:** They voted against a tax cut that affected all Canadians.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the future prime minister, realizing there are problems in the municipalities, problems in health and education, says he wants to solve them.

Could the current finance minister not help him in his thought process, and help him understand that the problems in the municipalities and the problems in health and education are all attributable to a lack of funds and that the only way to solve them is not to interfere in areas under the jurisdiction of the provinces and of Quebec, but to correct the fiscal imbalance, which results in the money being in Ottawa, while the problems are in the provinces and in Quebec?

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, the provinces have the same power to levy taxes as the federal government. They have the same power to tax and to set priorities.

We have, with good management, eliminated the deficit. We have paid down the debt and we have cut taxes. When there was a deficit at the federal level, they did not complain about the presence of a fiscal imbalance. Both levels of government have the same ability to obtain revenues.

\* \* \*

[English]

**NATIONAL DEFENCE**

**Mr. Rob Anders (Calgary West, Canadian Alliance):** Mr. Speaker, an internal defence report indicates that two-thirds of Canada's fleet of Hercules aircraft have been grounded due to maintenance problems. These planes are essential to our military operations yet the government does not have a plan to replace these 40 year old planes. Instead, we see the minister implement a stop-gap measure to buy used airplanes.

Why is the government dumpster diving to keep our Hercules in the air?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the government takes the safety of our people extremely seriously and we will not put them at undue risk. We have not and we will not allow our personnel to fly in unsafe aircraft.

The Hercules are in fact considered one of the most reliable and versatile transport planes in the world. They are the workhorse of the Canadian air transport fleet and the Canadian Forces are examining options to enhance the availability of Hercules transport.

**Mr. Rob Anders (Calgary West, Canadian Alliance):** Mr. Speaker, for this government to resort to shopping for used planes, less their engines, is a symptom of a much larger problem. These planes are essential to overseas missions, search and rescue and humanitarian assistance. However the lion's share of our fleet is on the ground.

If he honestly believes that he is going to do the best thing, what about the subs and the Sea Kings? He did not care about safety with those.

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the hon. member is quite wrong. The Minister of National Defence puts the highest priority of all upon the safety and security of Canadians generally, the Canadian military in particular, and he does not put their lives at risk.

\* \* \*

[Translation]

**LABOUR MARKET**

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ):** Mr. Speaker, during the Ontario leaders' debate, the premier of Ontario said that the Prime Minister of Canada had told him that the labour market agreements with the provinces are done and he told him: "We are phasing them out."

Will the Prime Minister tell us whether or not he said such a thing?

• (1435)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I had discussions with the Province of Ontario. We did not sign an agreement with them regarding the labour market agreement. I told them that we had not signed with them but that we did with others and that the agreements are renewable every five years. Will they be signed in five years? I do not know, I will not be here.

I know we did not sign with Ontario because they would not want to be reasonable and accommodate the needs of the federal government to ensure that the people of Ontario were aware of how much money the federal government spends on them.

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ):** Mr. Speaker, again, I will quote what the premier of Ontario said in front of thousands of people during the debate:

[English]

"We are phasing them out. Therefore we are not prepared to give Ontario an agreement". That is what the Prime Minister is supposed to have said. Did he, yes or no?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I think I will reply in English.

As everyone knows, we did not sign with Ontario because it did not want its citizens to be aware of the money that was allocated by the federal government to the citizens of Ontario.

### Oral Questions

We signed agreements with the other provinces because the governments, although they did not deliver, had guaranteed on paper that they would make sure their citizens knew that most of the money came from the federal government.

\* \* \*

[Translation]

#### CUSTOMS AND REVENUE AGENCY

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, yesterday the Minister of National Revenue admitted that there were approximately 130 cases of private tax files that were delivered to the wrong address, after having said the day before that there was a single isolated case.

However, she was wrong. Today, a report in the *Journal de Montréal* indicates that Stéphanie Beaulieu, a resident of Quebec, received the tax file of a resident of Ontario.

Is this another isolated case? How many more will there be? When will the minister take responsibility for these serious mistakes?

[English]

**Hon. Elinor Caplan (Minister of National Revenue, Lib.):** Mr. Speaker, here are the facts. CCRA sends out almost 110 million mailings and has an error rate of .0000011%. I challenge the member to find anyone who has a better, almost error free, rate. That does represent from January to today about 130 cases and, unfortunately, there will be more because of either human or mechanical error.

However, in the Shawinigan case, I have asked the privacy commissioner to work with us to conduct a full review.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Here are the facts, Mr. Speaker. First, 39 files went to the wrong address and the minister said that it was an isolated case. Then she admitted there might be 130. Now we learn of another one and she says that there will be more.

First she blamed the paper stuffing machine and then it was the stapler. When will the minister take ministerial responsibility for the mess in her department?

**Hon. Elinor Caplan (Minister of National Revenue, Lib.):** Mr. Speaker, let me repeat again: 110 million pieces of mail and an error rate of .0000011%. I challenge the member to find any organization with a better error rate.

We are not perfect but we are trying to work with this every day. We take pride in our work and we take this very seriously. We are looking into the Shawinigan operation because we have had a couple of confirmed cases and a few more that we are concerned about. We want to find out if there is anything we can do to improve our record.

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#### FOREIGN AFFAIRS

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Foreign Affairs.

The parliamentary secretary will know that the special court in Sierra Leone faces the prospect of closure within two months if donor nations do not step up to the plate and provide more resources.

I know the Minister of Foreign Affairs is personally very supportive of the work of the court and has made strong representations to existing and prospective donor nations.

I am also aware that Canada has already made, as the chair of the management committee of the court, a sizable contribution.

Will the parliamentary secretary ask the minister to renew his efforts on an urgent basis to ensure the court has the funding it needs to continue its critical work—

**The Deputy Speaker:** The hon. Parliamentary Secretary to the Minister of Foreign Affairs.

**Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, as the hon. member has said, the position of the government is that Mr. Taylor should stand trial before the special court for Sierra Leone for the war crimes and the crimes against humanity with which he has been charged.

With regard to funding, the foreign minister of Canada has personally engaged his counterparts in other countries to honour their pledges or to make new commitments to ensure that the court is able to continue its very important legal processes. In that regard we are considering the request as well.

\* \* \*

● (1440)

#### GOVERNMENT CONTRACTS

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, first let me thank the Prime Minister for referring to our leader as the leader of the official opposition. I presume he meant the real opposition in the House.

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

**The Deputy Speaker:** Order, please, I know members will want to give their attention and let the hon. member for St. John's West propose his question. The hon. member for St. John's West.

**Mr. Loyola Hearn:** Mr. Speaker, when we hear that the whole country is very excited, now we have proof of it.

Like the infrastructure throughout the country, the Royal LePage scandal only gets worse by the day. Allegations of officials accepting gifts from Royal LePage involved more than one department.

Will the Minister of National Defence tell the House if an internal investigation, launched by the Canadian Forces National Investigation Service into the matter, is complete? If so, what were the findings?



*Oral Questions*

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, both the Minister of National Defence and I are concerned about this matter. When issues came to the attention of the other bidders in the process, they took the proper steps before the CITT. When particular allegations were drawn to my attention, I had my department investigate them thoroughly and on the basis of that, the whole process was re-tendered to protect the public interest.

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, several departments have been tainted by the allegations that some of their employees may have accepted gifts from Royal LePage. These include Public Works, Treasury Board, DND and the RCMP.

Would the Solicitor General tell the House if the RCMP conducted an internal investigation into these allegations? If so, what were the conclusions of that investigation?

**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 deputy ministers and departmental heads responsible for this matter are conducting the appropriate investigations. I have every confidence that they will indeed take the proper decisions to ensure that the appropriate consequences flow where they should.

\* \* \*

[Translation]

**ENVIRONMENT**

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, it is a disgrace. The Liberal government tells us that it cannot intervene with regard to the construction of a toxic waste incinerator in northeastern New Brunswick, near Chaleur Bay and the Gaspé Peninsula.

Sections 34 and 35 of the Fisheries Act, section 48 of part 1 of the Canadian Environmental Protection Act and the Canada Port Authority Environmental Assessment Regulations give the federal government the authority to intervene in this matter.

My question is for the Minister of Fisheries and Oceans. Will he order that work be suspended and that an independent assessment be conducted, yes or no?

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, we were consulted in this matter about whether there were ocean deposits. If there were, in fact, any, then this is a matter for the Department of Fisheries and Oceans.

Following discussions with the Province of New Brunswick, the developer decided to change the plans and ensure that no ocean deposits would be made. So, 100% of the water is being recycled.

Consequently, since there are no deposits and since we have been advised that there will be none, I think that there is no cause for concern at this time. We did our duty, and this is a matter that comes under the exclusive jurisdiction of the province.

**HEALTH CANADA**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, the outrageous bilking of money intended to fix aboriginal health has already resulted in more than seven RCMP charges. Paul Cochrane, assistant deputy minister at Health Canada, received condos, hockey tickets and more gifts as he went millions over budget for the Sagkeeng treatment centre. Who was the deputy minister at the time? David Dodge.

Will the Minister of Health commit to a full public inquiry into David Dodge's role in this scandal before he is even considered for a senior role in the new prime minister's administration?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, let me make it plain that the matter to which the hon. member refers has been audited. It is one of the most thorough audits, I believe, ever undertaken by the government. We are in receipt of the final audit report.

The individual named by the hon. member has, as she has pointed out, been charged by the RCMP. Those charges obviously will be dealt with in due course by the courts.

I just want to reassure the hon. member that no stone has been left unturned in terms of getting to the bottom of this situation.

\* \* \*

● (1445)

**AGRICULTURE**

**Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance):** Mr. Speaker, yesterday the Minister for Agriculture hid behind the beef value roundtable he claims he instigated last June. That very roundtable designed a comprehensive plan to deal with the escalating problem of cull cows. The minister rejected its plan as out of hand and replaced it with what? Silence, and lots of it.

Is the minister stalling so his new boss will get the credit for resolving this or does he just not really have a plan?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the beef roundtable and the Canadian Cattlemen's Association made a presentation to myself and all the provincial ministers Monday morning of this week. The hon. member knows full well that after that meeting we all said that it was the desire of everyone to use the over \$500 million that was left first to help address this situation and then we would go from there.

It was very clear and it was a decision made by the federal government and the provincial governments at a federal-provincial meeting, and the ministers from all the provinces agreed to it.

**Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance):** Mr. Speaker, if that line were actually true and if he really were telling us the truth here, he would have no problem getting the last signatures on his APF.

*Oral Questions*

The livestock industry is only the latest victim of the Liberal government's inability to deal with international trade issues. Nobody can wait another six months to see if they can trigger any—

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

**The Deputy Speaker:** I encourage the member for Battlefords—Lloydminster to be judicious in his words.

**Mr. Gerry Ritz:** Mr. Speaker, the problem is that no producers can wait another six months to see if they can trigger any payout from the minister's Russian roulette support programs.

When will the minister table a national plan that will actually address the health of our livestock industry? When is he will he do that?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I announced on September 19 \$600 million to flow to Canadian farmers. A number of provinces have already signed bilateral agreements which will allow producers to apply for interim agreements.

By the way, Mr. Speaker, I told the truth earlier as well.

\* \* \*

[Translation]

**LABOUR MARKET**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, in response to a question from my hon. colleague from Rimouski—Neigette-et-la Mitis, the Prime Minister said that there was no labour market agreement between Ontario and Ottawa. We knew that.

That was not the question. The question is whether the Prime Minister told the premier of Ontario that there would be no such agreement, even if Ontario wanted one, because the federal government is planning to withdraw from labour market agreements with the provinces.

Did the Prime Minister say that to Premier Eves of Ontario, yes or no? And let us not play with words. The question is very clear, and I would like the answer to be every bit as clear.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have been clear on this subject. I discussed the matter with Ontario, saying that we would not be negotiating an agreement. I said we had agreements with the other provinces, which are renewable every five years. I cannot predict at this point whether or not they will be renewed. In certain provinces, the agreements have worked very well. If they did not work very well in some cases, we will try to negotiate better ones.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, unless Mr. Eves lied in the leaders' debate, an important debate for the province with the largest population, the Prime Minister told him very clearly that the reason there would be no agreement was that the government was planning to withdraw from labour market agreements.

The Prime Minister understands the question perfectly well. He has been beating around the bush four or five times to avoid answering. I am asking him clearly: Did he say that, yes or no? And

if he did not, is he saying that the premier of Ontario is a liar? I would like to have a clear answer; he heard me clearly.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I just answered the question. I said that there were agreements, that we would be renegotiating them and that those that are not negotiated to our satisfaction would not be renewed.

I did not say there would not be agreements. I never said that. I said that we would be renegotiating because, in some cases, the provincial governments were not abiding by the agreements. It is the government's intention, at least I hope it is, to make sure that all parties abide by the agreements they signed.

\* \* \*

● (1450)

[English]

**SOFTWOOD LUMBER**

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, the Liberal government promised to help laid off softwood lumber workers with real financial help, so it made a big deal in announcing the community economic adjustment initiative. Almost two years later, no laid off worker in my riding has seen one single dollar of help from this fund.

I want to ask the minister responsible this. Why has the government not kept its word to help workers in my riding of Nanaimo—Cowichan?

**Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.):** Mr. Speaker, if the hon. member had been following this issue closely, he would realize that we in fact just announced \$3.5 million for community adjustment which would leverage \$50 million across the province of British Columbia. He should be standing up and applauding the announcements that we made today for excellent projects across the province of British Columbia.

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, that minister can say what he wants, but I have looked at the government's own guidelines for anyone who wants to access these funds. Nowhere does it say that any of this money has to go into any project which will support any displaced forestry worker. This kind of help is all smoke and mirrors.

I ask the minister again: Why has the government failed to help workers in my riding?

**Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.):** Mr. Speaker, the \$110 million which we announced to help communities that are affected is the very reason to look at the communities that are hurt by the softwood lumber duties. The hon. member should stand up and tell us which projects that we have funded he is against and does not support.

*Oral Questions***ATLANTIC CANADA OPPORTUNITIES AGENCY**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, yesterday the Minister for ACAO told the House that a \$2.7 million grant to Liberal-connected Techlink had been vetted by an advisory board. Yes, but that is part of the problem because two members of ACOA's advisory board are former Liberal members of Parliament and a third one is a former provincial Liberal cabinet minister.

Could the minister explain why this company, above all others in Nova Scotia, should receive millions of taxpayer dollars with its criminal allegations and its clear corrupting ties to the Liberal Party?

**Hon. Andy Mitchell (Secretary of State (Rural Development) (Federal Economic Development Initiative for Northern Ontario), Lib.):** Mr. Speaker, this company is not under investigation and there have been no charges made against it.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, this company is under RCMP investigation. It is the job of the minister, not advisory boards, to avoid conflicts of interest.

The Techlink grant was green-lit despite Liberal connections, criminal investigations and patronage. Why has the Liberal government learned nothing from all its scandals and why does it keep giving corporate welfare to a company under criminal investigation for influence peddling?

**Hon. Andy Mitchell (Secretary of State (Rural Development) (Federal Economic Development Initiative for Northern Ontario), Lib.):** Mr. Speaker, the real question is why, every time the government attempts to work with the community, attempts to work with people in the community to create wealth and create jobs in Atlantic Canada, the members of that party across the way oppose it every time. The government is committed to Atlantic Canada, to the people of Atlantic Canada, to create wealth in Atlantic Canada and to create jobs. They are against it.

\* \* \*

[Translation]

**THE ENVIRONMENT**

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, the Fisheries Act permits the minister to intervene when there is a risk that a project will harm the fish. The Belledune project involves the transportation of highly toxic substances by ship. However, ships travel on water and, according to our most recent information, fish still live in water. If a disaster should occur, the fish would be the first victims.

So, what is keeping the Minister of Fisheries and Oceans from intervening to stop the Belledune project, as he has the authority to do under section 35 of the Fisheries Act?

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, as I said earlier, we did our duty with regard to ocean deposits. As for the ships, oil tankers and all ships transporting dangerous goods must comply with the restrictions and standards set by Transport Canada. What I find surprising from the Bloc, given that this is a delicate environmental matter which should be treated carefully, is that the Bloc members want us to interfere in an area of provincial jurisdiction, when there

were three questions just now to say that we should not interfere. They should make up their minds, because they are being inconsistent.

\* \* \*

● (1455)

[English]

**CANADA ELECTIONS ACT**

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, my question is for the Prime Minister. Next Tuesday Liberal MPs will vote on a motion to call a referendum on changing our voting system. This will be the first vote on proportional representation since 1923, some 80 years. The Liberals will use this system to choose their leader but they will not ask the Canadian people if they want to use it as well. This is just elitist.

I want to ask the Prime Minister whether he will now decide to support this motion on Tuesday so we can have a national referendum on whether the Canadian people want to use proportional representation to elect their Parliament.

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the hon. member is getting ahead of himself a little. The motion will only be, by his own admission, before the House next week. However in any case, I hope he puts forthwith the argument that he thinks he has, whereby he will convince Canadians that MPs who do not have constituencies are better than those of us who were elected to represent Canadians. I look forward to hearing that argument.

\* \* \*

**THE ENVIRONMENT**

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, this week the University of Alberta released a study in which it said that Kyoto would dramatically increase the price of electricity and transportation, drive away billions of dollars in investment in the oil patch, cost the Canadian economy billions of dollars and we would be unable to reach our Kyoto targets.

Will the government replace the failed Kyoto plan with a made in Canada plan that will ensure Canadians have clean air and clean water?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is a question he should have asked last year. We have voted on that. It has been approved by the House of Commons. It is approved by the Canadian people, and it is even approved by the Premier of Alberta.

*Points of Order*

[Translation]

**LABOUR MARKET**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, in reply to my question about the labour market, the Prime Minister began to change his version of the discussion he had had with Mr. Eves, and I know why. Nevertheless, his version still does not match what Mr. Eves said. What Mr. Eves said was not that they had talked about negotiations, but that the Prime Minister told him that there would be no agreement with Ontario because the federal government wants to withdraw from labour force agreements.

Did Mr. Eves say that or is he a liar?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have explained that we had a discussion and that they did not sign. I told him why. I told him that these agreements work well with other provinces. In some provinces the members and the ministers are not very satisfied and there will be new negotiations.

Obviously, if, in the new negotiations, there is no agreement, there will be no agreement. But if there is one, there will be one. But when we have had five years' experience in this field, improvements will be made and we will be able to sign. If we cannot agree, the same thing will happen with the other provinces that has happened with Ontario.

\* \* \*

[English]

**FISHERIES**

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, the Minister of Fisheries and Oceans announced a number of grants under the Atlantic innovation fund a little while ago. One was for \$1.5 million for Acadian Seaplants. The problem is that the president of Acadian Seaplants is also a member of the board that approves the grants. Obviously, there is a potential for a conflict here.

What steps did the government take to ensure that a member of the board did not approve a \$1.5 million grant to his own company?

[Translation]

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I think that the appointments that have been made will ensure effective use of public funds. I think it is very well known that the appointments we make are made properly; I am convinced that the appointments we have made will ensure that public funds are spent responsibly.

\* \* \*

[English]

**PRESENCE IN THE GALLERY**

**The Deputy Speaker:** I would like to draw the attention of hon. members to the presence in the gallery of the Honourable Abdulrahman Omar Kinana, Speaker of the East Africa Legislative Assembly.

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

● (1500)

**BUSINESS OF THE HOUSE**

**The Deputy Speaker:** I call on the hon. House leader for the official opposition, the member for West Vancouver—Sunshine Coast, to ask the usual Thursday question.

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, I would like to ask my usual question, and as we head down the road to prorogation can the government House leader tell us what is on the agenda for the next of couple of weeks? Is there anything new to this very exciting agenda he has planned for us so far?

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the hon. member across is a little impatient with his future holidays. He will probably have to wait some time.

This afternoon we will continue to debate second reading of Bill C-48, the natural resources taxation bill. I understand that the bill is nearing completion.

When it is complete, we will then debate Bill C-50, the veterans' benefits bill sponsored by my colleague, the Minister of Veterans Affairs, followed by the consideration of the Senate amendments to Bill C-10B, the cruelty to animal bill.

If time is left, we would deal with third reading of Bill C-17, the public safety bill, and second reading of Bill C-46, the market fraud bill.

In the unlikely event that we do not complete all of that this afternoon, on Friday we would begin with a reference to committee before second reading of Bill C-41, the amendments and corrections bill. The opposition House leader and I have had a brief conversation about this

We would then proceed with Bill C-37, respecting improvements to Canadian Forces pension benefits.

We will then return to any bills already mentioned today in the unlikely event that some of them are not fully completed.

On Monday, we would begin with Bill C-17, the public safety bill, and then return to the list previously described.

Tuesday, September 30, and Thursday, October 2, shall both be allotted days.

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**POINTS OF ORDER**

## ORAL QUESTION PERIOD

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, I rise on a point of order to correct the *Hansard* record from yesterday's question period.

In response to my question, the Solicitor General said at page 7749 of *Hansard*:

If he would read the most recent evaluation, and read it appropriately, he would see that the evaluation was done back last spring. We announced an action plan after that.

*Government Orders*

The Minister of Justice and the Solicitor General tabled their action plan for the gun registry on February 21, 2003, and I can table that. I have a copy of their news release right here as well, or the Speaker can also find the announcement in the minister's statement on pages 3867-8 of *Hansard* for that day.

The Department of Justice Canada Firearms Centre evaluation I referred to yesterday in my question is dated April 2003. I have a copy for the Speaker as well.

Obviously the 90 problems with the gun registry identified in the evaluation have not been addressed by the minister's action plan because that was tabled two months earlier. The action plan was tabled before, so the Solicitor General's statement in question period simply was not true. There is enough confusion about the gun registry. I simply want to correct the record.

• (1505)

**The Deputy Speaker:** I do not want to add to the confusion, far be it. Is the hon. member who just had the floor wishing to correct something of his own statement because none of us can make a correction to someone else's statement.

**Mr. Garry Breitkreuz:** Mr. Speaker, in my question I was referring to an evaluation that was done in April. When the Solicitor General gave me his response, he had the impression that this evaluation was done previous to the action plan that was raised in February. I wanted to clear the record. The action plan was done before the report I was referring to was even released.

**The Deputy Speaker:** On the matter of what is on the record, all I might add is that the member for Yorkton—Melville has put it on the record. The Chair will not get involved into what is on the record.

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## GOVERNMENT ORDERS

[*Translation*]

### INCOME TAX ACT

The House resumed consideration of the motion that Bill C-48, An Act to amend the Income Tax Act (natural resources), be now read the second time and referred to a committee.

**The Deputy Speaker:** Since the member who had the floor before statements by members is not available at this time, the hon. member for Sherbrooke has the floor.

**Mr. Serge Cardin (Sherbrooke, BQ):** Mr. Speaker, it is a pleasure to speak at second reading of Bill C-48. The main purpose of this bill is to reform the taxation of industry and natural resources.

Everyone will remember the gas price saga in August. In fact, there was a very substantial increase in gas prices this summer. At the same time, we learned that the federal government was giving a lucrative gift to the oil and gas companies.

We know that, in the 2000 budget, the federal government promised to lower corporate income tax from 28% to 21%, except obviously for businesses in the natural resource sector, such as oil, gas or mining. Because, naturally, there was also a tax credit.

Were it just a question of dropping the rate from 28% to 21% and eliminating the 25% allowance, the oil and gas companies would

suffer as a result of these tax reforms. However, deductions for royalties might be allowed on their expenditures.

Consider the case of Petro-Canada. In 2002, it had royalties of \$277 million. If it maintains royalties at this level in 2003, it will save approximately \$7.5 million.

The finance minister also estimates that it will cost close to \$260 million once the reform is fully implemented.

If we take a closer look, we can see the figures that some oil companies have made public recently.

Coming back to Petro-Canada and its second quarter report for shareholders. We know that Petro-Canada announced second quarter earnings of \$450 million. That includes a positive adjustment of \$96 million related to changes in the Canadian tax rate.

In the meantime, on July 23, 2003, Shell Canada Limited, in its quarterly report to shareholders, announced second quarter earnings of \$178 million. Earnings included a one-time benefit of \$54 million from a future income tax revaluation following announced income tax changes.

Meanwhile, Esso Canada in its second quarter report to shareholders, announced that tax rate reductions enacted by the federal government and the provincial government of Alberta and settlement of various tax matters had benefited results, mainly in the resources segment, by \$109 million.

The three big oil companies are declaring future incremental profits of \$250 million. Most of these profits can be attributed to Bill C-48.

Let us recap. We know that with the bill, the oil industry will see its tax rate decrease significantly. However, the mining industry in Quebec more than elsewhere will be penalized by this same measure. We might have expected the government to give a tax break to industry sectors that are having difficulties, but never to one of the most profitable sectors in the economy.

The bill would reduce the statutory corporate tax rate applicable to resource income from 28% to 21%.

As I said earlier, in the February 2000 budget speech the federal government announced a 7% reduction over five years of the general corporate tax rate, except for the resources sector.

The federal government did not grant the reduction to various industrial sectors, including the resources sector, which benefited from preferential corporate tax treatment.

• (1515)

In reality, since the resource sector benefited from other deductions, the actual tax rate was not 28% but rather 22%, according to KPMG.

*Government Orders*

Then there is the 25% resource deduction, which will be restricted, whereas the deductions for provincial and crown royalties, as well as mining taxes, might now be considered expenditures.

At the present time, the natural resources sector benefits from a 25% tax credit. Until 1974, provincial royalties were deductible. While the provinces were raising their royalties, the federal government's revenue was dropping. This 25% deduction was initiated in the 1974 federal budget to offset the non-deductibility of royalties.

Then there is the new 10% tax credit for qualifying mineral exploration expenses, but this applies only to metals and diamonds. The oil and gas industry is not included.

As far as tax rates are concerned, the benefits to these corporations can be seen. The rate will drop from 28% in 2002 to 21% in 2007. The deductible percentage of the present 25% resource deduction, which was still 100% in 2002, will drop to zero by 2007. The deductible percentage of mining royalties and taxes, which was of course zero in 2002—having only just been implemented—will hit 100% in 2007. Finally, the new mining exploration tax credit will go from zero to 10% by 2007.

To quote an excerpt from *CAMagazine*, the official publication of the Institute of Chartered Accountants:

From a federal tax perspective there will be winners over the phase-in period—companies with high royalty rates, such as oil and gas producers operating in Western Canada—.

However, in such provinces as Saskatchewan, Manitoba, Quebec and the Maritimes, the elimination of the resource allowance deduction for companies that benefited from the resource allowance results in an increase in the overall effective rate.

With respect to effective tax rates, I can quote a few figures. In this context, the overall effective tax rates, taking into account federal and provincial income tax, will increase. According to financial analysts, in Manitoba, the effective tax rate for the entire natural resource sector will increase by 2.9%; in the Maritimes, it will increase by up to 3.25% and even 4%; in Quebec, it will increase by 2.25%; and in Saskatchewan, by 4.5%.

You will therefore understand that we cannot support a bill that will result—and even accounting analysts say so—in an increase in effective tax rates, if we take into account all of the measures, and not just the reduction of the tax rate to 21%, to match the other industrial sectors.

I repeat that the figures quoted here come from prestigious accounting firms as well as the Mining Association of Canada. PriceWaterhouseCoopers compared the current system with the reform proposed in Bill C-48 for two types of mines.

Excluding the phasing out of the income tax on large corporations announced for all sectors—a measure that will benefit all Canadian businesses—the reform proposed in Bill C-48 means an average tax increase from 39.9% to 42.8% for gold mines, and from 38.8% to 46.6% for copper mines.

This does not affect only Quebec, but all of Canada. However, it is well known that there are quite a few gold and copper mines in Quebec. We are sensitive to this argument, and I cannot see what we,

as the representatives of Quebec's interests, would stand to gain from supporting a bill that would increase the effective tax rate for a number of natural resource sectors in Quebec and other parts of Canada.

Finally, the association also told us that steps had been taken to promote mine development in the provinces, including Quebec. In this case, we can see that the federal government is literally encroaching upon the fiscal autonomy of the provinces and Quebec.

In the long run, these measures are expected to be profitable for all sectors of the economy. In the short term, however, some sectors will win and others will lose. Among the winners will be businesses working in tar sands, petroleum and precious metals. Among the losers will be those involved in natural gas, potassium and diamonds.

Mr. Hugues Lachance, senior tax director with KPMG, says that with the first two provisions in this bill, the oil companies would be losers, as I said before.

But these are not the only changes. The petroleum industry pays substantial provincial and crown royalties. In 2007, they will be able to include 100% of these provincial royalties as expenses.

Still—and I repeat it again even though I said it before—for the mining industry, where royalties are generally small, this third provision of the bill does not lighten their tax burden very much.

The Minister of Finance estimates that, when fully implemented, the complete program will cost him \$260 million in foregone taxes. A very high percentage of this tax relief will be absorbed by the oil companies.

The bill's actual impact on the petroleum and natural gas industry will be a 12% reduction in the tax rate. Once this measure has been implemented, the tax rate for oil companies will be 5% lower than in Texas. In the United States, currently, the rate is 41.1% in Alaska and 35% in Texas. In Canada the rate is now 42.1% in Alberta. With the federal government proposals, the rate will drop to 30.1%.

The Mining Association of Canada, or MAC, estimates that “when all is said and done, the disappearance of the Resource Allowance will likely result in higher taxes paid by the mining industry, even if we are able to deduct provincial royalties and mining taxes.”

The MAC goes even farther and states that the federal government is undercutting the good work by Quebec and the provinces to make mining investment more attractive.

More specifically, looking at the impact on the mining industry, they are saying that the federal government is implying that the new tax structure will be simpler, that it will streamline compliance and enforcement, attract investors, improve the competitiveness of the Canadian mining industry, and foster investment, innovation, productivity, economic growth and job creation in Canada. However, the industry does not believe that the tax reform program will meet the stated goals.

The gradual reduction provisions, announced in the 2003 budget, are too complicated and will be difficult to implement.

• (1520)

According to the Canadian Mining Association the hardship created by the 2003 budget and Bill C-48 would require a quick solution as well as the involvement of governments at the federal, provincial—including Quebec—and territorial level.

They are saying that the proposed changes to the federal income tax have a serious impact on a number of mining activities in Canada, and result in an increase in the combined federal, provincial and territorial taxes at the expense of the net revenues of corporations.

What can we say when we look at how this reform will benefit oil companies, especially in view of the fact that over the past 30 years Canada has given \$66 billion in direct subsidies to the oil, gas and coal industry. These forms of energy are directly responsible for climate change. In other words, each Quebec taxpayer gave \$27,000 to the oil and gas industry.

With the oil companies racking up huge profits, what can we say about the position of the federal government that still levies 1.5 cents per litre of gas to eliminate the deficit. We are now in a surplus situation but this tax is still being collected. Will the impact of these outrageous tax savings for the oil companies be felt at the pump? It is very doubtful.

We do not have the whole picture as far as the economic data and the impact are concerned, even though some accounting firms and experts have made some assessments. The committee will have to look very closely at the benefits claimed by the government as well as the real drawbacks for the mining industry.

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#### BUSINESS OF THE HOUSE

**Mr. Jacques Saada (Brossard—La Prairie, Lib.):** Mr. Speaker, I believe you would find consent for the following motion:

That when the House begins with items C-406 and M-392 under Private Members' Business later this day, no quorum calls, dilatory motions or requests for unanimous consent shall be entertained by the Speaker, and, that at the conclusion of debate on the motion for second reading of Bill C-406 and of debate on motion M-392, all questions necessary to dispose of the said motions be deemed put and a recorded division deemed requested and deferred until the expiry of the time provided for Government Orders on Wednesday, October 1, 2003.

**The Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

#### Government Orders

• (1525)

#### INCOME TAX ACT

The House resumed consideration of the motion that Bill C-48, an act to amend the Income Tax Act (natural resources), be read the second time and referred to a committee.

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

The recorded division stands deferred until Monday at the end of government orders.

**Mr. Jacques Saada:** Mr. Speaker, I would like the division to be deferred until Tuesday at the end of government orders.

**The Deputy Speaker:** Does the House give its consent to defer the division until Tuesday, instead of Monday, at the end of government orders?

**Some hon. members:** Agreed.

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[English]

#### CHILDREN OF DECEASED VETERANS EDUCATION ASSISTANCE ACT

**Hon. Rey Pagtakhan (Minister of Veterans Affairs, Lib.)** moved that Bill C-50, an act to amend the statute law in respect of benefits for veterans and the children of deceased veterans, be read the second time and referred to a committee.

He said: Mr. Speaker, it is indeed my honour and privilege to lead off second reading debate on Bill C-50, an act to amend the statute law in respect of benefits for veterans and the children of deceased veterans.

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Indeed, the bill provides us with a unique opportunity, one, to offer financial assistance to the children of veterans who die as a result of their military service; two, to clarify the requirements for the war veterans allowance program; and three, to enhance compensation for both shorter term and longer term former prisoners of war. Concurrent with the bill are regulatory changes, to be found in a separate form, which will help war era veterans and their spouses, including eligible overseas and allied veterans, live out their remaining years in comfort and dignity.

In fact, these objectives reflect the most pressing needs and longstanding concerns of our wartime veterans as identified by national veterans organizations. We therefore wanted to accomplish these goals as expeditiously as possible. So timely are the proposed statutory and regulatory amendments that we in the department have come to refer to them as our urgent needs legislation.

One might think the bill is largely a technical one, subtracting or adding sections to existing pieces of legislation. The amendments appear to be technical indeed, but their effects are substantial and profound.

The first amendment re-establishes the children of deceased veterans education assistance act, the act that provided authority for my department's education assistance program from its inception in 1953 until its discontinuance in February 1995. With the enactment of Bill C-50, we will be re-establishing the act and substantially improving upon the program for children of Canadian Forces members killed in the line of duty or who, at the time of death, were pensioned at the rate of 48% or greater.

The program will assist eligible children attending a post-secondary institution, such as a university, a college or a trade school, with their living expenses and tuition fees. A monthly living allowance of \$300 will be sent directly to the students, over and above any amount payable to them as surviving children under the pension act. Reimbursement for tuition fees will be made directly to the educational institutions, to a maximum amount of \$4,000 per year, adjusted yearly as a function of the consumer price index.

In addition, education assistance will be given to former students who completed their education after the education assistance program was discontinued in 1995. This will be of particular importance to children of Canadian Forces members who were killed in the line of duty during this time period. This coverage will preclude any unfairness. They will be eligible for the education assistance rates that were in effect as of January 2003.

Also under this program, children who did not attend a post-secondary institution after the education assistance program was discontinued and who now choose to attend are eligible to receive up to four years of assistance at the new rates established with the passage of the bill. Eligible students can qualify for assistance until their 30th birthday.

The next amendment clarifies the wartime service requirements for members of the Canadian Forces. It will establish that a member of the forces must have enlisted, served and been discharged from that service to be eligible for benefits under the War Veterans Allowance Act.

Members may recall that as a result of recent Federal Court rulings, some ambiguity resulted with respect to the definition that had to be applied for the purposes of the War Veterans Allowance Act to a member of the Canadian Forces who served during the first and second world wars. I believe it essential, and most certainly veterans do, that this change be undertaken so that the legislation makes it abundantly clear this aspect of wartime service is a fundamental consideration under this particular legislation.

● (1530)

The third amendment improves coverage and compensation for former prisoners of war, POWs. This amendment will do two things. One, it will modify the current POW compensation scale to benefit POWs who were imprisoned for shorter periods of time than now currently called for; and two, it will increase payments plus the current maximum timeframe covered.

Moreover, concomitant regulatory changes will provide veterans who are only in receipt of POW compensation and are totally disabled with access to veterans independence program, VIP, services and health care benefits, where these are not available to them from provincial programs.

POW veterans have always occupied a special place in the hearts and eyes of the government and fellow veterans, and in fact in the hearts and eyes of all Canadians.

Speaking further of regulatory changes related thematically to the bill before us but to be found in separate form, there are four. First, we are extending health programs to war service veterans with a pensioned disability between 48% and 77%. What that does is it recognizes that these veterans now have multiple and complex health needs. It acknowledges the difficulty of differentiating between health care needs related to the pensioned injury and those that are due to the infirmities of old age. Thus, we are covering both eventualities for those health care requirements not covered under provincial legislation.

Second, we are also providing VIP and health care benefits to overseas service veterans residing in Canada and living at home because they are unable to access a priority access bed in a long term care facility due to a wait list.

Third, we are offering as well long term care and health benefits to allied veterans who have lived in Canada for 10 years or longer since the end of the war. Eligible allied veterans will have access to long term care in community facilities when they are admitted to such facilities for the first time. In cases where the allied veteran needs care that can no longer be provided at a community residence, for example, palliative care and dementia care, the veteran becomes eligible to receive care in a facility where veterans affairs has access to a priority bed.



These changes to the regulations will come into effect this fall. They are part of a continuum of changes that we see as crucial to our ongoing efforts to better the lives of our heroes who are now in their twilight years.

The fourth on the regulatory front of the continuum, and the most significant in its reach and scope, is the one affecting the spouses and partners, the survivors, of war veterans who were in receipt of VIP benefits at the time of their passing. Of all the issues that veterans groups have talked to me about, they regard this as one of the most pressing.

As hon. members know, VIP has been one of my department's most popular programs for veterans and their survivors. Its provisions for housekeeping and grounds maintenance services have helped keep very senior veterans living at home rather than in care facilities, likely for years longer than might otherwise be anticipated and made possible, no doubt, by the caregiver assistance of their spouses.

We recognize that in these later years the caregiving which the spouses provide their veteran partners is priceless indeed, not just for the veterans in a personal sense, but it is priceless to the Canadian health care system and taxpayers in dollars saved in helping keep them healthy and independent at home.

We have also come to recognize the physical and emotional toll such care places on elderly caregivers. For years now caregiver survivors have benefited from the continuation of such services for one year after the death of their veteran spouse.

• (1535)

Starting May 1 of this year, VIP is being extended to eligible survivors then in receipt of this benefit, along with the spouses of veterans who die after the new amendment is approved, not for just a year but for as long as they need the grounds keeping and all housekeeping services of the program. In fact approval of this regulatory change was accelerated and took place last June.

About 10,000 surviving spouses will benefit from this change in the next five years at a cost of \$65.9 million, nearly half of the total financial resources we had, some \$134 million, for all the urgent needs we had to fund.

As I had earlier alluded to in the House, we wished we had the capability to include recipient survivors whose one year VIP extension had ended before last May's announcement. In fact we raised and discussed this very issue with the leadership of the veterans' organizations. We were in a dilemma. Time was of the essence. Should we proceed with the package, knowing we could not include survivors whose VIP had ended? It was our collective and unanimous decision to proceed as I proceeded to announce the package in the House. Thus, it was not for lack of heart, it was not for lack of will, it was simply the case of limited resources. It was simply the case of reality.

May I at this juncture seize this opportunity to reiterate my thanks to Mr. Allan Parks, Dominion President of the Royal Canadian Legion; Mr. Robert Cassels, Dominion President of the Army, Navy and Air Force Veterans in Canada Association; and Mr. Clifford Chadderton, Chairman of the National Council of Veterans Association for their leadership and participation at every step of

### *Government Orders*

the process as we were developing this package of initiatives as reflected in Bill C-50 and in the concomitant regulatory changes, including the funding mechanism. Their advocacy on behalf of veterans and their families is laudable and their insights have been most valuable to me and to my department.

Let me say a word on funding mechanism before I conclude. Altogether, the statutory amendments along with their regulatory counterparts will mean millions of dollars of additional benefits will go to the neediest of veterans and their family members. However, they are not adding millions of extra dollars to my department's budget, nor adding to the taxpayer's burden. Rather, we are reallocating funds internally within the department to address the high priorities of those veterans and other clients in the greatest need.

This funding mechanism will involve clarifying the attendance allowance program policy to bring it more in line with its intended target. As originally envisioned in the legislation, attendance allowance is a monthly payment which may be awarded to a veteran who is receiving a disability pension and/or prisoner of war compensation. The individual must also be totally disabled and in need of attendance due to his or her physical or mental state.

In existence since 1919, the attendance allowance program is closely guarded by veterans' organizations, and rightly so. They support changes to the program provided that savings realized are used to fund programs that meet their urgent needs without detracting from any other program. I should at once say that existing clients will continue to receive their attendance allowance benefits at their current grade level.

I believe the statutory amendments before us in Bill C-50, combined with the regulatory changes, will make eminent sense in the life of our veterans, and in the sad instance of their passing, in the life of their surviving spouses or dependent children.

• (1540)

I look forward to hearing my colleague's views on this very important matter. I look forward to our collective wisdom in this House. A speedy enactment of this bill would be one more expression of our nation's unending gratitude to our veterans who offered themselves, most in the prime of their youth, in the service of our country.

Truly, we are further honouring our heroes with the speedy passage of Bill C-50.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I am very proud to stand here today to speak to Bill C-50. Last Saturday night I had the privilege of meeting the group reunion of the South Saskatchewan Regiment in the city of Weyburn. As many know, the South Saskatchewan Regiment was one of those that hit the shores of Dieppe in 1942. Many of them were there.

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If I think back and recollect the thoughts that were expressed by the veterans, by some prisoners of war and indeed by some widows who were there that evening, one gets a different look at the bill itself. I can appreciate the minister when he said that there was no new money in this bill within his department. It is simply a reallocation. I say to the people out there, I believe this minister struggled hard to fulfill all of this bill, but he did not get the money. That is a sad tale for our veterans and their dependants across Canada.

This party has long seen the results of what happened in 1995 when the budget cuts came in. They did not ignore our veterans, rather they hacked into what we were then paying to the veterans. The budget of 1995 also cut some of their programs.

I think of shaking the hands of the vets who were at the reunion. Their regiments was one that hit the shores of Dieppe on up to Pourville and suffered tremendous casualties. Then when I thought about how the federal government had so dishonoured the widows of some of these vets, it just about tore me to pieces.

I am old enough to remember the educational program that we had for the children of the vets of World War I. I can remember, in a previous occupation, signing their attendance to prove these people were at school. I am pleased to see this program continuing. That is a plus for Canadians. That in itself says we honour the dependants of vets.

There is one thing terribly wrong with the allocation of funding to the POWs. The oldest serving generals of our POWs were those who were captured in Hong Kong. Next came those who hit the shores of Dieppe. Many of the prisoners of war taken from D-Day on virtually served about one year.

I am not quarreling with the program itself. I am quarreling about this. Our military people were taught to escape, and escape they did. I want to say that being a POW in any of the camps was not *Hogan's Heroes*. It was a tough life. Those who escaped found their way back sometimes to their unit. Sometimes they were months and months trying to get back to Britain for medical attention and then they rejoined.

According to this bill and to my understanding, the POW pension is only for the days in which they were incarcerated. Does it include the other days as well? That is one question. We have to ensure that this is looked at very carefully because I have talked to people who did escape and then went back. However they are not receiving the pension and they should.

● (1545)

The minister alluded at some length to the veterans independence program. Many MPs within the House and most people in Canada simply do not understand for what VIP stands. We know it is "very important person". I want to say there are no more important people than the veterans and their widows.

VIP in this bill refers to a program to help the veterans and their wives live independently in their home. This side has always supported that program. What we did not support, and what I repeated in the House and in committee a thousand times, was that if the veteran died, the spouse if she wished to remain in their home would only covered for one year under that program. My argument

was always that if two people needed the program, surely one must. I congratulate the government for the extension of that program, I believe it was in June.

There are tens of thousands of veterans' widows. I have received thousands of letters. For widows prior to September, who did not qualify or whose spouse had died and the year was up, this payment is not retroactive. If I have to stand here until midnight to say that is a national disgrace, that is exactly what I would do. I held the hand of one of these widows last Saturday night who told me that her net income was \$1,100 a month, but she had been cut off this program. That is wrong. That is not acceptable.

When I and Canadians look at the daily paper, we see \$1.6 million going here, another \$1 million going there, somebody else runs away with this or that, yet we have thousands of widows out there who do not qualify for the veterans VIP simply because their husbands died a year or two before. Not one member of the House, no one anywhere, would agree that making this a continuum for some and not for others is correct and just and right.

Without any hesitation, I beg, and I will be begging in the Veterans Affairs committee, that we re-examine this. I trust that the minister. The minister used the words "comforts and dignity", and I believe he means that. I am looking at some 30,000 or more widows across the country who are not living in comfort and they are certainly not living in dignity.

It really hurts to know that in 1995, with the severe cuts, the veterans and their widows paid the supreme price. To members in the House and to anyone watching out there, let us do the right thing. These widows are not only mothers, they are grandmothers and, in many cases, great-grandmothers.

● (1550)

I think our Minister of Veterans Affairs has a deep concern. I can tell the minister that I will be supporting an amendment to make sure that we look at all veterans' widows across Canada and do not forget them. In the famous words of our most noted poem surrounding November 11, "Lest we forget"; lest we forget now when we have the opportunity to honour those widows out there who desperately need our help.

This is not a long term bill. At their age, hundreds are passing on every month. It will not cost the government very much money over a decade to do the honourable thing. If I were minister of veterans affairs, I would be running to step up front. I would want to take some credit for doing the right thing, as I am sure the minister wants to.

I have one comment I would like to make in closing. This is not related directly to the bill but it is related directly to Veterans Affairs. Our most revered day for veterans is coming up on November 11. I do not know who arranged for the different arrangements for the distribution of the wreaths that will be laid across Canada on behalf of veterans, but I can say, serving a rural community, that it will be very difficult for each one of my active legions to get to that wreath and pick it up at the member's office. My time is short but I will talk about this at another time.

*Government Orders*

I thank the minister for the work he has done. I know the fiscal pressure he has been under from cabinet and so on, but whatever happens let us hope that we do the right thing and honour our widows and our vets, and, in particular, those who have struggled throughout this life in Canada.

• (1555)

**Hon. Rey Pagtakhan (Minister of Veterans Affairs, Lib.):** Mr. Speaker, I thought the member would pose a question to the minister but since he proceeded to debate I will make my comments and perhaps respond to some of the questions he included in his debate.

First, I want to thank him for acknowledging the importance of the education assistance program for children of deceased veterans killed in the line of duty.

Second, on the question of whether the time prisoners of war spend eluding capture after an escape is included in the calculation of the benefits given to them, I assure the member that has been the interpretation since 1988. If the member should come across any case where it could have been interpreted otherwise, I would ask him to please let me know and my department will look into it.

Lastly, I would reiterate that on the extension of benefits to the surviving spouses, I in fact raised that issue myself when we were discussing it with the leaders of the national veterans organizations. It was not an easy task when we could not include those whose benefits had ended.

We were in a dilemma. Should we delay proceeding with a package of initiatives, knowing the twilight years of our veterans, while we continued to search for sources of funding for the additional funding that we would need? Or, should we proceed since time was of the essence? With much difficulty and in our collective unanimity we decided to proceed.

I just wanted to convey to the House that it was not for lack of effort or lack of will. It was only the reality of the time.

**Mr. Roy Bailey:** Mr. Speaker, I concur with the minister but I have to repeat that day after day Canadians see huge sums of money, into the millions, spent here and there. The government would not get one complaint from Canadians living anywhere were it to do the honourable thing and include all those veterans' widows. That is the honourable thing to do and that is what Canada should do and must do.

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, I would like to extend my appreciation and my compliments to the hon. member for Souris—Moose Mountain. He has very passionately spoken on behalf of all veterans, widows and POWs. I commend him for his comments.

He made some interesting points. I was happy to see the minister taking notes during the debate. It does not happen often. Many times when we debate something ministers are not present in the House on that particular topic when someone is speaking from the opposition.

I have two points to make. First, in my riding in the area of Cloverdale the cenotaph where we go for Remembrance Day is in bad shape. I have asked the minister and the government many times to fix it but nothing has been done. Why is the government ignoring the demands from veterans, even the small things which will appease them and at least restore the honour in the men and women who

gather to remember that particular day in honour of our veterans as well as those who sacrificed their lives for the country?

I had a constituent in my office who was crying because her veteran's widow cheque, which was \$981 per month until the government cut it to \$91 a month, was, shamefully, cut further. She now receives a cheque for only \$9 per month. She asked me what she could do or buy with \$9. It is painful to remember every month when she gets that cheque for \$9.

Something is wrong here. Does the member think the government is ignoring the realities and the needs and demands of those who sacrificed their lives for this country and who made all of us proud and honoured?

• (1600)

**Mr. Roy Bailey:** Mr. Speaker, with regard to the first point and the cenotaphs, I happen to live in an area where the number of legion branches every year are closing very rapidly as depopulation takes place. However I must commend the legions outside of that for moving in and sometimes doing the proper work to restore and preserve that monument which is revered throughout the year but particularly on November 11.

This topic has been discussed in committee. It has come before us many times and there is no set program that I know of that would do that. Perhaps that is a good thing for the committee to take a look at. It would be a humongous task. We may even go so far as to say that some support may be necessary. However I find it amazing how easy it is to raise some money for something like this.

In the latter case my colleague mentioned, I receive hundreds of letters, as does the minister, from across Canada in regard to Veterans Affairs but unless we know each individual case and the contents therein, it is very difficult to pass judgment on any one case. It sounds unreasonable in this particular case that that is exactly what happened but I do know there are widows living on \$1,100 a month. I also know that even under our standards that is well below the poverty line. That is where we should be concentrating.

I thank my colleague for his support. We have an obligation in Canada to preserve our past. It is not only part of Veterans Affairs but I suggest it is part of our heritage. Maybe being a little bit older than some, but not everyone, I remember grown up during those years. I as an educator have been very disappointed with what I hear and see now in regard to our military. I am very disappointed with that.

**Hon. Rey Pagtakhan:** Mr. Speaker, I rise on a brief point of order to correct what I said. I said that 1988 was the beginning of the reference interpretation of the meaning of incarceration. I meant 1978. 1988 refers to the time scale itself.

**The Deputy Speaker:** That correction is on the record.

*Government Orders*

[*Translation*]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, I am very pleased to speak to this bill today. I may say that I am very pleased, but in fact it brings back some somewhat troubling memories for me. My father was a veteran, so my mother was the wife of a veteran.

Among the things that are always hard for veterans is having to explain the history of the second world war. I am a member of the Iberville Canadian Legion and I have a lot of good buddies there.

As soon as we hear about the federal government wanting to improve veterans' quality of life, we have to applaud. It is touching to see what goes on in the Legions. There are a lot of people there who are getting on in years and they often have had very hard lives. In the prime of their lives, they enlisted in the Canadian army and went overseas to fight the forces of evil, as they were known, in Europe and in Asia, when the Japanese got involved toward the end of the war.

Sadly, these veterans bear scars, not only on their bodies, but on their minds. The latter are worse. Sometimes they start talking and weeping for no apparent reason, but I know the reason. It is because they were psychologically traumatized by what they saw and what they did, some of which they cannot even talk about.

Consequently, when a government like the Government of Canada says it wants to improve the quality of life for its veterans, we are pleased. But we want to see this done fairly.

This bill has some good things in it, and some less good. Being a positive person, I will start with the good. I think that there has been progress made as far as the new definition of veteran is concerned. For a long time, this was limited to those who had taken part in the first or second world wars, or the Korean war.

Now the definition has been expanded to include those having served in a theatre of actual war. Those who served in a theatre of actual war will be considered veterans and will be eligible for all available benefits.

I think a society has to recognize those who have risked their lives and fought for the freedoms we are now enjoying. We have to recognize their contribution.

Too many people were excluded before. The new definition includes more people. This is the first positive point I wanted to raise.

The second one has to do with the importance in the lives of the veterans of their spouses and children, something we come to realize when we speak with these men. The soldiers wounded in action have often had a tough life. It has had an impact on their wives and children to the point that these men now want to know what benefits their families will be entitled to after they are gone.

As my hon. colleague mentioned earlier, the average age of these veterans is quite high, almost 80 years or over. Since women usually survive their husbands by about ten years and their children by a much longer period of time, the veterans want to know what will become of their spouses and their children.

I find these provisions to provide assistance to children of veterans quite appropriate. Members have to realize that such a proposal

failed in 1995 but can now be carried out thanks to some reallocations of funds at the departmental level. More and more veterans are dying each year because of old age. It is only fair to reallocate the money to provide assistance to their spouses and children.

Restoring a \$300 monthly education allowance for the children is a good thing. And since the minister thought of indexing the allowance, we will not have to revisit the issue in a few years' time to point out that the allowance is not high enough. It will automatically be indexed. It is important to help these children pay their tuition fees, which are getting prohibitive.

The official who came before the committee to explain the bill told us that it would help only 300 children. As the number of veterans dwindles, the department can afford to reallocate some \$69 million to pay for all of these measures.

● (1605)

The other thing is the compensation of prisoners of war. I think that is important also. Earlier, I heard my colleague say that they were encouraged to escape from prisoner camps. I do not believe that a prisoner, knowing what we are doing today, would have chosen not to escape in order to have 10% more on his pension. This is not how we should look at things. Even if they had not been encouraged to escape, prisoner camps were not five-star hotels like the Hilton, particularly Japanese camps.

Today we are improving a scale that gives them a percentage of their pension in recognition of the time they spent in these camps. We can understand that.

There is a scale with periods of 30 to 88 days, 89 to 364 days and more than 364 days, and there are percentages. If we compare the old scale and the new scale, we can see that there is indeed an improvement. We support that and also the fact that the compensation is higher for those who were in Japanese camps because conditions were even worse in those camps. We recognize that these people made an effort and suffered both physical and psychological trauma. Therefore, as a society, we want to compensate them for that. This is totally appropriate and we agree with that.

I will now turn to the negative aspect of this bill, and it has to do with those who were forgotten. I do not believe that anyone has raised this point so far, but First Nations, Metis and Inuit veterans do not have adequate, if any, compensation. They have long been calling for compensation.

*Government Orders*

Back when I was the Indian Affairs critic, everyone said that there was simply no need to compensate the aboriginals. I think that they still have not been compensated. I hope that the minister will stand and respond to this part of my speech. I want to know if there is any compensation for the first nations, Métis or the Inuit. They have always been forgotten and, to my knowledge, they are still being forgotten in this connection.

There is worse still. My hon. colleague raised this issue in English and I want to raise it in French. I am talking about allowances for the surviving spouses of war veterans. When my father passed away, my mother received an allowance under the Veterans Independence Program.

My mother lived at home and got an allowance for housekeeping. This was extremely important because she had difficulty doing it herself. It was a big home, and it had to be cleaned each week. She did not have the resources or the strength to do it. In addition, she was sometimes able to also pay someone to cut the grass and the hedge. This improved her quality of life and helped her avoid going into the hospital too soon. So, this is a good measure.

The minister has forgotten about part of his clientele. I can give an example, and I have a good one.

In a May 12 press release, the minister announced the various measures before the House. He also announced a measure to extend the period of continuation of the Veterans Independence Program's grounds maintenance and housekeeping services for surviving spouses of veterans to a lifetime, as I just said.

We all applauded this measure. We were all very happy that the minister had thought about these people. But since then, something has happened. On September 18, the background document to the bill was made public. It says that some initiatives will require regulatory changes. On May 12, they were talking about legislative changes—that is, under the law—and on September 18, they were talking about regulatory changes.

We learn further on that the first regulatory change, namely the fact that VIP was being extended to eligible survivors not just for one year but for life, was approved on June 18. Between May 12 and September 18, the Governor in Council made a regulation. Under the old regime, eligibility for grounds keeping and housekeeping services continued for 12 months after the death of the veteran.

•(1610)

The act now says that from now on it will be for life. On the other hand, the regulation of June 18 says that only women widowed after June 18 will be eligible for the rest of their life. Those who were widowed before that date might as well forget about it.

That is a major problem. The minister claims that it will help 10,000 widows. But what he does not tell us, is that he is forgetting about 23,000 widows who would be eligible if the measure was extended to everyone.

During the briefing, the official who was there to explain the situation said that it was a reallocation of funds. A number of veterans are dead, and instead of returning the money to the Consolidated Revenue Fund, it will be reallocated. According to the official, the reallocation of these funds for everybody would

probably have cost around \$200 million. The government, probably a top official, put a stop to that and said that the government might be ready to take a little step but not one that would cost \$200 million over the next five years. And that is where things started to go wrong.

Now, while we were expecting a legislative amendment, we are finding ourselves with a regulatory amendment made on June 18, and there is not much more we can say. It is all fine and well for my hon. colleague to say that they will try to move an amendment, but it should have some relevancy. That is what the procedure manuals say. The fact of the matter is that there is not much we can use in this bill for that purpose.

I think the government should review the regulations to ensure that there will not be any injustices. It cannot tell 10,000 women that they will be entitled to this allowance for the rest of their lives under the law and at the same time tell 23,000 other women in the same situation that they are not. We feel there is a very serious problem there.

Let us look at what is happening. Last year, the government accumulated a \$13 billion surplus. Do not tell me that it is not able to amend the legislation or otherwise ensure that it is fair to everyone. The Treasury Board just tabled supplementary estimates. Why did it not make additional funding available to the Minister of Veterans Affairs to develop legislation that is fair to everyone? I wonder if the minister has not been derelict in his duties in this regard. One can certainly wonder.

What are we to tell the widows who come to us and complain that their neighbour is receiving the allowance while they are not? I will have to take the regulations out and explain that June 18 is the cutoff date.

On June 18, 2003, a woman who lost her husband on June 17, 2002, is told that he should have died one month later for her to qualify for the allowance, but that as it stands, she does not. However, a woman who lost her husband in July 2002 is told, in July 2003, that she does qualify.

As members can see, that does not work. A nation that wants to recognize the contribution made by the men and women of its armed forces cannot recognize just part of their efforts but not all of them. There is a problem here.

Look at the money the government is spending for instance on the gun control program, whose costs have ballooned from \$2 million to \$1 billion; 500 times more, or at the boondoggle at HRDC. When we look at the way the government is spending the taxpayers' money, we find it hard to believe that it cannot find \$200 million for those who fought to ensure that we would be able to enjoy a better life and fundamental values like freedom and democracy. I find it very hard to believe. I have trouble telling members of the Canadian legion that, if they die today, their wives will be entitled to these benefits, but had they died last year their spouses would have to do without.

*Government Orders*

The government has to reconsider its strategy and this terrible injustice. As I said earlier, there are some good things in this bill, which is why we will not vote against it. Even at the procedural level, I am not sure it would help if we were to turn down this bill based on what I just said. The problem arises from the regulations that were made last June. However, the government can always amend the regulations.

•(1615)

Regulations are amended by other regulations, and that is where we are going to take up the fight. If we cannot fight on legislative front—because we were not allowed to; the Governor in Council was simply asked to make new regulations—then we have to do so on the regulations front. We have to exert political pressure. The Bloc Quebecois does not intend to let this go.

We are here to fight for justice. When there is injustice, it needs to be corrected. If a bill contains an injustice, we must fight to correct it. And we will do just that. I am not sure this legislation would survive a court challenge.

Is it normal for someone, because of a date, to say that the same thing applies to correcting an injustice? Is it normal that, from a given date on, some injustices will be corrected while others will not? When it came time to apologize to Japanese-Canadians and to compensate them, they were all treated the same. They were not told that “there are regulations and, starting on a certain date, some people will be compensated and others will not. That is the budgetary reality of my department. I do not have any more money”. That did not happen. This injustice was fully redressed.

It is the same in this case. These are people who fought these forces. So I understand why mistakes were made with Japanese-Canadians, and I am glad they were compensated. I am glad when the Canadian government remedies injustices it committed against aboriginals or anyone else.

But still, right now, here is one being created. It will not do any good to wait 10 years to correct this one. No one will be left in 10 years. These people need it right now. They need the money right now. These are people who do not have much money. These are people who have trouble making ends meet. These payments will help.

I am asking the minister to correct this injustice. The Bloc Quebecois will not let this happen. Certainly, if we must vote on this bill, we will vote in favour, because of the three or four ideas we have mentioned, which are positive and will enrich the lives of our veterans.

Nevertheless, we will not allow this injustice to be done to the widows. I promise the minister that if he does not correct that, the Bloc Quebecois will lead the battle to correct this injustice.

•(1620)

[*English*]

**Hon. Rey Pagtakhan (Minister of Veterans Affairs, Lib.):** Mr. Speaker, I would like to comment on some of the points that the member opposite raised.

On the issue of aboriginal veterans, following the first nations veterans grievance, last year in June we made the announcement of

an offer of up to \$20,000 for each veteran. There was a total of \$39 million for all those first nations veterans who returned to the reserves shortly after the war.

That package has been accepted by the first nations veterans community. Applications have been received, and as of last month close to 1,000 applications had been processed.

Regarding the Métis grievance, to date we have reviewed some 120 files provided to us by the National Métis Veterans Association. I can tell the House that the Métis veterans did receive the same benefits as all other veterans.

This is not surprising because the Métis were not recognized as Métis and therefore they could only be recognized as veterans-at-large. However, we wanted to be assured and so we reviewed the files. In fact, the files showed that they too received the benefits.

Giving them the benefit of the doubt, I gave the assurance, when I met with the leadership of the National Métis Veterans Association, that I would continue to review files provided to us to add the greatest of certainty.

On the issue of regulatory changes alluded to that are not in the bill, by their nature changes to regulations are governed by another piece of legislation. Section 5 of the Veterans Benefit Act has made it possible for Parliament to delegate the authority to make regulatory changes to the governor in council.

With this process we were able to do the regulatory change to the veterans independence program extending benefits to spouses much sooner. Otherwise we would be engaging in debate and the benefits would not have started.

As to why we have not extended the benefits to other widows whose benefits had ended prior to the effectivity of this particular regulatory change, I can only say, we tried. We did not succeed. This issue will remain always in the heart of this minister.

[*Translation*]

**Mr. Claude Bachand:** Mr. Speaker, I do not want to get into a debate with the minister. It is reassuring to know that the department is moving forward on the issue of first nations and Metis. I would like to know if the same applies to the Inuit.

As far as the left out widows are concerned, I think that the minister's position and mine are almost irreconcilable. I cannot accept being told that justice will be done for some and that others will suffer an injustice because there is not enough money.

It is my understanding that the June 18 regulations applied to the amount that the department was able to provide. If it had been able to provide more, it probably would have deferred. I believe that the budgetary resources of a department are not there to create an injustice.

I am not saying that it must reconsider its decision and not compensate anyone. I am saying that, if it has decided to compensate 10,000 widows, it must not forget the 23,000 others.

*Government Orders*

It will get some funds shortly. I hope that a budget is forthcoming. I hope that the minister can tell us that he has made representations to the Minister of Finance to ensure that this injustice is corrected. I hope so for his sake, because this an opening for him in the next budget.

If he does not do so, as I was saying earlier, the Bloc will confront him and will keep saying, "It is because of the federal Liberal government that 23,000 women, including probably several hundreds in my riding—because I represent a riding with a strong military presence—are the victims of an injustice".

If the minister cannot correct it, whether in the budget or through new regulations, we will continue to fight for these women, who deserve the same recognition as the 10,000 others.

• (1625)

**Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ):** Mr. Speaker, I would like to ask a question of my colleague from Saint-Jean, who, I might add, made an excellent speech.

At the beginning of his speech, he gave us the new definition of the word veteran. Will those soldiers who are now in Afghanistan on a peacekeeping mission be recognized as veterans one day?

**Mr. Claude Bachand:** Mr. Speaker, this is a good question.

Perhaps I could read to my colleague clause 10(1) of the bill, which gives the new definition, "Anyone having enlisted and having the enlistment attested, served in a theatre of actual war and was discharged from that service in which he or she was enlisted".

Therefore, those currently involved in a mission in Afghanistan qualify under this new definition, but it is only upon their discharge that they will probably qualify, even though interpretations vary, on this.

For example, let us consider those who take part in peacekeeping missions. I do not think that they qualify under this definition. The department has always refused to recognize them as veterans. Let us take those who were sent to Bosnia-Herzegovina when there were problems in that region. They were the target of many attacks where depleted uranium munitions were used. My colleague should be able to confirm that some of our soldiers came back with Gulf War syndrome. The government refuses to recognize them as veterans, arguing that it was not a theatre of actual war.

We are talking about those who went there after a war, on a peacekeeping mission, and were shot at. These missions were peacekeeping missions as well as stabilization missions, because the war had just ended. But it is difficult to include these people under the definition that I have here.

I think that the department does not want to recognize them. I am a small-l liberal in my convictions, and I would agree to extend the definition to those who put their health at risk in Bosnia-Herzegovina.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I would like to ask my colleague a question.

People in my riding, veterans in Lachute, Brownsburg-Chatham, Saint-André-Est, the Argenteuil RCM, the Papineau RCM, Chénéville and Lac-Simon would like to understand clearly what is going

on. Is my colleague telling me that with this new bill and the new regulations, widows could get benefits if their husband has died on or after June 18, but would not get them if he died before June 18, 2003? My impression is that, as the minister told us, there are financial constraints here. They picked a date based on the money they had. That is what I understand, and I would like my colleague from Saint-Jean to confirm this.

• (1630)

**Mr. Claude Bachand:** Mr. Speaker, I would like to qualify that. The women whose husbands died on June 28, 2003, or after will get this allowance for the rest of their lives.

The regulations as they stand now provide that widows who get the allowance right now because their husband died after June 18, 2002 normally get it for 12 months. Consequently, if, on June 18, they already were in receipt of an allowance, they will be able to keep it. This means in fact that the widows whose husbands died before June 18, 2002, will not get this allowance. In other words, those who were getting an allowance when the regulations took effect, that is those whose husbands died in the 12 months before June 18, will get it. Those who lost their husbands before that will not get it.

[*English*]

**Mr. Rex Barnes (Gander—Grand Falls, PC):** Mr. Speaker, it is always a pleasure to speak in the House with regard to veterans' concerns.

Of course it seems like, for some reason or another, that veterans have to continually fight for benefits that government should be automatically giving them. Unfortunately they have to continue to fight. It seems as though the war is still on for a lot of these gentlemen plus veterans' spouses who are looking for benefits due to them.

Since the return of the House last week, the issue of veterans' benefits has been focused on a single great injustice. That injustice stems from a decision by the government to exclude more than 28,000 widows from the continued protection of the veterans independence program. By not making this program extension retroactive, the government has effectively left thousands of citizens out in the cold.

These brave women were not only the wives of heroes; they were the backbone of the war effort here at home. Many committed themselves to whatever service they could provide for the country. Many spent some of the most difficult years of their lives caring for their ailing husbands suffering from injuries received on the field of battle. To deny these courageous Canadians the benefits they deserve is to condemn them to a life sentence in a hospital or a long term care facility.

The cruellest part of this entire scandal is that the basis for deciding who would get these benefits and who would not is the date that their veteran husbands died. It is not based on need. It is not based on compassion. It is not based on the fundamental principles of basic fairness. It is based on a civil servant looking at a calendar and saying, "This day and not one day before".

*Government Orders*

We all know that losing their husbands was a very tragic event in their lives, but now it is one that these women will have to remember each and every day as they struggle through their daily chores. This decision, unfair and totally arbitrary, will force these women from their homes. Yet down the street there might be another widow who, due to the fact that her husband lived just a little longer, will get everything she needs.

How is this fair? Is this fair? I know it is not and I am sure the minister realizes it is not, because I know that the minister has a good heart and he has great intentions. But we need to go further for these veterans and their spouses.

How does it honour the memory of our veterans? In fact, I think it puts down and destroys the memory of our veterans because it says that some of their families should be protected while others should not.

The Minister of Veterans Affairs has repeatedly told the House that if he had the money to cover all widows, he would. And I know he would, because he is a kind gentleman. However, it is not happening and I think it is very important that the government move forward to make sure that all widows are protected and covered, not just those in the present day. He says the real problem is that the government is unwilling to give money to veterans, even while it spends \$1 billion on the gun registry and on scandal after scandal. He says that this is about the Minister of Finance needing more money to cover mistakes than he has to help Canadians. Even if Veterans Affairs heart is in the right place, it is clear its wallet is not.

An access to information request for the spending of the Veterans Review and Appeal Board has uncovered gross mismanagement on the part of the board members. Statistics Canada says the average Canadian household spends about \$124 per week on food, yet a veterans appeal board member, a former Liberal MP, charged the government \$180 a week. Statistics Canada says the average household spends about \$6,000 a year on food. The same member charged the government for just under \$8,000.

But he is not the worst. Another board member charged the government \$13,000. There is more. The average Canadian spends about \$5,000 per person per household for shelter in a year. Instead, the board members charged the government \$12,000 for accommodations in the last 11 months alone. That is more than the cost of a two bedroom apartment here in Ottawa for the same time period. And there is more: All these expenses charged to taxpayers are on top of an annual salary of \$100,000.

I ask you, Mr. Speaker, how many widows earn more than \$100,000 a year? I know that the minister knows they do not make that much money; they are just barely surviving. I think we have to do more. I know he can find the money; he has the heart to do it. What I realize is that he will have to find the money. And I will tell the members on the board that the hon. member for Saint John, New Brunswick is very concerned about all the widows in this country.

• (1635)

How many widows have the luxury of charging their food and shelter to the government? This kind of double standard is disgusting. Veterans' widows have had to sell their homes while

Veterans Appeal Board members live like kings. Where is the justice?

I put the government on notice today. The member for Saint John has made it quite clear that the Progressive Conservative Party of Canada will do everything in its power to prevent the government from enacting this cruel scam.

For a decade the Liberal government has forced veterans to fight for every benefit they deserve. Every time we turn on the news there is always something about veterans appealing and going to court trying to get more money that is due to them. Sometimes they win, sometimes they lose. Look at the agony and torment that these veterans are going through.

We should respect the veterans. We know how the aboriginal groups have been affected over the years. They have had to fight and fight and fight until justice was served.

Veterans have done their time. Veterans have fought the war. Let us give them what they duly deserve.

It began with the merchant navy veterans. We all know who was the main fighter behind the merchant navy veterans. He is in the other House and he has done a great job. It has continued with veterans whose money has been held in trust by the government. It still continues with veterans who were used during the war to test chemical weapons like mustard gas.

Yet these brave veterans are being forced to fight the government. They fought to defend us two generations ago. They are being forced to challenge the full power of government in the courts.

This is not how we treat heroes. This is not how we remember their sacrifices. This is not how we honour their memories. The government has declared war on the grandparents of the nation.

The veterans affairs committee recently undertook a study of veterans care hospitals across the country. These hospitals should be monuments for heroes, but far too many are museums of forgotten friends. Brave soldiers in the evening of their lives are being subjected to bad food and ramshackle conditions and they are the lucky ones. Countless others struggle through their days at home as their names slowly work their way down the waiting list.

How many times do we get phone calls? I am sure many members get calls from their constituents for veterans who are waiting, trying to get help and trying to get their name on the list.

It is like that for housing for seniors. It is the same thing. Their name is put on a list. There may be 200, 300 or 400 on the list. We need to make sure that the need is taken care of now. Countless others struggle through their days at home while their names slowly work their way down the waiting list.

These men offered their lives in the defence of our freedom. Young boys too young to serve had to lie to recruiting officers so that they could go to fight for our country. Now they are old men. The government now is lying to them. It is not giving them what is rightly due to them.



*Government Orders*

The government said it would remember them. It did not. The government said it would take care of them. It did not. The government said it would take care of their families after they were gone and it will not.

Given the years of sacrifice and hardships that many of these veterans and their families have endured, the government owes them the duty of care. The duty requires us to protect them as they have protected us. That duty requires us to care for them as they would have cared for their loved ones had their lives not been shortened by the effects of the war. They made the ultimate sacrifice for us and it is time for us to make that ultimate sacrifice for them.

I know that the minister will do everything in his power to make sure that we do what is right and that is to take care of all veterans' spouses. If they are not in a program now, they have to become part of the program. We need to do what is right for them and for the country.

• (1640)

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, it is my pleasure to speak to Bill C-50 and follow my colleague from Newfoundland on this important matter.

Bill C-50 is an important piece of legislation. It increases the benefits for veterans and the children of deceased veterans. Some of the things that I appreciate about the bill is it extends compensation for former prisoners of war, and it extends the health programs for war veterans with a pensioned disability regardless of whether their health needs are related to their military service.

The legislation also provides improvements to the veterans independence program and health care benefits to overseas service veterans at home when there is a wait list for a priority access bed. Health care benefits also are available for allied veterans with 10 years post-war residence in Canada. That is also an important point. The bill establishes an education assistance program for the children of deceased Canadian Forces veterans. These are all important things and the NDP is happy to support the bill.

I would like to take a minute to thank the veterans who live in this country and who continue to keep the flame alive about the issues of peace and their contributions to us and the world we live in today.

I come from the Atlantic region. I represent Dartmouth and many veterans live in my riding. They were young men and women when they left our shores many years ago to fight for our freedom, and although they all hoped to come back safe and sound of mind and body, the sad reality is that many of them returned with a disability. Also I would like to thank their spouses, in many cases women, who took on the role of caregivers for these veterans.

My riding of Dartmouth borders on Halifax harbour which was the staging ground for most of our overseas troops in World War I, World War II, the Korean war, and most recently the actions in the gulf. Every opportunity I have I go to see one of the ships that is either leaving on a mission or returning home. It is an awesome sight to see the families waiting for their loved ones to come back. It is a very elevating moment when they come home and a very sad time every time they leave.

In my job as an MP I have learned more about people in my riding at events like that and getting to know the military families than I have learned in any other area. I did not know the extent of their commitment to our country. I did not know the extent of the passion and commitment of our military and its families. That is a gift to me in this job.

One area that we are concerned about in this legislation is around the issue of veterans benefits and the veterans independence program in particular.

Earlier this year the Minister of Veterans Affairs announced regulatory changes to the veterans independence program so that veterans' widows would receive government help to maintain their homes after the death of their husbands with no time limits. Prior to those changes, a widow would be cut off from benefits one year after her husband's death. That part of the program was obviously inadequate and we are glad it was addressed.

Unfortunately, an arbitrary timeline has been put on this so that the government will be helping some widows, those whose husbands died after May 2003, but it will not be helping up to 28,000 partners whose husbands or wives died before that arbitrary cutoff date. It is no surprise and we can all understand what this actually means.

• (1645)

We will now see two classes of veterans' widows and widowers. There will be those who ironically I guess were lucky enough to have their partner pass away after that magic date of May 2003. Then there will be those who were unlucky enough, and they are all unlucky obviously, but they were unlucky to have their partner pass away on April 29 or 30 or on March 29 or 30.

If death occurred in April or March, those families are doubly grieving because there will be no support for them through the VIP. This is something that I cannot understand and certainly those people cannot understand.

I have heard from constituents whose fathers and grandfathers have died before May 2003. I know every MP in the House has also heard of this kind of situation. Now those constituents' mothers and grandmothers are struggling to maintain their homes without any help. At the same time they know that there is somebody else, possibly living next door to them, who will be receiving help from the government because their husband died after that cutoff date.

The grandchildren and the children feel that this is unjust and against the mission of Veterans Affairs Canada which promises to respond to the needs of veterans and their families. These regulatory changes could help these women stay in their family homes, maintain their independence and be a practical expression of our gratitude to these families. Instead, it is a slap in the face to up to 28,000 women and men and their families. Veterans Affairs Canada claims to be supporting these women but it is saying that it is too costly to move that date back or to try to accommodate these families.

*Government Orders*

The government has to be ashamed for telling these people that in fact they are too much of a burden, that there are other priorities, such as reallocating budget funds, and that there are more important things to deal with than elderly widows, widowers and vulnerable citizens. I do not find that acceptable. I do not know anyone in my community who would find that acceptable. I do not think members of the House find it acceptable.

We have to take care of people who have taken care of us and who are in need at this time. It is just as clear to me as the nose on my face. This has to be eradicated. This has to be fixed.

In closing I will read from the introduction to the proposed legislative changes:

Veterans are using services and benefits more extensively as they cope with deteriorating health and increasingly complex care needs.... As war Veterans are now at an average of 80 years, this need for change has become urgent.

The department is absolutely right in recognizing that fact, but it must also recognize the fact that the spouses are also deteriorating in health and experiencing complex care needs.

Veterans Affairs has a moral responsibility to extend the veterans independence program access to widows whose spouses have passed away before that date because they too are in critical need of health care and the kind of care that we have available.

I join with many others here in the House and I join with thousands of people in my riding who say that we cannot put qualifiers on this very important program. We cannot put time qualifiers on it. We have to make sure that this small and vulnerable portion of our population gets the care that they need at this point in time.

Although the NDP is generally supportive of other measures in Bill C-50, without an improvement to the situation of these 28,000 widows and widowers, these changes are simply not good enough.

**Hon. Rey Pagtakhan (Minister of Veterans Affairs, Lib.):** Mr. Speaker, I listened intently to the member's speech and those of the members who spoke previously. I certainly value their insight. I would like to share that we were faced with the same heart-rending environment when I was with the leaders of the national veterans organizations. I thank colleagues for sharing their insights.

● (1650)

**Mr. Rex Barnes (Gander—Grand Falls, PC):** Mr. Speaker, there are many widows who will be impacted because of the date. Would the hon. member tell us from her experience and from the people who call her, what does she foresee happening to the spouses of veterans who will not be covered under this program?

**Ms. Wendy Lill:** Mr. Speaker, I have spoken with family members who are facing the very troubling situation of their mothers or grandmothers who now are having to look at selling the family home. They can no longer maintain the family home. They cannot pay for the heating. They cannot pay rising costs. They literally cannot afford to maintain the normality that they have spent their lives building up and that their husbands or partners also built up.

It seems so terribly unfair that just because people's partners have passed away one day before this absolutely arbitrary cut-off date those people are not able to get the kind of help they need just to maintain their lives. We are not talking about an enormous number

of people. We are talking about a very small portion of our population, 28,000 people altogether, aged people who are facing complex health needs who all of their lives have been involved in the military culture, who have in fact given enormously. They have seen their husbands go away for long stretches of time, live in dangerous situations and then come back disabled. They have dealt with complex stress and disability issues all of their lives.

Then, for them to be told at the very end of their lives that there is not anything for them, that in fact a decision was made but unfortunately they are not going to be cared for, it is just not the Canadian way. It is very troubling.

**Mr. Gary Schellenberger (Perth—Middlesex, PC):** Mr. Speaker, I have a question for the hon. member. Recently I attended one of the last reunions of the Perth Regiment in Stratford and heard others make the same comments that have been made here today.

I changed my whole schedule for these people when they called me. I was to be away on business and they were concerned about their member of Parliament being at that final reunion. I realized the need for the respect that we and the government should be showing the veterans. On that evening they honoured the various widows of the regiment who were there.

Is that same thing being felt in the hon. member's riding? As these reunions start to end the payment would not go on forever, but I feel that our veterans' widows or widowers deserve the same respect, those widowed previous to May 1 and those after May 1.

**Ms. Wendy Lill:** Mr. Speaker, that is a good point. We are not looking at a group that is going to get larger. We are looking at a group that is getting smaller. These people are passing away. That is why it is critical to make sure we take care of them in their last years.

I was at the Battle of Britain ceremony in Dartmouth last weekend. I was looking at the veterans and thinking that there were fewer there this year than there were last year and the year before, just as there are fewer widows.

It is not sending a good message at all to this group to say we are not going to be able to look after their mates or their fellows' mates who may have passed away earlier; that we cannot look after them, we have made a decision and that is it and they are either in luck or they are not.

**An hon. member:** It's shameful.

**Ms. Wendy Lill:** It is very shameful.

● (1655)

[*Translation*]

**Ms. Raymonde Folco (Laval West, Lib.):** Mr. Speaker, I am glad to rise today to take part in the debate on a bill that is important to a very large segment of the Canadian population.

[*English*]

As we all know, Veterans Affairs Canada has been serving the needs of veterans for almost a century now. In recent years its legitimate mandate to serve both traditional wartime veterans and modern era Canadian Forces members has been quite a challenge. The needs of the two groups are similar in principle but quite different in practice.

*Government Orders*

[*Translation*]

Although they are dwindling in number, the veterans who are still alive are increasingly making use of the services and benefits provided by the department, precisely because of failing health and complicated needs.

The changes proposed in this bill and the related regulations that are already in force or will be so shortly—we hope—will meet the most urgent needs of a few of our most distinguished senior citizens.

[*English*]

Bill C-50 speaks to both the past and the future. Let us first take a look at the new provisions for former prisoners of war.

I wonder how many of our colleagues know that Canada is one of the few countries in the world to provide compensation to former POWs. The relevant legislation was first introduced in Canada in 1976. At the time, the publicity campaign to reach out to eligible veterans generated more than 5,700 applications. Currently Veterans Affairs Canada provides benefits and services to about 4,000 former POWs to the tune of about \$53 million a year.

[*Translation*]

We are taking additional measures today to help those special groups of citizens. We are increasing the benefits and broadening the compensation. The bill stipulates how the benefits are calculated under the Pension Act. The rate of the disability pension is based on the period of time the veteran was a prisoner.

Under the current legislation, veterans have to have been prisoners for at least 89 days to be eligible for disability benefits, as opposed to 30 days under the proposed changes.

Members will also note that, with this bill, the benefits for those taken prisoner in Europe will increase with the length of time they were held.

Thanks to these changes, groups like the merchant navy vets or the Dieppe veterans, who were taken prisoner at the very beginning of the war, will be entitled to enhanced benefits. And God knows that these people, because of their age, need more health care and more money.

[*English*]

I cannot imagine any opinion in this House, or anywhere else for that matter, against the addition to the compensation levels for this unique group of veterans whose experience of war included the terrible privations of war prisons.

[*Translation*]

In Laval West, the riding I represent in this House, there are two groups of veterans, one group in Chomedey and the other in Laval West. I know how proud these men and women are of the increased recognition this House and the Government of Canada are giving to their sacrifices as of today.

[*English*]

In a similar vein, I cannot imagine any objection to providing substantial financial assistance to children for their post-secondary educational needs where their veteran parents have died as a result of service. I believe that educational assistance for children of deceased

forces members are part of the broader debt that the Government of Canada and all Canadians owe to those veterans who have died either as a result of military service or with a disability pension assessed as medium or higher. It seems to me that the bill is very fair in this regard.

A \$4,000 yearly maximum is set for tuition in addition to a monthly \$300 living allowance. The department expects that 70 eligible students will benefit from these increased tuition assistance and living allowance rates during the next five years.

• (1700)

[*Translation*]

I want to congratulate the minister on also taking care of the students who were unable to receive this financial assistance when the program was interrupted in 1995. We shall be sure to correct all obvious injustices caused by this interruption of the program eight years ago.

In the coming year, it is estimated that 60 former students will be eligible for financial assistance in respect of the education they undertook between 1995 and 2003, up to \$12,000. This is substantial financial assistance and I hope it will help them pay back their student loans.

[*English*]

These changes to the Children of Deceased Veterans Education Assistance Act are a gift that speaks to the future. The children of Canadian Forces members who serve years from now and who subsequently die on duty or die with a pension disability of 48% or greater will receive this coverage. I am sure this resurrected and improved upon program will give great peace of mind to veterans and their families. It seems the least we can do for those who put their lives on the line for their nation.

The third amendment concerning eligibility for the war veterans allowance comes out of a case concerning an individual's right to WVA even though he never actually served in the Canadian armed forces. The matter was complicated and was eventually resolved by the courts in the client's favour when it was decided that he had to be considered a member of the armed forces.

As legislators, we do our courts, our judicial agencies and our citizens a service when we make the meaning and intent of our legislation crystal clear. What this amendment does is add clarity where perhaps it was missing in the current legislation and which gave rise, therefore, to the court proceedings I have just mentioned.

[*Translation*]

The minister has also mentioned the regulatory provisions that will soon be in effect to improve access for veterans or their dependants to health benefits. Survivors who need housekeeping and landscaping services, offered under the veterans independence program, or VIP, can now enjoy such services for life.

*Government Orders*

Veterans who receive a pension of at least 48% are now eligible for access to the health care programs, whether or not their health problems are related to a pensionable disability. Overseas service veterans waiting for access to a hospital bed will now receive VIP and health care benefits.

Moreover, allied veterans who have lived in Canada for 10 years or longer after the war will have access to VIP and health care benefits.

Finally, veterans who receive only POW compensation and are totally disabled will have access to VIP and health care benefits, where these are not available to them from provincial programs.

[*English*]

It is not difficult to imagine how these regulations and the amendments we are considering in Bill C-50 are going to make life a whole lot easier for these veterans and their families. When the minister announced his package of urgent needs proposals last May, Mr. Allan Parks, Dominion President of the Royal Canadian Legion, stated the following:

The Royal Canadian Legion welcomes this positive development in ensuring that the sacrifices of Canadian veterans will not be forgotten. In catering to the needs of prisoners of war, surviving spouses, and the long term care of veterans, Canada remains at the forefront of support to its veterans.

As legislators, I think we would all want to stay exactly in that position: at the forefront. Bill C-50 does just that. I join the minister in urging its swift passage.

• (1705)

**The Acting Speaker (Ms. Bakopanos):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Ms. Bakopanos):** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Ms. Bakopanos):** Accordingly, the bill stands referred to the Standing Committee on National Defence and Veterans Affairs.

Bill read the second time and referred to a committee)

\* \* \*

**AN ACT TO AMEND THE CRIMINAL CODE (CRUELTY TO ANIMALS)**

**Hon. Elinor Caplan (for the Minister of Justice) moved:**

That a message be sent to the Senate to acquaint their Honours that, with respect to Bill C-10B, An Act to amend the Criminal Code (cruelty to animals), this House continues to disagree with the Senate's insistence on amendment numbered 2 and disagrees with the Senate's amendments numbered 3 and 4. This House notes that there is agreement in both Houses on the need for cruelty to animals legislation to continue to recognize reasonable and generally accepted practices involving animals. After careful consideration, this House remains convinced that the Bill should be passed in the form it approved on June 6, 2003.

(1) This House does not agree with the amendment numbered 2 (replace "kills without lawful excuse" with "causes unnecessary death"), on which the Senate is insisting. This House is of the view that the defence of "without lawful excuse" has been interpreted by the case law as a flexible, broad defence that is commonly employed in the Criminal Code of Canada. It has been the subject of interpretation by Courts for many years, and is now well understood and fairly and consistently

applied by courts in criminal trials. This defence has a longstanding presence in the Criminal Code, including being available since 1953 for the offence of killing animals that are kept for a lawful purpose. The House is convinced that the defence of "lawful excuse" offers clear and sufficient protection for lawful purposes for killing animals. There are no authorities that suggest that this defence is unclear or does not cover the range of situations to which it is meant to apply. For all of these reasons, this House remains convinced that maintaining the defence of "lawful excuse" in relation to offences for killing animals continues to be the best and most appropriate manner of safeguarding the legality of purposes for which animals are commonly killed.

The House disagrees with the Senate that the proposed amendment would provide better protection for legitimate activities. The House is of the view that the amendment would not bring any added clarity, and would give rise to confusion. The term "unnecessary" has been judicially interpreted to comprise two main components: (a) a lawful purpose for interacting with an animal, and (b) a requirement to use reasonable and proportionate means of accomplishing the objective (i.e. choice of means that do not cause avoidable pain). Only the first part of the legal test for "unnecessary" is relevant to offences of killing, namely whether there is a lawful purpose. It has been the law for many decades that persons who kill an animal without a lawful excuse are guilty of an offence. It has also been the law since 1953 that if they kill the animal with a lawful excuse, but in the course of doing so cause unnecessary pain, they are guilty of a second, separate offence. To collapse the elements of these two different offences into one will invite a re-interpretation of the well-developed test of "unnecessary" and will add confusion, rather than clarity, to the law.

(2) This House does not agree with the modified version of amendment numbered 3 (creating a defence for traditional aboriginal practices), on which the Senate is insisting. This House appreciates the recent clarification of an ambiguous component of the amendment, and agrees with the Senate that traditional aboriginal practices that cause "no more pain than is reasonably necessary" should be lawful. However, this House does not agree that the proposed amendment is necessary. Aboriginal practices that do not cause unnecessary pain are not currently offences and will not become offences under the Bill. This House believes that the Bill, as worded, already achieves the objective sought by the Senate.

This House remains convinced that creating a defence for this purpose is not legally necessary and may create unintended mischief. Any act that has a legitimate purpose and does not cause unnecessary pain does not fall within the definition of the crime, and cannot be the subject of an offence. A defence only applies where the conduct actually falls within the definition of the crime and is excused for other reasons. It is illogical and confusing to create a defence for actions that do not constitute a crime. More specifically, as causing unnecessary pain is not a crime, it is not meaningful to create a defence for Aboriginal persons who cause no more pain than is reasonably necessary. In addition, there is no need to mention aboriginal practices specifically; the law is already flexible enough to consider all fact situations and contexts.

The House remains convinced that the wording and effect of the amendment are ambiguous and unclear. For example, there is no clarity as to what "traditional practices" are in the criminal law context and whether there is sufficient clarity to guide the police in their law enforcement duties. In the absence of a demonstrated need for clarification in the law, this amendment could also create mischief by generating a different test for liability for Aboriginal persons. This House does not believe that the law would be improved by creating a defence that is legally unnecessary and has the potential to confuse, rather than clarify, the interpretation of the offences.

*Government Orders*

(3) This House does not agree with the amended version of amendment numbered 4 (the defences in subsection 429(2)). The defences of legal justification, excuse and colour of right set out in subsection 429(2) of the Criminal Code are applicable to a multitude of different kinds of offences including offences of animal cruelty. The defences apply differently depending on the elements of the offence under consideration. The phrase "to the extent that they are relevant" is included to indicate to the courts that the Bill is not intended to change the defences that are currently relevant to animal cruelty offences, or the way that they apply. It makes clear that the intention is to maintain the current availability and interpretation of defences, and not to alter it. This phrase sends a clear message to the courts that in any and all cases where the defences are currently relevant, they continue to be. Whether a particular defence is relevant will depend on the specific circumstance of each case. The phrase guarantees an accused access to these defences when they are relevant; it does not in any way limit access to defences that are relevant on the facts of the case. For these reasons, the House does not agree with the amended amendment proposed by the Senate.

**Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Madam Speaker, I am pleased to rise today to introduce the debate on the message from the other place insisting on further amendments to Bill C-10B, an act to amend the Criminal Code (cruelty to animals).

Let me remind the House that we have been on a long journey with this bill. Animal cruelty amendments were originally introduced in 1999 in Bill C-7, a small omnibus criminal law amendment bill.

Bill C-17 died on the Order Paper when Parliament prorogued in 2000 without having completed second reading.

In March 2001 the government introduced Bill C-15, a new and larger omnibus criminal law bill containing the animal cruelty amendments. Some revisions had been made to the amendments to clarify the scope and the intent of the measures. Subsequently, the House split Bill C-15 in 2001 and the animal cruelty amendments and other amendments became known as Bill C-15B. The House passed Bill C-15B in June 2002. It died again when Parliament prorogued that summer.

In October 2002 the bill was reintroduced as Bill C-10 and referred directly to the other place. In November the other place referred Bill C-10 to the committee on legal and constitutional affairs with an instruction to split the bill into two portions. The animal cruelty amendments became known as Bill C-10B.

Committee hearings in the other place commenced in early December 2002 and concluded on May 15, 2003. Bill C-10B then received third reading and was passed in the other place on May 29, with five amendments.

The House debated the amendments on June 6, 2003. The House accepted the amendment to the definition of animal and a small technical amendment to the French version of the bill.

It also accepted the spirit of the amendment that made express reference to the defences of legal justification, excuse and colour of right, with a modification that removed an unconstitutional reverse onus and cross-referenced the currently applicable subsection 429(2) instead of reproducing the defences because this more clearly would indicate to the courts that existing case law should continue to apply to this new regime.

However, the House rejected the other two amendments that came from the other place. One of these was an amendment that would have replaced the offence of killing an animal without lawful excuse

with the offence of causing unnecessary death to an animal. The other amendment was one that would have provided an express defence for aboriginal practices that do not cause more pain than is necessary. Both amendments were rejected on the grounds that, first, they were legally unnecessary; second, they were confusing; and third, had unclear legal effect.

The House urged the other place to pass the bill in the form in which the House approved it. A message was sent to the other place to acquaint them with the position of the House.

The other place considered that message and we are now in receipt of its response. The other place is insisting on the two amendments that the House rejected, with a small revision to the aboriginal defence amendment, and would further modify the legal justification, excuse and colour of right amendment adopted by the House.

The government's motion before us today makes clear that the government does not support the amendments that the other place is insisting upon. The House rejected two of them in June and continues to oppose them. As for the proposed change to the colour of right amendment, the government opposes that as well.

These animal cruelty amendments have been before Parliament in one form or another for nearly four years. A lot of hard work and discussions have taken place over that time between the government, and various individuals and groups concerned with the legislation.

● (1710)

In an effort to clarify the law as much as possible, even if the clarification was not required as a matter of law, the legislation has been amended three times already since it was first introduced in 1999.

In the view of the government, the form of the bill passed by the House in June satisfies the remaining concern of the stakeholders that have followed the progress of the legislation. It constitutes a compromise that strikes the correct balance between clarifying the law as it applies to animal industries without diluting the purpose and effect of the legislation.

With the participation of the other place, this hard work and compromise has brought the bill to a form that animal welfare groups on the one side and animal industry groups on the other side can all support.

In short, it seems that no one is asking for these additional changes that the other place is insisting on. The other place may think they are crucial, but this House does not, nor do any of the organizations that represent the people who work with animals.

Let me address each of the amendments in turn. The first amendment would replace the offence of killing an animal without a lawful excuse with the new offence of causing unnecessary death to an animal.

The government is of the view that the defence of lawful excuse is a well developed and well understood defence. The courts have interpreted on many occasions that it is a flexible, broad defence that is commonly employed in the Criminal Code of Canada. It is fairly and consistently applied by courts.

*Government Orders*

More importantly, since 1953, this defence has been applicable to the offence of killing animals that are kept for lawful purpose. It has a history in the context of animal cruelty offences.

The government is convinced and satisfied that the defence of lawful excuse offers adequate and unambiguous protection for lawful purposes for killing animals. No witnesses who testified at the committee of this House or of the other place testified that this defence was unclear or unsatisfactory.

For all of these reasons the government remains convinced that maintaining the defence of lawful excuse in relation to offences for killing animals continues to be the best and most appropriate manner of safeguarding the legality of purposes for which animals are commonly killed.

Further, the government does not believe that the proposal of the other place would improve the law. In fact, it is likely that the proposal would actually give rise to confusion and uncertainty. The proposal would use the term "unnecessary" to apply to killings, but the term "unnecessary" as it has been judicially interpreted does not logically apply to the act of killing. "Unnecessary" is currently only applicable to the acts of causing pain, suffering or injury. It has two main elements: first, a lawful purpose for interacting with an animal; and second, a requirement to use reasonable and proportionate means when accomplishing this objective.

It is clear that in terms of the act of killing only the first part of the test for "unnecessary" is relevant and logically applicable. The question is, was there a lawful purpose? To ask the question about reasonable means makes no sense. It is not a qualitative assessment but rather a yes or no question about whether there was a good reason for the killing. This is why the defence of lawful excuse works and the concept of "unnecessary" does not.

It is currently an offence to kill an animal without a lawful excuse. It is also an offence to kill an animal with a lawful excuse but in a manner that causes it unnecessary pain. These are currently two distinct and separate offences.

• (1715)

The proposal would fold the elements of these two different offences into each other. This could lead to a reinterpretation of the well developed test of "unnecessary". In short, this will add confusion rather than clarity to the law. For these reasons the government does not accept this amendment.

With respect to the second amendment, the amendment which would create a defence for traditional aboriginal practices, the government does recognize that a small change was made that removed an element that was overly broad. The amendment would create a defence for traditional aboriginal practices that cause no more pain than is reasonably necessary. The government agrees that this should indeed be the case and in fact already is the case. Therefore, the amendment is not necessary.

By virtue of the way the offence is defined, it is already the law that aboriginal practices, that cause no more pain than is reasonably necessary, are not currently offences. If we cause no more pain than is reasonably necessary, we are not causing unnecessary pain, which is what the offence requires. If we are not committing an offence, we do not need a defence. Nothing in Bill C-10B will change this.

The government believes that the existing law and the bill, without the new and special defence, already achieve the objective sought by the other place.

There is no need to mention aboriginal practices specifically. The law is already flexible enough to consider all situations and contexts. In addition, by adding a new and special defence for aboriginal practices when one is not necessary, this proposal could unintentionally create mischief.

It is confusing to create a defence for actions that are not a crime. The government does not believe that the law would be improved by creating a defence that is legally unnecessary and has the potential to confuse rather than clarify the interpretation of the offences.

The final proposed amendment in the message from the other place relates to the defences of legal justification, excuse and colour of right set out in subsection 429(2). The proposal would remove the phrase "to the extent that they are relevant" from the amendment that was passed by this House in June. The government believes that these words are helpful and should remain.

The defences in subsection 429(2) of the Criminal Code apply to a variety of different offences, including animal cruelty. The inclusion of the phrase "to the extent that they are relevant" is intended to signal to the courts that the existing manner of applying those defences to animal cruelty offences should not change. It makes clear that the intention is to maintain the status quo, not to alter it.

The words are clear and not capable of being misunderstood. The defences are available in any and all cases where they are relevant. The relevance of a defence to a particular case depends on the specific circumstances and the facts of that case. The phrase guarantees an accused access to these defences when they are relevant. It does not limit or otherwise take away a defence that could be raised.

There can be no possible unfairness to an accused person to be denied a defence that is not relevant. That is just common sense. For these reasons, the government does not agree with the amended amendment proposed by the other place.

The government would once again like to thank the other place for giving Bill C-10B such thorough consideration and attention, but the government believes that the time has come to pass Bill C-10B in the form this House approved in June.

This bill already safeguards humane and reasonable practices involving animals and has the support of groups representing hunters, farmers, fishers, animal researchers, and those representing the welfare of animals. There is a tremendous degree of consensus now and a strong desire on the part of these organizations and hundreds of thousands of Canadians to see the bill become law.

I urge all members of the House to vote in favour of the government's message which rejects any further amendments and requests that the other place pass Bill C-10B as quickly as possible.

*Private Members' Business*

● (1720)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Madam Speaker, I want to thank the minister for giving us a wonderful legal speech, including legalese galore. One has to really think hard about some of these things, especially when one says that if killing is done without unnecessary pain, then it is done without unnecessary pain. That is awfully close to circular reasoning, but I guess that is what lawyers do in court and that is one of the things that is necessary to make our legal system work.

I would like to comment on Bill C-10B, cruelty to animals. In general it would be fair to say that the purpose of any such law would be to prevent the abuse of animals, the infliction of unnecessary pain, in fact to assure the humane treatment of animals in all instances. On the other hand, it should also serve to protect people who use animals in normal everyday living and they should hopefully, by our laws, be prevented from being continually dragged into the courts and having to defend themselves against practices which are judged by some others to be cruel, yet they are practices which have been used for many years.

I think for example back when I was a youngster. I know that probably, Madam Speaker, you tire of my stories from my youth, but we did among other things have animals on the farm, obviously. We had cows, pigs, horses, sheep, chickens and on occasion we had geese. Without those animals in those years, we would not have been able to live. They provided us with, in some case, the bare necessities of life, including food and other things.

I remember very fondly, even though at that time there were no laws that governed this, my dad particularly was very careful that we treated our animals with respect. We did not treat them as if they were humans, by no means, but we treated them in such a way that they did not have to endure unnecessary pain.

I know occasionally animals, especially large animals like cows, have to be dealt with rather harshly because they have to be controlled to prevent human lives in the barn from risk. I know for example that when we had bulls on the farm, they always had rings in their noses. When we took the bull out, we had a rope around his neck but we also had a rope through that ring. If he misbehaved, then there would be a tug on the ring on the nose. It was a very good persuader. He always followed us exactly the way he was supposed to because he wanted to avoid that pain.

Now the question is, is it painful to have a ring in the nose of an animal? Is that cruel? Should a person go to jail if he does that or be fined? I say that is much to be preferred to having one of the children in the family, of which I was one, suffer injury or death. We had to do these things to control these animals. Of course, once they are trained, they behave reasonably well and normally we do not have to take these extraordinary efforts.

It would be a tough sell to say that having a ring through one's nose is an act of cruelty because all we have to do is go down to the mall nowadays and we will see many teenagers and even older with rings in their noses and, dare I say it, in a whole bunch of other places, which really boggles the mind in my view, but then I guess I am a little old fashioned.

● (1725)

In any case it is very important that we continue to permit those who deal in animal husbandry to do so without fear of being prosecuted and to have to spend a lot of time in court and a lot of money on lawyers.

● (1730)

[Translation]

**The Acting Speaker (Ms. Bakopanos):** It being 5:30 p.m., the House will now proceed to consideration of private members' business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[Translation]

### EMPLOYMENT INSURANCE ACT

The House resumed from May 2, 2003, consideration of the motion that Bill C-406, an act to amend the Employment Insurance Act, be read the second time and referred to a committee.

**Mr. Dick Proctor (Palliser, NDP):** Madam Speaker, I rise to speak today on Bill C-406, an act to amend the Employment Insurance Act, introduced by my NDP colleague, the hon. member for Acadie—Bathurst.

There are many parts to this initiative, including the eligibility criteria, reducing the hours—350 hours—, the calculation of benefits—66% of insurable income based on the ten weeks with the highest earnings—, the waiting period, the duration of benefits, the added benefits respecting local unemployment and so forth.

[English]

The question is, why is the member for Acadie—Bathurst proposing such radical revisions, because there are significant changes in the bill? He is doing so to return us to something approaching the unemployment insurance program that we used to have and we do not have any longer.

Simply and shortly put, the changes over the past decade are not only shortchanging Canadians, as far as we are concerned it amounts to absolute highway robbery. Women, for example, are being robbed by the program. Only one-third of women today who actually apply for employment insurance receive any of the benefits. It is a gender gap that is widening by the day.

Overall, EI coverage has been cut in half over the past number of years. In 1992, for example, 78% of Canadians who applied for what was then called unemployment insurance actually received some benefits. Today, 62% of people who apply do not qualify. It is an astounding reversal in a relatively short period of time.

*Private Members' Business*

This happened at precisely the same time that we underwent changes in our economy in terms of the way we looked at work and the way work looked at many Canadians. There was a move over the past decade to more seasonal employment, especially in the hospitality sector and in the tourism industry. Women were particularly impacted as a result of this changing of the nature of work.

Before the UI program was so drastically overhauled in 1996, there was virtually no difference between the eligibility of men and women over the age of 45. Today, 45% of women in that demographic group do not qualify for employment insurance benefits when they apply, compared to 58% of men who qualify. That is a significant difference. It is clear that the government has been operating the employment insurance program in its own interest rather than in the interest of the people who are paying into the plan through their payroll deductions.

It is totally unacceptable, in the opinion of the member for Acadie—Bathurst and all of his colleagues in this caucus, to have rules that prevent the majority of people from accessing employment insurance that they actually have paid for.

I think of the seasonal adjustment workers program where we have migrants who come in from Mexico and other countries in the Caribbean and who work in our fields harvesting crops. They pay employment insurance with no possibility of ever receiving any benefits from it and no possibility of ever being repaid what they are owed.

Also, there is no offsetting program that says “Okay you are paying EI benefits, we are not able to pay that out, but we could do some other things”. There is nothing. It is just a straight money grab by the federal government. I am mostly interested in talking about the impact here in Canada, but that is an aside.

Women deserve equal access, and to do that changes must be made to the program's design. That is part of what is being proposed in this private member's bill this afternoon.

We are doing it because the cost to workers, families and communities is enormous. In my riding alone, Statistics Canada estimates that the loss to the people in the riding of Palliser amounts to about \$12.5 million a year and \$200 million a year in the entire province of Saskatchewan. That is a significant amount of money.

I know the Canadian Alliance is opposed to the bill, perhaps for other reasons. However when I look at Calgary and Edmonton, which is where the Alliance has been strong, where its lairs are, it amounts to about half a billion dollars a year that are forgone in employment insurance for people who live in those two major cities. It is over \$200 million a year according to numbers that have been forwarded to the Canadian Labour Congress based on work done by Statistics Canada.

• (1735)

It is mind-boggling. It is the communities that are affected but it really impacts on the individual who has lost his or her job and is unable to collect employment insurance benefits.

It is obvious that the program needs more than a little tweaking. It needs a major and complete overhaul, which is what the member for

Acadie—Bathurst is proposing in Bill C-406. The overhaul needs to be non-discriminatory and very clear and straightforward. It should also embody the KISS principle, as in keep it simple.

One of the key points in the bill, the basic 360 hours, should be enough to qualify for EI. This would replace the current patchwork system which, as I understand it, varies between 420 hours and 910 hours depending on where an individual works and the type of work being done. It changes from place to place. It changes from day to day. It is a mind-boggling system.

There should be flexible benefits. We should look at the hours worked in the months prior to lay off and the number of years the person has been in the labour force. We know that older workers, perhaps the ones over 45, have the most difficulty in finding work and being eligible for retraining programs. We think there should be guarantees for up to 18 months in benefits for people in those categories, and Bill C-406 reflects that.

It is time to extend regular benefits for apprenticeship training to everyone in the workforce. They need to sharpen their skills and knowledge. EI benefits should also be available to cover hours of work lost while in training or in job learning operations.

We need to balance work and family responsibilities for children and seniors. There is a growing need in this country for education, training and lifelong learning.

We believe that times are changing. Work has changed in the last 10 years and it will undoubtedly change in the next 10. Our employment insurance or unemployment insurance program must change with those times. We seem to have gone backwards when we need to be going forward. We need to keep up with the times so that people working in today's economy can count on receiving the benefits they need, the benefits to which they have contributed, when they need them.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Madam Speaker, I thank the hon. member for Acadie—Bathurst for bringing this bill forward for discussion today.

Bill C-406 contains several elements intended to amend the Employment Insurance Act. These proposed amendments would expand the eligibility criteria; increase the benefits; eliminate the waiting period; increase the length of the benefit period, especially for claimants who live in high unemployment regions; eliminate any interest charges on penalties imposed for violating the act; and other changes are proposed as well.

My comments are not and should not be taken in any way to defend the status quo in terms of the act. There are changes that should be pursued, and certainly we would encourage those to be pursued, but I would emphasize that the member, and those who support this proposal, would like to appear to be supportive of the unemployed worker. I do not believe they are.

We should know with certainty what the effects of our spending on social programs, such as health care, aboriginal welfare and unemployment insurance, are having. Too often in the past this country has endured the perverse effects of poorly designed social programs on a fiscal level but those who truly suffer, when we throw money at a problem, at a social malaise, without thought, are the recipients of that money themselves.



*Private Members' Business*

One only has to take a look at the perpetual welfare dependency of many aboriginal communities across the country since the introduction and expansion of these programs in the 1960s: the concurrent alcoholism, the drug dependency, the abuse and the suicide rate particularly among teenagers. Aboriginal elders consistently claim that the single most damaging social policy for first nations people in communities was the introduction of welfare.

Let us set aside for a moment the escalating financial costs for the aboriginal welfare programs which have exploded to about \$2 billion annually. Let us forget about the good things that we could do with those resources were they available to us. We should go to these communities and examine the real costs, the human costs, the abused children, the beaten women, the fetal alcohol syndrome, then talk to the elders and understand where these problems originated.

After one does that, I urge any member of the House to tell me that he or she does not wish that we could go back and change things in terms of the way those programs were designed. Anyone with an ounce of genuine compassion would immediately recognize that the improper design of a social program can create far greater problems than it would ever solve.

The member has not outlined any costs for his proposals. He asks us to demonstrate how much we care by being genuine with other people's money but he has not in any way addressed what the long term consequences of these changes he proposes might be.

We must have the courage here to ask what the effects will be and whether there are real measurable outcomes that will benefit Canadian people and contributors themselves in the future.

I would like to quote a noted Canadian, the premier of New Brunswick, Frank McKenna, who said:

Canada is the only country that I know in the world that offers such generous programs that there is absolutely no incentive in return to divert yourself towards education or training...the truth is that the generosity of Canada has in many ways been the principal impediment to our growth.

If we follow the member's suggestions there will be a variety of outcomes he apparently has not even considered: the distortion of employment patterns; the enticements to create short term, low skilled jobs in declining industries; the temptation for young people to forgo education and training opportunities, why sacrifice income and leisure for training; the discouraging of full year, highly productive jobs in growth industries; the potential for long term dependence; the increased use by employers of short term lay off strategies; the tendency to avoid work once EI does kick in; and the fact that unemployment insurance may be a factor in Canada's rising level of unemployment and our lower level of output.

The member fails to even recognize the need to consider the impact of these proposed changes on families and children. There is nothing more important than children. Each decision we make in this Chamber will have an impact in some way on the future of Canadian children.

The decisions we make around the design of social programs, such as social assistance and EI, are particularly significant in their impact on Canadian families.

The OECD economic working group has been sharply critical of the government's decisions on these issues. In the Economic Survey of Canada 2003, released a couple of weeks ago, it stated:

Features of the employment insurance (EI) programme also contribute to the high unemployment rate. EI has moved well beyond providing income support during unexpected spells of unemployment and has become a major vehicle for delivering family, social and regional assistance.

## ● (1740)

The criticism of the abolition of worker experience rating contained in the previous survey remains valid. Other aspects of the system also need to be improved. The qualification period is short by international standards, while variations in eligibility rules between high and low unemployment regions discourage internal labour mobility, leading to persistent differences across the country and thus higher structural unemployment.

The member's proposed changes would see the qualification period, already criticized for being too short, reduced even further. The member has also failed to recognize that his changes would further exacerbate Canada's high structural unemployment and would very likely hurt the very region from which he comes.

Furthermore, the OECD recommends that EI should:

—include stronger training and job search requirements and greater use of initial case management and diversion programmes, as the countries that have been most successful in cutting unemployment are those that have improved both incentives and enforcement.

Those who advocate for changes, such as the member proposes in his bill, are promoting higher benefit costs. The government does not pay these costs. rather, the employed workers and the working poor, in particular, will be expected to pay for these changes.

We must remember that this is not a government fund. It is a pooled insurance fund. The money comes from the workers' paycheques and the costs reduce the workers' take home pay.

We must also remember that this has an impact on the families of this country, especially those who work full time in lower wage positions.

We must not make the same mistakes as the former finance minister here, who is responsible for allowing the overpayments to balloon to over \$45 billion. That is not the sign of a good money manager.

This is the same finance minister who inherited a robust economy, which was none of his doing. He balanced the books, supposedly, but he did it by cutting health care and education transfers to the provinces and then blaming them for the problems that resulted. He signed the cheques for the out of control billion dollar gun registry, while at the same cutting things like agricultural research and infrastructure.

Again, we must not forget that he overcharged working Canadians and small business people by \$45 billion on their employment insurance premiums and that he used the money as a slush fund for Liberal patronage projects.

*Private Members' Business*

We must remember that this is not our money. This is the working money for working Canadians. It is not a slush fund for the former finance minister to play with. It is not a slush fund for MPs to throw around like confetti. It belongs to Canadian families. When it is left in the hands of working parents it supports Canada's children.

When the design of a social program discourages employees in their search for work, when it discourages them in the pursuit of their training, when it discourages employers from hiring and when it discourages young people from choosing further education we have a problem. We must make no mistake about it, we have these problems in Canada right now.

In fact, today the *Vancouver Sun* reported on a study done by Statistics Canada which supports the charge that the "EI system is too generous and discourages the unemployed from actively seeking work".

Most of the proposals in the bill, but not all, will simply make matters worse. They are cloaked in the guise of compassion. They are nothing of the kind. They are more of the shortsighted, misguided, vote buying tactics that have been practised by successive federal governments throughout the last quarter of a century.

The perverse outcome of which has been elevated structural unemployment in this country. Most tragic to our young people is the loss to Canadian children of the role models they need: the role model of a parent dedicated to working, committed to education and always mindful and in pursuit of the glorious potential that Canada has to offer each of its citizens; appreciative of a hand up but never looking for a handout.

• (1745)

[*Translation*]

**Mr. Dominic LeBlanc (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, I want to begin by congratulating the hon. member for Acadie—Bathurst for his commitment to seasonal workers. I also want to thank him for having raised this very important matter in the House of Commons.

[*English*]

I also want to begin by thanking of the Minister of Human Resources Development. I have had the pleasure of working with her over the last number of months in a very difficult situation. I have found her to be interested and responsive to the particular concerns of workers, and it is important for Canadians to understand that the government and the minister in particular have shown a great willingness to try to bring improvements to a very difficult national program.

[*Translation*]

The situation in my riding is a very difficult one as a result of seasonal work. In my opinion, this situation is deeply unfair and affects thousands of people and their families. I am talking, naturally, about investigations by HRDC of large fish processing plants, particularly ones in the Shediac and Cap-Pelé areas and in Kent County.

These investigations are a source of great stress and tension for the families of seasonal employees who work hard. The department

claims that the practice of accumulating or banking hours, as we say at home, is widespread. And suddenly, the law has to be applied in a very harsh and unfair way, in my opinion, in southeastern New Brunswick. I find this unacceptable.

• (1750)

[*English*]

The problems of employment insurance and seasonal work are as profound as they are unfair and they need to be addressed urgently. I have worked over the last nine months with a remarkable group of local citizens led by two dedicated and articulate persons named Aline Landry and Rodrigue Landry. We had strong support from the mayor of Cap-Pelé, Mr. Normand Vautour, and the mayor of Bouctouche, Mr. Raymond Duplessis, and the provincial member for Shediac—Cap-Pelé in the Legislative Assembly of New Brunswick, Mr. Bernard Richard.

[*Translation*]

This committee consisted of employees, employers and community leaders. They did remarkable work for the Minister of Human Resources Development. They proposed solutions to the unfairness in the current employment insurance program, solutions that will give a modest yet adequate income to seasonal workers during periods when work is not available, especially in the fishing industry where access to the untreated product is uncertain. That is not the workers' fault. Also, the product is perishable.

These workers deserve an employment insurance program that will allow them to live and take care of their families during the winter, when the fishery is closed. In my view, today's program does not pass this fundamental test of social justice in a rich and generous country like Canada.

In my riding, this committee reviewed the special situation at fish processing plants. It found that the method for calculating employment insurance benefits discouraged people from accepting work at these plants if the work was only for a few hours or a day or two. Their benefits would be reduced because of what is called small weeks. In effect, employment insurance punishes those who go to work under very difficult conditions.

I visited these plants. It is very difficult work. There was not enough lobster, crab or herring for a certain time or certain week to provide work for 40, 50 or 60 hours a week, as is the case in the spring. The lobster season often provides workers with 60- or 70-hour weeks, except when the fishers cannot go out because of the weather, for instance. There is just not enough lobster.

[*English*]

The unfairness in my constituency can be illustrated by two simple examples. For example, a national park employee who works 18 weeks in a row, let us say 40 hours a week, earns \$10 an hour and works 720 hours would have gross earnings over those 18 weeks of \$7,200. That person at the end of the 18 weeks would be entitled to an employment insurance benefit at a certain rate.

*Private Members' Business*

If a fish plant worker in my riding works the same number of hours, 720 hours, at \$10 an hour, that worker would have exactly the same gross earnings as for example a national park employee. However, instead of being able to work 18 weeks in a row at 40 hours a week, this person may only work 28 or 30 weeks and some of the weeks will be short weeks and represent a smaller number of hours of work. When that person goes to apply for employment insurance in December or January because the fish plant closes until the season opens again in May, that person will have a significantly reduced employment insurance benefit. Yet that person has worked 720 hours and earned \$7,200 in gross wages. Compared to a national park employee, I believe that is unfair.

Another unfairness has to do with the rate calculation period. In my constituency most of the fish plants open in late April or May for the spring lobster season and over the last number of years they have been able to extend the season to stay open as late as December and January. When the workers finish and go to file an employment insurance claim, the rate calculation formula says that they look back 26 weeks to determine the average weekly earnings.

The problem is if the fish plant closes in December or January and people go to apply for employment insurance benefits that they have paid into, the 26 week period that is used to determine the rate of their benefit and the amount of their cheque does not take into account the weeks in May and June where they may have worked, as I said previously, 50 and 60 hours. It is an arbitrary rule to look back six months. I think it might be fairer to say nine months or 12 months for example and these workers then would not have this injustice.

Improvements to employment insurance legislation are needed quickly. The act is designed to reflect the reality of year-round work in regions of the country that are not as dependent on natural resources or seasonal tourism, for example, as is my area of southeastern New Brunswick. The reality of seasonal industries, and it is not only in the fish processing sector, requires an EI system that is both responsible and fair. Seasonal industries contribute enormously to the economy of Canada, but they need the generous understanding of the government as they move toward longer seasons, better wages and stronger financial postures.

Workers cannot afford to live on ridiculously low EI benefits at a time of the year when work is not available. Workers in my riding do not pay less for a litre of gas or for their car insurance or for babysitters because they work hard in a fish plant. They have to go to work, many times very early in the morning before government offices even open, and they get out of bed and go to work in difficult conditions. Yet they are asking for a fairer employment insurance system to reflect the reality of their industries.

This is an ongoing dialogue that we have had with officials at Human Resources Development Canada. It is important for Canadians to understand that this is a national problem. I have used a local example which I believe is fundamentally unfair, but the issue of banking of hours for example is national. That is why we need national changes to this program to make it fair.

Until we get there, I will not stop fighting for the workers of my riding who deserve better.

●(1755)

[*Translation*]

**Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ):** Madam Speaker, some claim, and they might be right, that the House of Commons is a place where serious debates on issues of national interest take place. At times technocratic and at times emotional, our speeches raise questions and, if we are lucky, may contribute to making a difference.

Today, I thought I would tell you a tale, a sad one that might have a happy ending if the publisher put out a new version. We will call this tale "The employment insurance fund and the 40 calamities".

Once upon a time, there was a tiny little insurance employment fund that was supposed to provide an income to jobless workers. It worked like this: The workers agreed to turn over part of their earnings to the tiny little employment insurance fund and, in turn, it promised to help them through hard times when jobs were scarce. Every worker very happily agreed: permanent workers, temporary workers, contract workers, seasonal workers, even employers.

For this agreement to work, they needed a manager. Big mistake: the government chose and imposed the manager, namely itself.

And this is how the federal government took over the poor little fund, when its management could have been handed over to the workers and the employers. Moreover, a further mistake, as the sly fox that he was, the super manager made quite sure that the fund was not independent. As a result, any money put into the fund, as well as surpluses of course, are scattered to the four winds and used for just about everything, and very little goes to help the unemployed, for whom it was set up in the first place.

As it has been receiving more and more and giving less and less, the little fund has grown bigger and bigger, gorging on certain classes of workers, especially seasonal ones, and making them poor. Now the tiny little fund has grown chubby and it is showing signs of failing, but it is not failing the government, which is getting richer. In the name of budget cuts and budgetary restraint due to the need to clean up the public finances, the Liberal government, we will name it, using nice technocratic buzzwords, is making it legitimate to rob the most vulnerable members of society and is tightening up the employment insurance eligibility criteria.

Instead of putting the fund on a quite reasonable diet by redistributing the wealth, the government has decided to make the workers wear a corset, and has tightened the stays so much that these workers cannot breathe. In the meantime, while the fund grows and grows, like the rock that Sisyphus was pushing endlessly, and the workers are being crushed under its weight, some Robin Hoods, like the member for Acadie—Bathurst, are trying to restore some justice through constructive actions.

*Private Members' Business*

Let us say that the fund is now, once again, at a crossroads that could change the lives of thousands of workers. Indeed, a member of this Parliament, the member for Acadie—Bathurst, whom I commend, has introduced Bill C-406, the purpose of which is to relax the EI eligibility rules and to improve worker's benefits.

This is not the first time that such an initiative is before the House. There are precedents, and the Bloc Québécois is part of the characters in our tale. In December 1997, we introduced a series of six bills to correct the injustices committed through the various reforms.

More specifically, we wanted the eligibility rules to be relaxed, the duration of benefits extended, the intensity rule—which penalizes frequent users—abolished and, finally, a separate EI fund set up. As the purpose of Bill C-406 is essentially the same, it will come as no surprise that the Bloc Québécois warmly supports the initiative of the member for Acadie—Bathurst.

Bill C-406 would create a separate employment insurance trust fund to replace the account, which is a part of the consolidated revenue fund, to ensure transparent management of money in the EI fund, particularly with regard to the use of the surplus. Moreover, an independent commission would replace the present commission and would act as the fund's trustee.

• (1800)

Members of the independent commission would be appointed by the Governor in Council, from a list of persons nominated by the labour organizations and employer organizations and then selected by the minister.

Although the bill is not as detailed as what we have proposed in the past, and even with the unanswered questions about the trust fund aspect and its actual application to management of the surplus and how these will be credited, we are in agreement with its purpose.

As far as the method of appointing the members of the independent commission is concerned, once again there are some unanswered questions. The fact that they are appointed by the Governor in Council means that the whole problem of the commission's independence remains unsolved. Perhaps thought ought to be given to a more democratic and less discretionary process.

There are studies to clearly demonstrate—and medical specialists and other health care providers will back me up on this—that obesity is a bad thing and can have serious effects. This applies to the fund as well. It has not been able to see its own feet for a long time. The wily fox would be at risk of indigestion if he decided to make a meal of it. A lot of the fat needs to be trimmed.

The hon. member for Acadie—Bathurst has thought of that. Bill C-406 proposes a goodly number of prescriptions to slim down the chubby little fund.

Here is the proposed diet: benefits calculated at 66% of insurable earnings, based on the ten weeks of highest earnings; one week of benefits, to a maximum of 52, for each week in which there were at least 15 hours of insurable earnings; and finally a requirement of 350 hours, or 20 weeks of insurable employment of not less than 15 hours a week to qualify for EI.

These measures will remedy the problem of the infamous spring gap. The way things are at present, it is a bit like Cinderella's coach turning back into a pumpkin. EI recipients bump along until spring in a coach that is falling apart, but then the nightmare starts. The coach has vanished, but work has not started back up. So thousands of workers end up with no income for up to two months.

The Bloc Québécois has been speaking out since 1996 against the tightening of EI eligibility criteria, and the length of the benefit period. These new measures will help a good number of workers, and we support these efforts.

We regret that self-employed workers were overlooked in this bill. It might be a good idea if the hon. member for Acadie—Bathurst considered including a provision to correct this significant oversight for these workers who account for a large part of our economy.

In addition, the proposed five weeks of training per year, without the consent of the provinces, is a problem. This is a provincial jurisdiction, and Quebec has jurisdiction over manpower training. There is no way the federal government should be allowed, under cover of employment insurance, to encroach once again on one of Quebec's areas of jurisdiction.

In closing, I want to reiterate our support for Bill C-406 and its objectives. As far as my little tale is concerned, we can only hope that Ms. Chubby will follow the advice given to her and heed the well known saying, *a healthy mind in a healthy body*. And in time-honoured tradition, I will conclude my tale as follows, “C-406 married Ms. Chubby and the workers lived happily ever after and had many little children”. This way, the tale's title can be changed to “The Employment Insurance Fund and the 40 Blessings”.

• (1805)

[English]

**Mr. Norman Doyle (St. John's East, PC):** Madam Speaker, I want to say a few words on Bill C-406, and act to amend the Employment Insurance Act, but before I do I want to congratulate the member for Acadie—Bathurst for bringing forward this bill. I want to congratulate him as well because he is a great defender of the working person, and that is something about which a lot of us here in this assembly should be more concerned, because it is the working person who contributes so much to the economy of our country.

I want to congratulate him as well on the first clause of the bill. The first clause would change the name back to the unemployment insurance act, and I support that. Only under a Liberal government could a piece of legislation providing protection to the unemployed be called an Employment Insurance Act.

However, more than the name of the unemployment insurance system was changed by the Liberals, under the watchful eye of the former minister of finance. Their new employment insurance system doubled and tripled the number of hours required to draw EI and shortened the benefit period, as well while keeping EI premiums relatively high. The net result of the changes, as we are all very much aware, was a radically reduced draw-down on the EI fund. We know what the net result of that was. It created a surplus of about \$45 billion, not million, dollars.

*Private Members' Business*

There is nothing wrong with having a surplus. One has to prepare for a rainy day, in this case provide for a period of time when we could have very high unemployment, but \$45 billion? Do we really need to have \$45 billion in the EI surplus? Actually, when we get right down to it of course, less money is needed for a so-called rainy day because the new rules have made it a lot harder on people to receive EI, and as a consequence of that less people can draw employment insurance, or unemployment insurance as I still call it.

Rather than remaining a lifeboat for the nation's unemployed, the EI system became a cash cow for the former minister of finance in his efforts to balance the nation's books. The other two public services that were raided to balance the national budget were the health care system and the post-secondary educational system. Simply put, the former minister of finance, who is to be the next Prime Minister of Canada, rose to political prominence on the backs of the unemployed, the sick and the young. That is how he got there.

There is a lot in this bill that should be supported and should be taken very seriously.

I recently had a visit from the Canadian Labour Congress, and yesterday I had a visit from the Building and Construction Trades Council, two groups of people for whom I have an awful lot of respect. They provided me with some very graphic statistics on the effect of these employment insurance changes just in the riding of St. John's East. I was absolutely astounded.

Back in 1990, for example, 7,530 people in the riding of St. John's East availed of UI benefits. In 2001 only 2,680 people qualified for regular EI benefits, down from 7,530 to 2,680 people who qualified for EI benefits. That is a drop of 64%. I really wish the drop was entirely due to better employment prospects, but it was not. The lion's share of that 64% drop is attributable to the fact that benefits are now harder to get. When we do get benefits, it is for a shorter period of time.

● (1810)

A large portion of that 64% drop represents people forced to seek social assistance or people forced to migrate to other provinces in Canada. There is nothing wrong with going to other provinces for work, but if one happens to be a fisherman or a construction worker 55 or 57 years old, it gets very difficult to move to other provinces without any mobility assistance from the \$45 billion fund that the former minister of finance was able to accumulate.

How much did that drop in people receiving EI benefits in that one little area in the riding of St. John's East represent annually? It represented \$69 million in EI benefits. If a person happens to own a major department store or a local corner store, the loss of these revenues from the local economy has to hurt the people in that area.

In short, the Liberal's new employment insurance system was a systematic attack on seasonal employment in rural Canada in general and in Newfoundland and Labrador in particular.

In Newfoundland and Labrador whole communities have been devastated. Whole communities have been depopulated. Seasonal work supplemented by employment insurance used to allow these families to remain in rural Newfoundland, but that does not happen any more.

It is very difficult if a person happens to be a construction worker. The point the construction trades people made to me yesterday, and it was a very valid point, was the moment workers went on a construction job, they began the process of working themselves out of a job. The same applies whether a person is working on a 50 storey steel building, or as a carpenter on a house, or building a road or building a dam. The moment they work on construction jobs, they begin the process of working themselves out of a job.

A bit of respect is required for the people who work in construction in particular. We should not say to construction workers that their contribution to society, to the people and to the economy of the country is such that we can slash their EI rights to the bone, that it does not matter. If they are finished a job and they happen to be 50, 55 or 57 years old, they should not be told they should move somewhere else. Instead we should make it easier for people who work in construction, or in the logging industry or in the fishery. It is very difficult for these people when they find out that the government has absolutely no respect for the contributions they make to the country.

Since the federal Liberals came to power in Ottawa, Newfoundland and Labrador alone has lost 50,000 people. The city of Corner Brook on the west coast of Newfoundland was our province's second city after St. John's. These days Fort McMurray in Alberta is the second largest city for Newfoundland and Labrador.

As I only have a moment or two left, I will wrap it up. It is worthy to note that on the national scale 855,000 Canadians received regular UI benefits in 1990. In 2001 the number who received regular EI benefits dropped to 456,000. Nationally that was a drop of 46%. The government should be ashamed of what it is doing to seasonal workers.

● (1815)

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Madam Speaker, I want to thank the hon. members for Palliser, Portage—Lisgar, Beauséjour—Petitcodiac, Laval Centre and Saint-Jean for their comments on Bill C-406 which, as you know, is very important to me.

In 1997, I was elected here because the federal government had made changes to employment insurance that really hurt workers, men and women alike, and their children.

Let me just point out to the hon. member for Laval Centre that the bill does deal with the self-employed, since it says in the summary that it includes independent contractors. I just wanted to mention that for the record and to thank the hon. member for her speech.

I do not have much time, so I will try to quickly go over what I am proposing here. I would really like to see the House vote in favour of the bill at second reading so that it can be referred to a committee. The need is really there.

*Private Members' Business*

The hon. member for Beauséjour—Petitcodiac spoke very eloquently about his riding and how things stand at the fish plants, with the government going after the workers again because of the number of work weeks needed to qualify. What will happen to the people working at these plants? In 1988, the federal government reviewed the benefits paid to workers in Newfoundland and the province had to reimburse \$650,000 to the federal government. It was totally heartless.

The member for Beauséjour—Petitcodiac talks about a pilot project which, if I am not mistaken, applies only to that region. Today he says that we need a change at the national level.

Looking at the bill that I have brought forward, I would point out that it is the ten best weeks during the 52-week period preceding the week in which the interruption in earnings occurred. This bill would not hurt fish plant workers who worked short weeks, nor would it hurt construction workers.

To whom does the program belong? It does not belong to the federal government, even though it took \$45 billion from it to eliminate its deficit and balance its budget at the expense of those men and women who have lost their jobs. Now only 33% of women are eligible for employment insurance in Canada compared to 1990 when 69% of women and 78% of men were eligible.

I was sorry to hear the Canadian Alliance member say that social programs for aboriginals have contributed to problems such as alcoholism. That is not true.

I would like to quote from a speech that was published in the New Brunswick newspaper *L'Acadie Nouvelle* on July 31, 1989, in which the member for Gloucester, Douglas Young, said, when he was in opposition:

The taxpayers of New Brunswick should vigorously oppose these changes, which would have serious consequences on the region.

Why is it that when they were the opposition the Liberals used to understand the plight of workers? People in the southeast and the northeast of New Brunswick, in the Gaspé peninsula, in Toronto, and also construction workers and contractors had to leave for Alberta. They come home every three months to be with their wife and children. This can lead to family breakups. The federal government is callous. It is only after the workers' money. Like I said in my first question in the House when I was first elected, the government is stealing the workers' money to balance its budget and erase its deficit. This is a disgrace. This Prime Minister used to say, back in 1993, that we should take care of the economy instead of going after the workers.

My request is that on Wednesday next, when we vote on Bill C-406, the hon. members show some compassion and pass the second reading motion to send this bill to committee, where all parties will be able to work intelligently to find solutions for these workers, so that they will have an employment insurance fund that belongs to them.

● (1820)

The government has a responsibility to improve the economy, and not to crucify the workers.

**The Acting Speaker (Ms. Bakopanos):** Pursuant to the order made earlier today, the motion is deemed to have been put and the recorded division is deemed to have been demanded and deferred until Wednesday, October 1, 2003, at the end of Government Orders.

\* \* \*

**SOCIAL CONDITION**

The House resumed from April 28 consideration of the motion.

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Madam Speaker, first I would like to congratulate the member for Sherbrooke, the most social democratic of the accountants I know, who was sensitive enough to look into the issue of social condition. Of course, when one looks into this issue, one looks into the fight against poverty, because, ultimately, it is a tool. This tool will not necessarily increase people's income. This is not what we are talking about.

To clarify, allow me to remind the House that the purpose of the motion introduced by the member for Sherbrooke is to amend the Canadian Human Rights Act, not the charter. Some people may confuse the charter and the act. We know that we cannot amend the charter without using the 7-50 amending formula. But the Canadian Human Rights Act was passed in 1977 and very few changes have been made to it since. This legislation affects all citizens who receive services from the federal government and all people who work in federal jurisdictions. This means postal workers, communication workers, the military, aboriginals. Thousands of people are affected by this legislation.

I must admit that I have one cause of disappointment. The legislation passed in 1977 by the Liberal government has barely been modernized since. The ground of sexual orientation was added in 1995, and employment equity provisions designed to eliminate discrimination in employment were also included. Naturally, the Canadian Alliance did not support that, and made it an issue. In 1998, the then Minister of Justice who is now the Minister of Health mandated a panel headed by former Supreme Court Justice La Forest, which presented its report in 2000.

The Canadian Human Rights Act is one real tool available to us, as parliamentarians, to combat poverty and discrimination. It provides for the convening of a tribunal and for conciliation. As it happens, this is the legislation Bell Canada operators used to win their case and also the one that was used to force the CN-CP in those days to take corrective action concerning their female workers. So, let us not think that this is not a major piece of legislation.

Several members of the Bloc Québécois, including myself and the hon. members for Charlesbourg—Jacques-Cartier and Sherbrooke, asked repeatedly that the government refer it to the Standing Committee on Justice and Human Rights, to give us a chance to modernize a law that has become outdated, is behind the times and whose administrative structures are no longer relevant.

Naturally, its philosophy, fundamental objectives and grounds for discrimination remain as relevant today as they were 30 years ago. But we can no longer view the fight against discrimination the same way we did 30 years ago.

*Private Members' Business*

The hon. member for Sherbrooke is proposing that we include a 12th prohibited ground for discrimination: social condition. He does so knowing full well that eight provinces out of ten have included either social condition or similar grounds. Sometimes it is the financial situation, or the status as income security recipient.

In total, with respect to similar grounds and social condition, eight provinces out of ten offer their inhabitants this option under certain circumstances. In this case, we are talking about people who are receiving services from the federal government or being discriminated against by those managing federal institutions. The recourse is very specific and relevant.

We do not live in a society where equality has been achieved or poverty has been eliminated. That is not what we are talking about. In preparing my remarks for this evening, I reread a document which you have most likely read, Madam Speaker, because I know how much you hunger for information. It is a document sent to us by the Minister of Human Resources Development, who is not, you know, the most dynamic minister in the cabinet.

• (1825)

Nevertheless, her department has tested a new indicator of poverty, the market basket measure. That means how much people pay for the three basic needs, which are shelter, food and clothing. In a big city like Montreal, if an individual living alone does not have a little more than \$21,000, there is a risk that these basic needs are not being met. And you can imagine that not everyone you meet is in this situation.

Social condition has been defined for a number of years. The first decision goes back to 1994, so there is some legal precedent. Nonetheless, I have often heard people say, "We cannot add social condition to the Canadian Human Rights Act, because that would prevent the government from having targeted policies, especially with respect to certain groups".

But nothing could be farther from the truth. Let us look at the way it has been defined in precedent and how courts, particularly human rights tribunals, have defined social condition. The definition I am going to read has been used in judgments since 1994. It says:

A persons' standing in society is often determined by his or her occupation, income or education level, or family background. It also has a subjective component, associated with the perceptions—

The perception people have of an individual based on his education, origin, occupation and income.

—and representation which, in these communities, is connected with various objective data.

Social condition, legally speaking, was centred on a certain number of important characteristics in a community, namely income, origin, education and occupation. That is why the first protesters, those who challenged this before courts of law or human rights tribunals, were, naturally, single mothers who had difficulty finding housing. There are landlords who do not want to rent to women with children and who are not in the workforce.

By the way, Quebec was the first province in Canada—I say province knowing that one day it will be a country, as you know Madam Speaker—to include social condition in its Charter of Human Rights and Freedoms. That was in 1977. Income security

claimants benefited from this and could fight the discrimination that certain landlords were guilty of.

Students also filed claims. This was somewhat less successful.

What would it mean if this Parliament adopted the sensible and sensitive motion of the no less sensible and sensitive member for Sherbrooke? I can give examples of what this would mean to Canadians and Quebeckers.

In terms of the employment insurance policy, it is obvious that if social condition were included in the Canadian Human Rights Act, various provisions of the Employment Insurance Act could be challenged, as the hon. member for Acadie—Bathurst demonstrated when he said that entire groups of workers were not eligible under the criteria. Just think of the 910 hours and individuals filing an initial application for benefits. This is an extremely ineffective policy.

The same is true of the Bank Act. It is quite clear that large segments of our communities are unable, not only to open a bank account, but to obtain micro-credit for the basic necessities. This is discrimination based on social condition.

The same is true of the poverty in which aboriginal people live. It is clear that they are not benefiting from the same level of development as the rest of the country. For 30 or 40 years, since the Laurendeau-Dunton commission at least, annual statistics remind us that the first nations, which founded Quebec and, of course, Canada, are deprived of the development they deserve. So, this is not an academic measure.

I hope that this House will vote in favour of the motion by the hon. member for Sherbrooke, whom I congratulate for his excellent work.

• (1830)

[English]

**Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Madam Speaker, I want to thank the hon. member for Sherbrooke for sharing with the House his thinking behind the motion he has brought before us.

I wish to share with the House some of our own thoughts on all the subsidiary issues that underlie the broad question of including social condition as a prohibited ground of discrimination. I am able to do so at this time because the Department of Justice is already in the process of comprehensively reviewing this matter to ensure a responsible and considered response can be made.

The importance of ensuring that Canada continues to have an effective and responsive human rights system cannot be overstated. The government's commitment to this goal will not be undermined by hasty or shortsighted amendments, the effect of which could be to overburden the commission or to run counter to the human rights progress we have worked so hard to achieve.

*Private Members' Business*

Social condition without the proper constraints or study could have that effect on our human rights scheme. One thing the hon. member has intimated is that the purpose of the motion before the House is related to protecting from discrimination only those individuals of a lower or disadvantaged socio-economic status. Yet, the meaning of the term "social condition" is by no means that apparent. It implies no obvious limitations or constraints. Its definition is completely open to a variety of wide-ranging and potentially problematic interpretations.

If social condition is added in this ad hoc way, as is being suggested in the motion, a number of unintended and unforeseen consequences could ensue. I have identified three specific potential drawbacks of including social condition in this way and I would like to share them with the House.

These would be first, to possibly result in a counterproductive application of the Canadian Human Rights Act to benefit already advantaged groups that do not require our protection; second, to perhaps be so broad and malleable as to overwhelm the system; and third, to potentially be so over-restrictive as to preclude protection for the very people it was meant to protect.

Turning to the first potential situation that social condition protection could be misused or abused by already advantaged groups, the experience of Quebec is most enlightening. As the hon. member would know the Quebec charter has, since its inception in 1975, included condition sociale as a prohibited ground of discrimination. However the item was never debated or questioned on the merits at the time of its adoption.

Thus, it was left to the courts to interpret social condition. This resulted in some surprising outcomes for individuals bringing their complaints of discrimination on the ground of social condition until the Quebec Human Rights Commission intervened with guidelines in 1994.

Prior to the guidelines, social condition was interpreted by the judges to include, among other things, being a judge. A doctor's level of income and a for profit hospital were even found to come under the umbrella of social condition. In contrast, characteristics such as being in receipt of social assistance, being a full time student, being pregnant, having a psychiatric record and a history of alcoholism and unemployment due to a strike were not found to be social conditions.

Is this the result the House wishes to support in the motion? I would think not. Yet if the Canadian Human Rights Act is amended in the ill-defined and unconstrained way proposed by the motion, similarly counterproductive interpretations of the Canadian Human Rights Act could result.

For example, the addition of social condition without appropriate limits on its interpretation and application could conceivably be used to challenge our progressive tax system because there exists a higher marginal tax rate for high income earners. Our system of taxation is designed to recognize that lower income earners cannot and should not bear the same burdens on the means of their survival as those with a much larger income.

Should the addition of social condition in the name of human rights and equality reverse this? Should social condition mean that

everyone receives social assistance as an income supplement whether it is needed or not?

• (1835)

The Canadian Human Rights Act and the Canadian commitment to combating discrimination seek to protect vulnerable and disadvantaged groups from discrimination, not to reward or profit individuals because they belong to already advantaged groups.

The second potential consequence of including social condition without definition or appropriate constraints is that social condition could be interpreted so broadly as to overwhelm the human rights system and leave open to possible challenge a host of valued social programs meant to assist the very lower status socio-economic groups for whom the protection is surely intended.

Considered broadly, what is a social condition? Could not the status of being discriminated against be a social condition itself? Why then would we need grounds such as family status, marital status, disability, sex, race or any other in the act? It could also conceivably cover any other social status, including being a prisoner, having a criminal record, being unemployed. The list is almost endless.

It may be that we as the people of Canada decide that we wish to broaden the scope of the Canadian Human Rights Act or to explore other approaches to discrimination protection. In any event, decisions as important as these must always be made in a considered and informed manner, which is clearly not envisioned in this motion.

The Canadian human rights system does not possess unlimited resources and the potential increase in cases that could be brought with the addition of social condition, left undefined in this manner, could have a serious impact on the administration and enforcement of our Human Rights Act as a whole.

Interpreted broadly enough, challenges could be brought against any of our social programs that make income distinctions, even if these distinctions are made for the benefit rather than the detriment of lower income individuals. Social legislation by its very nature often makes distinctions on the basis of income and employment.

The complete loss of government control over choosing where public resources should be allocated in the public interest is an unacceptable result for a democratic society.

The third possible consequence of adding social condition in an undefined fashion is at the other end of the scale: an interpretation that could be so narrow that the potential benefit of its inclusion would be lost.

Consistently, social condition is often raised in the context of poverty and a ground through which poor people can be protected from stereotypes and discrimination. However is this, or should this be, the only factor in considering an individual's social condition? If so, why not simply include a ground of discrimination such as being in receipt of social assistance or source of income? A number of the provinces have done so, but is this sufficient in the federal sector?



Does this mean we want to exclude protection for the working poor who do not receive public assistance, or for the unemployed? Should not then employment status or nature of one's employment also be a factor? And what about part time, seasonal, temporary, contract and other non-standard workers who might well face barriers those who are employed full time do not?

These examples all raise the question of whether the source or level of income is enough or whether a broader notion of social condition may be necessary.

The Department of Justice has already begun a concerted study on the issue of social condition as part of its larger review of the Canadian Human Rights Act as a whole. As members can see, our thinking is already quite advanced in this area.

It is clear that choices need to be made as to the scope, operation and definition of a ground such as social condition. However, these choices must always keep in mind the overarching objective of the act as a refuge of the disadvantaged and disenfranchised, one that is accessible, responsive and efficient. Only clear directions in the law can satisfy this objective.

● (1840)

As a House, we should not support the motion as it stands. To do so in this case would be to abdicate our responsibilities as law makers at the expense of the very people the hon. member surely seeks to protect.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Madam Speaker, I appreciate the opportunity to add a few words of wisdom, I hope, to this important debate.

The member proposed that we should add in the Canadian Human Rights Act the phrase "social condition" as being one of the categories that cannot be used as a basis of discrimination.

I always wonder about this whole concept of having a list of groups that are to be included or not included. For example, under the Canadian Human Rights Act the grounds for discrimination already include race. I do not think anybody in the country in the year 2003 would disagree with that. We should not discriminate against people because of the colour of their skin when it comes to having them apply for rental accommodation, a job or whatever it is.

The same thing applies to national or ethnic origin. I do not think we have a problem with that. Colour, I presume, is the colour of a person's skin. That is related to their race. They are closely tied together. I would simply say that nowadays this is almost self-evident. I do not even think it needs to be codified, if the truth be known. If a person has the tendency to discriminate, the law will not change it. I think we can do a lot better by using a process of persuasion.

Actually I have an example of that. When I was a youngster growing up we happened to live close to the armed forces base in one of the little towns in Saskatchewan called Swift Current. There were a lot of air force people there. In those days we had the separation of the armed forces.

Here we were, German-speaking immigrants during the second world war, going to school with people whose moms and dads had recently been fighting the war in Germany against the Nazis. There

### *Private Members' Business*

could have been a law at that time that said that one could not discriminate against people because of their race. I do not know if it would have made any difference. Some of those kids in school did not like us because their dads were out there fighting us. Somehow they equated us to that but we overcame it.

When my brother and I were in school we made it a point to get along with everybody, and we did, as did our parents in our community. In fact, my dad was a leader in many instances in helping people who were in need of help and established a reputation that totally neutralized the discrimination which may have existed against us. I think that is the way to do it. It is not by passing laws.

I remember a little phrase I heard a long time ago which ties in with this. "A man convinced against his will is of the same opinion still". Therefore we cannot, just by passing a law, change a person's mind but we can change a person's mind through reasoning and by doing the right things.

The act goes on to say that we cannot discriminate against people because of their religion. Now we are getting into areas where I think we have a potential problem because occasionally different religions conflict. If we cannot discriminate against people because of their religion, with which I basically agree, when a person comes looking for a job and if in fact the religious faith has nothing to do with the job, then that is not a basis of the choice of whether or not we hire that person.

However what about people who own a book store that promotes their religion? Could people of a different faith enter the store and demand that their books be put on the shelves alongside the others? Does the owner of the store have the right to say, no, that he or she will not sell those books, or does that person not have those rights?

I think we need to be very careful here. If we try to make everybody into one huge homogenous group we may actually undo something for which Canada is noted, which is that although we have differences we respect them and we get along really well with them. However let us not codify into law a whole bunch of restrictions.

● (1845)

We cannot discriminate against a person with respect to age. I will give an example that is really quite absurd. If I showed up at the local racetrack and said I wanted to become a jockey, the people there would have every right to say that they did not think that I had the right body shape, size or weight, that I would break the backs of their horses, and that I was too old. I think they would have had the right to say that. I could not have said that they had to hire me because otherwise I was going to take them to the Canadian Human Rights Commission because they were discriminating against me because of my age.

In recent years we have added to this list the undefined term "sexual orientation". We need to be really cautious about the application of that one. How about marital status? We cannot discriminate against people because of their marital status, family status, disability and—here is an interesting one—a conviction for which a pardon has been granted. I think we probably agree with those different things.

*Private Members' Business*

The proposal before us is to add to that another undefined term “social condition”. I have such a terrible problem with that. I have some of the same concerns as the parliamentary secretary. We could end up having people deem protection from this act when that was not the intention at all. There are different places in which there are differences on how we treat people based on things that are already here.

I think, for example, when I drove into a national park—and I have not had an opportunity to drive into a national park for a number of years now—it used to be that people who were seniors got in free. People who are not seniors should take that to the Canadian Human Rights Commission and ask why they, because they are younger, should pay more than that rich cat up there who is 75 and going in with his 40 foot motor home? It is a place where we differentiate between people based on age, which is not right, but do we want to really make a big scene about this in the Human Rights Act?

We have this undefined term “social condition”, which can frankly mean just about anything. I can even tie it back to ethnic origin. I am thinking right now of a person in my riding who is an aboriginal. This guy went to work. I will not identify him obviously, but man did he do well in business. He is a rich cat in my community and he is doing very well. Would he need to have protection which other visible minorities need? How do we balance these things off?

Frankly, the government should be out of this entirely. I really believe that. In our society and with our enlightened views these days, we can get along with each other with our diversity very well without being threatened by going to human rights commissions that have all of these strengths and powers to impose fines and other penalties because we have not met some arbitrary and undefined definition in our behaviour toward or with people.

We must also consider in this whole issue the long term effect. When we were debating the issue of including sexual orientation—I used the phrase then and I will use it again now—the list is not complete until everyone is on it. I think that really is it.

We ought to treat people fairly, honestly, and treat them for the humans that they are. Let us not look at and magnify the differences. Let us not classify people into this group and that group because that will lead to increasing problems rather than to a more cooperative and a happy society.

● (1850)

**Mr. Inky Mark (Dauphin—Swan River, PC):** Madam Speaker, I am pleased to rise this evening to debate Motion No. 392. First, I wish to applaud the member for Sherbrooke for the motion that says that the government should add social condition to the prohibited grounds of discrimination in the Human Rights Act.

Human rights is a dear topic to all Canadians. Canada is seen around the world as a leader in human rights. In fact, Canada initiated the universal declaration of human rights and certainly the Progressive Conservative Party supports Motion No. 392.

The motion brings attention to the neglected area of discrimination called social condition. We must remember that what we are doing

here is protecting not only rights of individuals but ensuring that they are not discriminated against. We have come a long way in the field of human rights in this country and that is what we are talking about, but we still have a long way to go.

We only need to point out along this rocky path of Canadian history that this country has some bleak moments in its past. Let us recall the deportation of the Acadians and the treatment of the first Irish immigrants to this country. Let us remember the internment of Japanese Canadians during the second world war and the internment of Ukrainian Canadians between 1914-20 when over 5,000 Ukrainians were put into 24 internment camps across this country. Let us remember the Chinese exclusion act of 1923-47 when Chinese were kept out of this country because of their race.

We can see there are a lot of lessons that we need to learn from our history. In fact, I raise the question, how many Canadians know about this history which they need to learn? We as a society do not tolerate discrimination. According to the Human Rights Act, the prohibited grounds of discrimination are race, national or ethnic group, colour, religion, age, sex, sexual orientation, marital status, family status, disability and conviction for which a pardon has been granted.

Canada has always been a leader on the international stage in terms of promotion and protection of human rights. Indeed, a Canadian, John Humphrey, was one of the architects of the universal declaration of human rights, often referred to as the “Magna Carta of Humankind”. The declaration includes the right of social security and to the realization of social and economic rights indispensable for a person's dignity and the free development of his or her personality.

The international covenant on civil and political rights, which Canada ratified in 1976, is the most comprehensive international document in the area of social and economic rights. Article 9 guarantees the right to social security and social insurance. Article 12 guarantees the right to the highest attainable standard of physical and mental health. Article 13 guarantees the right to education. Article 11 enshrines the right to an adequate standard of living as set out in Article 25 of the universal declaration. Article 2 of the covenant binds state parties to guarantee all rights without discrimination on the basis of race, colour, sex, language, religion, political or other opinions, national or social origin, property, birth or other status.

Many Canadians naturally assume that the same vigilance has been taken domestically to safeguard social and economic rights which we are talking about this evening. At first blush, that would appear to be the case. Human rights are both entrenched in the Constitution and protected in provincial and territorial human rights acts across the country.

However, upon closer examination, an argument can be made that Canada has fallen short of its international obligations by failing to fully implement its international commitments to promote and protect social and economic rights. Concerns have even been expressed at the international level in this regard.

*Private Members' Business*

In talking about social condition, we are talking about the poor and impoverished of a country. Welfare recipients are becoming poorer than ever.

• (1855)

This is not helped by the fact that despite increased contributions by the federal government through the national child benefit, most provincial and territorial contributions to welfare incomes for families with children have eroded significantly. As well, people on welfare who are considered employable have endured years of cuts and freezes to their welfare incomes and have been forced to subsist, in some cases, on income as low as one-fifth of the poverty line in 2002. Similarly, the value of the welfare incomes of people with disabilities continued to decline.

As in previous years, Canada's low performance with respect to poverty is highlighted by the most recent United Nations human development report of 2002 which contrasted Canada's third place ranking in terms of human development with its 12th place ranking with respect to poverty. The report ranks 173 countries with respect to human development by means of a composite yardstick that measures the average achievements in a country on the basis of life expectancy, education and standard of living. While the human development index ranked Canada third in terms of achievements in the basic dimensions of human development, the human poverty index put Canada in 12th place when assessing deprivation in the same three dimensions of human development captured in the human development index.

Despite the increasing level of poverty in this country, the courts have been reluctant to recognize social and economic rights under the Canadian Charter of Rights and Freedoms. Most see this area as better suited to the institutional competence of the legislative, as opposed to the judicial, branch of government. In view of the interconnection between poverty and other forms of disadvantage recognized by human rights legislation, considerable attention has therefore been given to human rights legislation as a source for ensuring the promotion and protection of social and economic rights in this country.

It has been argued, for example, that without legislation protecting against discrimination on the basis of poverty, the true experience of people who are the most disadvantaged in society will never be completely addressed. That is why we are here this evening talking about social condition as a necessary point to be considered.

Because we are talking about human rights, I would like to make a couple of comments about the Canadian museum for human rights project that was announced for the province of Manitoba this past spring. This project presents an important opportunity for Canada to acknowledge and educate about human rights struggles in this country and the world, and to present our country's commitment to respect and understanding.

The national project came about because of the work put forth by Mr. Izzy Asper and the Asper Foundation of Winnipeg. Mr. Asper is currently expanding the project's base of support so that it is inclusive to every community in Canada. I know that he has the support of both the Chinese and the Ukrainian communities.

The human rights museum will be located at The Forks in Winnipeg and will house displays and programs focused on the understanding and the advancement of human rights, including the struggles faced by Canada's aboriginal people. The Forks enjoys a 6,000 year history that celebrates and embraces diversity. The 56 acre site attracts more than five million visitors annually. It is the ideal location to establish the Canadian museum for human rights, to promote respect and understanding.

We do not choose where we are born or into which family. Studies have shown that there is an increasing gap between rich and poor. We have all heard the saying "born on the wrong side of the tracks". One principal Canadian value is that of equality. We cannot have equality unless we get rid of discrimination. People are discriminated on social status in this country.

I applaud the member for Sherbrooke for tabling this motion.

• (1900)

**Ms. Wendy Lill (Dartmouth, NDP):** Madam Speaker, it is a great pleasure and privilege to speak to private member's Motion No. 392 put forward by the member for Sherbrooke, which states:

That, in the opinion of this House, the government should add "social condition" to the prohibited grounds of discrimination in the Canadian Human Rights Act.

This would be in addition to the already prohibited grounds of race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability, and conviction for which a pardon has been granted.

I have to say that this is a very exciting idea. It is an idea whose time has come and in fact is long overdue.

In 1998 the chief commissioner of the Canadian Human Rights Commission said:

Poverty is a serious breach of equality rights which I believe has no place in a country as prosperous as ours. Human rights are indivisible. Economic and social rights cannot be separated from political, legal or equality rights. It is now time to recognize poverty as a human rights issue here at home as well.

She said this in an annual report to Parliament in 1998. That is quite a while ago.

We all know that poverty is one of the greatest barriers to equality in Canada. There is no question when we look at what is happening around us that poor people are losing their rights. Discrimination is growing. We are witnessing a growing homelessness that is now of crisis proportions in Canada. There is an increasing environment of poor-bashing. We are even seeing municipal bylaws that discriminate against poor people, such as anti-panhandling bylaws.

There is a growing environment in the country of discrimination against poor people. What exactly do I mean by this? How does this really look on the ground for the people who are experiencing it? I can think of many examples. I will put out only a few of them right now in terms of my own community.

This means that a landlord denies a single mom an apartment because she is on social assistance or because her family has been on social assistance. This means that a landlord denies a person an apartment because he or she does not have a stellar credit rating or even a credit rating at all.

*Private Members' Business*

Many people in my riding are discriminated against every day of their lives because they are poor. Because they are poor, they cannot access housing, credit, banking services, businesses and other services, even some public services such as schools and recreation facilities.

Recently school resumed. Students went back to school across the country. A couple of students in Dartmouth were turned away from a high school because they did not have the registration fee to get into high school. The registration fee pays for lockers and agenda books and a number of other things. I am not sure what the situation was. They may have just forgotten their cheque that day; they may just not have brought the money.

Or they may not have had the money. They may not have had the money to pay this fee that would open the doors of a public institution to them so they could get an education.

It is appalling. It was appalling to people in Dartmouth to realize that young people were in fact apparently being denied access to the school because they could not pay that \$25 or \$50 fee or whatever the going rate was for their registration. It is things such as this that young people are coming up against.

There are so many user fees now for everything. This is another topic, really, but many children in my community cannot afford to play sports. They cannot afford fees for soccer, basketball, volleyball or hockey. Because these families cannot afford fees, they are in fact being discriminated against because of social condition. They are being excluded from services and privileges that they would benefit and grow from.

These are only a few of the hundreds of examples of discrimination that occur daily for poor people in a community, people who do not have the economic resources to participate in many things.

● (1905)

My colleague from Winnipeg has just found out that the last bank is leaving her community. Why? Because it is a poor community. The money is not there and the bank has decided to leave because it just simply is not making the profits that it wants from that community.

Banks discriminate against poor people all the time; they charge special fees to people who are trying to cash their social assistance cheques. There are many ways that money talks. If we do not have money, we are invisible and we are silent.

There is another very important way in which people are discriminated against because of social condition and unfortunately that is happening at the public policy level in our government.

I will go back to 1989, to a very good day in the House of Commons, when the House unanimously passed a resolution to eliminate child poverty by the year 2000, something for which all members stood and voted. It was a very noble gesture. People here felt very good about it.

The question is, what happened? In 1993 the federal government abandoned social housing, one of the key issues that determines health and poverty in this country. In 1995 we saw the loss of the

Canada assistance plan, which laid out basic rights and conditions in terms of social entitlement. In 1996 we saw the era of the Canada health and social transfer that abandoned and eliminated those universal rights in Canada. For the first time we saw a massive downloading and slashing of social programs, which now has ballooned out of sight.

A debate was just held here, just before this one, on cuts to the employment insurance program. The fact is that years ago I think it was 82% of Canadians who were unemployed who were covered by unemployment insurance and that is now down to something like 42%, so of course poverty is deepening in this country. It is being egged on and has been exacerbated by our federal government. We see it with the cuts to the disability tax credit. We see it with the cuts to the Canada pension disability plan. We see it everywhere we turn and we hear about it in every call we get in our ridings.

These cuts to crucial programs, the changes to eligibility and the changes to base rates for eligibility are deepening the poverty, the inequality and the growing stresses in Canadian families and creating a climate of division, where poor people are unfairly divided into categories such as deserving or undeserving of assistance or compassion. This climate of division creates an environment where poor-bashing is tolerated and even perpetuated by the federal government with such things as means testing.

By including social condition as a prohibited ground of discrimination in the Canadian Human Rights Act we can end this climate of poor-bashing, but I think we can do even more. As I already mentioned, there was a landmark day and a landmark motion in this House in 1989. At that point the House unanimously said no to child poverty. Members voted in favour of a resolution introduced by Ed Broadbent, then the leader of the New Democrats, which sought, unanimously, the elimination of child poverty as an achievable goal in a wealthy society.

We should all think about that for a moment. Eliminating child poverty is an achievable goal in a wealthy society. If ending child poverty is possible, why not all poverty? What a revolutionary thought.

In closing, let me say that any revolution starts with one small action. Adding social condition to the prohibited grounds of discrimination in the Canadian Human Rights Act is a small action this House can take to start acting upon the unanimous resolution from 1989.

● (1910)

[*Translation*]

**Mr. Serge Cardin (Sherbrooke, BQ):** Madam Speaker, first, I would like to thank the Bloc member for Hochelaga—Maisonneuve as well as my hon. colleagues from the Progressive Conservative Party and the NDP.

The House will understand surely that I am completely floored by some of the comments made by the Liberal member and my colleagues from the Canadian Alliance. These people are basically wondering what social condition and grounds of discrimination or even discrimination could mean.

In fact, during the first hour of debate, the first Liberal member to speak on this bill had basically said the same things, showing how ignorant he was about social condition and discrimination.

I realize of course that the federal government is totally disconnected from the reality and the concerns of Canadians and Quebecers. That is why they cannot even define the terms "social condition" and "discrimination".

It is so simple, really. One only has to visit the web site of the Commission des droits de la personne et des droits de la jeunesse du Québec to find a clear definition of the two terms which were a complete mystery to the Liberal member.

Social condition is defined as "a specific place or position in society as a result of particular facts or circumstances". These can be income, occupation or education. For example, it can apply to socially underprivileged people including welfare recipients or the homeless.

Prohibited discrimination exists when an individual or organization uses a personal characteristic as grounds for refusing a job, housing, access to a public place or the exercise of any other right under the Quebec Charter of Human Rights and Freedoms.

I hope these definitions will enlighten my colleagues. I also remember clearly the remarks made by the Liberal member. He stated that the government had no intention of making hasty, special or piecemeal changes to any legislation, including the Canadian Human Rights Act.

I believe the member was not referring to any particular legislation or policies of the federal government. Let us look here at the employment insurance fund. To eliminate its deficit and then increase its surplus, the government did not hesitate to make drastic cuts in benefits and in the number of people eligible for EI benefits. This also creates difficult social conditions and often forces people to rely on welfare, which means that Quebec and the provinces have to bear the costs.

#### *Private Members' Business*

When the federal government refuses to make full retroactive payments of the guaranteed income supplement, that creates particular circumstances.

In Quebec, this also applies to housing. In Canada, Quebec and seven other provinces already have social condition as a prohibited ground of discrimination. Obviously, it does not apply to the same sectors and the same activities. For people in general, it applies mainly to banks and telecommunications.

After introducing my motion, I got a huge number of letters confirming that those who are less well off are discriminated against. Today it is difficult to be without a bank account. Some people are denied accounts because of their social condition. They are not applying for credit, just for a service. Moreover, increasingly, banks do not want to deal directly with people. They want us to use automatic tellers. They want to see people as little as possible, and they deny access to the disadvantaged.

As for telecommunications, we know Bell is very quick to cut off people's service. And we also know that this is a service essential to the less fortunate.

● (1915)

In this connection, because Quebec has made social condition a prohibited ground of discrimination, Hydro-Québec has been forced to negotiate with people and thus to allow them a little dignity.

Social condition as a ground of discrimination ought, therefore, to be prohibited.

**The Acting Speaker (Ms. Bakopanos):** Pursuant to order made earlier today, the question on the motion is deemed to have been put and the recorded division is deemed to have been demanded and deferred until Wednesday, October 1, 2003, at the end of the period provided for Government Orders.

[*English*]

It being 7:20 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:20 p.m.)



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