



CANADA

House of Commons Debates

VOLUME 135 • NUMBER 044 • 1st SESSION • 36th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, December 4, 1997

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, December 4, 1997

The House met at 10 a.m.

Prayers

• (1000)

[*Translation*]

PRIVILEGE

STANDING COMMITTEE ON INDUSTRY—SPEAKER'S RULING

The Speaker: My colleagues, I am now prepared to rule on the question of privilege raised on Tuesday, November 25, 1997 by the hon. member for Winnipeg North Centre.

The hon. member first raised the matter on October 1, 1997, at which time she contended that a preliminary draft report of the Standing Committee on Industry was divulged in the last Parliament. In the ruling which I delivered on October 9, 1997, I indicated that while this was a matter of considerable importance, it did not constitute a breach of privilege.

[*English*]

On Tuesday, November 25 the hon. member for Winnipeg North Centre presented a letter from House of Commons legal counsel to officials at the Department of Industry dated August 25, 1997. That letter reiterated the principle that pursuant to the law of parliamentary privilege, the House of Commons and its committees are masters of their own proceedings.

The hon. member also suggested that rules for the handling of committee documents might be subject to review by the Standing Committee on Procedure and House Affairs.

I would like to thank the hon. member for providing the Chair with a copy of this document and for her continued concern that the proprieties of this House and its committees be observed. I would also like to thank the government House leader and the hon. member for Regina—Lumsden—Lake Centre for their interventions.

• (1005)

First, I will repeat what I stated in my ruling of October 9. It is clear both from the authorities and from earlier Speakers' rulings that a breach of privilege in one Parliament may indeed be punished by another.

I have carefully reviewed the documents submitted by the hon. member for Winnipeg North Centre as well as the submissions made when this issue was first brought before the House. I have also examined the procedural arguments with some considerable attention.

[*Translation*]

The hon. member made reference to citation 57 of Beauchesne's 6th edition. This citation states:

The House has in the past regarded the publication of the proceedings or reports of committees sitting in camera to be a breach of privilege. Unless, however, a specific charge is made against an individual allegedly responsible, the Speaker has refused to find a prima facie case.

[*English*]

Parliamentary procedure as set out in this citation and as reflected in our practice is quite clear. Reports adopted by committees must be tabled in this House prior to their divulgence or publication. Similarly, what is said and done at an in camera meeting must remain confidential.

With respect to the manner in which committees deal with other aspects of their business, I will refer again to my ruling of October 9, 1997. Committees have not only the right but also the responsibility to manage their own affairs. They must be very clear about how they expect draft reports and other confidential material to be treated. As well, they must ensure that everyone present at such meetings, including departmental officials, is aware of their obligation to respect the confidentiality of the proceedings.

The fact remains however that these are matters which fall within the responsibilities of each committee. If irregularities occur concerning their proceedings or reports, committees may decide to report to the House on these matters. It is on the basis of such a report that the House will then give consideration to the situation.

After careful review, I am convinced that no new material element is brought forward in the case which the hon. member

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presented during her submission of November 25, 1997. I would like to thank the hon. member for Winnipeg North Centre and other members who contributed to this question.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's responses to 15 petitions.

* * *

INTERPARLIAMENTARY DELEGATIONS

Hon. Sheila Finestone (Mount Royal, Lib.): Madam Speaker, as chairman of the Canadian group of the Interparliamentary Union, I have the honour to present to the House in both official languages the report of the Canadian group of the Interparliamentary Union which represented Canada at the 98th interparliamentary conference held in Cairo, Egypt from September 10 to 16, 1997.

[*Translation*]

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Madam Speaker, pursuant to Standing Order 34, I have the honour to table, in both official languages, the report of the Canadian section of the International Assembly of French-Speaking Parliamentarians as well as the financial report of the meetings of the 23rd regular session of the IAFSP and its executive committee, held in Luxembourg from July 7 to July 10, 1997.

• (1010)

Hon. Charles Caccia (Davenport, Lib.): Madam Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canada-Europe Parliamentary Association that represented Canada at the meetings regarding the activities of the European Bank for Reconstruction and Development, held in London, England, on February 17 and 18, 1997.

[*English*]

Madam Speaker, pursuant to Standing Order 34(1), I have the honour to present in both official languages the report of the Canada-Europe Parliamentary Association which represented Canada at the meeting of the parliamentary assembly of the Council of Europe from June 19 to 25, 1997 in Paris and Strasbourg, France.

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Charles Caccia (Davenport, Lib.): Madam Speaker, I have the honour to present in both official languages the first report of the Standing Committee on Environment and Sustainable Development.

In accordance with Standing Order 108(2), the committee undertook an analysis of the harmonization initiative of the Canadian Council of Ministers of the Environment.

I have the pleasure of presenting this report to the House. Pursuant to Standing Order 109 the committee requests that the government table a comprehensive response to this report.

Mr. Rick Casson (Lethbridge, Ref.): Madam Speaker, I would like to make a few comments on the report which was just tabled and note that our minority report is attached to it.

The Reform Party members on the committee support the establishment of clear federal-provincial jurisdiction over environmental matters while upholding national standards.

We would like to emphasize that it is crucial to eliminate unnecessary duplication and overlap in the most cost effective manner. The more money saved by streamlining the system, the more money left to protect the environment.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to present the 14th report of the Standing Committee on Procedure and House Affairs regarding membership of the Standing Committee on Transport. If the House gives its consent, I intend to move concurrence in the 14th report later this day.

* * *

NATIONAL DEFENCE ACT

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.) moved for leave to introduce Bill C-25, an act to amend the National Defence Act and to make consequential amendments to other acts.

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

* * *

CANADA GRAIN ACT

Hon. Arthur C. Eggleton (for the Minister of Agriculture and Agri-Food, Lib.) moved for leave to introduce Bill C-26, an act to amend the Canada Grain Act and the Agriculture and Agri-Food

Administrative Monetary Penalties Act and to repeal the Grain Futures Act. • (1020)

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

* * *

• (1015)

COASTAL FISHERIES PROTECTION ACT

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.) moved for leave to introduce Bill C-27, an act to amend the Coastal Fisheries Protection Act and the Canada Shipping Act to enable Canada to implement the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks and other international fisheries treaties or arrangements.

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

* * *

CRIMINAL CODE

Mr. Chuck Cadman (Surrey North, Ref.) moved for leave to introduce Bill C-294, an act to amend the Criminal Code and the Corrections and Conditional Release Act (victims' rights).

He said: Madam Speaker, I would like to thank my colleague for North Vancouver for seconding this bill. I am privileged to introduce this Private Members' Bill which will amend the Criminal Code and the Corrections and Conditional Release Act with respect to the rights of victims of crime.

It has been my personal experience that victims of crime do not seek to control or exert undue influence over due process in our criminal justice system. They merely seek to be included in that process and to be accorded the same considerations similar to those shown to offenders.

Among the most frequent complaints heard are those related to notification of proceedings and the inability to be heard from during the process. This bill intends to address those issues among others. For years now there has been much talk in this place about issues relating to victims of crime. It is time to dispense with the rhetoric and actually do something.

I urge all members to give careful consideration and support these amendments.

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

Routine Proceedings

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): If the House gives its consent, I move:

That the fourteenth report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

The Acting Speaker (Ms. Thibeault): 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)

* * *

PETITIONS

RETIREMENT INCOME

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Madam Speaker, pursuant to Standing Order 36, I am pleased and honoured to present three petitions on behalf of my constituents in Winnipeg North Centre and other Manitobans who are deeply concerned about the future of Canada's retirement system.

They raise concerns about current government plans vis-à-vis Bill C-2 and about future proposals to change the guaranteed income supplement and the old age security.

They would like a publicly administered universal pension plan which ensures that all Canadians, not just the wealthy, can look forward to a secure retirement.

THE FAMILY

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition from a number of Canadians, including some from my riding of Mississauga South.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

They also point out an agreement with the National Forum on Health report on investing in children that the Income Tax Act discriminates against families which choose to provide direct parental care because it does not recognize the true cost of raising children.

The petitioners therefore pray and call upon Parliament to pursue tax initiatives that would assist parents who choose to provide care in the home for preschool children.

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NATIONAL UNITY

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Madam Speaker, it is my pleasure pursuant to Standing Order 36 to present two petitions to the House.

One petition is signed by 50 Canadians from both British Columbia and the province of Quebec. They pray that the Parliament of Canada will continue to see that this country of ours is indivisible and that it can only be modified by a free vote of all Canadian citizens as guaranteed by the Canadian Charter of Rights and Freedoms.

CRIMINAL CODE

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Madam Speaker, the second petition is from 42 constituents of Nanaimo—Cowichan and they request that Parliament review and change relevant provisions of the Criminal Code to ensure that men take responsibility for their violent behaviour toward women.

I agree with these petitioners.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 34 will be answered today.

[Text]

Question No. 34—**Mr. Svend Robinson:**

With regard to the costs associated with destaffing lighthouses in British Columbia, could the Minister of Fisheries and Oceans please provide for the fiscal years 1994-95, 1995-96, 1996-97, and 1997 up to October 27, 1997, a complete accounting for all financial costs related to developing, putting in place and servicing the hardware infrastructure for the seven lighthouses the government has already destaffed in British Columbia?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Without compromising safety, eight lightstations in the Pacific region of the Department of Fisheries and Oceans were approved for destaffing during 1996-97: Active Pass, Ballenas Island, Discovery Island, Point Atkinson, Porlier Pass, Race Rocks, Saturna Island, and Sisters Islets.

Summary of Costs (\$000s)

	1994/95	1995/96	1996/97	1997/98 to Oct. 27th
Capital Cost	Nil	467	426	Nil
Servicing Cost	1,329	1,329	600	50

The above capital figures reflect one time start-up costs.

The projected savings from the modernizing and automating project for these eight lightstations is \$1,243,000 annually.

[English]

Mr. Peter Adams: Madam Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Ms. Thibeault): Is that agreed?

Some hon. members: Agreed.

* * *

PETITIONS

CRIMINAL CODE

Mr. John McKay (Scarborough East, Lib.): Madam Speaker, I have the honour to present a petition on behalf of in excess of 400 people, pursuant to Standing Order 36, calling on the government to amend sections 173 and 174 of the Criminal Code with respect to indecent acts and public nudity.

I have the honour to present that.

• (1025)

RETIREMENT INCOME

Mrs. Michelle Dockrill (Bras d'Or, NDP): Madam Speaker, I too, pursuant to Standing Order 36, would like to on behalf of Canadians table two petitions calling on this Parliament to rescind Bill C-2 which imposes massive premium hikes and reduces benefits, and also petitioning the House for a national review on the retirement income system in Canada.

GOVERNMENT ORDERS

[English]

CANADA PENSION PLAN INVESTMENT BOARD ACT

Hon. David Anderson (for Minister of Finance, Lib.): moved that Bill C-2, an act to establish the Canada Pension Plan Investment Board and to amend the Canada pension plan and the Old Age Security Act and to make consequential amendments to other acts, be read the third time and passed.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I am pleased to speak today on third reading of Bill C-2, the legislation that will secure the Canada pension plan for Canadians now and in the future.

One of the most important social policy initiatives ever undertaken in this country, the Canada pension plan has been a key part of the retirement plans of every Canadians since 1966. It has also

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helped our most vulnerable citizens, the disabled, the widowed and the orphaned. That being said, the Canada pension plan is now under growing pressure and needs to be changed before it is too late.

The fact is that when the CPP was created, there were eight working age people in Canada for every retired person. Today there are five. In 30 years there will only be three.

The current 5.85% legislated CPP contribution rate was scheduled to rise to 10.1% by 2016. If nothing is done, CPP contribution rates will have to increase to over 14% to cover escalating costs. That is a 140% increase for future generations and certainly that would be an unacceptable fate for our children and our grandchildren.

It does not have to be that way if we act today to address the problems that we anticipate for tomorrow. As joint stewards of the Canada pension plan, the federal government and the provinces agreed last February to restore the financial sustainability of the Canada pension plan and in fact to make it fairer and more affordable for future generations.

Bill C-2 incorporates the changes proposed in that agreement and also reflects the views expressed by Canadians during last year's cross country public consultations. Some have said that these changes are being rushed but allow me to set the record straight. It is the continuing delay that threatens the CPP and in fact it is the delay in facing up to the very real challenges confronting the Canada pension plan.

In February 1995 the government tabled the fifteenth actuarial report on the Canada pension plan which showed as I just mentioned that if changes were not made to the Canada pension plan the fund would be exhausted by 2015 and the contribution rate would have to jump to over 14%.

In 1996 the federal government and the provinces released a paper on the problems facing the Canada pension plan. They held consultations with Canadians in every province and territory and released a report on those consultations.

In February 1997 we reached a landmark agreement with the provinces. There were then two draft bills released and in fact it is beyond me how anyone can say that we are rushing the Canada pension plan reforms. Clearly we have ensured that the problems that face the Canada pension plan as we move into the next millennium are being addressed and they are being addressed in consultation with all Canadians.

What I do know is that Canadians were legitimately concerned that their Canada pension plan would not be there for them when they retire. They told the federal and provincial governments to act now. They told us that they want to be able to count on their Canada pension plan now and in the future and they want it fixed, not privatized and not scrapped.

• (1030)

They also told us to do this in a way that does not pass on an insupportable cost burden to younger generations and they clearly told us to preserve the CPP by strengthening its financing, improving its investment practices and moderating the growing cost of benefits.

Canadians want and need the Canada pension plan but they want changes as well. We have listened and I believe that is what in fact Bill C-2 is all about.

The Canada pension plan's pay as you go financing may have been fair and appropriate back in 1966 but not in today's or in tomorrow's world. Building up a larger fund, fuller funding and earning a higher rate of return through investment in the market is now necessary to help to pay for the rapidly growing costs that will occur once baby boomers begin to retire.

Accordingly, the Canada pension plan will move from a pay as you go financing with a small contingency reserve to fuller funding to build a substantially larger reserve. Fuller funding means that the fund will grow substantially for about two years of benefits to about four or five years over the next two decades.

Until 2003, CPP contribution rates will increase in steps to 9.9% of contributory earnings and then remain steady. This steady stated rate is expected to be enough to sustain the Canada pension plan with no further increases.

During the consultations on CPP, ordinary Canadians and pension experts alike told us to improve the way CPP funds are invested and to secure the best possible return for contributors and beneficiaries.

Under the proposed new investment policy, instead of being loaned to provinces at preferential rates as they are now, Canada pension plan funds will be prudently invested in a diversified portfolio of securities in the best interests of plan members, like other pension funds.

An independent CPP investment board composed of 12 directors from a range of backgrounds will oversee investment policy for the fund. The board will in turn hire qualified investment professionals to manage the day to day investment decisions at arm's length from governments. The board will operate under broadly the same rules as other private and public sector pension funds and that means responding to market conditions, adopting investment policies and hiring qualified investment professionals.

At the same time, the board will be accountable, accountable to plan members, accountable to government and accountable to Canadians generally. I am pleased to report that the experts in pension fund management who testified before the finance committee agreed that Bill C-2's accountability provisions are in fact stringent and leading edge.

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The same experts told us that the key to good investment practices and results is good management structures and that these provisions are in Bill C-2 and are extremely sound.

While this bill was before the House finance committee, a number of committee members were particularly eager to ensure that the accountability provisions of the bill were as stringent as possible. Once again, expert witnesses confirmed that the legislation was very rigorous in this area.

Moreover, two amendments for which there was support in committee were made at report stage to clarify the accountability of the board. The first one clarifies the auditor general's access to any information he considers necessary from the investment board to audit the consolidated financial statements of the Canada pension plan.

The other amendment requires that a special examination of the Canada pension plan investment board be conducted at least once every six years.

Through Bill C-2, stewardship of the Canada pension plan is also improved and its public accountability strengthened. Canadians will receive regular statements about their pensions. Federal-provincial reviews will take place every three years instead of every five years. Annual reports will be published on the fund and tabled in Parliament and regular public meetings will be held in each province.

Through consultations with Canadians, some modest changes to benefits will accompany these financing and investment policy changes, but let us be clear, some benefits will not change as well.

• (1035)

For example, anyone currently receiving Canada pension plan retirement pensions or disability or survivor benefits will not have their benefits affected in any way. All benefits will remain fully indexed to inflation, except the one-time death benefit. The ages of retirement will remain unchanged.

The changes that are being proposed are moderate and balanced. Indeed their impact on vulnerable Canadians has been minimized and no one group has been singled out or forced to shoulder an undue burden.

During the public consultations on the CPP, Canadians told their governments to go easy on changes to benefits. Again, we have listened.

The changes to the Canada pension plan keep the contribution rate from rising to the 14.2% it would have reached had we not acted.

Seventy-five per cent of the changes that will ensure the sustainability of the CPP are on the financing side and only 25% are on the benefit side. Once again, this reflects what Canadians told their governments during the public consultations.

Let me take a few moments to refute some of the myths being spread by members of the other side of this House and by some special interest groups.

Critics claim that youth gets a raw deal from these changes. Some have actually stated that young Canadians will contribute one dollar for every fifty cents they will collect. Let us be absolutely clear. Nothing could be farther from the truth. All Canada pension plan contributors, both present and future, will receive more from the Canada pension plan than they pay in.

Young people can expect to receive \$1.80 for every dollar of contributions. The return can only be higher if governments were prepared to renege on the existing commitments to seniors already receiving pensions and to working Canadians expecting pensions when they retire. We will not turn our backs on these Canadians. We will not renege on these commitments.

Some hon. members have also stated that CPP contributions will increase by 73% and charge that this is the biggest tax grab in history. CPP contributions are not taxes and Bill C-2 is not a tax grab. CPP contributions are savings toward pensions. They go into a separate fund, not into government coffers, and will be invested like other pension plans.

Let us get the facts straight. Contributions will increase over the next six years to 9.9%. However, that is also the end of the increases. What the critics never mention when they criticize the increase to 9.9% is that the CPP contribution rates are already scheduled to reach 10.1% in the year 2016 and without the changes that we are proposing, the Canada pension plan would soar to 14.2% in the year 2030.

Is that what the hon. members of the opposition parties prefer, a 140% increase? It is certainly not what the government prefers. It is certainly not what Canadians have said during the consultation period. In fact, it is certainly not what is contained in Bill C-2.

Other members argue, and the hon. member from the Conservative Party continues to argue this, that the higher CPP contributions should be offset by EI premium rate reductions. I know that it takes some time to communicate and understand these facts for some hon. members.

Let me again state quite clearly that the EI program and the Canada pension plan are totally separate programs serving different purposes. Furthermore, the government has already announced EI rate reductions for 1998 that more than offset the Canada pension plan increases. We are committed to bringing down the EI rate further just as soon as we can afford to do so.

Then there are groups that contend that not only will these changes take \$157 billion out of the economy but that each 1% increase in payroll taxes will mean the loss of up to 176,000 jobs. Quite clearly the allegations are wrong and I want to take this

opportunity to ensure that the record states very clearly that these allegations are wrong.

• (1040)

I reiterate that higher CPP contributions are not payroll taxes. Canadians have viewed and will continue to view their CPP contributions as retirement savings. They can see, as members on this side of the House can see, through the transparent rhetoric of these special interest groups. The reforms that we are proposing will generate important and lasting benefits for Canadians.

Let me continue with the myths. Some hon. members continue to talk about better returns through privatized pensions. These members owe it to Canadians to explain exactly what they would do with the CPP's outstanding obligations to Canadians. There is no question that registered retirement savings plans are important and that is why they are one of the three pillars in the retirement system of Canada. But they cannot replace public pensions.

Canadians told governments during the public consultations that they want the security provided by the CPP as a public plan. They do not want all their retirement savings dependent on their ability to second guess the fluctuations of the stock market. And I am sure that members opposite have been watching the fluctuations in the stock market lately and I am sure that the recent events have reinforced the priority that Canadians give to security even though it has not reinforced anything from members opposite.

Let us look at the costs. The cost to contributors for the Canada pension plan benefits will be 6.1%. Could mandatory RRSPs really provide equivalent or better benefits at lower costs than the CPP? The answer is no. With the new investment policy the Canada pension plan fund will earn as good returns as anyone investing privately could expect to earn. Furthermore, the CPP has the added advantage of having the government stand behind the benefits.

The administrative costs of the CPP and the cost of investing the pool of CPP funds will be considerably lower than the cost associated with administering millions of individual plans. We had expert after expert come before the committee who continued to say and reinforce the point that the administrative costs associated with mandatory RRSPs and administering millions of individual accounts was far greater than the administrative costs of the Canada pension plan.

In addition, the CPP protects families when an income earner becomes disabled or dies, and it protects the pensions of parents who take time out of the workforce to care for young children. So when we add it all up the fact is a reformed CPP will cost less than a retirement saving done exclusively through a mandatory program of RRSPs, at least one percentage point less.

Let me turn to the extra cost of paying for the burden of the \$600 billion unfunded liability. Members opposite have talked about

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scrapping the CPP and moving to mandatory RRSPs, but they have never clearly explained how they would do that. Let those who would scrap the CPP explain to Canadians whether they are going to renege on the promises to Canadians who are now retired. Let those who are still working and counting on receiving CPP when they retire have the security that is provided in Bill C-2, ensuring that the public pension plan is there for them.

Mandatory RRSPs do not do that. Reneging on the Canada pension plan liability does not do that. That is what members opposite want.

Let those who would scrap the CPP explain how they will deal with Canada pension plan's \$600 billion in outstanding obligations. Are they going to deal with this within the CPP? If not, how will they raise the revenues or make spending cuts to pay for these obligations? It is time for them to stop their fiction and fantasy. It is time for them to come clean with Canadians and give Canadians the straight goods.

• (1045)

The problems facing our pension system are not unique to Canada. Many countries are making changes so their pension systems will also be sustainable. Some have recommended moving toward increased funding of public plans, which is exactly what we are doing with Bill C-2.

The legislation will make Canada one of the first, if not the first, major industrialized countries to ensure sustainability of the public pension system in the next century. It is forward looking and above all it is fair. I urge hon. members to give their full support to the bill.

Generations of Canadians, our children and our grandchildren, need our leadership today to protect their interests tomorrow. Bill C-2 does that. It does that after consultations with Canadians.

The Standing Committee on Finance is continuing the consultations with experts and other groups that come before the committee. They have overwhelmingly supported Bill C-2 in its balanced approach. Bill C-2 will continue to monitor the Canada pension plan. Bill C-2 will continue to provide Canadians with the security they expect and deserve from their Canada pension plan.

I ask members not to continue with their rhetoric but to deliver the facts to Canadians and ensure the bill passes third reading and becomes legislation so that Canadians have the peace of mind they deserve.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, today we are at third and final reading of Bill C-2, a bill to amend the Canada pension plan. I emphasize the importance to Canadians of the legislation. It will affect millions of them throughout their working lives and into retirement. It directly

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touches over 13 million Canadians today, millions more who have yet to enter the workforce, and even millions yet unborn.

We as parliamentarians have a tremendous responsibility when we look at such far reaching legislation. Unfortunately the Liberal dictatorship of today has allocated scant hours to debate a bill that will affect millions of Canadians and their futures.

Retirement security is a key concern of all Canadians. Yet the Liberal government is making it more and more difficult for Canadians to have a secure retirement. Changes to seniors programs like the OAS program will put \$7 billion to \$8 billion in the pocket of the government and take it away from retirement security for Canadians. RRSPs are continually being cut back by the government. The level of CPP contributions has been frozen. The finance minister is now taxing RRSPs a full two years earlier than in the past. How are Canadians supposed to save for retirement with these shenanigans by the Liberals?

Once a person retires and is able to salvage a little income from these Liberal measures then taxes keep rising. People on fixed incomes are hit the hardest by this sort of thing. We are in a very serious situation today in terms of retirement due to Liberal measures like the bill.

We need to look closely at the bill to see exactly what it delivers to Canadians and what it does not. I believe Canadians care about four things when it comes to measures that affect them, their money and their future. They care about fairness. They want a scheme that is fair. They want value for their money. They want real security. They want things to be done with integrity.

The Liberals know how much these words mean to Canadians and that is why they use them repeatedly. The words were used over and over in the speech of the parliamentary secretary. What is the reality behind this Liberal rhetoric?

• (1050)

First let us talk about fairness. The Liberals use this word a lot when talking about the bill but here is the reality. Due to shockingly disastrous mismanagement by past Liberal and Tory governments the Canada pension plan has an incredible \$600 billion unfunded liability. That is the reality. That is where we are today yet these people are asking us to trust them to do the right thing. For the last 30 years they have put us almost \$600 billion in the hole.

The Liberals say there is no problem, that they will lay the burden on our kids, make them pay nearly twice as much and give them less in benefits. What could be simpler? However it does not fit with any definition of fairness I have ever heard. One of our members called it legalized mugging. That about sums it up.

The young people of our country have already inherited a \$600 billion national debt. It has been shoved on their credit card. They face increased health and other costs due to the aging population. Is it fair to put the second CPP national debt largely on their shoulders? Most Canadians would agree the answer is no.

Interestingly enough—and this has not escaped Liberal notice—this is the same group of Canadians which is least likely to be old enough to be politically active. They are not yet old enough to vote in many cases or they have not yet been born. What this amounts to is taxation without representation. Is that fair? Only for a Liberal.

Low income Canadians are forced to pay a larger proportion of their income into the scheme than those with higher incomes. Therefore the burden of the unfunded liability will fall most heavily on lower income Canadians. It is no wonder there is a problem with child poverty. The Liberals make families poor and then ask to be elected so they can fight child poverty. Go figure. Only a Liberal could find fairness in forcing those least able to pay, to pay the most.

The new CPP scheme is unfair in at least three major ways. It places the burden of past mismanagement on those already disproportionately burdened. It places the burden of past mismanagement on those least able to object. It places the burden of past mismanagement on those least able to pay.

I have a letter written by grandparents which reads in part:

While we appreciate something has to be done about the shortfall looming ahead, we don't think this is the answer. I have always believed that we should have been able to invest our own contributions for a much greater return, perhaps as high as fourfold estimated by some.

While I am already collecting my CPP payments, and Jeanne will be in about two years, between us we have seven children, 16 grandchildren and one great-grandchild expected next week.

We have great concerns as to the potential impact this Liberal tax grab will have on them.

Furthermore, this legislation is being pushed through the House by the Liberal majority without proper and sufficient democratic debate before the Canadian people. Shame on them.

That letter is from Canadian citizens. Sadly these changes fail the test of fairness.

Let us turn to the question of value. Canadians have a heritage of thrift and of getting value for their money. They are prudent people. How wisely and well does this plan give us value for hard earned dollars contributed? In a nutshell this Liberal scheme extracts massive amounts of dollars from the young and then pays a return that is far less than the real value of their contributions.

Self-employment is the fastest growing sector in our labour market. A self-employed person entering the labour force today and earning the average industrial wage will pay over \$3,200 a year into the CPP. These contributions, paid until age 65, will total between \$1.6 million and \$2 million over a working lifetime. Let

us split the difference and say that it is \$1.8 million. That assumes an inflation rate averaging about 3.5% and a very modest real return on investment of between 3% and 4%.

Assuming that this person will then draw the full CPP for 20 years, he or she would collect in total just over \$900,000.

• (1055)

Let us review that. It cost \$1.8 million and the return was \$900,000. A good deal for whom, the contributor? No. For the government trying to cover its tracks? Yes, and that is the whole point of the scheme. It is little more than legalized theft from today's young.

The chief actuary for the CPP and others have looked at the investment return to contributors in another way. They have calculated the rate of return per year on the value of the contributions. The chief actuary, in his 16th report in September, showed that the return to the youngest contributors to the plan would be 1.8%. Can anyone imagine this? That is about one-half of the real rate of return offered by Canada savings bonds and about one-third of the real rate of return one could expect from long term, high quality corporate bonds.

Members opposite would have us believe this is a fair deal, that this investment represents good value for young Canadians. A graph shows that the value of these contributions for young Canadians goes beyond the break even line in about 2011, a few years from now. Yet the Liberals would have us believe that this is good value for our money. I do not think so and I do not think our young people think so.

Members opposite need to get it through their heads that this is not value for money and it will not take Canadians very long to figure that out. The impact of the bill must also strike Canadians as mean spirited and unfair in another way.

What we have is regulation that leads to disguised or hidden tax increases. Nickels and dimes to start with but eventually totalling millions and then billions. A leading social policy analyst calls it taxation by stealth. The CPP bill is a good example.

The Liberals inserted a sentence of 14 words which reads:

For each year after 1997 the amount of a year's basic exemption is \$3,500.

This \$3,500 exemption used to be tied to inflation and it would rise as inflation rose. No more. It will be \$3,500 period. Instantly we have a small payroll tax increase on small businesses and workers in Canada without media or public recognition, let alone any debate on the increase.

Freezing the year's basic exemption at \$3,500 means that each year the value of this deduction decreases by the amount of

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inflation. Perhaps it is only 2% or 3% a year, but over time the value of the deduction is seriously eroded. As a consequence, the amount of earnings subject to CPP increases slightly each year. Everyone, workers and employers, pay extra dollars each year in addition to the premium increases for the same pension benefit.

The burden is heaviest on those with the lowest incomes because the exempted amount accounts for less and less in real value every year. They steadily pay more of an already small income and this hits them harder than if the exemption protected a larger percentage of their total earnings. They need that protection which is why the exemption was put there in the first place. The Liberals are allowing it to be stealthfully eroded away. No wonder families are getting poorer all the time. No wonder there is growing concern about child poverty.

What is so repugnant is that the same Liberals who loudly protest that child poverty is their highest priority are creating the very poverty they claim to be so concerned about. They say they will cure child poverty. It is like hiring a mugger to get out of debt.

Another interesting letter states:

We are two young, hard working people struggling to make ends meet. One of us works two eight-hour jobs full time just so we can catch up to our bills and maybe get an apartment before December. We are living in a truck.

We are not irresponsible. We just got suddenly relocated and brought a lot of responsibilities with us, but it is hard to catch up for those of us who are counting every penny. This would kill us. If we end up giving more money to the government it will inevitably destroy us. Besides, we would rather manage our money in our own way and in our own name than dump it into some mysterious fund that may not exist when we retire.

This is what young Canadians are saying.

• (1100)

If there is value in this plan, it is certainly not going to workers and businesses which pay most of the freight. If this scheme is clearly unfair and does not provide good value for money investment, does it at least have the virtue of providing security? Will the dollars being extracted from us be worth it in the end because they will go toward the good cause of guaranteeing every Canadian an \$8,700 a year pension after they retire?

Will the fact that some investors will get a low return be justified because government management pools the risk and no one has to worry about not getting the \$8,700 a year? It will be there for sure. No worries, count on it. Is that the situation?

First of all, the future security of this Liberal CPP scheme rests on the assumptions that the young will willingly continue to pay into the plan when they know that less than half the real value of their substantial investment will be returned to them personally.

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Do we honestly believe our children and grandchildren will, let alone should, make a large investment out of their earnings and accept a small return so that the rest can be used to pay for promises made to those who came before them, promises not backed up by the money to make good on them?

The security of our expected CPP benefit rests largely on our belief that younger generations will willingly shoulder the lion's share of what amounts to a second national debt once they are old enough to take political power. I suggest we think long and hard about the likelihood of that happening.

The future security of this Liberal CPP scheme rests on the reliability of the assumptions that led to its construction. The government assumes that 9.9% in contribution rates over the next century will deliver the promised benefits. How reliable are those assumptions? Are they any more reliable than the assumption in 1967 that contribution rates would never have to rise above 5.5%? That is what we were told at that time.

Now, in less than a generation, our contribution rate has soared to nearly twice that and the benefits we were promised then have already been cut back. Benefits are being cut in this bill by Liberals who, in the same breath, are trying to maintain that promises of government are reliable while they are demonstrating that they clearly are not. This very bill is exhibit A of the fact that the CPP is not a sure thing. It reneges on the promises that were made to us when we started working and paying 30 years ago. Now we are suddenly told we will get less. Who can honestly believe this will be the last time the Liberals will say oops, we cannot give you quite as much as we said we would? Just like they said oops, we cannot get rid of the GST like we said we would.

The fact is the CPP is not a pension plan. It is a political promise backed up by only government's ability to tax from citizens the funds needed to pay for the promises. Political promises change with changes in power. They change with changing reality. They change with circumstances and with shifts in voter support.

No one disputes that political promises are not something to go to the bank with and they are certainly not something to retire on.

I have a letter from a family that says this: "We are a young family who are struggling to make it from month to month. Losing more of our earnings through an increase in CPP is only going to make it more difficult for us to meet our financial responsibilities which include repaying student loans and raising two preschool children.

"We have worked very hard to ensure that we are responsible for our decisions by paying our student loans off at a faster rate and raising our children the best we can. Things like owning our own home, contributing to an education fund for our children or taking family vacations once seemed to be attainable, but they are fast becoming more a dream than a reality.

"Young Canadians like myself are angry that we are being told to pay for our government's poor financial planning, especially when we have no hope of receiving anything from the CPP in our senior years. Governing one of the greatest countries in the world does not excuse nor give licence to making faulty decisions that adversely affect our country's citizens. Our politicians may not notice the increased CPP deduction on their paycheque, but my family certain will".

● (1105)

That is how real Canadians feel about how secure this plan is.

Third, the future security of the Liberal CPP scheme rests on the assumption that the new billions of dollars that the Liberals are going to extract from Canadians with this bill will be managed to earn the best possible rate of return. Once again, the Liberals have set up in this bill a huge fund which will extract billions of dollars of our CPP contributions into it.

Who is going to manage all this loot? It is going to be 12 hand picked Liberal appointees. Once again the Liberals try to fool us by saying all the right words. It will be arm's length. It will be transparent. There will be prudent management. But the reality makes their feel good rhetoric ring hollow.

The reality is that the Liberals voted down every amendment brought forward by the opposition parties that would really make the fund management even moderately arm's length from political interference. One of the measures turned down would have the minister taking advice from an advisory committee on who would sit on it. That was turned down. The auditor is going to be appointed from year to year. There was an amendment to make that appointment for a longer period of time. That was turned down.

There was an amendment that the chairperson be elected by the majority of the members of the board. That was turned down. It will be the minister's hand picked appointee. I could go on and on. There were so many amendments brought forward that the Liberal majority just went thumbs down on.

In fact, only significant pressure even made the Liberals acknowledge that Canadians' own auditor general should have unrestricted access to fund information. Of course regular Canadians are out of luck. The fund's operations are not even subject to access to information.

Yet this fund will soon have a massive proportion of Canada's total equity pool. The implications are staggering for its impact on the total economic structure of our country. But we have 12 hand picked Liberal appointees who will wield enormous influence in our economy. The government says it will be happy if the fund

earns a real rate of return of 3.8%. The potential for unfair and unintended uses of such economic clout are staggering.

In fact even before the bill passes other parties in this House are already arguing that the fund should be open to be used for political objectives. We can imagine how such pressures will mount once the fund actually contains all those lovely billions of dollars. Our retirement dollars will draw political and social engineers like a loadstone.

Canadians are by nature not risk takers. They prefer stability and security. I am sure members opposite are wanting to hear what I have to say and so I would appreciate it if they would keep their remarks for later.

Canadians by nature are not risk takers. They prefer stability and security. Yet what the Liberals are giving us in their new CPP scheme is risk and more risk. There is a risk that our children will refuse to bear so much cost for so little benefit. There is the risk that government assumptions and projections will, as usual, prove to be unreliable after only a few years.

In fact, after only two months the projected amount in the fund had to be revised downward by \$41 billion. That is just how badly the assumptions are off already.

There is the risk that political considerations will compromise the returns needed to pay the promised pensions. There is the risk that further future political decisions will change what the plan last promised.

There is no security for Canadians in this scheme. Canadians recognize that. Here is a letter from a Canadian that says: "I am completely opposed to increases in CPP contributions, especially in consideration of the low level of faith I have in our past, present and future governments to manage and return the increased revenue properly. The monthly CPP 'contribution' my family makes exceeds the cost of my son's education. Quite frankly, I would rather invest my earned income in his future since it is a virtual guarantee my country will not". That is how real Canadians feel.

• (1110)

Does this plan deliver integrity? Is it based on honesty? Is it sound and well considered? The Liberals promised to restore integrity to government. Does this bill with the single most profound implications for the retirement security of retired, working and future generations of Canadians meet the test of integrity?

First, how can we say a piece of legislation delivers integrity when it is so cavalier about the interests of the young and the politically powerless? Is that not exploitation of the defenceless? Will Liberals be able to look their children and grandchildren in the eye 10 or 20 years from now and say we did what was right and good for you, we acted in your best interests? How will they defend forcing young workers to pay more for less?

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Second, not all Liberals can be blind to the fact that the time bomb is still ticking. The cracks are being papered over for a few more years but the long term funding crisis has not been solved.

Where is the integrity there? The Liberals have not been honest on the issue of transparency and accountability. For all their nice words, they voted down measure after measure that would have made it so.

This plan incorporates the Liberal policy of taxation by stealth. Threshold exemption levels desperately needed by poor working families to meet their children's needs year by year are less protected as inflation creeps up.

Year by year the average industrial wage rises, capturing more CPP taxes from businesses and workers. These effective increases will never be debated or discussed and this bill says that future additional premium increases—it already acknowledges there will have to be some over 9.9%—can simply be mandated with no further legislation or debate. King John never had it so good.

A Canadian from Edmonton writes: "I am one of thousands of single mothers who are desperately trying to be self-sufficient and support myself and my daughter on my own without the aid of welfare or other government agencies. I am frustrated beyond words that the government wants to take more of my hard earned money away from the mouth of my child when I have come to the realization that by the time I reach the age to collect, there will be nothing.

"I hope the government is ready to reap the consequences that this will cause. I just may find it more beneficial and in my best interests to quit working and collect welfare because it may be the only way I can make money".

This is an important debate and one that will be reopened every two or three years as required by legislation and as those exploited by this scheme gain political awareness and power.

It is important therefore to put a couple more points on the record. The government never considered other options or arrangements to complement or replace the CPP. It set out in its consultations to sustain the CPP in essentially the same form.

It asked Canadians to a series of limited consultations, a few general questions concerning contribution rates, changes to benefits and the investment of CPP funds. It did not ask questions that would invite consideration of other alternatives such as a defined contribution, individually owned and privately managed accounts.

It did not study or explore developments in the many countries in the world that have experienced the same difficulty we are in the pay as you go schemes and have moved to mandatory privately managed accounts. Examples are Australia, Great Britain, New Zealand, Chile, Mexico, Hungary and some 15 others.

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The government did not want to consider other options. It did not want the standing committee to invite experts from outside Canada to testify about other options. Notably, the committee refused to invite the world expert on pension reform, Dr. Jose Pinera, born in Chile and educated at Harvard.

The committee developed some theory about human rights abuses despite much evidence in support of Dr. Pinera and his worldwide reputation.

At the same time, and this is Liberal hypocrisy for you, only four blocks away, a senior official from the department of finance in Chile and a good friend of Dr. Pinera was delivering a seminar on pensions. This gentleman along with two experts from Mexico was speaking on "Pension systems in crisis: What can we learn from Latin America?" Of course the Liberal committee did not want to learn anything.

When it comes to our pension reform, our international development research centre that sponsored that seminar is more creative and more open to new ideas and shows more common sense than does our finance department or the government members of the committee.

The point is just be open. If the government is unwilling to go beyond the Canadian border for advice, just say so, but do not smear the reputation of an international scholar to hide its intent.

• (1115)

The hypocrisy becomes even more flagrant and exposed when within a month our Prime Minister is rolling out the red carpet and wining and dining the Chinese president who is internationally labelled as responsible for massive human rights abuses in his country.

The government has not considered any other means of financing the CPP debt other than dumping the burden on the backs of young Canadians. The government must realize that a portion of this unfunded liability should be spread across all members of society. Take a few billion of the fiscal dividend for the next 40 or 50 years and see what could be done to lighten the burden on the young, the low income worker and small businesses. But no, the Liberals have big plans for the fiscal dividend. They want to buy some votes with it. They do not really care about using it for good purposes.

When the minister has been challenged about the flaws in his thinking and in the plan, he reacts with feigned outrage and extravagant fabrications. He sets up straw men and then beats away to the cheers of his backbench cronies.

He claims for example that income taxes would rise 25% should he provide support to the CPP unfunded liability. What balderdash. Net personal income taxes this year are likely to approach \$70

billion and 25% of that is \$17.5 billion. But the CPP premiums this year are already bringing in \$14 billion. This is an example of one of the finance minister's fabrications.

Government has a duty to Canadians to look at saving and changing the CPP in more rational and secure ways to deliver better value for Canadians. It needs to give real security to Canadians. It needs to encourage thrift rather than penalize it. It needs to expand opportunities for Canadians especially those of modest means to save, rather than taxing away every spare nickel.

The government needs to ensure that public pensions move toward being a real funded asset, safe from political changes or mismanagement. It needs to make sure that there is a real safety net for needy seniors when personal resources are absent. It needs to give tax relief and safety from its continual tax increases which erode the fixed income of people who are retired. It needs to be committed to smaller, more efficient government that spends and taxes less. Instead the Liberals fight to see who can spend the most.

There needs to be liability for unfunded benefits right across society, not mostly loaded on the backs of our young. The government needs to lighten the burden on the business sector and on job producers so that people can earn incomes and can save for their retirement. It needs to give real value and allow younger Canadians to opt out of a bad plan into mandatory pension investment accounts that would deliver a fully funded individually owned pension with better investment returns and higher more secure benefits.

Other countries are doing this but not in Canada. We have to be stuck with some vague political promise from the government because only it can manage our money for us. What nonsense. We need management of a fund which is much less vulnerable to political interference. We just cannot put future generations in the position of having to pay a lot for a little or further eroding the retirement security of older Canadians.

We urge government members to make courageous spending and allocation choices now instead of fighting over some of their pet programs. Make choices now with the money we have to clean up this mess, rather than just transferring it onto our children. The government needs to take every reasonable step to make this fund management fully accountable and untainted by political interference. It needs to stop the tactic of attributing monster scenarios to the opposition and work constructively, all of us together, in the best interests of Canadians with measures we can all have confidence in.

A talk show host who is well respected in Alberta, Dave Rutherford of QR-77 in Calgary, asked Canadians to let him and the opposition in this country know what they thought about these changes to the CPP. Four thousand faxes were sent in over a period of a few weeks. I would like to have the consent of the House to

table these so that all members can look through them and see what real Canadians feel about the measures that are being proposed today.

• (1120)

The Acting Speaker (Ms. Thibeault): Does the hon. member have the unanimous consent of the House to table those papers?

Some hon. members: Agreed.

Mrs. Diane Ablonczy: Madam Speaker, thank you and I thank my colleagues. I hope that members from all parties will take the opportunity to look at these heartfelt writings of Canadians who will be affected both now and in the future by what we are debating today. Just look at what the people we represent really think about what is happening.

In conclusion, and I know we all love that word when politicians are speaking. If we truly believed, not just we in the Reform Party but many members of this House, that these proposals we are debating today were fair, were economically sound, that they made the best use of Canadians' valuable earnings, that they delivered real security to Canadians for retirement and were in the long term best interests of Canadians, we would be happy to support them. We would be happy and relieved that something right was being done. However after careful study, after listening to expert witnesses on this, we cannot honestly conclude this to be the case and because of that we will not support this bill.

We urge the government to adopt constructive alternatives which not only Reform but many other countries have proposed. On behalf of our children we appeal to the government to abandon this flawed and unfair legislation. There is a better way that would provide more personal choice and better security on retirement. Canadians deserve no less.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, I rise at third reading of Bill C-2 to establish the Canada Pension Plan Investment Board.

I think it is important to remember that this bill fits into the retirement income system available to Quebecers and Canadians, a system with three components, the Canada pension plan, the public pension plans—old age security and the guaranteed income supplement—and the tax incentives for private savings, commonly known as RRSPs. Thus, the policy at the present time focuses on three elements: private pension plans, public pension plans, and supplements.

The Canada pension plan has been much debated here, and this was legislation tabled after consultation with all the provinces. As we know, Quebec has its own pension plan, the equivalent of the Canada pension plan. The consultations held both in Quebec and in

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the rest of Canada led to eight provinces agreeing with the general recommendations. The two opposing provinces disagreed with a specific aspect, not the reform as a whole.

It is important, however, to assess this bill in relation to the second component, old age security and the guaranteed income supplement. The federal government announced that there would be an in-depth reform of this sector. It will be replaced by the seniors benefit. We have already known for two years what the federal government's initial parameters are for this, but extensive consultations will have to be held over the next few months on what the seniors benefit will be like, since it represents a fundamental change.

Basically, the decision has been made to do away with certain aspects, such as the principle of universality. It is being replaced by a principle under which people yet to retire, those who are 55 years old now, but also those aged 45 or 20, will see their entire retirement preparation profile changed by the seniors benefit.

• (1125)

Today, the legislation on the Canada pension plan does not deal with the issue of benefits to seniors, but everyone preparing for their retirement must look at it in terms of the Canada pension plan or its Quebec equivalent, the Quebec pension plan, and of the issue of old age pensions and the third pillar, which is the whole issue of private retirement plans, such as RRSPs or supplemental pension plans.

These things must be taken into account and, regarding this third pillar, the RRSPs, you will remember that the Bloc Québécois proposed replacing the RRSP deduction with a tax credit of \$268 for everyone. We think this is the only fair and equitable way to encourage all taxpayers to save for their retirement.

We should note that the bill before us today is of interest not just to those who are already retired. We must remember that the Canada pension plan was created in the 1960s in an attempt to ensure Canadians could count on an adequate retirement income. We have noted a number of shortcomings in the legislation over the years. The aim of the bill we are considering today is to correct them.

The main shortcoming of the fund was that it failed to grow sufficiently. There is a deficit, and we are faced with a choice. Either we increase contributions substantially or we have to reduce services. So we will try to find a reasonable compromise.

It is very revealing that, finally, the solution was found in Quebec. When Quebec created the Régie des rentes du Québec, the Caisse de dépôt et placement was created at the same time. This is a powerful investment fund that allowed Quebecers to obtain a greater yield on their money than with the old Canada pension plan because, with that plan, nothing had been done to ensure maximum

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return on investments. Nothing was done to ensure maximum revenues and the result was that the fund was never self-sufficient.

It is interesting to note that in an area where Quebec was given adequate flexibility during the Pearson years, when two different plans were able to exist side by side, it is Quebec that was more successful. So much so that when federal government officials began developing the bill we have before us today, they came to Quebec, they met Quebec officials, and what is found in this bill under the investment component is based mostly on the model developed by the Caisse de dépôt et placement du Québec.

There is a difference—Canadians will be able to judge in due time its importance—and it is that in the case of the investment board, the only criterion to maximize return on investment is market profitability, whereas in Quebec, with the Caisse de dépôt et placement, the responsibility to contribute to the economic development of Quebec was included in its mandate. It should be noted that when this fund was created, funnelling of savings by Quebecers had not begun, and they did not have the economic development capacity enjoyed by the English speaking provinces, and I would say also by the English speaking establishment in Canada. There was a lot of capital in a great number of companies.

At the beginning of the sixties, English Canada had almost complete ownership of the capital. So Quebec, with the Caisse de dépôt et placement, developed this investment capacity so that it could compete and so that people would stop saying that it knew nothing about business. Then, during the following 25 or 30 years, we showed that we were also capable of looking after these things. We have an institution that we can be proud of, especially in view of the fact that the federal government has decided with its bill to copy it almost completely.

The first important area to remedy is the plan's profitability, and it should be possible to partly succeed in this with the investment board.

We must understand also that when the minister introduced his bill in the House on September 25 last, he had two other major issues to deal with: the increase in capitalization that I mentioned, the increase in the rate of return in the plan, and tightening the requirements for certain benefits, especially disability benefits.

The auditor general stated in his report that there was some permissiveness in the application of the Canada pension plan because of the way the current legislation is framed.

• (1130)

Again, this is not the case with the Quebec pension plan. Our province was used as an example because, over the past 30 years, it has passed social laws that allow us to deal with disability cases through means other than the Canada pension plan or the Quebec pension plan. Thanks to these other means, Quebec did not have to

twist the legislation the way the federal government did to dip into the CPP fund to pay for disability claims.

So, these are the objectives of the bill. Consultations were held. Eight provinces approved the proposed changes. British Columbia and Saskatchewan are the only ones that did not support all the proposed changes. The end result is pretty good, given the situation that had to be dealt with.

Why did we have to question certain aspects of the plan? For one thing, at the rate things were going, the fund would have been empty by the year 2015, at which time the rate would have had to jump from 6% to 14% for the Canada pension plan, and from 6% to 13% for the Quebec Pension Plan.

As I explained earlier, the Quebec government has its own plan. Some people have contributed to both plans, over the years. The Canada pension plan concerns primarily Canadians living in the nine provinces other than Quebec. Still, 12,000 Quebecers are affected, and it is with them in mind that we carefully reviewed each clause of the bill, to make sure that it puts them in the best possible position, given the current context. A little less than 1% of Quebec's population is affected.

Quebeckers affected by this legislation are those who live in Quebec, but who worked all their lives in another province and who only contributed to the Canada pension plan. An example of this would be a Hull resident who worked in Ottawa throughout his or her active life. Therefore, the bill is of particular interest to Quebecers who live in the national capital region.

Other Quebecers affected are members of the Canadian armed forces and the RCMP who live in Quebec but must contribute to the Canada pension plan. Having contributed only to the CPP, those are the benefits they receive, even though they live in Quebec. This is the second category of Quebecers affected by the CPP. And the third category consists of those receiving CPP benefits who have moved to Quebec.

So 12,000 people is not a large percentage, but this issue looms very large for each of them as they get ready to retire. That is why this bill warranted considerable attention.

The reform was intended to ensure the viability of the plan for generations to come, because intergenerational equity has to be introduced. If we did not have to take the action we are now taking, if we had not decided to raise the premium rate as we are now doing, the youngest generations would have been forced to pay an even larger share to fund the plan, to the benefit of baby boomers who will have retired and who have contributed less to the plan.

If the legislation were not changed, there would be an imbalance in the contributions made by the various generations. And it is clear that those who are now 20, 25 or 30 years old, with all the fairly widespread unemployment problems we are seeing, already have their plate full just trying to start a family, get settled, and

launch their career properly. The job situation is much more difficult now than it was 15 or 20 years ago. That is obvious.

I worked for 20 years in Quebec's public sector. When my generation came on the job market, there were jobs. Today, young people beginning in the job market have to struggle. We live in a society where individual entrepreneurship is highly valued. It is not easy, and we should not further burden young people with having to fund the plan for those who date from the system's golden era, the baby boomer period. A number of members of Parliament fall into this category, in fact.

We should point out, however, that as the bill now stands this has been taken into account and there will be intergenerational equity. It is included. That does not mean it will not be painful, that there is not a very significant increase in the contribution rate.

• (1135)

The government has, moreover, accepted a measure proposed to it by the Bloc Québécois on the first day in committee, namely to reduce employment insurance contributions to at least the equivalent of the Canada pension plan increase. It has done this for 1998, effective January 1, 1998, in response to our representations.

I can recall the committee work. It was the committee's first meeting. When I arrived, all the party leaders were there, as well as the two ministers responsible, Mr. Martin and Mr. Pettigrew. When the time for questions came, the Reform Party's questions were far more about why the whole thing could not be privatized and why there could not be a plan similar to what Chile has. I think it was demonstrated, in examining the entire bill, that it would be a fundamental mistake to go that route, within the Quebec system, the Canadian system, given our social values. It would create a major imbalance in society and would not respect the entire tradition we have built up. In particular, it would mean creating a system which would bring terrific pressure to bear on investment mechanisms and would not, in our opinion, be viable.

When our turn to intervene came, I asked whether the government would be prepared to decrease these contributions. We did not get any immediate response in committee, but an announcement was made later in response to a question I asked in the House of the Minister of Human Resource Development. They have indeed decided to decrease employment insurance premiums by 20 cents per \$100 of income, effective January 1, 1998, in line with part of what we were asking.

What we were asking with respect to the investment board bill was to ensure that there is no increase in January 1998 in the deductions from people's paycheques. The minister has neglected to tell us that the bill contains a little bit of retroactivity for

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employers back to January 1, 1997. That will not be covered by the minister's decision. We would have preferred it to be covered in its entirety, but at least part of the measure is there in a satisfactory manner.

That does not stop or weaken our demand that employment insurance premiums be significantly reduced, because—as the chief employment insurance actuary revealed last week—the employment insurance plan could level off and have enough surplus to permit premiums of \$2 per \$100 of insurable income. The figure will be \$2.78 as of January 1, 1998. There is 70 cents to play with once the entire plan is balanced.

We in the Bloc Québécois are saying there ought to be a way to do two interesting things with the 70 cents. We could significantly reduce employment insurance premiums and return the money to the pockets of employers and employees. A significant part of the money could be invested to correct the imbalances in the unemployment insurance reform. People in our regions—seasonal workers, young people, women joining the labour market—have had to deal with a lot in the past year that is unacceptable to our society with the fight against the deficit having been won with contributions by employers and employees.

The government should make more effort, and I hope there is some sensitivity there, especially since December is the month the Minister of Human Resources Development will be receiving the report of the employment insurance commission to assess what changes need to be made. I hope that the government will be sensitive to these situations and will correct them. In any case, the political message was delivered very clearly in the June 2 elections. Many of the members from the maritimes were good MPs, but they were defeated because the government did not respond to the recriminations made during consultations on the employment insurance reform.

Now, back to the Canada pension plan investment board bill. We have to increase contributions to ensure the survival of the plan and we have to create the investment board so that we can ensure sufficient funding. That will create a fantastic investment fund in terms of dollars, and the government set itself an initial foreign investment limit of 20%.

• (1140)

This limit may be reasonable for the time being, particularly if it is the same as for RRSPs and other similar plans. I think that when the government is allowed, through the investment board, to exceed the 20% limit for foreign investment, the same will have to be done for other plans. We cannot allow the government to exceed this limit, but not private plans. This would create an unacceptable imbalance.

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The bill includes a series of measures to ensure the plan's sustainability. It also seeks to ensure fairness for the various generations of contributors, while maintaining a contribution rate compatible with economic growth. This is why I believe it is acceptable to increase contributions to the plan. However, employers and employees must get some break regarding payroll taxes. I explained this earlier, and I hope the government will take action accordingly in other areas of activities.

I would like to make some comparisons between the Canada pension plan and the Quebec pension plan. The increase in the contribution rate will be the same for both plans, reaching 9.9% by the year 2003, and then levelling off. Indeed, Quebec will impose the same increase. We did not really have any choice.

A review of the plan will be conducted on a regular basis. This is interesting. Reviews will be conducted more often. We realize now how previous federal governments turned a blind eye on the situation. A solution had to be found and, more importantly, applied. Had reviews been done on a more regular basis in the past, that is in the last 25 or 30 years, the situation would not be as catastrophic as it is, and it would not be necessary to increase contribution rates so drastically. The basic exemption will remain the same, at its current level. This also true for the Quebec pension plan.

Then there is the disability issue. As I explained at the beginning of my speech, Quebec has some experience when it comes to using other means of financial assistance for those who, unfortunately, are disabled. These other forms of help include, for example, health insurance or other types of assistance in the case of an automobile accident. This avoids putting undue pressure on the Quebec pension plan. It is not so in the case of the Canada pension plan, since no such alternatives exist in the nine other Canadian provinces.

When disabled, people need an income. All they did was try to find a form of income that was available. The pressure was too great, because these people do need an income. However, this caused an imbalance in the plan.

This is similar to the situation with TAGS, the Atlantic ground-fish strategy. The federal government implemented a program intended to promote regional economic diversification but it ended up being used as a safety net program. Everyone agrees that there is a need to ensure that people have something to live on and can eat three meals a day. But that was not the purpose of the plan.

As for the Canada pension plan, it was not designed to make up for the shortcomings in other disability plans, but nothing was being done on that front. In the other provinces, there was not the same kind of sensitivity and the Canada pension plan picked up the slack.

This reminds me of the overall social vision in Canada. The minister responsible for the Canadian social union is always going on about this. I have nothing against the nine other Canadian provinces wanting a basically standardized social program system across Canada. That is their choice. But the choices made by Quebec over the past 35 years—examples such as the Quebec pension plan and the Caisse de dépôt et placement were mentioned and we might add the separate loans and bursaries program we have for students, all these examples—clearly show that, in areas where it has full power, the Government of Quebec is closer to the people and able to implement programs that meet the needs of the public, whereas the Government of Canada was not able to achieve the same level of sophistication.

• (1145)

Canadians may want their government to be involved in these areas, but all we want is to have the right to opt out, the right to perform as well, in other social areas, as we did with the Régime de rentes du Québec, and in the way we ensure a return on this money. Basically, what we are saying again is "Give us a chance, trust us, in other words, show us the same attitude as was shown under Mr. Pearson". In this way, at least, we will have the options required to act and we will be able to take original initiatives.

However, there is no such attitude, and this is another reason why Quebecers can no longer tolerate the straightjacket that the Canadian federal system is for them, because we are different at the social level. We see things differently. We want things to be administered differently, and we especially want our social programs to reflect our social values, so that our people can have a decent standard of living.

I would like to give an example. It is true that, in the past, there have been interesting systems developed in Canada. The CCF and the NDP developed programs that were even adopted by the Liberals. But we see the prevailing social trends in Canada. We see, for example, that the Reform Party wanted to privatize the whole system, to do away with the values of equality and to implement a system based strictly on individual profitability where everyone would be responsible for providing for his or her own retirement, when we all know that in our society, people do not all have the same opportunities. People do not all start off with the same opportunities for training and education. They do not all start off with the same opportunities for employment, and, in the final analysis, we have sort of a responsibility as a government to ensure that wealth is shared.

The new trends on values in English Canada, that is in the nine other provinces, seem very dangerous to us. If there have to be Canada-wide standards in social areas, imagine if, in a few years, we were unfortunately still part of Canada and, moreover, the Reform Party was in power, you can rest assured that Quebecers would no longer feel at all welcome in Canada. We do not want to go through that and we have the solution. But in the meantime, we

want to ensure that the system that we presently have will offer the best possible conditions for the people concerned.

So the act to establish the investment board in order to modernize the Canada pension plan based on the lessons learned in the past is basically a good bill and the Bloc supports the general objective of this reform, which is to ensure the sustainability of a public pension system.

This bill has gone through several stages. There have been consultations at all levels, and, today, we are at the final stage for its passage. I hope that it will not meet with problems in the Senate. Although the senators can perhaps provide a different outlook on these issues, they are not in exactly the same financial circumstances as the majority of Quebecers and Canadians. There are senators who can live both in Mexico and in Canada at the same time. It is rather singular. It is a very revealing example of how politics are in Canada. I am strongly against such a situation. So let us hope that this bill will not meet with any major hurdles in the Senate and that it can be passed, because we have to act now.

The new system has to be operational in January 1998, and by then we have to have taken steps to ensure that in 2010, 2015, 2020, we will not be faced with a system that is no longer sustainable. This bill provides for the proper control mechanisms.

There was much debate on who should be auditing the system. It was decided that the board would have an external auditor to ensure its efficiency, but there were a number of amendments to require that certain situations be reported to the House.

• (1150)

We will have to watch very closely what happens, because the objectives of the board's directors are purely financial. Amendments that would have enabled people from the unions, for example, to make a social contribution were rejected. They will have to do it some other way. The role of watchdog will have to be established some other way.

Even if it is not in the legislation as a specific mandate, I think Parliament will, at regular intervals, have to ensure that the plan meets its objectives by ensuring that private audits or special, as well as audits by the auditor general, are done at the request of the minister.

Today, finally, we are making commitments for future generations of Canadians, for the next 20, 30, 40 and 50 years. In assessing the bill, I wondered whether, if my children were covered by the Canada pension plan today, I would want them to live in this environment in the future. Would I want them to contribute the same way to the plan and would I want them to have the same type of benefits?

I think that they have done the best they could with a situation that had deteriorated over a number of years, and we can tell our

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young people there is at least an intergenerational balance in it. We have tried to make their contribution lower than it would have been if we had waited for the catastrophe to worsen. We can, I think, reassure our seniors, the people who are already in the plan, that they can keep the previous one. So there is some protection on that side.

However, and this will be my concluding point, we will have to give the same attention and show particular sensitivity to what is coming with the senior benefit. In this connection, the government does not seem to have done its homework as well as for the investment board.

As things stand now, only those aged 59 or over will be able to choose between the two plans replacing old age security. This means that people aged 52, 53, 54 or 55, who have planned their entire careers and their retirements according to known standards and rules, will see their entire futures turned topsy turvy. I think that some thought will have to be given to allowing opting for the seniors benefit at a much younger age. We might consider something around age 50 to ensure that people have the opportunity to plan their choices for later.

It will also have to be accepted that consultation will need to be very open, and not just involve today's seniors. They are protected. The ones who already have old age pensions will be keeping the same program. But the ones who have to be asked are the 50 and 40 years olds, and the young people, in order to see which plan they want for themselves and for future generations.

I ask the government to focus the same attention on old age pension reform as they have on the Canada pension plan and to have more empathy for the situation these people are experiencing because during 1997-98 we, as lawmakers here in Parliament, are going to define the frame of reference for social programs for all those who will retire in the next 10, 15 or 25 years, and I believe we cannot afford to make a mistake.

[English]

Mr. Lorne Nystrom (Qu'Appelle, NDP): Madam Speaker, with your permission, I would like to split my time with the illustrious member for Palliser.

This morning we have the third reading on the debate on the Canada pension plan. This is a chance to wind up, to sum up what has been happening in the last while.

The Canada pension plan is a plan that we as a party have supported since its inception in 1966. We believe it was a great piece of social legislation that has had a profound impact on reducing the poverty of seniors in this country. Any way that you look at the statistics from 1966 to 1995, you will notice that the number of seniors living in poverty has dropped rather radically. That is the only segment where the poverty statistics have changed in the last 30 years to any significant degree.

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• (1155)

If we look at child poverty, for example, there has not been an improvement. Conditions on Indian reserves have shown no improvement and in the inner cities there are the same problems. However, there has been a vast improvement in the living conditions and the incidence of poverty among seniors in this country. That is why we are so concerned about protecting and enhancing the Canada pension plan in future years.

It is a pay as you go scheme. In other words, people who are working today contribute to the fund so that people who are retired can draw a pension in recognition of the work they did in the past and the contributions they made. I believe this is a good plan, a good way to go.

I believe in this country and in the people of this country and I believe that we could have the strongest economy of any country in the world. If that was the case we could have a very strong and healthy Canada pension plan which would be funded for years and generations to come. When I look at this and the economy of this country, I am optimistic that we can and will do better.

My concern and the concern of our party about the changes to the Canada pension plan is that it has become more regressive. It should be more progressive and based more on the ability of people to pay and receive benefits in accordance with their needs. However, with these amendments it has been made more regressive. I will get to that in a minute or two.

In summarizing the debate of the last couple of months, the second concern I have is the position of the Reform Party. It wants to abolish the Canada pension plan, get rid of this plan, tear it apart, privatize it and bring in super RRSPs. But members of the Reform Party cannot answer the fundamental questions of how that could be done and what we would do with a \$600 billion unfunded liability.

That is going to be a very important issue as they try to push this right wing, neo-conservative agenda of theirs to privatize, abolish, get rid of the Canada pension plan and set up a private scheme which would be good for the wealthy, the bankers and their friends who have money. That is a big issue, one we are going to face when this thing is reviewed again in the year 2000.

The Reform members are talking about tax grabs and all the negative things about the Canada pension plan. That does not reflect what the Canadian people want. They want a strong, public plan like the Canada pension plan, but a more progressive plan.

An hon. member: It is \$600 billion in the hole.

Mr. Lorne Nystrom: The Reform Party wants the Chilean example, the right wing, neo-conservative, Neanderthal examples, just as they want people to opt out of the Canadian Wheat Board and destroy it. Well, that does not reflect what the people in their

constituencies are saying or what the Canadian people want. The Canadian people want a strong, strong public plan, but a more progressive one.

As I said, we do have some problems with the plan. First, we believe that the contributions are going up too quickly and too steeply, 73% over the next six years. The economy of this country is not as strong as it should be. If we had a stronger economy and more people working and higher wages in this country, there would not be the need to raise the premiums so fast. That is why it is so important to concentrate on a job strategy, putting more money into research and development, more money into education and training and putting more people to work and looking at a better wage policy so that people will have a decent wage and a decent standard of living.

If that was the case, the increase in the Canada pension plan would not be as steep as it is going to be under this bill. There will be a 73% increase in six years. In terms of our pocketbooks, it means that someone who is earning \$35,800 a year or more will see an increase of \$450 per year in premiums. For the self-employed it will be doubled because they will have to pay both the employee and the employer's premium which for a person in that income range would be a \$900 per year increase for a self-employed person making \$35,800 a year or more. Those are some of the real problems we have with the plan.

• (1200)

The government has taken a very pessimistic scenario in terms of income growth in the future. It has taken a very pessimistic scenario in terms of unemployment and employment growth in the future. It has based its projections on an actuary report that gives numbers which increase the premiums by 73% over six years. We maintain that we have more optimism in the future of Canada and in the economy. The increase does not have to be that steep or that regressive.

While this is happening the government is cutting back on benefits by about 10%. My main concern is that a cutback in the benefits of about 10% will hit those who can afford it the least, low income people.

A preponderance of those people are women, survivors and people obtaining the death benefit. All those things will be cut back and made more difficult to obtain. That is a real shame.

The NDP governments of B.C. and Saskatchewan are not supporting the initiative of the government as supported by the other provinces because of the cutback to low income people and because disability pensions will be more difficult to obtain and when obtained will be cutback. That is a shame. It is something that does not have to occur if we have a stronger economy and a more progressive way of paying into the Canada pension plan by raising that ceiling of \$35,800 per year as a maximum.

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These are some of my concerns. We should have a more progressive arrangement in terms of contributions and the reception of benefits from the Canada pension plan. If we do that there would be massive support right across the country.

That is the progressive way. That is what witnesses said before the committee. They did not want to privatize the plan. They did not want to get into super RRSPs. They did not want to go totally into the marketplace. They wanted a more progressive public pension plan. That is the argument we will make as we go into the next review in the year 2000.

There will be a partial privatization of the plan through the eventual accumulation of a fund of over \$100 million and a private investment board. This will be pretty good for stock brokers, brokerage houses and banks because the fees for the fund will be about \$500 million. That is being greeted with a great deal of glee by them.

We are concerned that the mandate of the pension board is only to maximize returns. It is important to maximize returns but like the Caisse de dépôt et placement du Québec, the Québec pension plan, there should also be a balance of maximizing returns, maximizing employment and maximizing income benefits so we have investment in accordance with public policy objectives as well. That is not part of the plan.

We are also concerned that all these changes were made before the government tabled the seniors benefits. It is difficult to consider one pension plan when we do not know when the other shoe will fall or what it will be when it does fall. The seniors benefit will end the universality of old age pensions. It is important to consider that in conjunction with the CPP.

My last comment is on the whole issue of democracy. I agree with the member of the Reform Party who said there were many amendments at committee stage. They were supported by all four opposition parties. Yet the government did not accept any of the amendments.

It is a rather sad commentary on the parliamentary system when the four opposition parties represent 62% of the Canadian people and the government represents 38% of the Canadian people but would not accept even two or three credible opposition amendments supported by all four political parties.

The next review is in the year 2000. We want a more progressive Canada pension plan. We want to maintain a public pension plan that is more progressive, with the talk now about how we make the economy stronger, how we put more people to work, and how we provide more decent wages so people can contribute to the plan and make sure it is a healthy plan.

I wave a flag of warning. We must not privatize the Canada pension plan and get into the scheme of super RRSPs. They would

be good for the wealthy and the privileged, the people the Reform Party speaks for. It is no wonder that party speaks for them. Its tax critic said in the House a while ago that Conrad Black and millionaires were paying too much in taxes.

That is not the way to go. The way to go is to have a public plan that is strong and healthy.

• (1205)

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I listened carefully to the hon. member's statements. I certainly agree that the alternatives proposed by the Reform Party were poorly thought out and ill conceived when the needs and wishes of Canadians were taken into account.

I refer to one of the hon. member's last statements about process, democracy and amendments that were proposed, many by the member himself. He brought one report stage motion before the House insisting that the schedule of rates proposed under Bill C-2 be eliminated.

The effect of that would be to keep the rate structure the same as it is under the current Canada pension plan system. Effectively it appears that the member decided to abandon Canadian youth and the pensioners of the future and to make them pay more rather than support a schedule which smoothes out the burden of funding the Canada pension plan for all workers without touching today's seniors.

Could the member explain to Canadians why he wants today's youth to pay more?

Mr. Lorne Nystrom: Mr. Speaker, I certainly do not. That is why I said we needed a stronger economy. If the Liberals had kept their basic promises in the red book of jobs, jobs, jobs, building a strong economy, putting Canadians to work, bringing down the unemployment rate and increasing salaries, the rates would not need to be as high as the government is proposing in Bill C-2.

That is a trick in terms of a pay as you go plan, a plan which means that workers of today pay into the fund to pay pensions to the workers of yesterday. That is what the plan is all about.

As long as unemployment is sitting at 9%, 9.5% or 10% year after year after year, fewer people are contributing to the plan and fewer people are contributing a good sum to the plan. That is the main way of getting the rates down.

We also moved an amendment to lift the ceiling of \$35,800 that is there today. The reason is twofold. The first reason is that someone making \$35,800 a year pays the maximum amount into the plan. A lot of people are making that kind of salary. Senators and MPs make more than that but we subject to that cap. We pay as much into that plan as somebody making \$35,800, or someone making \$200,000 or \$300,000 pays the same amount into the

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Canada pension plan as someone making \$35,800. That is unfair and should be changed. We are flagging that for the next review.

The Minister of Finance agreed that some of these matters would be looked at. I say to the member opposite that we should make this more progressive, along the lines we have been talking about in the debate.

He also talked about democracy. The Canadian Union of Public Employees was not allowed to make a presentation to the committee. It represents 500,000 workers. The Council of Canadians, by the way, circulated a petition and got back over 500,000 petitions which I personally brought to the office of the Minister of Finance. It was not allowed to make a presentation to the committee. That might have been the largest petition in the history of Canada. There were 11 mail bags full. The member from Calgary was very impressive carrying 4,000 faxes. That was very positive, but 500,000 petitions is extremely progressive. Yet the council was not allowed to make a presentation before the committee.

I go back to the question the member asked about democracy. It is real democracy when committees start hearing from groups that represent Canadians in such large numbers.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I want to pick up where the member for Qu'Appelle left off in his earlier remarks. I congratulate him at the same time for the work he has done on this important piece of legislation. The hon. member for Qu'Appelle said there should have been an overall look at pensions. Rather than that the government has endeavoured to do it with a piecemeal approach.

• (1210)

The government took the attitude that the sky was falling and that we had to move immediately. Our caucus would have preferred to have looked at the entire pension plan, including the old age security plan, the guaranteed income supplement and the Canada pension plan. Apparently those other reviews are being held over for another day. As a result this is a piecemeal approach which greatly concerns us.

At the end of the day the Canada pension plan will be less than what it was before. We are very concerned that when the government gets around to introducing the seniors benefit it will have a negative effect on the pension plan of seniors and their overall level of income.

Bill C-2 has failed people in just about every way imaginable. The government has failed to look at the plans overall. It has failed to allow the chief actuary to look at the projections of incomes and outflows and determine what he or she thinks will be the future of the pension plan.

As the member of Qu'Appelle said, the government failed to expand the earning base. The cutoff is \$35,800. It does not matter

whether one earns \$100,000, \$200,000 or perhaps a couple of million dollars a year. If one pays taxes in Canada the maximum cutoff on CPP is \$35,800. It is clearly an unfair program contrasted with that of the United States where the cutoff works out, in Canadian dollars, to be about \$88,000. It is clear what we are trying to get at. There would be a different level of fairness.

The minister is apparently saying that he will be prepared to look at the issue when it is reviewed in two or three years. We will certainly try to hold him to that commitment but one wonders why we could not have looked at it in this round of pension reform.

Bill C-2 is failing the people of Canada with the 10% cut to which my colleague referred earlier. Another area that could have been easily fixed is the dropout years for women who remained home a short number of years ago to raise their children. We see less and less of that today, but in the not so distant past families were able to survive on one income. That is not the way it is done any more. Many women took time out from the workforce to raise their families and then returned to work. These reforms, to use the polite term, will impact on those folks significantly and most unfairly.

An anomaly was pointed out to me by a lawyer in the Moose Jaw area concerned about couples who separated or divorced prior to 1978. As I was advised, after 1978 pensions were split equitably between the male and the female of a dissolved marriage but before then there was no retroactivity. Women who are reaching their retirement years are suddenly learning to their shock and chagrin that the money they thought they were entitled to is in fact not there. This is another area that could have been fixed during the CPP review but such was not the case.

Living conditions have improved significantly for seniors in the not too distant past for many different reasons. We certainly welcome that and want to see those living conditions continue to improve.

• (1215)

Child poverty groups which are concerned about the elimination of that unfortunate social condition have noted that seniors' conditions have benefited in the past. I think that this bill will show quite quickly that these benefits are not going to continue for very long. It is an unfortunate program and it will not enhance the living conditions of our seniors who deserve a lot better.

I will conclude my remarks by remembering the work done on social programs by the father of the current Minister of Finance. Paul Martin Sr. worked with folks like the late Stanley Knowles, Tommy Douglas and others to improve the retirement benefits so that our seniors who had worked hard all their lives for this country could retire with a degree of comfort, security and dignity. I believe that he would be appalled at what is being brought forth by the current Liberal government.

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Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the hon. member made reference to actually doing nothing with the plan and hoping that greater economic growth would take care of the challenges which the Canada pension plan faces. I would submit that is what past governments have done. For the first time we have a government which is responding to what Canadians have said they want through consultations. Canadians want changes to be made to the plan to ensure its sustainability.

Going further, the chief actuary has actually made the calculation that with the inclusion of 150,000 more Canadians being employed, the effect would be to reduce the steady state rate from 9.9% to 9.856%. Effectively the increase in the growth in the economy is still not sufficient to achieve the sustainability of the plan. That is why the changes were made, to ensure that the plan will be there for Canadians in the future.

The member referred to the U.S. plan and how effective it is. Is the NDP member saying that he wants to increase the age of retirement which is the case in the United States of America?

We require a made in Canada solution. We have done that by going to Canadians and ensuring that Canadians had an opportunity to be heard on the Canada pension plan. The suggestions made by Canadians in consultations are reflected in Bill C-2.

Should we mirror the U.S. plan, as the hon. member has stated in his comments?

Mr. Dick Proctor: Mr. Speaker, the hon. member for Palliser did not state what is being alleged by the parliamentary secretary.

To deal with his points, he suggests that I favour the American plan. What I was trying to get at, and I thought I had indicated, was that the American plan has a higher threshold than the Canadian plan. Under the American plan the cutoff rate would be in the neighbourhood of \$88,000 Canadian as opposed to \$35,800.

To suggest that I want a higher age of retirement, the answer is no. But do I want a fairer system in this country? Absolutely.

That takes me back to the first point which was made by the parliamentary secretary, which was that we are not suggesting any increases. That is obviously incorrect. We want to have a broader based amount of earnings going into the plan. If we had a cutoff rate higher than \$35,800 we would have more money in the plan and it would provide a better return for people at the lower end.

• (1220)

[*Translation*]

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I am very pleased to take part in the debate on a bill which will have an impact not only in the coming months or years, but for a long time.

First, I want to stress how important it is for each party sitting in the House to propose clear and understandable alternatives to Canadians. This is a good example of an issue concerning which it is not enough to oppose for the sake of opposing, to merely say "I am opposed to this or that provision". The impact of this legislation on the lives of Canadians is such that we must clearly say where we stand regarding this bill.

NDP members have expressed views which, I think, are rather clear. I do not agree with a number of their ideas, but I give them credit for being clear. The same goes for the Liberal government. Today, I will talk about our own choices and those of all the parties.

First, I want to thank two members of this House for making an exceptional contribution to this debate. They did so with great rigour and honesty. The first one is the hon. member for Markham, our finance and Treasury Board critic, whom I sincerely thank for his contribution. The second one is the hon. member for Madawaska—Restigouche, our human resources development critic, who also did an exceptional job regarding this issue.

[*English*]

When this piece of legislation came before the House, we consented in good faith that it go to second reading and to committee so that in committee we could have a real debate about the impact of this legislation. We did it assuming that the government would be listening. Assuming. We were wrong. Very wrong. The government did not listen. It did not listen, it did not pay attention.

It is important to point out to Canadians that this Liberal government is ramming this through Parliament now. It is the steamroller approach. There is a reason for this. It has to do with the fact that it is trying to get this done before Canadians actually find out what hit them and what has happened to them.

I see the parliamentary secretary smiling and smirking on the other side of the House. What the government is going to say is, "We concocted a deal with the provinces. We have to make this happen now". I can hear it now. That is wrong.

We have talked to provincial governments and provincial governments have told us very clearly that there is a lot of time to get this through and there are a number of disagreements that they have with the federal government on this. But no, this has to be done now.

In this House of Commons, and the election only happened six months ago, this government has imposed closure on this bill twice. So much for democracy. So much for openness. So much for accountability. Let me speak briefly on why that is the case.

For Canadians this is an \$11 billion bite out of our economy. In six years this government is literally going to go out and suck \$11 billion out of the Canadian economy through nothing less than added payroll taxes by increasing premiums 73%. It is already

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sucking \$12 billion to \$13 billion out of our economy through payroll taxes and employment insurance premiums that it need not do for the purpose of bringing down the deficit. Why is the government doing it? It must be because we have 9.1% unemployment and it is not high enough. The government wants it to actually go higher. This is the choice it has made.

This is why the government is trying to ram it through. This is why this debate is happening at this point in time as opposed to having the debate we should have had so that Canadians would be allowed to know what is happening.

I mentioned a little earlier about the importance of every political party putting forward their position. I cannot allow this debate to happen without talking frankly and honestly to Canadians about the failure of the Reform Party to deal with this issue.

We would think that the Reform Party as the official opposition would have the obligation not only to oppose but to present a view. What we have instead is the \$600 billion hole. The Reform Party said that it would like to have some sort of recognition bond. However, there are \$600 billion worth of liabilities now taken in the CPP. The Reform Party's position is that we should just scrap it, forget it and forget those Canadians who are old and sick and although they gave money into the system let us just cut them off.

• (1225)

That is a pretty good example of ideology gone haywire. It is similar to the position the Reform Party took on Kyoto, the climate change debate, where there is apparently no science. We soon expect the Reform Party to announce to us that cigarette smoke is good for our health.

In that spirit, the Reform's position on the CPP is one that has weakened the debate because we would have expected the official opposition to play its role and offer a position. I think the Liberals would agree with us on that failure. I see them nodding on the other side. I think the NDP and the Bloc would agree as well.

We have a few problems with this legislation. We agree that the CPP should be made sustainable. We need to help Canadians and ensure that this fund is put on a very solid footing. In order to allow this to happen, yes, we agree that regrettably there has to be an increase in premiums.

We then take a very different position from that of the government in that this increase in premiums cannot be allowed to happen without offsetting this increase with tax reductions, in particular with reductions in other payroll taxes such as employment insurance premiums. By the way, so that we are clear on where the government stands on this, this was exactly the position taken by the Government of Ontario in regard to changes to the CPP. This is exactly the position it took.

An hon. member: What did your government do under Mulroney?

Hon. Jean J. Charest: This is exactly the position we took.

An hon. member: You guys failed the Canadian people.

Hon. Jean J. Charest: Mr. Speaker, I do not intend to try to talk over the members of the Reform Party and listen to the sounds from the other side. I do not know whether they intend to just stand there and heckle.

An hon. member: You want to see courtesy? What about during the election when someone called our leader a bigot on four occasions? That was courtesy?

The Acting Speaker (Mr. McClelland): Hon. members, if we cannot comport ourselves here, how can we possibly be expected to lead the rest of the country. Let us leave this kind of thing to some other venue. Let us leave this kind of debate for another time and another place.

Hon. Jean J. Charest: Thank you, Mr. Speaker. I think it has to be clear that physical threats in this place are not going to silence any of its members and certainly not me.

The Acting Speaker (Mr. McClelland): The hon. member for Sherbrooke is a practised, very capable, very confident and very experienced parliamentarian and will certainly keep the remarks to the point and to the debate at hand.

Hon. Jean J. Charest: Mr. Speaker, the first point of divergence we have with this legislation the government is putting forward is that there should be offsetting tax reductions to avoid \$11 billion being literally sucked out of our economy for the purpose of sustaining this fund, when in fact there should be a reduction in payroll taxes to allow jobs to be created.

Let me add a very important element which we need to keep in mind in regard to these payroll taxes. These are the most damaging taxes with regard to employment, in particular for the most vulnerable in our society: women, lower-income Canadians and young Canadians. They are the ones who are the most affected when we increase payroll taxes in our economy, whether it is through CPP or whether it is through EI.

• (1230)

Another change that we would like to see happening, that we propose, is the change in the yearly basic exemption. The government is freezing that exemption at \$3,500 and again by doing that is targeting the most vulnerable people in our society. Who are the people that this freeze affects the most? Part-time workers, students, women, low-income earners. These are the people who will be the most affected by this freeze.

We wanted to be constructive in committee. The member for Markham tried and we certainly felt as a political party, contrary to others, that we should propose some amendments, make some suggestions.

In that respect we proposed a revision of this exemption 10 years after the legislation would have been enacted. Did the government listen to this suggestion? The answer is "no". There is a very constructive change that could have allowed low-income Canadians a break rather than being left out in the cold by this government.

The other change I mentioned was with regard to payroll taxes. I want to speak specifically to the suggestion that we made through an amendment. We suggested to the government that it could offset in the next three years the increase in CPP premiums with reductions in EI premiums. It could have included that in the legislation to guarantee Canadians that they would not be hurt by these changes.

The member for Markham, our critic, made that suggestion. He did it in good faith. Yet, the government turned it down. At the same time, what do we learn from the chief actuary of the employment insurance fund of Canada? The fund could very well sustain itself with a premium level of \$2 instead of \$2.70. The government is actually using the employment insurance fund again to reduce its deficit, to try to balance its books. On whose backs is it doing it? On the backs of the unemployed at a time when we have unemployment above 9%. Again, this was rejected.

We presented another amendment that would have forced the government to return to Parliament, to the House of Commons, if premiums went to 10.25%. They are now scheduled to go to 9.9%. Did it listen to that? Is debate something that it wants? No. The answer again was "no".

Another change that our party proposed to try to add to this legislation was to get rid of the foreign investment rule. Canada in the global equity market represents about 3% of that market. Yet, the Government of Canada, the Liberal government still thinks it knows best and it imposes a foreign investment rule of 20%. More money keeps pouring into the equity markets. Whose money is this, by the way? It is the Canadian taxpayers' money. They should be allowed to get the best benefit from that investment. They should be allowed to have access to the best investors so that this money can grow so that their retirement money can actually benefit them.

To tell you how embarrassed the government is, I even see Liberal members on the other side nodding. They want to nod. They are embarrassed by this, and they should be.

Mr. Stan Keyes: They are nodding off.

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Hon. Jean J. Charest: The member from Hamilton recognizes that they are sleeping again. I concur with his view. They are nodding off. Nodding off actually explains why they stick to this rule on foreign investment for no good reason.

Think of what is going to happen in a very short period of time. This fund will have close to a hundred billion dollars in it to be invested in Canada's marketplace. How are we to expect a return on this investment if the investors are not allowed to invest where they can get the most on that return?

That is one of the changes we propose. There are also very important changes with regard to accountability and transparency.

[*Translation*]

As regards transparency, there are some very important issues. These issues are not new, since the Caisse de dépôt et placement du Québec has had to deal with them for quite a while. Year after year, the Quebec auditor general complains about not being allowed to audit the accounts.

Mr. André Harvey: So it is not the perfect example.

• (1235)

Hon. Jean J. Charest: One might have expected that the government, which wanted to borrow a good idea from Quebec by taking the structures of the Caisse de dépôt et placement as a model, would also have paid attention to the Quebec auditor general, who is complaining about it.

No, instead they seem to have got it backward. They told themselves "Hey, in Quebec, it looks like the Caisse de dépôt et placement was able to hide behind that screen. Let us follow that lead and hide behind the same screen". While the normal thing to do would have been to designate the auditor general as the auditor of the new board of directors responsible for investing funds, they did not do so.

In fairness to the government, I must say that it opened a door by providing that the auditor general may conduct an audit. Granted, it has come some way on this issue, but the responsibility should have been assigned directly to the auditor general so that he could look after the financial auditing.

The same goes for the Access to Information Act. Whenever we raise this issue, we are told "But there are investment decisions to make." Let us be clear. The Access to Information Act itself provides for exceptions that would easily allow the board to protect itself against the disclosure of sensitive information while making the operation of the fund transparent.

This is not a secondary issue. I submit to the House that, to enhance credibility, to ensure that those in charge of administering the fund enjoy credibility with the Canadian public, it is important, very important indeed to make this fund transparent.

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My conclusion is somewhat bleak. Personally, I wish the government had listened more carefully to what we had to say. We clearly stated our positions during the election campaign. It is in black and white in our election platform. I can even tell you on what page: pages 19 through to 22, for those who are interested.

What does it provide for? To increase rates, yes, but to reduce taxes and employment insurance premiums accordingly so that income tax does not increase. Second, to create an investment fund at arm's length from the government similar to those found elsewhere. Take for instance the Ontario teachers' pension fund, which is a model to follow and from which a few ideas could be borrowed.

[English]

Among the things that we suggested in our platform, as I said, can be read on pages 19, 20, 21 and 22. It is there in black and white, numbers included, everything from A to Z on our position. To increase premiums, offset them with tax reductions for employment insurance and tax reductions. Create an independent board for investment, independent in the true sense. Make it transparent. Most of all, do not create a new \$11 billion tax grab from Canadians that is going to kill jobs in our economy because this government has lost sight of the fact that 9.1% of Canadians are unemployed, a large number of whom are young Canadians suffering in this labour market. It is about time that we also give them a break.

The Acting Speaker (Mr. McClelland): I see that there are a number of questions and comments. I would ask hon. members to keep their questions and responses short.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I will be brief.

I listened very carefully to the member for Sherbrooke. I was puzzled because he was a member of the cabinet under the Mulroney government and he has the audacity to stand in the House and talk about EI premium reductions. I am confused because sometimes he refers to them as premiums and sometimes as taxes.

I would like to ask him what decrease they made during their mandate when he was a cabinet minister, contrary to when this government took office in 1993 and reduced the EI premiums to the tune of \$1.4 billion.

He talks about unemployment today being at 9.1% when under the Conservative administration it was almost 11.5%. However, we have created over a million jobs. He also talks about making the system sustainable.

He calls the EI contributions taxes, but I call them premiums. However, they kept raising the premiums because there was no reserve to fall back on in difficult times when there was high unemployment.

• (1240)

He talked about offsetting them with payroll deductions. He talked about them in terms of deductions, in terms of payroll taxes. He talks about sustainability. We are looking toward an era of sustainability.

He talked about an independent investment fund. That has already been put in place. I do not know where the member has been. I know he is in the House today. He is often in the House. We have already brought forward an independent investment fund.

I am more confused when he talks about an \$11 billion tax bite. That is just not true. I say to the member, through you, Mr. Speaker, that is being intellectually dishonest because this is money put aside for pensions for the future.

Hon. Jean J. Charest: Mr. Speaker, I am not surprised that the member for Scarborough Centre would be confused. He should be. I want to use his own words. He says he is confused. How else could he be confused?

Like the member for Mount Royal, they ran in 1993 on a red book that said that they were opposed to free trade and now we implemented free trade.

An hon. member: Against the GST.

Hon. Jean J. Charest: This is the same member for Scarborough Centre if I understand correctly, like the member for Mount Royal, who said they were opposed to the GST.

An hon. member: —gonna resign.

Hon. Jean J. Charest: The member is shaking his head. Is he for or against the GST? Of course, his prime minister said they had created the GST, right?

Is the member confused? Yes, he should be confused. Is he thoroughly confused? Yes, he is thoroughly confused, and I can see why. This is the same group of parliamentarians who fought tooth and nail any idea of deficit and debt reduction and now this has become the new mantra.

[Translation]

As we say in French, if there is one thing that we can say about this Liberal government—and my colleague, the hon. member for Chicoutimi, is well aware of this—it is that they have been very consistent in acting on our ideas, not their own but our ideas.

The hon. member is confused. Let me enlighten him. He said we increased employment insurance premiums—

[English]

When the member for Scarborough Centre said we increased employment insurance premiums, what he forgets to add is that we did it also in a period of recession when there was a need for money in the fund.

The difference with this government is that it is creating unnecessarily a \$12 billion to \$13 billion surplus for the purpose of paying down the deficit for which this fund was never created.

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, I can hardly contain my enthusiasm to go after the hon. leader of the Conservative Party.

There is no confusion on the part of this hon. member because I sat on that side of the House from 1988 to 1993 in opposition when this hon. member of the Conservative Party sat on this side of the House, first as secretary of state for fitness and amateur sport and then he moved on—I will not say how. I do not want to get into that today—to become the minister of the environment. That was six months later.

That member sat at a cabinet table, a Conservative cabinet table with his good friend, Brian, at the helm. That hon. member watched as EI premiums went up to \$3.20 on their way to \$3.30. This hon. member has the unmitigated gall to stand in his place and start accusing this government when that member was in in the best of times, from 1984 to 1993. He sat in this House when the economy was booming, when people were working.

He had the opportunity to do something about the deficit, about the debt, about EI, about CPP and he did nothing, not a damn thing.

The Acting Speaker (Mr. McClelland): I would ask all hon. members to address their comments, even their vociferous comments to each other, through the Chair and we will try to get through the day.

Hon. Jean J. Charest: Mr. Speaker, I do not think there is any amount of huffing and puffing coming from the hon. member that will change the tax.

As I was saying a little earlier, if there is some confusion in his mind on where they stood, there rightfully should be some. This is the same member who in 1993 guaranteed Canadians health care. He stood in his place and voted for a 35%—

An hon. member: Good job.

Hon. Jean J. Charest: He denounced NAFTA and the FTA and then he went on to implement that.

• (1245)

Personal taxes and income taxes have gone up under the government relative to the GDP. There are more poor children in Canada today than since this member was elected as a member of the government in 1993. That is his record. At one point I hope he will grow up and face his responsibilities and stop blaming others and stop saying—

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The Acting Speaker (Mr. McClelland): The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, in the debate on the Investment Board, it should be remembered that we are faced with this issue because of the inaction of previous governments. I would like the leader of the Conservative Party to explain briefly to us why today, in 1997, we are considering such a bill, when we knew 10 or 15 years ago that there were major problems.

From 1984 to 1993, there was a Conservative government. During those years, the Conservatives' approach was to maximize economic development, or at least to implement measures to do so. Consider, for example, the idea of an investment board. Why did the Conservative Party not come up with this idea in 1985, 1986, 1987, say at the end of the first mandate, having had time to become acquainted with the issues? Today, we are faced with a situation where future generations will pay for 15 years of inaction. We are doing our utmost to avoid being unfair to the younger generations, but there will nevertheless be an intergenerational equity problem.

It seems to me that the reason for this is that action was not taken quickly enough in the past, with the Canada pension plan, to create a body that would ensure that there is enough money in the fund to provide for the future.

Hon. Jean J. Charest: Mr. Speaker, first, I would like to thank the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for his question, which is a good question, an honest question. In fact, I asked myself the same question, I talked about it with colleagues, and this is what I can tell him.

First of all, amending the Canada pension plan legislation requires the approval of a number of provincial governments. You are no doubt aware that this, fortunately, cannot be done unilaterally by the federal government. It requires the agreement of two-thirds of the provinces representing at least two-thirds of the Canadian population, which explains why the federal government has limited scope for action in making such amendments.

We discussed such changes with the provincial governments as openly as we could. I must admit to the member today that we did not succeed in convincing them of the need we saw to bring about a number of changes.

However, and I want to add this so that it is clear to him and also because the other members will be interested to know this, they were determined to stop going around in circles. How could they break this logjam? Since they could not arrive at an agreement, they included in the last series of statutory amendments a clause providing for an automatic increase in contributions, so that the

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provincial governments were faced with an alternative that was even less attractive than a potential agreement. And then there was a change of government.

What I am telling my colleague for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques is that, if there is an agreement today, it will be due in large part to the fact that, as we expected a deadlock, we included in the bill a provision for a mechanism that was going to force the parties—

The Acting Speaker (Mr. McClelland): I am sorry, but the hon. member has run out of time. Resuming debate. The hon. member for Mississauga South.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to speak on Bill C-2 to establish the Canada pension plan investment board and to make other amendments to the Canada Pension Plan Act.

It is important to get some principles down very quickly for members so that we can put the bill in its context. Members will know that the Canada pension plan came in 1966 in response to a very serious need to address our retirees in Canada.

The plan came in in 1966 and seniors who were retiring, who had come through two wars as well as the depressions of the thirties and the forties, were faced with real poverty. It was important that Canadians made the decision that it was time for us to have a universal pension plan that could help Canadians enjoy the dignity of their retirement.

• (1250)

The current seniors who first came into the plan did not contribute very much to the Canada pension plan but they started to receive benefits a year later. Full benefits were received by pensioners as early as 1970. That raises the issue of who is paying for those benefits. The important issue was that we had to provide retirement benefits for our seniors. Therefore the plan was established on a pay as you go basis.

That means today's workers are paying premiums into a plan. The accumulated premiums are then used to fund and to pay benefits to today's seniors. Members will know that today's seniors paid no more than \$10,000 in total into the Canada pension plan. Yet the annual benefits today from the plan are some \$8,800 per year. It is a very generous plan. It is so generous that the chief actuary indicated in his report that we can no longer sustain that level of benefits with the current premium structure. This is not a mistake. It is simply a function of the changes that were made.

Members should be aware that important changes were made. When the plan was first introduced it was a clear pension plan. Since that time there have been some very significant and important changes for the benefit of all Canadians. The survivor's

benefit was introduced. It is a very important income component for retirees who have lost a spouse. It targets the needs of single women in retirement. It is a very important factor in dealing with seniors, in particular with women who live a little longer according to the mortality tables, that we care for them. That is why gender analysis was necessary in the preparation of this and other legislation, to ensure that we are caring for our seniors and those in most need, in this case senior women in particular.

The disability element of the Canada pension plan was brought in to ensure that Canadians who were unable to work because of disabilities would not fall through the cracks, that they would have benefits that were just as rich as the retirement benefit. This would make sure they had the assistance they need in their time of need.

When the Canada pension plan was conceived, it was contemplated that the premium rates in the original Canada pension plan would be in the range of about 5.5%. Today the rate is 5.85%. When the disability and survivor benefits were introduced no changes were made to increase the premiums. The benefits received by Canadian beneficiaries rose substantially whereas the premiums did not track those increased benefits.

We must also take into account the aging of our society. When the plan started there were eight workers for every one retiree. Today there are five workers for every one retiree. With the baby boom generation moving through the system it is projected that we will have three workers for every retiree.

I want to confirm with the Chair that I am splitting my time with the Parliamentary Secretary to Minister of Human Resources Development.

Bill C-2 is unique in the sense that it is not a bill that has come forward as a result of a party platform or some initiative of the government. Its uniqueness lies in what resulted from the mandatory consultations with the provinces and the territories, which are jointly responsible for the Canada pension plan system, and in what resulted from the exhaustive cross-Canada consultations with Canadians and groups representing every vested interest group across the country.

• (1255)

Certain principles were laid down to guide the enactment of Bill C-2. One of the most important has to do with the principle of intergenerational equity. One of the most important elements has to do with whether today's seniors who are receiving a substantial benefit, much more substantial than future seniors would ever receive, should be responsible for dealing with any portion of the accrued benefits sitting with the Canada pension plan today.

I want Canadians and all members to know that with consultations with Canadians and the consensus of the provinces the decision was taken that Bill C-2 should not impact today's beneficiaries under the CPP plan. That means that today's pensioners as a

result of Bill C-2 will not be impacted by the changes being contemplated by the House.

It means that today's Canadians receiving disability or survivor benefits, regardless of age, will not be impacted by the changes contemplated by Bill C-2. That is a very important principle and it is a very important message so that we do not alarm current seniors as to whether there is any impact on their retirement income.

The decision made in consultation with Canadians and with the approval of two-thirds of the provinces representing two-thirds of the population of the country was that the planned increase to 10.1% in the year 2010 which would keep the Canada pension plan sustainable was not a sufficient approach to dealing with the realities of the day.

The decision was taken that rather than waiting until the year 2010 to increase the premiums, the increases should start in 1998. Today's rate is 5.85%. In consultations with Canadians they wanted the Canada pension plan to remain, they wanted it to be there for their retirement, that we should start making those increases in the premiums today, not in the year 2010.

If we take those increases today and introduce them gradually over the next six years up to 9.9%, that would mean that we would be spreading the burden more equitably across the generations, excluding today's seniors. That is fair. It is equitable and it is the right thing to do. I think that is our job, to do the right thing.

The 9.9% is very important to understand. It is called a steady state rate. It is the premiums rate that has to be charged on insurable earnings that will ensure that the plan is sustainable, indexed, secure and available.

But it is not just a pension plan. I believe the Canada pension plan is misnamed. It should be the Canada pension and insurance plan because we do have survivor benefits, we do have death benefits, we do have other insurance components. The 9.9% is made up of four elements: 4.3% is the cost associated with providing pensions; 1.7% is the cost associated with the insurance benefits, the survivor, disability and death benefits; .1% is for the administration of the plan; 3.8% is the collective sharing of the accrued benefits all remaining and future workers will pay to ensure that current seniors continue to receive their benefits and that this plan remains on a sustainable basis.

Every day during prayers the Speaker reads out a line that we hope that we will be here to make good legislation and wise decisions. In my view Bill C-2 meets those criteria.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, the member who just spoke was privileged, as I was, to be in committee to listen to the evidence and the experts so that we could evaluate and judge this legislation well.

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One of the things we heard from the chief actuary of the fund and from others is there are of course no guarantees at all that the contribution rate of 9.9% will not continue to rise.

• (1300)

First, I would ask the member what he says to Canadians who are very concerned about this escalating and almost sure to continue escalating mandatory contribution which many Canadians find to be a real hardship.

I read some letters today in my speech. I wish I could have read more. I received 4,000 of them, but I had to pick and choose. Those letters contained heartfelt pleas from young, struggling, single parents, parents of young children as well as a young couple who are living in their truck. They all said that they cannot afford these continued costs.

What does the hon. member say to these Canadians? Can we afford to continue to pay more and more for less and less?

The chief actuary and other witnesses confirmed that although people are making very substantial contributions to the CPP, they will only receive a 1.8% return on their investment over their lifetime.

Canadians are struggling. They are being mandated to pay a very substantial amount of money every year into this plan and they will receive far less than the value of their contributions. How does the member justify this to Canadians? How can he look Canadians in the eye and say "Pay this. You are not going to get much back, but we are going to make you pay it anyway"? What does he have to say to Canadians who are struggling?

Mr. Paul Szabo: Madam Speaker, that is the heart of the reason why I feel that the Reform Party has not done a service to the House by suggesting such nonsense.

The fact remains that under the prescribed rates in Bill C-2, Canadians will not receive less than they put in.

The member has failed to mention that the 1.8% return to which she has referred is the real rate of return. It is the return which one would get after allowing for inflation. She knows very well that the inflation assumption in Bill C-2 and in the actuary's report was 3.5%. That means that Canadians will receive a return of over 5%. In fact, it will be 5.3%.

The parliamentary secretary said it correctly. A worker who starts today and pays through their lifetime at the prescribed rates will receive \$1.80 for every \$1 put in.

The other fact which the member failed to recognize is that under the Income Tax Act, Canada pension plan premiums paid are

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eligible for a non-refundable income tax credit. In Canada, on average, that means there is a 26% reduction in taxes payable as a result of having paid Canada pension plan premiums. That means that each and every one of her calculations are in error because she has failed to recognize the real calculations in income tax returns. She has misled Canadians. She has put on the table fearmongering.

I flatly reject the premise of the Reform Party that moving to an RRSP system would be better because it totally ignores two things. Number one, it ignores the current accrued benefits which today's workers receive. Number two, it ignores the fact that the pensioners have insurance benefits as well. She gives no credit whatsoever to survivor benefits, to the death benefit, to disability benefits or to children's benefits. That is the reason they can put these terrible numbers on the floor in an effort to scare Canadians.

Canadians should have nothing to do with the Reform Party.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, it is a pleasure to speak in support of Bill C-2. It is one of the most important social policy initiatives of the last several years.

Since a Liberal government established the Canada pension plan a generation ago, it has become a cornerstone of our retirement income system. The CPP has contributed greatly to seniors' dignity and independence and has helped us drastically reduce poverty among seniors.

• (1305)

The CPP is also symbolic of the kind of society we as Canadians have built, a society where we encourage individual effort but strive to use our national wealth to ensure a basic standard of living for all.

The legislation before us today represents values, not just the values of the Liberal government which introduced the bill, but more important, the values that Canadians from coast to coast embrace. It is about protecting today's seniors. It is about ensuring that we in the baby boom generation pay our fair share toward the Canada pension plan. It is about handing down a viable public pension system to our children and grandchildren.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, on a point of order. I want to bring to your attention the comments made by the member for Mississauga when he accused the member from Calgary—Nose Hill and the Reform Party of having, and he used the words, misled and deliberately. I am sure Madam Speaker, that you will find these are not parliamentary terms to be used in the House. I would ask that the member for Mississauga retract those words.

The Acting Speaker (Ms. Thibeault): At this time I would like to advise the hon. member that we will look at the blues and will come back to him after verification.

Mr. Dick Harris: Madam Speaker, the member for Mississauga is in the House. Perhaps the hon. Speaker would like to direct the query directly to him and give him the opportunity to withdraw those words.

The Acting Speaker (Ms. Thibeault): Does the member for Mississauga South have any comment at this time?

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the member is quite right. I used those words and I withdraw those words, unconditionally. I should have said "she is mistaken."

Mr. Robert D. Nault: Madam Speaker, now that we have that cleared up, as I was saying, the Canada pension plan is about protecting today's seniors and about ensuring that we in the baby boom generation pay our fair share toward the Canada pension plan.

It is about handing down a viable public pension system to our children and grandchildren. It is about a society that believes we have an obligation to use our national wealth to look after one another and ensure the dignity of each and every citizen.

I am proud to be part of a government that shares those values and I am proud to support this incredibly important piece of legislation.

While the Canada pension plan has been a major success story, we recognize that changes are necessary in order to keep up with the changing world. We are well aware of the challenges facing the Canada pension plan. I think it is obvious to Canadians, but let me reiterate what they are; an aging society and the prospect of telling our children to pay almost three times as much as we do for the same benefits. Obviously, the demographic problems have been there for a number of years.

We just heard the leader of the fifth party speak of what a nasty government the Liberal government is for bringing forward these changes. Well, the reason we are bringing these changes is because the Conservative government in previous Parliaments, and one that I sat in 1988 to 1993, knew of the issues and the problems we were facing and yet nothing was done.

As members of the House and as a government, we decided that it was time to engage and consult with Canadians, and that is exactly what we have done. The message that Canadians gave us was loud and clear. Canadians told us to preserve the Canada pension plan as a public and universal retirement income plan.

• (1310)

They told us to leave the standard retirement age at 65. They told us to preserve disability benefits. They told us not to penalize people who leave the workforce for a time to care for their families or to upgrade their education. They told us to make better

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investment decisions and increase the return on the CPP fund. They also told us to protect people already in the system.

I am proud to stand here today and tell my constituents that we have delivered. The legislation before us today meets the priorities expressed by Canadians and the agreement on the Canada pension plan means that the public pension plan will be preserved for future generations. It means that seniors will continue to benefit from a secure and guaranteed source of income. It also means that as a baby boomer, I am not telling my young children to pay more and more to support me in my retirement.

This is the emphasis that we wanted to make in the House today and this is the emphasis that was placed in the negotiations and discussions that we had with the provinces.

It is important that the people at home are aware that these changes that are being made to the Canada pension plan are not being made by the Government of Canada alone. It is in fact an agreement with all of the provinces. In order to achieve a major agreement of this kind, the Canada pension plan requires the agreement of at least seven provinces.

In order to be able to stand here and talk about the Canada pension plan changes today, we were able to obtain the agreement of eight provinces as well as one territory. As members know about federal-provincial relations, that in itself shows the tremendous support that Canadians have for their public pension plan and the tremendous support that all levels of government of various political stripes place on preserving the Canada pension plan.

In other words, most representatives of the people believe in and are committed to the Canada pension plan. I realize that some of my colleagues across the floor are ignoring their constituents on this, but I will come back to that.

Beyond the historic achievement of reaching an agreement between us and so many levels of government, what have we accomplished? We have ensured stable and secure funding for the CPP. Yes, contributions will rise to 9.9%. However, that is a lot better than the 14% that we would have to pay to make this pension plan and the rate stable over the long period.

Increased contributions will allow us to build a large reserve fund and instead of lending it to the provinces at a bargain basement rate, a professional and independent management board will invest the funds in order to maximize returns.

I want to return a little bit to what the opposition is saying in the House. It is important to note, if I can, that the Tories did nothing. In fact, if they would have done something between 1984 and 1993, we would not be standing here having to talk about it. As a matter of fact, I sat on one of those committees between 1988 and 1993 where we reviewed what the Canada pension plan needed to have

done to it and the Tories basically decided to do nothing because they were afraid of the political consequences.

We now go to the Reform Party. The Reform Party calls our CPP proposal a tax grab. What it does not tell Canadians is that its scheme would cost individuals even more. What it does not tell Canadians is that its scheme would eliminate disability benefits and that it would penalize people who temporarily leave the workplace to care for their children.

The opposition does not tell us that its system would leave each and every Canadian completely at the mercy of the stock market. One bad year at the age of 64 and all of a sudden your savings are all gone.

Most shameful of all of the opposition's rhetoric on this is that it has not told us how it would cover the cost of benefits of current seniors as well as the outstanding liabilities for contributions people have already made. That is the problem we have with the opposition. If the opposition wants to criticize that is perfectly legitimate. That is what oppositions are intended to do.

• (1315)

However, it is not to suggest that what we are offering Canadians is a lot worse than what they are suggesting when in fact we know the opposite is totally unacceptable.

This change and improvement in the Canada pension plan in making the contribution rates stable for years to come is going to be one of the most defining moments in this government's mandate. It is also going to be one of the most defining moments for young Canadians. As a young parent myself, I think it is important for us to realize, if we look at the billions of dollars that we are going to be saving young people in the long run by fast tracking the premium increases now, we are doing the future generations a big favour by what we are doing today.

I want to emphasize again in closing that we on this side of the House take this very seriously and we are very pleased to see that this issue is finally behind us and we can carry on with other improvements to the values that we so cherish.

Mr. Ted White (North Vancouver, Ref.): Madam Speaker, I listened to the hon. member opposite as usual from the government side scaremongering about proposals to have more of an RRSP style of a plan for Canada pension. He scaremongers without justification because there are many countries throughout the world, as we have told the government over and over again and which it knows very well, that have already fully or partially introduced this type of system.

Perhaps the member saw a program on television last Friday night, 20/20 on ABC. There was an entire segment dedicated to the Chilean experience which is now close to 20 years old. What the program did first was interview all the scaremongers in North

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America, the unions, the liberals who are opposed to this program. They say you will lose all your savings. The world has ended. Because it is not government, it will not work. Then the program went down to Chile and interviewed people on the streets and in the centres for the pension plans. Every person said what a significant change it was and how good that had been for the pension plans of Chile.

With that plan now almost 20 years old, the benefits to pensioners have been phenomenal. To scaremonger by saying that people are going to lose their investment is ridiculous.

The member knows very well that the government can set in place regulations about what sort of investments can be made, the security of those investments.

I would like to ask the member whether he saw the program W5 on Friday night and, if not, whether he will commit to get a copy to at least see the other side of the story.

The second question is whether he attended the conference that was held right here in Ottawa by finance department officials where Chilean representatives were there to tell how well their program works. Did he attend that conference or see the program on television?

Mr. Robert D. Nault: Madam Speaker, I am quite aware of the Chilean experience. I want to relate to the House and to people at home a bit about the Chilean experience. The member opposite keeps using it. He should do his party a favour and stop doing that because if Canadians knew the Chilean experience, they would be amazed that the Reform Party cannot find a better solution or a better example than that. Let me give some facts about the Chilean experience.

Chile privatized its public pension some time ago, about 20 years ago. The original plan was in complete disarray. There were over 30 plans in place when it went to its super RRSP kind of system. There was little similarity between ours and Chile's. That is why I am confused as to why the member would even want to use it as an example because we cannot compare the two.

High inflation was seriously eroding the value of the benefits. Only a few groups with political and economic power received generous benefits. By contrast, the CPP is portable and nearly universal. Everyone receives a fair pension. It includes disability and survivor benefits and is fully indexed. There is a big difference between ours and Chile's.

The following is the really interesting part. When the new pension regime came in in Chile, Chile passed a government decree making all employers raise their wages by 18% to soften the impact of higher contributions.

• (1320)

I do not know why this member continues to suggest that this is a good example of why Canada should go to Chile's example. Please, on behalf of the Reform Party and a few members in my riding who would like the member to represent them properly, find a better example. He is hurting his chances of ever getting elected by using a silly argument like that when we know Canada pension plans and universal pension plans are much better. I hate to see Reform drop to zero in my riding because we would like to keep it alive just a bit.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, the hon. member has obviously not taken the time to look into the rescue plan that the Chilean government put into place when its public pension system was on the brink of disaster.

Before the hon. member from the government criticizes a program that is working very well today, is self-sustaining and is returning a good investment income to all the Chileans who are retiring, I would strongly suggest that he read it and understand it.

Mr. Robert D. Nault: Madam Speaker, the Reform Party does not tell Canadians that on top of the 10% contribution rate that Chileans pay, they must pay another 3% points for administration fees and other benefits. Reformers also do not tell Canadians that a private pension system such as Chile's has a much higher cost than public pensions.

Investment costs will be much lower under CPP, one-tenth of one per cent compared to two per cent for RRSPs. That is the real issue.

The other one that really concerns me the most about this is that they do not tell present day seniors in Canada, if they were to wrap up our pension plan how they would deal with the millions of people who are already on pensions. I think we have a right to know that before they go any further.

As I said, Chile is the worst example could use. There is not one solid G-7 country that would even consider this plan, never mind Canada.

Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, I have to rise and rebut some of the things my friend across the way has said.

First, I would point out that in Chile at least people have a choice. When they had a choice 90% chose the privatized plan. They are enlightened enough in Chile, because they are a democracy, to offer people a choice. When they had a choice 90% got out of the corrupt public system and went into a private system because it provides better returns.

We argue that people should have a choice. We believe that people ultimately know a lot better than a big bureaucratic government how to invest their own money. We believe in choice.

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I also point out that in Chile when people did start to invest in this plan, this private plan, it did wonderful things for their economy. In the years after they started to do that their economy grew at something like an annual rate of 7% a year. There was this huge flow of new capital going into the market that allowed their economy expand to the point where they had too much money in the economy and had to open up their pension fund to investors from around the world. Would that not be a nice problem to have?

I point out to my hon. friend, who was misleading people by suggesting that other G-7 countries would not look at this plan, that the U.S. is seriously looking at this type of plan. I point out that the U.K. has already gone to that plan. In fact, it is going to go further in that direction according to Labour Prime Minister Tony Blair.

Let us not scare people. Let us not allow the member across the way to scare people. I do not think that will go over very well with the people in his riding. In fact, after the pitiful speech he just gave we will see the Reform members in that riding increase. That is why all those young people, as revealed in a poll yesterday, are coming over to the Reform Party. They do not have any faith in a government that has run up a debt of \$600 billion, not only in public debt, but \$600 billion liability in the Canada pension plan.

• (1325)

I ask my friend in a rhetorical way what has that done for young people? What has that done for people who are just starting out? This plan really has not worked all that well, I would argue.

What we have seen in the last 30 years are successive Liberal and Tory governments coming in, deceiving people, telling them that there is not a problem, that everybody is going to be better off.

What has happened? Of course, we have seen premiums not creep up—

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I rise on a point of order. I do not mind a bit of rhetoric here and there but I do not think it is politically acceptable or parliamentary language to say that members on this side are being deceitful. That is not parliamentary language, nor is it acceptable.

I have never used that kind of language, nor do I think it is acceptable for the member to do that. I would appreciate if he would withdraw.

Mr. Monte Solberg: Madam Speaker, if I said that the hon. member was deceitful, I apologize and I withdraw. If I said it about his government and about the Tory government before, I absolutely do not withdraw. In fact, I will say it again.

I think successive governments over the years were very deceitful, because they knew full well that eventually this plan would go broke. The people who are paying the price for that today are all the

young people who are just coming into the system and who are going to end up getting a 1.8% return on all the money they put into that system for 35 years.

This is according to the actuary. My friend is saying that it is not true. The federal government's own actuary says it is a 1.8% return for those people coming into the system now.

That does not even take into account the foregone returns that they would get if they had that money to put into their own plans. In other words, they will get a negative return.

That is not the least of it. All the young people in the hon. gentleman's riding across the way who he must think probably support his government are going to end up feeling a double whammy because we have a situation where this government will raise CPP premiums by 73%.

How does that affect young people? According to the finance department itself, we have a paper from Joe Italiano in the finance department saying higher payroll taxes are going to kill tens of thousands of jobs. That is what the Liberal government is going to do for young people.

It is going to kill jobs on the one hand so that young people who have the most trouble getting jobs never do get a decent paying job to begin with and then they are going to feel the full weight of the government's CPP hike, 73%, for the entire time they are in the workforce. Ultimately they will get a measly \$8,800 pension at the end of it all.

I point out that the government likes to talk about the three pillars of retirement income, CPP, old age security and RRSPs. How has it done in those three areas?

We know that CPP is a complete disaster thanks to the management or the lack of management by the Liberal government and the Tories before.

We know that the way they dealt with seniors incomes under old age security is to propose a plan that will claw back up to 80% of seniors incomes.

My friend just spoke here a minute ago about how the Chileans were doing such a bad job because of the way they were going to impose higher taxes and all that kind of thing on the population there.

What about his own government? An 80% clawback, how is that fair? What about RRSPs? How have the Liberals done there? They have done very poorly as a matter of fact. They have frozen and rolled back the contribution levels that can be contributed to RRSPs to save for retirement.

On the one hand, they are penalizing people through the new seniors benefit for saving. On the other hand, they are rolling back contributions for RRSPs. They rolled back the age of contribution

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to RRSPs from 71 to 69. It has been made more difficult for everybody who wants to save for their own retirement.

The Reform Party believes that there is a fourth pillar in the retirement system. We believe that tax relief should be the fourth pillar. We have argued and presented a plan in the last election campaign to provide the average family of four with \$2,000 of tax relief by the year 2000.

What has the government done? Let us relate the story of the government's record on taxation. The Liberals along with the Conservatives have given us the highest personal income taxes in the G-7 as a percentage of our economy. It is 54% higher than the G-7 average. That is unbelievable to me.

• (1330)

Government members wonder why we have families living in poverty. It is a big mystery to them. Maybe the government should look at its tax record. Maybe it should take into account that since it came to power in 1993 we have seen the total revenues in this country go up by about \$25 billion, somewhere in that range.

How much of that has come back to Canadians? Precious little because as a matter of fact we have seen interest on the debt continue to climb. We now see it at \$45 billion a year, \$7 billion more than when the Liberals came in, which is exactly the amount they have cut out of the health and social transfer.

This government has a terrible record on taxation. It is why we have not seen disposable incomes rise since the 1980s, not at all. They have not gone up one bit. In fact since 1984 they have gone down 6%. That is the record of the Liberal and Tory governments.

If I were a Liberal member I do not think I would be boasting about CPP or OAS, the seniors benefit, or the RRSPs, or their tax record. I think on every score the Liberals have let Canadians down. They have hurt young people. The government has deceived all these people who are operating under the impression that somehow the government will be there for them when they retire.

Let me simply sum up by saying we think it is time the government dropped the scales from its eyes for a moment and stopped to consider that other countries around the world have had some success, more than a little success, with the type of plan we are talking about. Look at the U.K. Look at Australia. Look at the United States which is seriously considering this type of proposal.

My friend across the way can focus on Chile only. He thinks he can make fun of a plan just because it comes from a developing country. We say that the Liberal government is not the only one with a good idea. We think that he speaks in arrogance that befits the Liberals and the Tories before them. But we say there are other ways.

We chastise the government because when it was considering what to do with CPP it did not look at any other plans. This was revealed to us when we brought officials before the finance committee not long ago. We found out that when they considered going around the country with the provinces they did not look at any other plans. Their only option was to see what they could do to fix the CPP.

We say it is time to start looking around. In fact one thing we found out when we talked to the officials is that when they consulted people across the country, their consultations amounted to meeting with 290 people. Two hundred and ninety people for a country of 30 million people, not over this generation but over several generations. They are proposing to make their decision, to raise CPP premiums by 73% on consultations with 290 people.

Who comprised those 290 people? I think 40 of them were individuals. All the rest were people who represented vested interests. Among the people who appeared I noted looking at the interveners list there was a group from the NDP youth, obviously an unbiased group. We saw all of the trade unions represented and we know where they were coming from. We saw the interest of big business. But we did not see ordinary Canadians at these hearings. We know where this government is coming from. The fix was in right from the beginning.

The government should look around and decide for a second that perhaps it does not have the only good ideas. In fact I think its record speaks for itself. It does not have any good ideas. It should perhaps consider for a moment that around the world other people do have good ideas. Let me just say briefly how we think the government should be going.

We think it should consider a mandatory RRSP plan. Give people a choice. Let them choose the Liberal 9.9% plan or let them opt in to a mandatory RRSP. We think many young people would appreciate the chance not to be hamstrung and handcuffed by a government when they begin their work career.

We also believe we should target the seniors benefit to low income people and have a much more gradual clawback than what the government is proposing, which is 80% in some cases. That is absolutely ridiculous. We believe that RRSPs should be enhanced. We believe that people should be allowed to put more money into RRSPs.

• (1335)

It is time for tax relief in this country. Canadians have spoken on this issue. I sit on the finance committee, as do members opposite. They know that people want debt reduction first and tax relief second. Let us give them some tax relief.

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I encourage my friends opposite to consider what we have said. Consider what Canadians are saying across the country and wake up and deliver the tax relief and debt reductions which Canadians are asking for.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I very much enjoyed the member's speech because it verified what I have been saying in the House all along. The Reform's program is pretty general. It does not get into specifics. I want to ask the member one specific question to see if he can answer it.

If the Reform Party removed the Canada pension plan and replaced it with a super RRSP, I want to know what the member proposes to do with the \$600 billion liability that exists today. What does he intend to do with the disability benefits which would not be there under a super RRSP? What will he do with the death benefit?

There is a social component to the Canada pension plan which is different from what my friend is advocating. He is advocating an RRSP system which would be based on income replacement but would have no social component in it.

I would like him to answer those two questions. So far all he has given us is the Chile example. I do not want to talk about the Chile example because quite frankly it is not a good one. It is not our system.

I was referring to countries which have a public pension plan. Not one of those countries has gone from a public pension plan to a private pension plan. When the two plans are put together side by side, it is obvious that the public pension plan is better for Canadians.

The member says that we are increasing the clawback by 80%, but that will only affect one out of ten people. Nine out of ten people will benefit from the seniors benefit. One in ten will see a reduction.

I do not know who the people are who the member is looking at. They must be those in the \$100,000 to \$200,000 range. They certainly are not the people in the \$15,000 to \$25,000 range.

Mr. Monte Solberg: Madam Speaker, it is probably a little late to say it but I should mention that I am splitting my time with the hon. member for Surrey Central.

I want to point out that the World Bank in 1994 told us that pay as you go systems have a predictable three stage life cycle. The systems begin in young countries where the proportion of retired people is small. They go through the windfall stage where people who are just getting into the system get far more out of it than they put in. There is the expanding coverage stage where the population is aging and the founding generation receives even higher benefits and more groups are covered. Then there is the final stage, which is

the stage we are in in this country, which is where the system starts to collapse.

That is why there are 20 countries in the world which have already gone to a mandatory private savings plan. Chile is one of them. The U.S. is moving in that direction. The U.K. is now doing it. Australia is now doing it. Switzerland, Finland, Greece and Japan all have variations on the theme. Let us not let the hon. member opposite suggest there are no other countries going to this plan.

The hon. member asked me about the liability. We know that the government's plan is to raise CPP premiums by 73%. That is the one option which Canadians have. We say that one of the better options is to get a better rate of return. It is so simple that it has eluded our friends across the way. They think that by giving the money to the provinces at below market rates of interest that somehow we have done seniors a great favour. Obviously we have not.

The government plan until now has earned 2.5%. That is ridiculous. We say it is time to start investing that money in the stock market and allow people to get the returns they can. Over the last 30 years I think the real rate of return is pretty close to 6%. If people get better rates of return, rather obviously the premiums do not have to be as high and the liability actually begins to come down. That is the answer to my friend.

• (1340)

With respect to old age security, I would also point out that when the member talks about the one in ten, which I think is a little hyperbole, he should really point out that it is not low income people who end up \$120 better off under the government's plan. The ultimate result of the plan is that it is able to save \$6 billion in payouts to seniors.

The people who get it right in the neck are the middle income earners. High income people will not feel any pain because they already have the money clawed back anyway. It is middle income seniors who will be taking it in the neck by the government's plan. Out of fairness, that should be pointed out.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, during the member's speech he referred to the consultation process which as all members and all Canadians know was very exhaustive over a two year period.

The member looked at the report which stated that there were 270 interventions before the travelling panel which was chaired by former member of Parliament David Walker. The member referred to this as 270 persons having appeared before the panel. In fact, the interveners included organizations such as the Canadian Labour Congress, the Canadian Association of Retired Persons, the Canadian Association of Pension Consultants, et cetera. These are not individuals. The member is not only mistaken, he is mistaken in the extreme.

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My question for the member has to do with the very serious issue of disability benefits for Canadians which are provided under the current Canada pension plan system and will be continued under Bill C-2.

If the member's party is sticking to its position that the Canada pension plan should be scrapped, abolished, thrown out, does he have any words for Canadians who receive disability benefits today as to how his program will satisfy the need for disability pensions for Canadians?

Mr. Monte Solberg: Madam Speaker, at the risk of repeating myself, I really believe that my colleagues across the way are doing their level best to scare Canadians. There is no reason in the world why we cannot have a separate disability program. No one says it has to be linked to the old Canada pension plan. Why can there not be a separate plan?

As my friend knows, people came forward from the pension industry and said that we can have a separate disability plan. They pointed out that we should be doing that because there is great confusion now among people who think that the money that goes to the Canada pension plan goes just for their pensions. Obviously that is not true. So why not separate it out?

Another point I would make is that under the current regime, the government plan pays out a whopping \$465 in survivors benefits to people who are widowed. Under a mandatory RRSP the whole amount of the annuity would be paid to a surviving spouse. If the pension which was coming in was \$30,000 that is how much the spouse would get. Under the government's plan they get a CPP pension of \$8,800 and the survivor gets \$465 a month. I do not think this plan serves widows very well in this country. In fact, I think it is an abomination.

Mrs. Michelle Dockrill (Bras d'Or, NDP): Madam Speaker, I would like to remind the member for Medicine Hat that he does not represent people across the country. The last time I looked we did not have any Reform Party members of Parliament here from Atlantic Canada.

I come from a part of the country that has one of the highest rates of unemployment. People are having difficulty feeding their children. There are no prospects for future employment.

• (1345)

How does the member propose that these Atlantic Canadians can invest in RRSPs when they are not able to feed their children?

Mr. Monte Solberg: Madam Speaker, the short answer is the money they currently pay into the CPP would go into the mandatory RRSP. It would be the same way it works now.

I point out to my hon. colleague that if premiums go up by 73% there will never be any jobs in Atlantic Canada. I am surprised the NDP supported a plan that kills jobs for Atlantic Canadians.

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, I rise to speak to an issue about which I heard a lot of nonsense this morning from members on the opposite side, particularly from the member from Chile. I found that rather interesting.

An hon. member: Very funny.

Mr. Steve Mahoney: I do not care if the member thinks it is funny. Is it not interesting that the Reform Party has to get its policies by watching ABC television reporting on the Chilean experience? We want a made in Canada solution. We do not need to go to the states.

Some hon. members: Oh, oh.

Mr. Steve Mahoney: I am teasing the bears and they are apparently getting a little agitated. Since they stopped listening to Newt Gingrich they have had to go farther afield to get their marching orders. Where the policies come from is really quite telling.

I will be splitting my time with Parliamentary Secretary to Minister of Veterans Affairs.

Reformers talk about the fact that there has been no consultation. The tactics that are used are interesting. My colleague from Mississauga South pointed out that a former speaker of the Reform Party said that only 270 people were consulted. The fact of the matter is the committee travelled across the country and received 270 deputations or presentations literally representing millions of Canadians.

They know that, but it is convenient to describe the Canadian Labour Congress as a person rather than to say that it is a group representing millions of people who have a lot at stake. It is a neat little way to twist the facts around to get out a message that is very misleading.

We did consult. As for ramming Bill C-2 through this place, as members opposite know we have consulted across the country. It has been debated in committee. Members opposite have spoken about it. It has been debated at second reading. It has been debated in committee of the whole and at third reading. I suppose the Chilean experience would simply see polarization of parliamentary democracy. We do not operate that way and members opposite know that we have to deal with reform to the CPP.

An hon. member: Don't use that word disrespectfully.

Mr. Steve Mahoney: Don't talk about disrespectful. We almost had one of the Reform Party fellows going into fisticuffs, climbing over a chair this morning. That is the mentality we see on that side of the House. They should be ashamed of themselves and embarrassed.

Canadians watch television and see the kind of behaviour we saw here this morning. A member actually had to be restrained physically from climbing over chairs to attack another member of Parliament. That is the mentality. That was the Reform Party. Canadians are fed up with that kind of nonsense. Canadians want leadership.

• (1350)

Several years ago another very important pension fund members opposite might be familiar with, the teachers' pension fund of the province of Ontario, was in some difficulty for very similar types of problem.

The contributions had been too low from both the teachers and the employer, the Government of Ontario. The investment procedures used by that pension fund were inadequate and unfair. Many of the roads, bridges, schools and other parts of the infrastructure in our province were paid for from that pension fund at interest rates as low as 3% when market interest rates were in the double digit area. It was a fund from which to borrow cheaply to build public infrastructure.

As a result we wound up with a pension fund the actuarial people said was in serious trouble. The Liberal government in office at the time decided we had to bite the bullet. We increased the contributions of teachers and we matched that with an increase to the employer, the Ontario government. We set up an independent body for investments and today the teachers' fund is one of the strongest financial vehicles in the entire country, perhaps in North America.

The teachers were not happy when we did that. They demonstrated. They came to Queen's Park. They were very unhappy. Today the fund owns the Toronto Maple Leafs, although there are days when I am not sure it would want to. The fund has substantial investments such as investments in newspapers. Teachers have a financially strong pension fund because the government of the day had the courage to make those changes.

I give that example because it relates. The CPP must change from being simply a pay as you go fund, which in a sense is exactly what the super RRSP fund would be. If one has the money to invest and has a job then under the Reform plan one would be able to invest in an RRSP. A lot of Canadians simply do not fall into that category.

This is not rocket science. If we split them out and tell people they will be given the option of opting out of the plan, obviously the financial integrity of the CPP will be jeopardized. We are not prepared to do that. Canadians have investment options for their retirement. They have options to invest in RRSPs. We believe there should be a publicly funded, solid, government backed Canadian pension plan for all Canadians and for future generations.

What do we do? We either increase the contributions, reduce the benefits or change the procedures. Frankly we are doing all of that

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in an effort to put the CPP in a sustainable format. Yes, there will be an increase.

An hon. member: Oh, oh.

Mr. Steve Mahoney: I do not expect the member to understand. I am really not talking to him. I am talking to the Speaker and to the Canadian people. They understand that some people might benefit from the simple black and white solution that everybody gets to invest in an RRSP fund for their retirement.

I think my colleague was right on. We are talking about who will benefit from a wide open RRSP fund and the elimination of the CPP. Is it the average working Canadian? Is it the working poor? Is it families and young people who need some leadership and some strong financial backing from government?

I think it will be big business. The oil barons out west may benefit from it, and God bless them. That is why we have a system for everyone to invest in their own retirement savings plan. There are rules that guide the investment.

• (1355)

What is the Royal Bank's profit up to today? It is \$1.6 billion. That is absolutely unbelievable. Why is that? It is probably in large measure because of the amount of money Canadians have been putting into RRSPs and the banks. Whether it is through RoyFund, investment procedures or whatever, the banks are benefiting.

Reformers simply care more about the banks, the oil companies and rich Canadians than taking care of all Canadians in a universally funded system that will accrue to the benefit of our children and in spite of their rhetoric will accrue to the benefit of their children.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Madam Speaker, we have just had a classic example of greenhouse gas. The member made absolutely weird comments. He does not seem to understand a very simple principle.

The principle is that people in the workforce today are having CPP premiums extracted from their paycheques. That extraction will increase by 73%. Under the Reform super RRSP or a plan like it, they would continue to have premiums extracted but not at the 73% increase.

The member misrepresents the Reform position. It is really a scandal that he just does not understand. We cannot get blood from a stone. We cannot give the opportunity for super RRSPs to people who are not working, who are not deriving an income, but those same people are not paying CPP premiums.

Mr. Steve Mahoney: Oh, that is going to help.

Mr. Art Hanger: Do you have it all figured out now?

Mr. Steve Mahoney: Unbelievable.

S. O. 31

Mr. Jim Abbott: Now he understands. That is wonderful.

During the election campaign the Liberal candidate accused me of scaring seniors at a seniors' home in Revelstoke. He said "Before the election the member went into the seniors' home in Revelstoke. He took in a so-called expert who was explaining the new seniors benefits program to them. He scared them so much that they would not talk to me, the Liberal". Guess what? The so-called expert I took in was an official from HRD who explained the Liberal policy to the seniors. That is what made them scared.

The point is that the CPP is just the first shoe. The second shoe is the seniors benefits program the government has not told Canadians about. These people hide behind the cloak of we are going to protect you. They are dropping both shoes on the heads of seniors and people who will become seniors. At the same time, just for good measure, they are doing an intergenerational transfer of wealth from 25 year old people who will never see their CPP premiums again.

Has the member learned anything here? Has he learned that only people who work pay CPP premiums and only people who work would pay super RRSP premiums? Does he understand that simple concept?

Mr. Steve Mahoney: Madam Speaker, I have learned quite a bit, actually. The member mentioned in his opening remarks that this was an example of greenhouse gas. This is proof that if we were to collect all the flatulence from the cattle industry and from what I just heard across the way, we could probably reduce greenhouse gases dramatically beyond our wildest dreams.

The nonsense. Can we imagine? I just heard that people who are not working do not pay CPP premiums, therefore they will be okay if we go to a wide open RRSP plan for their retirement. That is what I heard. I would ask the member to check *Hansard* because that is what he said and he does not know what he is talking about.

The fact of the matter is that the Reform Party's simplistic solution to long term sustainable pension funds is to throw them wide open so that the banks can make more money by playing with Canadians' money.

• (1400)

Let me tell you. It was just announced today that the Royal Bank made \$1.6 billion. They do not need your help. They are doing just fine. They do not need you to pass pension legislation.

The Speaker: My colleagues, I just caught the tail end of the remarks. Please, I ask all hon. members to address the Chair. Do not address each other directly.

We will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

DICK CARRICK

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, many people gathered in Rockwood, Ontario on November 15, 1997 to say goodbye to Dick Carrick.

Dick was a member of the executive of the Guelph—Wellington Federal Liberal Association, a veteran of World War II and a man who volunteered for a number of charities. Above all Dick was a friend to many, including me.

In various election campaigns and other projects, Dick kept us in good spirits with his wonderful sense of humour as well as his commitment to always doing what was right.

He is survived by his wife Olive and several children and grandchildren. He will be missed by them and by all who are made better because he was a part of our lives.

* * *

MAPLE LEAF PLANT CLOSURE

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, 1,000 jobs lost forever. One thousand families face a bleak new year.

In Edmonton a 90 year old plant was struck and then closed. Michael McCain was true to his word. The legacy is shattered lives that will exist long after labour brass and Maple Leaf have left town.

Must labour always wield a primordial club of strike? Must management always sit resolute awaiting the blow? Must our community always suffer in silence?

Can we do no better than repeat the past? Workers and their families want to know. Have we not learned at last? Sadly I fear the answer is no.

* * *

ALEX LING

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, today an outstanding member of my constituency, Mr. Alex Ling, received the Award of Merit from the city of Toronto. This award is given to people who have helped to improve the quality of life in Toronto through endeavours outside of their chosen vocation.

Mr. Ling, a small business owner in Bloor West Village, has been integral to the development of the Bloor West Business Improvement Area. Most recently Mr. Ling and the BIA were successful in implementing the construction of a fountain at the

intersection of Bloor and Jane Streets in partnership with federal infrastructure moneys.

Mr. Ling has shared his knowledge and experience with other BIAs in the Toronto area. As founding member and current chairman of the Toronto Association of Business Improvement Areas, he has championed the cause of small business in Toronto.

I congratulate Mr. Ling on his Award of Merit. I draw inspiration from his contribution. I encourage all Canadians to follow his example of tireless volunteerism.

* * *

[Translation]

LUCIE BROUILLETTE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, on February 11, 1996, while vacationing in Costa Rica, Lucie Brouillette, a resident of Le Gardeur in the riding of Joliette, saved a man from drowning in the Pacific Ocean.

Caught in a current that was carrying him out to sea, the man had given up and was bobbing in the waves to save his strength in the hope that someone would rescue him. As soon as Ms. Brouillette realized what was happening, she quickly swam out, battling a strong current for almost 200 metres before reaching the victim. Somehow, she made it back through the waves to shore with the man.

Tomorrow, in recognition of her courage, Ms. Brouillette will be presented with the Medal of Bravery by the Governor General of Canada.

I wish to pay tribute to this individual for her heroic action in very dangerous circumstances.

* * *

• (1405)

[English]

SEARCH AND RESCUE

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, it is a pleasure to rise in the House today to congratulate members of the Canadian forces search and rescue team along with coast guard members as they were recognized this week for brave efforts at sea.

Two of them, Ken Power and Greg Smit, were awarded the Star of Courage, our second highest honour for bravery in peacetime. In September 1996 they and other members risked their lives to hoist four people off a sinking sailboat in the stormy seas off Sable Island.

Most recently the heroism of search and rescue teams was demonstrated during the rescue off St. John's, Newfoundland of the *Vanessa* where 10 lives were saved.

S. O. 31

Two members of the Canadian forces team, Darryl Cronin and Marques Reeves, received the search and rescue commander commendation for their contribution to that rescue. They parachuted into the north Atlantic to provide medical treatment to the survivors.

The dedication and selfless commitment of these individuals is a reflection of all the men and women who provide on a day to day basis search and rescue.

The Speaker: The hon. member for St. Paul's.

* * *

VIOLENCE AGAINST WOMEN

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I rise in honour and remembrance of the 14 young women who were brutally murdered in Montreal on December 6, 1989.

In Toronto at Women's College Hospital we have an annual remembrance ceremony in their honour. This year the Hon. Margaret Norrie McCain, the former Lieutenant Governor of New Brunswick, will be the keynote speaker. Her talk will raise the issue, what have we learned from the Montreal massacre?

As we remember the sad events of eight years ago, I am reminded of the courageous stand taken by our former minister of justice in bringing about comprehensive gun control in our country. It is clear that we have indeed learned from the Montreal massacre and that we have tangible evidence that this government is committed to ensuring that this type of horror never happens again.

I know I am joined by the women's caucus and all members of the House in remembering the victims of the Montreal massacre, including those who have chosen to act to end violence against women.

* * *

ALBERTA WINTER GAMES

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, the spirit of youth will be celebrated in Red Deer from February 19 to 22 during the 1998 Alberta winter games. More than 3,000 athletes and coaches, more than 3,000 volunteers, as well as parents and spectators will fill the city.

Alberta is divided into eight zones. Participants in the 21 sports must qualify to represent their zone at this premier provincial sporting event. Provincial success could be the beginning of national and international achievement.

The games are more than a biannual sporting event. They started in 1974 as a provincial movement to provide opportunities for amateur sports. They also motivate Albertans to aim for a higher level of physical fitness.

While winning is important, sometimes achieving a personal best or fulfilling a dream is an even more important achievement.

S. O. 31

We welcome everyone to come to Red Deer, the Alberta capital of volunteerism, to watch these young athletes achieve their goals.

• (1410)

[English]

* * *

[Translation]

VIOLENCE AGAINST WOMEN

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, Saturday, December 6 will mark the National Day of Remembrance and Action on Violence Against Women.

Eight years ago, Geneviève Bergeron, Hélène Colgan, Nathalie Croteau, Barbara Daigneault, Anne-Marie Edward, Maud Haviernick, Barbara Maria Klucznik, Maryse Laganière, Maryse Leclair, Anne-Marie Lemay, Sonia Pelletier, Michèle Richard, Annie Turcotte and Annie St-Arneault were assassinated at the École Polytechnique de Montréal.

The pain of this day is still with us. We mourn their deaths, as we mourn all women who have died through violence.

I urge all members to work with women's groups, communities, businesses and individual citizens to end violence against women.

* * *

PAY EQUITY

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, for 13 hours on December 1, 13 women held a vigil to commemorate the 13 years women in the federal public service have fought for pay equity.

On December 8, Treasury Board and the Public Service Alliance are scheduled to resume negotiations.

The government is sending a mixed message. In a note to public servants, the Treasury Board President warns them that unless they accept his reduced offer of \$1.3 billion, negotiations will be long and painful. Quite a threat.

For her part, the Secretary of State for the Status of Women told us that the Treasury Board President had some leeway.

The government must put a stop to the injustice which has dragged on from one government to the next. The Liberals must take another look at what they said when they formed the official opposition. The Minister of Finance must cut the Treasury Board President enough slack to resolve this issue once and for all.

LAND MINES

Hon. Sheila Finestone (Mount Royal, Lib.): Mr. Speaker, as hon. members are aware, history is being made in Ottawa this week. More than 120 nations have signed a treaty to ban land mines.

Joining us in the gallery today are several land mine survivors. Judy and Bruce Isfeld from Courtney, B.C. lost their son Mark, a Canadian peacekeeper, to a land mine. They are here representing Canadian survivors. Mines Action Canada has brought here for this conference people from around the world who have been disabled by land mines. In the gallery are Song Kosal, Tun Chunarreth and Sokeng, all from Cambodia.

I invite my colleagues to join in paying tribute to the courage and the remarkable will demonstrated by these land mine survivors here in our gallery, and to come to Room 200 West Block to meet them after question period and to bring their staff. They deserve our support.

Some hon. members: Hear, hear.

* * *

PEACEKEEPERS

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, today our first group of peacekeepers returns from Haiti.

For the past two and a half years these troops and others have worked to build stability and democracy in a state which has for too long been ruled by a brutal dictatorship. They also helped to train a national police force so the Haitian people could walk the streets free from fear.

We sent our peacekeepers into a volatile situation that few people could handle. They not only handled it but they performed extremely well.

They earned the respect of the Haitian people and the world with their hard work, their kindness and their dedication. They did not solve Haiti's problems but no one could reasonably have expected them to.

On behalf of all Canadians, I would like to thank our peacekeepers for their good work and congratulate them on a job well done. I would also like to thank their families for their sacrifice and their crucial support.

And so I say to our peacekeepers, thank you and welcome home.

[Translation]

QUEBEC CITY COUNCIL

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, the Quebec City council finally has decided to set up a working group to determine the criteria governing the occasional or permanent raising of flags in front of city hall.

We do not need any criteria or committees to find out whether we love the Canadian flag. Pride in our country is not occasional or temporary. It is permanent.

[English]

The pride of our country is not a temporary or transitory thing, but it is a permanent pride.

[Translation]

We think the Canadian flag represents the value of belonging to a nation that is growing in the spirit of tolerance and openness to others and to the world. Another ridiculous decision forced by the mayor of Quebec City.

We would never agree to criteria for occasional support for our country. We should ask the separatists if they want to break up our country occasionally.

* * *

[English]

HIGHWAYS

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, thanks to the federal government's declining commitment to rail service, our roads are under more pressure than ever.

A well maintained system of roads and highways is the basic transportation backbone and economic diversification tool of rural communities and provincial economies. That is why in this year's Saskatchewan budget the NDP government announced a 10 year \$2.5 billion program to improve the province's roads and highways. But they cannot do it alone.

Canada is the only one of 28 OECD countries not to have a national highways program. The federal government collects \$4 billion in fuel tax from Canadians but spends less than 12% of these tax revenues on road transportation and not one dime of it in western Canada. As a matter of fact, if a car stopped on a dime in western Canada, you can bet that dime did not come from Ottawa.

It is time the Liberal government established a national highways program to help build a strong economic future for all western Canadians. It is time for the government to put some cash on the dash for its national highway system.

* * *

[Translation]

TEAM CANADA

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, we are delighted by the decision of the premier of

Oral Questions

Quebec, Lucien Bouchard, to join Team Canada on its trip to Latin America from January 10 to 28.

We will recall Mr. Bouchard's praises for the work done by the Canadian embassy in China during a similar trade mission.

We can assure the Quebec premier that the Government of Canada will do an equally effective job for the Latin American mission so that the members of the Canadian delegation may return home with maximum economic benefits for Canada and Quebec.

Obviously, Mr. Bouchard will not come home a federalist following a Team Canada trip. Let us hope that he will at least appreciate certain benefits of Canadian federalism when he sees that Canada's economic strength benefits Quebec in such circumstances.

Who knows, one day Mr. Bouchard may find some goal other than to break up Canada.

* * *

• (1415)

[English]

AGRICULTURE

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, yesterday I met with the minister of agriculture regarding assistance for Nova Scotia farmers who have been severely impacted by the extended drought. Feed costs have risen dramatically while production has been substantially reduced, threatening their livelihood.

The minister committed to work with companion programs already in place which may make funds available to the Nova Scotia agricultural industry in this emergency. Funds already committed to other programs might be shifted to provide assistance needed, while not requiring any new money.

The minister has committed to negotiate with the province of Nova Scotia in an effort to reach a federal-provincial agreement to make this assistance available as soon as possible.

I thank the minister for his attention to this problem and look forward to the much needed assistance for Nova Scotia farmers.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, yesterday we asked the government to face up to Canada's crushing debt load and high tax load. The response from the government was pathetic. In essence it said that it did not have to answer for high debt and high taxes.

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Today a major public opinion poll shows that 89% of Canadians say that the government had better start answering debt questions now.

What precisely is the government's debt reduction target?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, our target is to have a balanced budget. This year for the first time the debt decreased by a couple of billion dollars. The next budget will tell us by exactly how much.

The government has a policy that is clear. I note that Reform's program does not talk about debt reduction; it talks about tax reduction. We have a balanced approach. We know that we will reduce the debt and taxes—

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the government knows nothing about balance when it comes to debt and taxes.

Under Liberal governments personal income taxes have risen to the highest levels in the G-7. Under the government the debt has risen in total to close to \$600 billion and Canada's youth are stuck with the tab.

In today's poll it was significant that it was Canadians under 30 years of age who were most insistent that the government address the debt.

Why is the government considering more spending when young Canadians are demanding that it address the balance sheet first?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we realize that there are problems in society, like child poverty, which are the responsibility of the government. The government realizes that there are some people in some parts of Canada who need help from the government.

That is why in the same poll Canadians said they believed those on this side of the House are best able to manage the economy of Canada.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the government thinks that helping people and cutting debt and taxes are opposites. What Canadians are telling the government is that these things go hand in hand.

The government taxes the poor more heavily than either the Americans or the British, so broad based tax relief helps the poor, including poor children.

The \$45 billion a year the government is paying on interest eats the heart out of social programs, so debt reduction helps social programs.

How long will it take the government to understand that debt reduction and tax relief are—

The Speaker: The hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we were the first. We have done it. We did not only talk about it. We did it.

I have the terrible task of being the first prime minister in 40 years to deal with the very difficult problem of what to do now that we are balancing the budget.

• (1420)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, according to today's poll 89% of Canadians are demanding debt reduction but the government is so out of touch. To paraphrase Ernie Eves, the cabinet is hovering like vultures waiting to spend away the surplus.

My question is for the prime minister. When will the government get the message that Canadians want the backroom buzzards to buzz off, to start to address the problem of the debt and to start to relieve them from the high, staggering burden of taxation? When will this get through to the government?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister of finance of Ontario and the socialist minister of finance of Saskatchewan are asking us not to spend money. I took note of that. I hope when they come to town next week that they will remember that.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, obviously they touched a nerve.

Not only does the government ignore Canadians, the cabinet can hardly wait to try out its new American Express card, because with an American Express card there is no pre-set spending limit.

Instead of showing complete disdain for the priorities of Canadians, the people they are supposed to serve, when will the government cut up its credit card? When will it leave home without it?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I inform the hon. member that we on this side of the House of Commons make decisions that are in the best interest of Canadians. We do not get up in the morning asking pollsters what to do. We take our responsibilities seriously.

* * *

[Translation]

CALGARY DECLARATION

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The Prime Minister and his colleague, the Minister of Intergovernmental Affairs, have elevated the leader of the official opposition to the status of champion of the Calgary declaration. Today,

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the leader of the Reform Party made public his plan to consult Quebecers on the Calgary declaration.

Are we to understand that, because the leader of the Reform Party is his champion and partner, the minister agrees with the Reform leader's initiative to hold mock consultations in Quebec on the Calgary declaration?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the Government of Canada welcomes any initiative, any effort made by the members of this Parliament who want to have a positive dialogue with Quebecers, and I am sure that the Reform Party will learn a great deal from Quebecers in the process.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the minister recently stated in this House that "unique character" means the same thing as "distinct society" and that there is not a single serious jurist who would say otherwise. But the leader of the Reform Party has been saying from the very beginning that he is totally opposed to the concept of distinct society or anything of the sort.

Does the minister not realize that he and his partner are contradicting each other and that the Reform consultation will take place amid this confusion?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I think that the hon. member is the champion of confusion.

Some hon. members: Hear, hear.

Hon. Stéphane Dion: However, we disagreed with the Reform Party on this issue because the Reform Party regarded distinct society as a special status while we did not see it that way.

In the Calgary declaration, this misunderstanding has been eliminated. Anything that is available to one province will also be available to the others. There will be no special status. And we are very pleased and confident that all Canadians will recognize Quebec society as a fundamental component—

The Speaker: The hon. member for Roberval.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the leader of the Reform Party invites his friends and colleagues to fight the notion of distinct society or any other related concept, while the Minister of Intergovernmental Affairs is trying to convince Quebecers that what is in the Calgary declaration is the exact equivalent of distinct society. Surprisingly, both claim they approve of the Calgary declaration. Both have associated themselves with the Reform initiative.

How can the minister accuse the sovereignists of sowing confusion when he and his Reform associate—

The Speaker: The Minister of Intergovernmental Affairs.

• (1425)

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I think that the hon. member has a hearing problem.

We have just said that there is no special status; there is a recognition of a fundamental dimension of Canada. Rather than letting its leader make inept statements on Canada in Alberta, the Reform Party is certainly welcome to go to Quebec to talk about the Calgary declaration.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, are we to understand from the responses of the Minister of Intergovernmental Affairs that he adopts the phoney initiative of the Reform leader as his own, that it is now government property, that they all agree to go and supposedly consult Quebecers on an agreement on which no one else in Canada agrees?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, national unity is not a partisan matter. We have serious differences with the Reform Party, as the hon. member can see every day, but we share one and the same country, one that needs to be preserved, and preserve it we will, regardless of our disagreements.

* * *

SABLE ISLAND NATURAL GAS

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, my question is for the prime minister.

The natural gas on Sable Island is a Canadian resource that must benefit the largest possible number of Canadians. Yet, the federal cabinet just approved the gas pipeline proposed by Maritime and Northeast. The cabinet did not even bother to determine which project was the most beneficial to the economy of Atlantic Canada and of Quebec.

Why did the prime minister refuse to ask the natural resources committee to conduct such an assessment, as requested by the hon. member for Halifax? Does he really want certain regions—

The Speaker: The Minister of Natural Resources.

[*English*]

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the hon. gentleman should know that the regulatory process is not yet complete. There are some stages yet to go.

The Government of Canada is being absolutely meticulous in adhering to the spirit and the letter of the regulatory process, its integrity and its independence. When the final process is completed the appropriate decision will be taken. It is not done yet.

Oral Questions

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the prime minister did not even answer the November 6 letter from our leader from Halifax.

The prime minister knows that the hasty decision by cabinet to endorse the maritimes and northeast pipelines project has left northern New Brunswick, Cape Breton and Quebec excluded from most of the potential industrial benefits of the project which would have created jobs.

Once again, why has the prime minister failed to insist that a more detailed study into the potential benefits to Atlantic Canadians be carried out by the natural resources committee of parliament?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, a joint independent panel was established by the Government of Canada and the Government of Nova Scotia to conduct a review. That panel worked for 10 months. It held 20 information meetings and 56 days of public hearings. It heard from 125 different intervenors. It was open, transparent, balanced and fair, and I believe it did a very thorough job.

* * *

CHARITABLE ORGANIZATIONS

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, yesterday I wrote to the prime minister asking him whether his government would not see it appropriate to extend to the end of the month of January 1998 the period for charitable donations, to allow all charities in Canada a chance to solicit funds for the cause they defend given the postal strike we have just experienced.

Could the prime minister give us an answer today?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have received the letter from the leader of the Conservative Party and have received representation from charitable organizations. I asked the ministries of revenue and finance if it would be possible to extend the period until the end of January, and it will be extended.

• (1430)

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, on behalf of the majority of members in this House I would like to thank his government for that decision. It is certainly the right decision.

[Translation]

My question is for the prime minister and concerns the first ministers conference which will take place in one week. I was intrigued by the comment made by the Minister of Intergovernmental Affairs, who said that “unique society” and “distinct society” basically mean the same thing. The minister says yes, thank you.

Why is the agenda of the first ministers conference still not known, barely one week before the conference.

The Speaker: The prime minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is because I am still discussing the agenda with the Saskatchewan premier, who is the premiers’ spokesperson. We had a telephone conversation on Sunday, and I must send him the agenda today or tomorrow.

However, the premiers are well aware that I am including their suggestions on the agenda. This is not a unilateral decision, it is a joint decision made by the federal and provincial governments. Again, the agenda will be included in a letter which I hope to send to the premier today.

* * *

[English]

THE DEBT

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, this government spends more on interest payments on the national debt than it does on health care, education, welfare, old age security and the army combined. That is a terrible chunk of change. Canadians are telling this government that they want to reduce the debt, they want tax relief and they want to know when they are going to get it.

The prime minister has given us a specific deadline for when he is going to cut his gas emissions. When is he going to give us a deadline for reducing Canada’s deadly debt?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there will be a budget in February.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, Canadians do not think this is very funny anymore, the huge amount of money they give to the government being used to pay off interest on the debt. They know they simply cannot be paying that in their personal lives. Every single taxpayer who makes less than \$70,000 a year pays every penny of their tax in interest payments on the debt.

My question on behalf of every one of those taxpayers who earns \$70,000 or less is when will the government get this deadly debt under control? It is killing us.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have managed to control the deficit. Not only that, last week we reduced the EI premium by 20 cents. When we formed the government it was supposed to be at \$3.30. Now it will be at \$2.70.

We have managed to balance the books and reduce taxes. The member has only to wait a few months and there will be other good news, as usual, from this government.

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[Translation]

FRANCOPHONES OUTSIDE QUEBEC

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, since Statistics Canada released its figures on the state of francophonie in Canada, all observers and journalists are saying that francophone communities outside Quebec are experiencing serious difficulties.

My question is for the Prime Minister. Given Statistics Canada's figures, will the Prime Minister admit that francophonie outside Quebec is seriously threatened?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, francophones outside Quebec are fed up to the teeth with the Bloc Québécois' crocodile tears. These are the same people who talk about francophones disappearing and about second class French Canadians. This comes from the same member who asked me the question.

I am a francophone from outside Quebec and I am not a second class Canadian, nor are my children or my grandchildren. We will never be second class citizens in our country, whatever the Bloc Québécois might wish.

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, the leader of the government in the House of Commons would do well to read *Le Droit*. The only way not to resolve a problem is not to admit that it exists.

How does he think he is helping francophones outside Quebec by closing his eyes to what is going on and spouting nonsense day after day as he is doing now?

• (1435)

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Bloc Québécois recently published a document, in September I believe. According to *Le Droit*, there was not one word of concern in the Bloc Québécois' document about francophones in the rest of the country.

They want to quote from *Le Droit*. That is what *Le Droit* says about the Bloc Québécois' position on francophones outside Quebec.

* * *

[English]

CANDU REACTORS

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, just yesterday the top story in the *New York Times* slammed Canadian officials for selling unsafe Candu reactors to countries with despicable human rights records. The reactor we sold to India was used to explode a nuclear device. The reactor we sold to Argentina is frequently shut down for leaks. The reactor we sold to South Korea leaks heavy water.

Given these embarrassing revelations front and centre in the *New York Times*, will the prime minister reconsider his shady deals to China and Turkey and say "no Candu"?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, rather than repeating the erroneous assertions of people in the United States who may be on sales missions in an effort to discredit the Canadian competition, the member might like to know that the Candu technology is robust, sound and secure. That is a finding not only by the Atomic Energy Control Board of Canada but also in fact by American consultants who examined Candu and found it to be just fine.

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, in the 1980s the prime minister was energy minister. Back then he tried to sell Candus to Turkey, but concerns about the use of nuclear weapons scrubbed that deal.

My question is to the prime minister again. What would his friends at the land mines conference say if they knew he was selling Candus to countries that want them to make bombs?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, any country with which Canada does business must of course adhere to all the international rules pertaining to nuclear power and the use of uranium.

In addition to that, AECL is meticulous in doing its own prestudy of any situation to ensure that the facility can be constructed safely and it must of course be constructed not only to the standards that exist in the foreign country but to Canadian standards and international energy standards as well.

* * *

[Translation]

SABLE ISLAND NATURAL GAS

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, at their meeting on June 7, 1996, the Prime Minister of Canada and the Premier of Quebec agreed to support the Gazoduc Trans-Québec et Maritimes project for the transportation of Sable Island natural gas.

We learn, however, that the National Energy Board recommends that the government give the go-ahead to a competing project, the purpose of which is to service the American market directly.

Is the minister aware that, at the rate things are going, the Gazoduc Trans-Québec et Maritimes project will not be able to be studied on its own merits by the appropriate authorities?

[English]

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, every application before the National Energy Board is examined according to the same standards to make sure that every

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one of those applications complies with all the applicable rules and regulations.

In fact, that is a request that is made not only by the energy industry in this country but by all the premiers of all the provinces, including explicitly and specifically Premier Bouchard of Quebec.

[Translation]

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, in order to have an informed judgment on the entire question, is the minister prepared to ask cabinet to stay the final decision for the time it takes to have a fair and equitable evaluation of the Gazoduc Trans-Québec et Maritimes project?

[English]

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, to be very specific let me quote Premier Bouchard of Quebec:

[Translation]

“It is preferable to leave it up to the market and the regulatory bodies to look after matters relating to natural gas transmission”.

[English]

That is what we are doing. If there are parties in the private sector who feel aggrieved by any technical aspect of the process, they are perfectly at liberty to appeal to the courts, which indeed some of them have done.

* * *

• (1440)

HELICOPTERS

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the helicopter saga continues.

Let us look at the government's record to date: four years of stalling, \$500 million in cancellation contracts for penalties, helicopters grounded because they are too dangerous to fly, and now suspicion of a rigged tendering process, all the consequences of a cynical election ploy back in 1993.

When will this helicopter saga end and when will the minister hand the military what it needs to do the job?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, first of all, all of the preamble is wrong. Second, what the government is attempting to do is make sure we get the best value for the taxpayers, that we get a helicopter that meets our operational needs.

This is no small expenditure but it is an important one. Search and rescue is an important function in this country, important in

saving lives. We continue to provide that kind of service and the men and women who provide it do an excellent job.

We will soon be announcing a new helicopter purchase.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I wonder how much more it is going to cost the Canadian taxpayer. This minister is an expert at stalling.

I know why his government is stalling. In fact, we all know why his government is stalling. It is worried about a campaign flip-flop it made on the contract back in 1993 and it is trying to save political face.

This government has had four years to make this decision. We want the helicopters, the military wants the helicopters, all the opposition parties want the helicopters, and the money is in the bank.

When will the minister set aside his own—

The Speaker: The hon. Minister of National Defence.

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the hon. member wants to tell us which one he wants. Everybody else has an opinion.

The opinion of the government is to take a responsible approach to this to make sure we get the best helicopters to meet our operational needs. That is the kind of decision we are going to make and soon.

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[Translation]

INTERNATIONAL ARMS SALES

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

We recognize that the Canadian government has played a positive role in the development of the anti-personnel land mines treaty. It must not be forgotten, however, that Canada continues to be a significant player in international arms sales.

How can the government square its efforts to ban anti-personnel land mines with its foreign arms sales?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is very easy because in fact we have about the toughest export controls in arms of any country in the western world.

* * *

BANKS

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, once again record profits are being reported by the banks and yet service charges appear to be popping up everywhere.

Oral Questions

Is the Minister of Industry prepared today to tell Canadian consumers how he is going to assist them, because they believe they are being overcharged by their banks?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, first, we believe that the most effective way to ensure that all charges that are rendered to consumers are lowest is by having the best level of competition and the best level of awareness among consumers.

Therefore I am very pleased to indicate to the member that within the next couple of weeks we will make available a service charge calculator free of charge on our website, Strategis, that will enable consumers to compare the charges levied against them by a variety of financial institutions and see in a very transparent and rapid way where the best services charges can be obtained.

* * *

TAXATION

Mr. Lorne Nystrom (Qu'Appelle, NDP): A web page calculator certainly helps those people living in poverty, does it not, Mr. Speaker.

In light of the record bank profits of \$7.5 billion, the highest ever in this country, and record student debts of around \$25,000 per student, and in spite of a commitment made by this government to tax these banks, it collected only a paltry \$85 million in surtax in the last two years, I am sure the prime minister will agree this is peanuts.

What steps is he going to take to raise the surtax to help offset student debts in this country?

• (1445)

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, our banks are one of the most heavily taxed industries in Canada. It is this Liberal government that increased the corporate surtax, that increased the large corporation tax and imposed a temporary surtax which has raised well over \$200 million.

I am glad, from the press conference that the hon. member held today, that he actually supports the use of that surtax. Bank taxes have gone up 45% since we took office.

* * *

CANADIAN BROADCASTING CORPORATION

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, 160 CBC employees were given their pink slips yesterday. Most government departments have been cut by 19%. The CBC has lost one third of its funding. The latest \$30 million cut will hit the local and regional operations the hardest, especially in the west.

This government claims we need the CBC to bind Canadians from coast to coast. Is the minister of heritage in fact endorsing the CBC plan to centralize and further target jobs in local and regional operations?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, this round of cuts is the final one that the CBC is making. It was predicted. Everyone knew that it was going to happen, but I am pleased to say that in fact there are fewer cuts than there were planned to be purely because we have put in \$10 million into RCI and that has lowered the number of cuts.

These are the last cuts. CBC is now restructuring to look at how it meets its mandate more effectively.

* * *

SUMMA STRATEGIES

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, Summa Strategies is a lobby company owned and controlled by two former Liberal members of Parliament, Paul Zed and Doug Young.

Mr. Young, being the former minister of transport, has been hired by an American syndicate to expedite the control and ownership of the port of Bayside.

Does the government support lobbying efforts on the part of the former minister who, in fact, wrote the port's privatization act? Does this fit in with the prime minister's definition of ethical behaviour?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I would like to assure the hon. member that Transport Canada's port divestiture program is going extremely well right across the country, including in New Brunswick where we have signed a letter of intent with a local authority and have advanced them some funds to develop their concept further.

Certainly, with respect to the individuals who he raised in his question, these people are private citizens and they are able to conduct their business in whichever way they wish.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, think about it. To accept that statement from the minister, we would have to believe in the tooth fairy. These people are the highest paid lobbyists in the country working on behalf of an American company to take control of a Canadian port.

Does the minister find something wrong with the system when the former minister of transport can lobby the government, in fact, the ministry to do such a thing?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the issue is have the individuals met the requirements of the conflict of interest rules. As far as I am aware, they have met the requirements of the rules and I think that speaks for itself.

*Oral Questions***SOMALIA**

Ms. Colleen Beaumier (Brampton West—Mississauga, Lib.): Mr. Speaker, my question is for the Minister for International Cooperation. Over 1,000 Somalis have already died in the worst flooding that country has ever seen. Thousands more are in danger of starvation and disease.

Has Canada done anything to respond to the UN appeal for humanitarian aid to Somalia?

Mrs. Claudette Bradshaw (Parliamentary Secretary to Minister for International Cooperation, Lib.): Mr. Speaker, we will be contributing \$250,000 to the International Committee of the Red Cross for emergency assistance to the victims of flooding in Somalia.

Canada provided more than \$40 million in food and other humanitarian assistance to Somalia since 1991. We are also very concerned about the ongoing violence in Somalia.

Canada is working with the international community to determine what role we can play in support of the regional peace process which is essential to Somalia's long-term development.

* * *

HAITI

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, Canadian armed forces personnel are due to be withdrawn from Haiti. Unarmed RCMP officers will be left in Haiti without Canadian military support. This will significantly increase the chances that they will be attacked and injured or killed. RCMP staff relations officers have told me that there is a much greater danger now that the military is gone.

• (1450)

My question is for the prime minister. Why is this minister courting disaster and disregarding the safety of the RCMP left in Haiti?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, first of all, I want to congratulate the men and women who did a fine piece of work in Haiti on behalf of Canada and on behalf of Haiti.

The United Nations mandate came to an end as of November 30. We have not been requested to remain. There will be policing operations that will be taken over by the Haitian national police and there will be some assistance which we will provide.

There will continue to be the provision of assistance with respect to training coming from Canadian police, but in no way will their safety be in jeopardy.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I was in the RCMP for over 30 years and I know that there is no

way that policing in Haiti is like normal policing in Canada. As a result, I am very concerned about the safety of the RCMP in Haiti.

I would ask the minister again what specifically will he do to ensure their safety?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, if the hon. member had bothered to look at the United Nations decision, he would know that the reality is that the new mandate established by the security council is to provide police for technical assistance, backed up by a rapid response team which will be supplied by the Argentinians, which will have the full capacity to ensure the security of all the police forces in Haiti.

It would help to read, once in a while, what decisions have been made by the United Nations.

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[Translation]

RAIL TRANSPORTATION

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, on November 5, the Sept-Îles chamber of commerce complained to the Minister of Transport about the attitude of the Quebec North Shore and Labrador Railway company, which had decided to privatize its depot for goods destined for northern cities. This decision will cost Sept-Îles merchants several million dollars.

What does the Minister of Transport intend to do to restore the business of transporting goods to northern cities such as Fermont and Shefferville to normal?

[English]

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, the government is obviously concerned about the state of Canada's highways. The federal government has been involved in assisting the provinces since 1919 in highway construction.

We have about \$2.3 billion in existing commitments, some of which will have to be renewed over the next few years.

The hon. member makes a good point about the need in remote communities, but those priorities are set by provincial governments. The federal government then matches funds in any particular agreement.

* * *

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Quebec has now agreed to cut a cheque for the victims of hepatitis C. Will the health minister admit that the real reason he is not ready to give them compensation before Christmas is that his leadership rival down here in finance will not show him the money?

Oral Questions

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the hon. member has been reading science fiction again. He really should stick to the facts. The facts of this matter are very clear.

This is the minister and this is the government which have been signalling for months that hepatitis C victims should not have to spend a lifetime in court in order to get some kind of redress. Mr. Justice Krever's recommendation helps in that regard. The development in Quebec is very welcome.

As the hon. member knows, I will be meeting with my counterparts in the next little while to discuss where we go from here in the face of that recommendation.

* * *

THE ENVIRONMENT

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, I would like to address my question to the prime minister.

The federal government has up to 5,000 contaminated sites across Canada and it has no plan to clean them up.

The auditor general estimates a minimum price tag of \$2.8 billion and further inaction will only increase these costs. PCBs, military sites, ports and harbours, government lands, old bases and dumps need to be cleaned up and the government has no idea where most of these sites are.

When will the government stop dragging its feet and stonewalling, clean up these sites and get Canadians back to work restoring our environment?

Mrs. Karen Kraft Sloan (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, I thank the hon. member for his question.

This issue was raised in the auditor general's report. It was a very important report. The minister is appreciative of this report because it brings to light a number of concerns. When she returns from Kyoto, she will be following up with officials on many of these important issues.

* * *

● (1455)

TRANSPORT

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I need a little help from the Minister of Transport today.

An hon. member: You need a lot of help.

Mr. Bill Casey: A lot of help is right.

I have in my hand the strategic highway improvement program agreement which manages \$55 million of taxpayers' money and it

states that it will be managed by two members, one member to be appointed by the federal minister and one by the provincial minister, and all decisions must be unanimous.

However, when I ask the minister a question about the 104 highway toll fiasco in Nova Scotia, which is already the most frequently closed highway in Canada, he says it is a provincial problem.

Can the minister please explain why the agreement in my hand states that it is the federal government?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, as I have explained to the hon. member before, this is a highway which was built, designed and operated under the auspices of and for the province of Nova Scotia. The federal government contributed \$27 million toward that highway construction and that was the extent of its involvement. We feel that there have been no other problems associated with the highway from our point of view.

If he has a problem, he should address it to the government of Nova Scotia.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

[*English*]

The government keeps telling industries and individuals to do something about the reduction of greenhouse gas emissions.

I would like to know if the government is prepared to put its money where its mouth is and specifically tell Canadians here and now what we are prepared to do as far as reducing those dangerous, noxious gases?

An hon. member: Whose money?

An hon. member: It is the taxpayers' money.

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I am pleased to tell the House that the Government of Canada is fully on track, not only to meet but likely to beat its commitment to cut greenhouse gas emissions from its own government operations. That commitment was to get to 20% below 1990 levels by the year 2005.

Based on our progress to date, total greenhouse gas emissions from federal facilities will be down 18% by the year 2000 and 27% by 2005.

*Business of the House***DUTY FREE SHOPS**

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, yesterday the auditor general confirmed that the duty free shop that by-passed the tender process is located in Windsor, Ontario.

Will the Minister of National Revenue please tell the House why there was no national tender call and why the licence was given to a front for a foreign national, all contrary to Treasury Board guidelines.

An hon. member: What is happening here?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member for his question. I want to inform him that the decision made in 1995 was based on the fact that there were unique circumstances with regard to this. I want to emphasize to the member that Revenue Canada fully complied with the law and with all the regulations that exist. This decision was very much supported by the community.

* * *

[Translation]

TRANSPORTATION OF TOXIC MATERIALS

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, we have learned that Transport Canada has just limited the products that may be transported on type 111-A wagons because they are not safe.

Yet 35,000 such wagons are still in use in North America and it will be recalled that there was a spill of 80,000 litres of sulphuric acid because of a derailment involving this kind of wagon on November 24.

My question is for the Minister of Transport. In the interest of public safety, will the minister undertake to order an immediate moratorium on the transportation of toxic materials in 111-A wagons?

[English]

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I am aware that these types of wagons were involved in the accident that happened the other week in terms of the chemical sulphuric acid coming out of the air. We have been assured that by and large, overall most of these wagons are in good shape, although some of them have to be inspected.

I will take the hon. member's suggestion under advisement and get back to him at an early opportunity.

NATIONAL DEFENCE

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, the government has been dithering for months and even years on the helicopter question and endangering people's lives in the process.

The latest example was at Hibernia last Sunday when 107 folks had to be evacuated off the rig. They could not use the search and rescue planes out of Halifax. They used leased helicopters.

• (1500)

My question is for the Minister of National Defence. When is the minister and the government going to make an announcement about replacement helicopters? Can he assure us that the process he is using will be both fair and transparent?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, of course it will be fair and transparent. It is a decision that is going to be made soon. It is one though that is far better than the decision that might have been made by another government a few years ago which would have cost the government far more money than what a helicopter purchase will cost us today.

The Speaker: That would bring to a close our question period today. I am going to go immediately to the question for Thursday.

* * *

BUSINESS OF THE HOUSE

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I would like to ask the government House leader to inform the House of the nation's business for the next week.

Mr. Speaker, there has been a leaked document from Santa's office apparently. This document that we have our hands on seems to indicate that next Friday, December 12 this House will not be sitting. I would like the government House leader to tell us whether this information is in fact true or a rumour.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I cannot speak about Santa Claus because that would be out of order.

I can inform the House that tomorrow we will deal with the third reading of Bill C-9, the marine legislation.

On Monday the House will debate the motion with reference to the terms of union with Newfoundland. I understand that there is a will in the House to sit late if necessary to debate this motion with any division bell being deferred until Tuesday afternoon.

Privilege

On Tuesday we hope to deal with Bill C-17, the Teleglobe bill and Bill C-5, the co-operatives bill if the House is willing to do so.

On Wednesday and Thursday the House will debate the second report of the finance committee which constitutes the annual prebudget debate.

Next Friday remains to be scheduled.

The Speaker: I have notice of two points of privilege. I will hear those in just one moment.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a ways and means motion to amend the Excise Tax Act, as well as an explanatory note. I ask that an order of the day be designated for consideration of the motion.

* * *

PRIVILEGE

MEMBER FOR OKANAGAN—SHUSWAP

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, I rise today on a question of privilege. I have sent you the required notice of my intention to do so today. I have also informed the House leader of the Reform Party.

Earlier today during debate on Bill C-2, my leader was interrupted by out of order remarks by the member for Okanagan—Shuswap. Following an admonition by the Chair, the member failed to come to order and left his seat making threatening gestures inviting the member for Sherbrooke to engage in a brawl.

The member had to be restrained by the member for Prince George—Bulkley Valley who is his colleague.

● (1505)

With great regret, I feel this must be formally brought to the attention of the Chair. It is not the first time that the member has engaged in this kind of activity. On February 4, 1997 the member for Okanagan—Shuswap created a spectacle in this Chamber when he used threatening gestures and profane language to another member.

Mr. Speaker, it clearly constitutes disorderly conduct, but it also constitutes contempt of the entire House. Threats against members and intimidation are well-known breaches of privilege and they have been found to be in contempt by the House. It is conduct which is clearly meant to interfere with the rights of members to speak freely and within the rules of the House.

The member for Okanagan—Shuswap, not only does he owe the House an apology, but it is time that the House was given the opportunity to judge his continued misconduct. It is not a matter which should be dealt with solely by you, Sir. The House as well should be permitted to judge the matter in the light of parliamentary law on contempt for the House.

Should you find, Your Honour, that a prima facie case of privilege is clear, I would be prepared to move a motion referring the member's conduct to the standing committee.

The Speaker: Let us hear what the House leader for the opposition has to say.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I am not sure whether this is a point of privilege. I suppose a member of this House if he is particularly offended by something should look at what happens if the member himself introduces some bad language in the House.

I think to try to get some media attention for the leader of the Conservatives and for himself is inappropriate in this House in this manner by making such accusations on our member.

The Speaker: The hon. member in question is here in the House now. His name has been mentioned. Perhaps he could clarify the situation.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I was not in my chair at the time this took place. There were some words exchanged. I left the seat over there to come over here.

I cannot raise a point of order until I sit in my proper seat. Is that not the rule of the House? So I came across here to raise a point of order on what was being said because the language that was being used was not acceptable in this House. This is when it all happened, Mr. Speaker.

The Speaker: My colleagues, from what I have heard now I am not sure whether we have a point of privilege. Surely there was some disorder in the House. I spoke very briefly with my colleague who was in the Chair at the time.

It is always regrettable when anything like this happens in the House. We are getting close to the end of the session. Sometimes in the heat of debate words are exchanged. I plead with you that this type of conduct among our members is not acceptable for us here in the House of Commons. I would hope that all hon. members would take this to heart.

I would encourage that this type of thing not happen again in the House of Commons, and surely not happen at any time in the midst of debate.

My colleagues, what I will undertake to do is I will look at the blues and I will look at what was on the tape. If it is necessary, I will come back to the House. But please take my admonition to

Government Orders

heart for all of you that this type of thing should never occur again in the House. This point is closed.

• (1510)

I am going to go to a question of privilege. I had notice from the hon. member for Sarnia—Lambton.

PRIVATE MEMBERS' BUSINESS

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, I rise on a question of privilege generally relating to Standing Order 94.

This morning I received at my office a notice with respect to a private members' draw that will be held tomorrow, December 5. A draw was held on November 25 at which time I believe six bills and three motions were drawn.

As members are aware, the normal way of doing this in the House is to allow the private members items on the order of precedence to decrease to 15 at which time a draw is held. A draw was held a week ago and the committee is within the 10-day time period as specified by the standing orders to determine which bills and motions will be votable and which bills and motions will not be votable.

In response to an inquiry I made to the Private Members' Business Office this morning, I was advised that there was an irregularity with respect to motions and for that reason it was having another draw. My point is that if there was an irregularity with respect to motions, then perhaps the correct measure would fall with respect to the draw of motions. I am not certain what that irregularity is.

There are presently four votable bills listed on the Order Paper. The committee is seized with the consideration of six others at the moment. A decision for that must be made by midnight next Monday. By adding three more bills to the order, those people who will be drawn tomorrow with bills, if one of the six is selected from the draw of November 25, it will preclude those who will be drawn tomorrow, December 5, from ever having a votable bill. Alternatively, it will change the odds for those who had a bill drawn on November 25 in terms of going from one to six to one to nine.

Having had a bill drawn on November 25 I would like to know if the odds have changed for me.

The Speaker: My colleague, I do not know that you have a question of privilege but you surely have a point of grievance. I will look into that and I will get back to the House before noon tomorrow. I will let the House know what my findings are at that time.

I have a point of order from the hon. member for Dewdney—Alouette.

POINTS OF ORDER

NATIONAL ENERGY BOARD

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, my point of order arises from a question I asked in the House yesterday in regard to Mr. Ken Vollman, the vice-chair of the NEB. Upon further examination it has been determined that Mr. Vollman's expenditures were within appropriate guidelines. I called Mr. Vollman today and apologized to him for any damage caused to his good reputation by my comments in this House yesterday.

Mr. Vollman did indicate that I should mention in this House the way the information was disclosed so that this does not happen again in the spending of public moneys. Again I apologize to the House and to Mr. Vollman.

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the question from yesterday to which the hon. gentleman has just referred was a question directed to me in the House.

On that same point of order, let me say that I am very pleased to hear the member's apology in respect of Mr. Vollman. I am certain that Mr. Vollman is even more pleased that the record has been corrected and that there is no slur against his character or his reputation. I thank the hon. gentleman for having the courage to recant on this point. I hope that all hon. members will be very cautious when dealing with the reputations of people in this House.

GOVERNMENT ORDERS

• (1515)

[English]

CANADA PENSION PLAN INVESTMENT BOARD ACT

The House resumed consideration of the motion that Bill C-2, an act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other acts, be read the third time and passed.

Mr. George Proud (Parliamentary Secretary to Minister of Veterans Affairs, Lib.): Mr. Speaker, I am pleased to offer my comments on Bill C-2 as we take part in this very colourful and hotly debated third reading today.

In my remarks I want to emphasize how we are earning the confidence of Canadians in the Canada pension plan that will be

there for them. I want to talk about how this bill is a comprehensive package that will maintain the security of our citizens.

First, it should be made clear to all of us that the Canada pension plan is a defining feature of the quality of life in Canada. In the three decades since the plan was introduced by the Liberal government of the day, the Canada pension plan has become firmly established as a the cornerstone of our social policy.

This is not just some monument to enlightened thinking in our past. It is a key part of the planning for tomorrow's retirement for virtually all Canadians outside of Quebec and with its Quebec counterpart provides a very uniform portable protection from coast to coast.

In the last few years, however, concerns have been expressed about the viability of the Canada pension plan. A leading magazine, *Maclean's*, put this in sharp perspective a few months ago. It polled Canadians and found that two-thirds of our fellow citizens were not confident that the Canada pension plan would be around when they needed it.

Canadians heard statements like the one made by the Canada pension plan's chief actuary and they were concerned. I believe we all know that he projected that at current ratios of contributions to benefits paid, the Canada pension plan would be exhausted by the year 2015. Their concerns were rooted in more than finances.

Expert analysis showed us that the rules of the plan had to be updated to reflect the realities of today's world as well as tomorrow's. The facts were clear, the need for action obvious.

This government has acted to preserve the Canada pension plan for all Canadians. The changes to the plan that are before this House in Bill C-2 are not the product of tinkering in Ottawa. They are the result of a long and wide-ranging process of public consultation that began during our last term in office. They represent a complete and balanced package.

This process of consultation was jointly conducted with our counterparts in the provincial and territorial governments and professionals in Canada's actuarial and insurance professions. The consultations reached out to the representatives of social planning organizations, seniors, youth and persons with disabilities as well as interested private individuals.

In short, these consultations involved a large number of Canadians who had views and concerns about building a stronger Canada pension plan. One of the clearest messages that Canada's governments heard during the consultations was that Canadians want and need the Canada pension plan.

To hear some people talk, you would swear that the Canada pension plan was an anachronism, a throwback to the sixties. Those people should get out of their ivory towers and listen to Canadians.

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People on the streets of this country would tell them something quite different.

Canadians told us in no uncertain terms to preserve the Canada pension plan, change it if necessary, but preserve it. We heard them. We listened and the result is this Bill C-2.

This bill is more than an effort to address today's valid concerns. It launches a plan for the future. Bill C-2 recognizes how different our economy and our society have become since the year when the plan began. It makes the changes necessary to sustain the Canada pension plan.

Three-quarters of those changes are on the financing side of the ledger. They respond to the gap between the contribution rates and the benefit payouts. In fact, I am sure that members recall that the chief actuary in the Canada pension plan projected that contribution rates would have to increase to 14.2% of income covered by the plan by the year 2030, that is unless changes were made.

• (1520)

This government and our provincial partners agreed that 14.2% of income was too high. We knew that it would be more than Canadians would be willing to pay. Therefore, we went to work.

We looked at what experts and at what ordinary citizens alike told us as we set out to rebalance the relationship between the Canada pension plan income and expenses.

One key part of the response is addressed in Bill C-2 through the proposals that would increase contribution rates over a seven-year period.

In this way, contributions will increase each year and reach 9.9% of covered income by the year 2003. Then, we will hold the contributions at this rate indefinitely.

Some hon. members have been quick to leap to their feet with shouts of tax grab. The reality is quite different, and I want to set them straight.

Canada pension plan contributions are not a tax. They are contributions toward pensions. They are an investment by Canadians in their own future. That is hardly a tax. It is planning prudently for tomorrow.

Let me add more information on this point. Canada pension plan contributions will not go into the government's general revenues. Canada pension plan contributions will not go to anything other than the Canada pension plan.

Let me make another point to show how hollow tax grab claims are. Are contributions to company plans taxes? Of course not. In fact, both the Canada pension plan premiums and company pension plan contributions reduce the taxes we pay.

Government Orders

The simple fact is this. Both are investments in the future and I think it is important that Canadians understand that. Bill C-2 is very, very clear. These contributions will not get mixed into some government coffers. They will become part of a separate investment fund. An independent body will manage and will invest this money on behalf of a plan and its contributors.

Those investments will go into a diversified securities portfolio and should earn higher rates of return than the status quo. That improved investment performance should help us lower the long term contribution rate by providing more income to help pay the benefits for future generations.

Opposition parties in this House have consistently avoided providing a comprehensive alternative. Each is unable to say how they would meet our obligations to people receiving benefits today, those who expect to do so soon and those who have many years to go in their working lives.

This government and our counterparts in the eight provincial capitals have a plan. It is called Bill C-2 and it is right on the agenda. Bill C-2 is about ensuring a sustainable, affordable and fairer Canada pension plan. It is about giving peace of mind to Canadians who are getting pensions now and for those who are looking ahead to receiving pensions in the future.

This bill is about ensuring fairness between the generations in our country so that our children and grandchildren do not have to pay as high as 14% of their earnings.

As I hear the comments about this or that aspect of Bill C-2, I find nothing that shakes my conviction that this is a sound piece of legislation. It is balanced. It is fair. It is the right direction for us to go. It represents the complete package that Canadians told us they want.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I appreciate the comments of the member. I think the member well appreciates the importance of a secure, guaranteed, indexed plan for Canadians to help our seniors to enjoy in dignity their retirement.

I would like to ask the member his opinion about the Reform Party's suggestion that we should abandon the CPP and move to some sort of RRSP scheme in which individual Canadians would have to manage their own pension affairs in lieu of having the benefits of the current plan and whether or not the member feels that that kind of plan would provide the same kind of protection and security for Canadians.

Mr. George Proud: Mr. Speaker, I thank my colleague for his question. Everybody has their own opinion on what would do for a pension plan. Let us look at the realities of this. The reality is that this Canada pension plan was brought into being because of the fact that a lot of people cannot or do not contribute to their own pension plan. A lot of them cannot for various reasons and it is not their fault.

• (1525)

Therefore, back in the 1960s this plan was devised to take care of those people at the end of their working time when the company did not provide a pension, or maybe they were self-employed and there was no pension plan available and they had nothing but the old age security.

This was a terrible situation for people to be in. I have seen that happen to people on the street where I lived. To make matters worse, when the person who received the old age security passed away, the spouse was left with nothing. This is why this type of plan is necessary. I believe it is necessary and obviously the majority of Canadians believe this type of plan is necessary.

There is a large segment of society that for one reason or another do not contribute to RRSPs. That is a fact. There are RRSPs and they will be there in the future. I think they are a tremendous thing for people who have the ability to contribute to them. However, I also believe that there has to be some kind of social safety net that we are always talking about. This is a social safety net. This is a big part of it and Canadians want it. I believe it is very necessary, along with RRSPs.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, the hon. member just mentioned how important it is to have a social safety net and completely ignores the fact that this so-called social safety net has an unfunded liability of something like \$600 billion. It will be in total collapse if we do not deal with the problem right away.

I remember in the previous Parliament to this one, at the beginning when the Reform was asking questions about the CPP and pointing out that it was in danger of collapse, the finance minister and members on that side constantly said "There is no problem. It's a wonderful program." It was one of these Liberal gifts to mankind. Now, in this Parliament I heard the finance minister just weeks ago in question period say that everyone knows that the CPP is in trouble and needs to be fixed.

While I am pleased to see the Liberals realizing that there is a problem after denying in the last Parliament that there was a problem, I would like the member to explain to me how he can promote this as a good program, a good social safety net when it has an unfunded liability of close to \$600 billion and everybody admits that it is in hopeless disarray. There is evidence that similar programs around the world have gone under and have had to be replaced with contributory programs like RRSP style programs. Why does he keep defending something that is indefensible?

Mr. George Proud: Mr. Speaker, I want to thank my colleague across the way for his questions.

The hon. member referred to what the finance minister said. However, I for one, along with everybody in Canada knew that

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over the last number of years that the plan was having problems. We stabilized the problem with Bill C-2 in consultation with Canadians who told us clearly, without any question, that they wanted this Canada pension plan and that they wanted it brought into line so that they, their children and grandchildren would have pension benefits.

We can use all kinds of ways to skirt around this. The fact of the matter remains that Canadians believe in this Canada pension plan. Yes, it has to be managed in such a way that there will be money there for people in the future. I am convinced that we are doing this today with Bill C-2. I am not only convinced, but the people of Canada are convinced because they have demanded that we do this.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I would like to inform you first off and thus let our competent clerks know that I will be sharing my time with the member for Laval East.

Bill C-2 to reform the Canada pension plan now before the House has arrived four years late. It is however vital for Quebecers contributing to the CPP.

• (1530)

Few Quebecers are actually affected by this plan; fewer than one half of one per cent of the residents of Quebec receive CPP benefits. The statistics may not perhaps be accurate, but we are talking about some 12,000 Quebecers. However, they and the people of Canada have not all had the opportunity to set up a private pension plan, and we must ensure they have an income when they decide to retire.

I said the bill is four years late. When the Liberals took over the government in 1993, they knew then that the plan was in trouble. Instead of assuming its responsibilities, the government focused on improving the retirement fund, but did not change the rules for disability benefits or contributions.

Had the current Liberal government assumed its responsibilities, the increase in contributions would be minimal, and the ordinary worker would not be penalized in the contributions he makes.

Even though our party agrees with the bill, and we are in favour of the current reform, I still have some remarks, which, should the government take them into consideration, would significantly improve benefits and provide a much more comfortable retirement to recipients, the people we represent, the people who sent us here.

Let us take a look at death benefits. Low income workers are often not protected by life insurance. Still, their families have a right, just like any other Quebecer or Canadian, to plan a decent funeral. The proposed reform provides for death benefits equiva-

lent to six times the actual retirement benefits, up to a maximum of \$2,500. The plan that we have in Quebec is much more generous, since the maximum allowed is \$3,350. Yet, the premiums paid are the same.

I now come to the issue of disability benefits. The federal government is experiencing a lot of problems with the disability benefit program.

In September, the Auditor General of Canada, Denis Desautels, blamed the government for the unjustified escalation of the costs relating to disability benefits. He said the increase was the result of regulations that are too lax as regards disability benefits. Disability benefits should be paid only to people who cannot perform any remunerative work and for whom there is absolutely no possibility of being cured, given current medical knowledge. If the federal government adopted such a position, it would make the auditor general happy and the plan would be in better shape.

My purpose is not to penalize workers when they get sick. However, there are other social programs in Canada, and also private insurance programs, that cover disability. The purpose of a pension plan is to allow a contributor to retire or get financial support if he or she is incapable of performing any type of work.

Let us now look at premiums. The current contribution rate is 5.85%. The bill proposes to raise the rate to 6% in 1997, which will then reach a maximum of 9.9% by the year 2003, and remain at that level until the year 2010.

As I pointed out at the beginning, if the government had taken its responsibilities in 1993, the increase would not be so drastic and the plan would be in better shape. However, under the circumstances, we have no choice but to increase contributions, if we want to reduce the intergenerational unfairness by making baby boomers who, on average, will work for another 20 years or so, pay contributions that are more in line with the benefits they will get when they retire.

• (1535)

I have a warning for the government about the public pension plan. Millions of provincial government employees have agreed to receive reduced benefits from their private pension plan when they turn 65 and start receiving CPP or CPQ benefits. They agreed to such a cut because, at age 65, old age security was expected to make up for it.

But there is a snag: the current Minister of Finance plans to change the rules of the game by turning the existing old age security into a seniors' benefit by the year 2001.

I am aware that this remark concerns neither the existing nor the proposed Canada pension plan. But when dealing with the issue of retirement, we must make sure that the various plans are consis-

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tent. Count on me to remind the government of this fact when the time comes to calculate old age security based on family income.

The fourth point I would like to address concerns the auditor of the board. All these contributions collected and invested will have to be kept safe. The auditor should be appointed for five years and only be removed for just cause. In addition, the minister should cause a special examination to be carried out in respect of the operations of the board or any of its subsidiaries every six years. It would also be important that the governor in council be able to make regulations respecting the investments the board or its subsidiaries may make by ensuring that the end result is the maximum return for the pension fund.

To conclude, the bill currently before us is a good bill for the citizens of Canada and Quebec. However, some amendments are absolutely essential and I hope that the amendments proposed by my party, the Bloc Québécois, will be accepted when the bill is reviewed clause by clause.

What the Bloc Québécois wants is simply that there be better distributive justice, that there be concern for the underprivileged, for the people who have fears, for the elderly who are alone in their kitchens and worry that the fund might not always be there for them.

What the Bloc Québécois wants is more fairness. We want to ensure that the wealthy pay their fair share of taxes and that there will not be two social classes in Canada. The rich are getting richer and driving bigger cars, while the poor are getting poorer. We should ask ourselves whether there would be enough money available to improve Canada's social programs if the 62,000 profitable companies that paid no taxes had paid their fair share.

One after the other, our big banks are announcing record profits. This is outrageous. If banks paid their fair share in taxes on their profits and stopped crushing poor workers by pulling the plug when they can no longer pay their mortgage or by repossessing their cars when they cannot make their payments, perhaps there would be better distributive justice and we would be able to avoid the contribution rate increases we are seeing today in Canada's social programs.

So this is what our party is calling for and I hope that our amendments will be seriously considered by this government if it really has a heart and soul.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have a comment and a question for the member. The member mentioned a few items, all of which have to do with the issue of what has been called intergenerational equity.

All members will know that under the current system pensioners today receive approximately \$7 for every \$1 they put in. This

occurs because pensioners presently receiving pensions did not have full working careers. The plan came into effect in 1966. Benefits started to be paid in 1967. In fact full benefits started to be paid by 1970.

The member will also know that if one worked from 1966 to 1996, made the maximum amount and paid the maximum premiums each and every year, the accumulative premiums that any pensioner would have put in would accumulate to about \$10,200, even though the annual payout was \$8,800.

● (1540)

Clearly this is the reason the chief actuary found that we could no longer continue to pay the low premium rates that we are paying and still have those kinds of benefits.

The member raised an interesting point. Canadians said that they wanted to insulate today's seniors to make sure their benefits were not affected. Under Bill C-2 Canadian seniors, pensioners and those receiving disability benefits should be assured that their benefits will not be impacted by the changes in Bill C-2.

The question I have for the member concerns the aspect of how to make it fairer for those who have already worked some part of their career and perhaps are approaching retirement as opposed to those who are younger. The member knows that currently the rates are planned to go up to 10.1% in the year 2010. Bill C-2 is introducing a higher rate earlier so that we smooth the benefit out.

Does the member disagree with advancing the schedule of rates to begin in 1998, or is he in fact saying that somehow today's seniors should have to pay more for the benefits they currently enjoy?

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I am not sure whether the hon. member has understood what I said. First of all, our party has announced that it agrees with the bill.

Our party will be proposing improvements to the bill, through our critic, the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques. What we do hold against this government, to which the hon. member who has just asked the question belongs, since he is a Liberal MP with several mandates under his belt—to go back to the catechism we had to learn when we were a little younger, in which there were different kinds of sins—is a sin, not of commission, but of omission.

It has done nothing. It has been lax ever since 1993. As soon as the Liberals came to power in 1993, when they became aware of the state this plan was in, they ought to have acted, got something accomplished. Why, now that we are nearly in 1998, has nothing been done since 1993?

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I know that if the hon. member had a second chance to speak, he would say "Yes, but nothing was done during the two mandates of the Conservative government". That is true, yes, nothing was done in 1984, and in 1988, but that just confirms what the Bloc Québécois has always said "Liberal or Conservative, it is six of one and half a dozen of the other. They are all alike".

[*English*]

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I have a question for my hon. friend in the bloc party. He mentioned the fact that the death benefit under the Quebec pension plan was higher than that in the rest of Canada.

I heard of a problem recently. When human resources were handling a death benefit out of Regina, from the time of death until the payment was made used to be six weeks. Last October, before the move, the average time for those constituents to obtain the death benefit settlement was five months.

Under the minister's plan does it take five months for someone to get a death benefit settlement?

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): I am pleased that my Reform colleague, who sits with me on the transport committee, has given me a promotion. I have moved up to being a minister in the Government of Quebec.

I would be delighted to be a minister in the government of a sovereign Quebec, but having decided to stay here for a time, I would like to tell him that I am not in a position to confirm or deny his five months figure.

I am convinced that some Liberal colleagues will want to respond that the Quebec pension plan is the envy of all Canadians. It is an effective plan that has proven itself. I hope that in Quebec we do not just do wrong things.

• (1545)

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, Bill C-2, which we have been considering for several days, proposes a reform of the Canada pension plan and the establishment of the Canada Pension Plan Investment Board, and it is not a moment too soon, as my colleague from Beauport—Montmorency—Orléans pointed out.

These changes had become essential in order to ensure the long term financial viability of the Canada pension plan. The amendments are justified by demographic and intergenerational equity concerns.

In the next 35 years, the percentage of people over 65 years of age will almost double, reaching 23% in 2030. When the plan was set up, there were eight contributors for every retiree. Unless

something is done, by 2030, the ratio will be three workers for every retiree.

More specifically, this bill serves to increase the capitalization of the plan, improve investments and reduce administrative costs. The government needs the approval of two-thirds of the provinces representing two-thirds of the population in order to effect these changes. Consultations have given the federal government the support of eight provinces and enabled it to get on with reforming its pension plan.

As you know, Quebec is not affected by this reform, because, since 1965, it has administered its own pension plan, the Quebec pension plan. But it gave its support for the amendments proposed by the federal government. In fact, the Government of Quebec is also undertaking a series of improvements to its pension plan, through Bill 149, in order to ensure intergenerational equity.

The CPP is funded by means of obligatory contributions from employees, employers and the self-employed. All Canadian workers between the ages of 18 and 70 will be affected by this important and necessary effort since, last year, 10 million people paid into the plan. Last year as well, close to 3.5 million Canadians drew CPP benefits.

In Quebec, the situation is different because, as I mentioned earlier, the Caisse de dépôt et placement administers our plan. There are 12,882 Quebecers receiving pension benefits from the federal government, however, and the Bloc Québécois feels that these benefits should be adequate.

These people fall into three groups: the first consists of members of the Canadian Armed Forces and the RCMP living in Quebec; the second of individuals now living in Quebec and already drawing CPP; and, finally, individuals living in Quebec who have worked all their life in another province.

Right now, the plan is undercapitalized. To put it more simply, the plan is underfunded and will run out of money by 2015. If the federal government had not done something, the fund would have become depleted and coming generations would have paid a heavy price. It is not too late to take action.

This bill will ensure that there is a reserve of five years' worth of benefits, instead of two, meaning that the fund, which now stands at \$39 billion, would have to reach \$135 billion by 2007.

• (1550)

I feel like saying that the federal government is showing good sense in the bill we are looking at, even if it comes a bit late, as I have said. That has not always been the case in the past, for example with the employment insurance fund. Under the pretext of wanting to be prepared for the eventuality of dramatic rises in unemployment, and therefore in the number of claims for benefits, the federal government instituted employment insurance, with a

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fund which will reach \$13 billion by the end of 1997, and \$19 billion by 1998.

Although the government has given workers and employers a little break with employment insurance premiums, the employment insurance fund surplus is still indecent and, as we all know, is being used only for the government's accounting purposes. But that is another problem, and another debate.

In order to increase the funding or capitalization of the plan, the bill creates a Canada Pension Plan Investment Board, a sort of Canadian version of the Caisse de dépôt. The mandate of this new institution differs somewhat from that of the Caisse de dépôt et placement. Its mandate will be to earn the best possible rates of return. As for the Quebec fund, it also has an economic mandate we must not forget, namely to invest the money in the pension fund wisely and to use it as a tool of economic development.

It should be mentioned that, at the present time, the CPP policy takes the form of assets placed by the provinces in non-negotiable bonds. Those provinces so wishing may borrow this money at the rate of federal government bonds. As we can see, this is not a very good way to make the money of future Canadian pensioners grow.

I would like to say a few words about Quebec's Caisse de dépôt et placement in the hope that the new Canada Pension Plan Investment Board might one day take a page from its book. The Caisse de dépôt et placement manages the savings of all Quebecers, but it should be emphasized that its mandate includes the important requirement that it serve as an economic lever, something not found in the CPP's mandate. This measure has allowed Quebec to develop and become competitive over the past 32 years. For example, the Caisse put up \$16 billion to fund the James Bay project, thus helping create tens of thousands of jobs for Quebecers.

Under the terms of its economic mandate, the Caisse de dépôt et placement must meet the financial needs of businesses as effectively as possible, invest profitably, provide support for the growth of Quebec businesses abroad, promote exports, and maximize use of the international network of financial and industrial partners.

Quebeckers are proud of their Caisse de dépôt et placement. They are leaders in the field and have supported hundreds of projects that contribute to the economic development of Quebec and the creation of jobs. The Caisse de dépôt et placement is also the largest fund manager in Canada and ranks among the top 100 in North America, investing in North American, European and Asian markets. It also has the largest real estate portfolio in Canada's commercial, residential and office sectors. This flagship of Quebec's innovation now has close to \$62.4 billion in assets and has generated investment income of over \$47 billion since it was first created.

It was a decision by the people of Quebec that gave the Caisse de dépôt et placement its mandate. In creating the investment board, the federal government has preferred to stick to improving the plan's performance and protecting Canadians against premium increases. That is its decision.

As we mentioned, the major changes introduced by this bill are vital if the plan is to be viable, affordable and equitable.

• (1555)

It should be remembered that the plan will be subject to a review by the federal government every three years and that the ministers of finance will be meeting every five years to set the contribution rates—

The Deputy Speaker: You only have a few seconds left.

Mrs. Maud Debien: I will therefore conclude, Mr. Speaker.

In conclusion, the Canada pension plan is one of the essential elements of the Canadian social safety net. It is therefore important to protect this public pension plan for the people who have worked all their lives and to provide for their retirement. The sustainability of the plan is also essential for future generations.

For these reasons and despite the numerous improvements that should be made to this bill, the Bloc Québécois will support it.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I congratulate the member on her comments. She shows good knowledge of the bill and its intent. The support of her party is very much appreciated. It is the right thing to do for all Canadians.

She referred to investment. The member will know that an important element of Bill C-2 is that it creates what is called the Canada pension plan investment board. Under the current plan the two years of funding held in reserve has been invested in provincial bonds and earning nominal rates.

Investment under the CPP investment board will be made in a broader balanced investment portfolio, managed by investment professionals who are fully accountable. The member will also know that the auditor general will continue to be the auditor of the Canada pension plan. We will have full access to that.

I am pleased the member raised the issue. It is an important element to the extent the investment portfolio earns the best possible return without being disruptive in the marketplace. It means that overall rates which have to be charged as premiums will be cast at their lowest possible amount.

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My question for the member concerns the investment activity of the Caisse de dépôt. There is no question that the Caisse de dépôt has been a very successful investment fund and has invested in a number of regional economic and job creating initiatives.

Is the member suggesting, just to make it absolutely clear, that the five year funding of the Canada pension plan investment fund should somehow be used for other purposes such as regional economic development, which is what the NDP has been proposing, or is she suggesting that in Quebec, in concert with other things, there is a better place to do regional economic development rather than with the public pension fund?

[*Translation*]

Mrs. Maud Debien: Mr. Speaker, I would like to thank my colleague, the member for Mississauga-South, for his question.

I am glad that the member has emphasized like I did in my speech the Caisse de dépôt et placement du Québec and recognized that this fund has produced important economic spinoffs for Quebec, especially in the area of job creation.

He also clearly outlined the procedures that the board would have to follow for making investments under this bill. And he said that the investment fund would be managed by professionals whose mandate will be to produce the best possible return while ensuring the lowest possible rate of contribution. This is a process that we fully support. Except that I feel that this bill does not go far enough.

• (1600)

And as I pointed out in my speech, the accumulated funds in the plan should provide the opportunity to go further by allowing major investments in regional economic development.

In this respect, and I think the Bloc Québécois has reiterated this many times when it spoke, we believe that having professionals manage the investment board is a good thing in itself and indeed is an excellent step; it is important we ensure that this fund is managed professionally. Except that, when considering the types of investments that the board could make, what the Bloc Québécois pointed out about Bill C-2 is that it does not go far enough to promote economic development and job creation. This is how I interpreted the member's question and I hope that I answered it.

[*English*]

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Waterloo—Wellington.

Today we are speaking of a renewed Canada pension plan. I consider it an honour to have the opportunity to address the House on this very important piece of legislation.

A renewed Canada pension plan is one of the pillars in a national pension plan and it has been a priority of this government from the beginning. Now, as announced in the Speech from the Throne, the government has introduced legislation to implement the proposed changes to the Canada pension plan to ensure Canada's pension plan is sustainable into the 21st century and for future generations.

I would like to point out to the House that the Canada pension plan concerns Canadians of all ages and in all walks of life.

National consultations that preceded these proposed changes showed that the Canada pension plan concerns not only seniors but Canada's youth. This government is a government that listens to youth. That is why the government called on young people to take part in the consultations that preceded the development of these proposals. Beyond that, they were invited to specific consultation sessions held here in Ottawa.

They have made their views very clear. Our young people want to be able to count on the Canada pension plan to help them not only plan for their retirement but also to help support them after retirement. They made it clear that they want to fix the Canada pension plan, not eliminate it.

It has become clear that the current plan needs fixing. In its current condition it is not viable. Changes are needed to ensure that the Canada pension plan can meet the income security needs of Canadians now and in the future.

The chief actuary has forecast that with the current ratio of contributions to benefits paid with this current rate, the Canada pension plan's fund will be exhausted by the year 2015. Changes must be made.

Further, he has projected that to sustain the plan, contributions would have to increase from the current 5.8% of eligible earnings to 14.2% by the year 2030 if no changes are made. This is a burden too large to place on the shoulders of the next generation of income earners. Canada's young people are facing challenges of career development and meaningful employment. They do not need the additional taxation or to have to support in addition the Canada pension plan. They are planning for their retirement and they have to have contribution rates that they can afford.

The proposed changes to the Canada pension plan avoid the burden of a plan that drains the resources of our young people to sustain the retirement income of those who have already retired. Contributions must increase, of course, and have been scheduled to rise to 10.1% by the year 2016.

• (1605)

However, to ensure that the costs of sustaining the plan are shared fairly across all age groups, a strategy has been devised to increase the contribution rates to 9.9% by the year 2003 and then

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to retain that rate indefinitely. This is in sharp contrast to the long term rate of 14.2% forecasted by the chief actuary. This requirement is necessary if this plan is to be sustained.

As with the present Canada pension plan, employers and employees will continue to contribute equally. Contributions will go into an investment fund building on a larger fund which will be prudently invested and will allow stable benefits in the future.

The fund will be managed at arm's length from the government and managed to ensure a maximum rate of return consistent with the security of the contributor's investment.

Through freezing the year's basic exemption, reforming future benefits paid and providing new investment and management methods, the proposed contribution rates add up to a sustainable plan for the future and the future of our young.

Persons begin contributing to the Canada pension plan when they reach the age of 18 as long as their earnings are above the year's basic exemption. Freezing the year's basic exemption at its current level of \$3,500 means that now more low income earners will be able to contribute to the Canada pension plan, increasing their eligibility for future benefits.

Another tough choice was to sustain an affordable and equitable plan. We had to curtail the growth of paid benefit expenditures. Once again, following the concerns Canadians had expressed during consultation, the proposed changes ensure fair treatment across all age groups.

The new benefit provisions will not affect current benefit recipients, nor will the changes affect disability or survivor benefits of anyone who is currently receiving them.

The impact of the changes will be shared among future retirees, future survivors and future recipients of disability benefits. A new formula is proposed for calculating average yearly earnings for pensionable purposes.

Average earnings for pension purposes will be updated based on the average of five years of the year's maximum pensionable earnings instead of three. There are also some limited proposed changes to Canada pension plan provisions such as disability and survivor benefits.

That brings me to two points that I would like to emphasize which I think are often forgotten when discussing the Canada pension plan. Providing disability and survivor benefits, the Canada pension plan is more than just a retirement pension scheme. It may also be seen as a partial insurance.

For example, Canada pension plan provides survivor benefits to widowed spouses and disability benefits to contributors with severe and prolonged disability. Furthermore, the plan provides child benefits to the dependent children of deceased or disabled contributors. These facts should be kept in mind when considering changes or, more to the point, when contemplating replacing the plan, which has been suggested by some critics.

A second related point to the Canada pension plan is that it was not designed and should never be considered to be the sole or primary source of retirement income. Its original goal was and continues to be to provide 25% of earnings up to the average wage of Canadians. This principle also extends to the survivor and disability benefits under the plan.

By all means, Canadians and particularly young Canadians should be encouraged to invest as much as they can in alternative retirement income plans such as registered retirement savings plans and to consider extra insurance for death or disability.

The Canada pension plan was introduced because it was demonstrated that Canadians, particularly those at the lower end of the earning scale, cannot save for their retirement and therefore run the risk of spending their senior years in poverty. For many it has become that they cannot afford to make investments.

The Canada pension plan pools both resources and risks. Since the plan includes virtually all Canadian income earners under its umbrella, the pool is much larger than any private plan.

• (1610)

It is clear that the government's measures to renew and revitalize the Canada pension plan are based on the expressed wishes of the people of Canada, in partnership with most of the provinces.

The renewed plan will be fairer, more affordable and sustainable. The new Canada pension plan will provide a reliable, secure basis for retirement planning for Canadians of all walks of life well into the future.

That is what Canadians want. That is what young Canadians have told us they want. That is what the government has provided.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, some members of Parliament, almost exclusively Reform members, gave up any entitlement to a member of Parliament pension during the last Parliament. Most other members, mostly Liberals, NDP and the leader of the fifth party, retained their pensions. They will get out as much as six dollars for every dollar they contribute.

I would like to know how the member who just spoke can justify and support this Liberal boondoggle of a CPP where members contributing today, new members, young people, will get out less than they put in. How can she continue to support a member of

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Parliament pension plan in which she could get out as much as six dollars for every dollar put in, paid for by those same taxpayers who are going to get out less than they contributed because of the failure of the Liberal CPP?

Mrs. Karen Redman: Mr. Speaker, I appreciate the question from the member opposite.

When the Canada pension plan came into existence there were eight workers for every recipient. Currently there are five workers for every recipient and in the future, with the demographic aging of the population, that number will decrease to three workers for every recipient.

This government is acting in a very even handed, far reaching, responsible manner in revising the pension plan. We hear over and over again from young people that they do not expect it to be there for them. We have made the necessary revisions which will allow young people to have a pension plan that they will be able to count on when they reach the age of retirement.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, the hon. member spoke very well in support of the new Canada pension plan. However, I polled young people and the results of that poll showed that young people are entirely in opposition to her way of thinking. I asked them to take their contribution, put it together with the employer's contribution, take the money to a credit union, bank or investment office, tell them how long the money is going to be invested and compare that to the CPP. I did not get one reply saying they would like to contribute to the Canada pension plan. They would rather go into a different plan.

I do not know where the Liberals are coming from. Of all the replies I got, I did not get one single response saying they wanted to join the Canada pension plan.

Mrs. Karen Redman: Mr. Speaker, I am pleased to answer that question.

It is interesting to hear that the hon. member surveyed his constituents. I believe that a fellow Reform member brought forward a letter which was full of a lot of hardship and concern from a young mother of two children who had a husband who was working six days a week. I suggest those are exactly the kinds of Canadians who will need to rely on the Canada pension plan because they do not have the money to invest in an RRSP.

This plan is more than just a retirement plan. A very large component, one which Canadians have said they value and want protected, is made up of disability and survivor benefits. This government has ensured that those benefits will continue to be there for people who need them in the future.

• (1615)

Mr. Rey D. Pagtakhan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, first I would like to congratulate the

member for Kitchener Centre for the very lucid presentation that she gave. I wish the members of the Reform Party would have listened attentively with an open mind.

One member of the Reform Party was talking about speaking for the common people. If the Reform Party offered only the super RRSP, only the very rich could afford to make those kinds of contributions. In fact, such a plan would have no benefits for people who may be left behind by a deceased husband and father, the women and children.

I ask the member for Kitchener Centre what she thinks will be one of the greatest benefits of the CPP for the women of Canada.

Mrs. Karen Redman: Mr. Speaker, I thank my colleague for the question.

Women are often the main caregivers of children and aging family members, as well as when they take time out of the workforce to rear their children they are exactly the people who will need a Canada pension plan because they have interrupted employment so they do not have the benefit of private pension plans nor the disposable income. They are exactly the group that we are looking at to benefit from this.

[*Translation*]

The Acting Speaker (Mr. McClelland): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver Island North, Fisheries; the hon. member for Waterloo—Wellington, Canadian Heritage; the hon. member for Sarnia—Lambton, Privacy; and the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Employment Insurance.

[*English*]

The hon. member for North Vancouver, on a point of clarification.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, in what you just read, you said the member for Vancouver North and I wonder if that was Vancouver Island North.

The Acting Speaker (Mr. McClelland): Yes, thank you. It is the hon. member for Vancouver Island North. The Chair stands corrected. Thank you.

Resuming debate. While I am on my feet, when one member stands when I ask for questions and comments, we will keep an eye to see how many stand. If there are a number of members, then I will point to who is going to get a chance. I am going to ask members to keep their questions brief. When I say brief, I am talking 45 seconds and the response as brief as well. In that way we will get more activity in the debate.

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Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, thank you for the opportunity to speak today on this bill before us and in particular on those elements that affect Canadians with disabilities.

The Canada pension plan is one of the most important elements in the social fabric of this country. Most of us will use it at some point in our lives, when we retire or become disabled by serious illness or accident or if we lose a spouse or parent who was a contributor.

Consequently Canadians have come to rely on the security that the Canada pension plan provides. It has proved worthy of our trust over the years. However, even the best of plans must change with the times. The Canada pension plan is no exception.

In recent years a number of social, economic and demographic trends have developed a threat to the continuity and viability of the plan. To address this challenge we held public consultations on the Canada pension plan to discover what role Canadians wanted the plan to take and what action they felt was needed. The chief actuary also provided input.

We began a series of in depth meetings and negotiations with our provincial and territorial government partners. At the end of this process, we and our partners put together a blueprint for renewal.

The resulting bill before us represents a balanced package of measures aimed at ensuring the sustainability and fairness of the Canada pension plan. It adjusts contribution rates and benefits. It improves the way in which funds are invested. Once implemented, this bill will ensure the future of the plan and keep contribution rate increases as low as possible.

• (1620)

Of course, this cannot be done solely by adjusting contribution rates and investment strategies. We had to address the benefit side of the equation as well, but as we did this, we rejected calls by some for deep cuts in survivor or disability benefits. Instead, we tried to minimize benefit changes and to make them fair across all groups and all generations.

To do this we have tried to spread the responsibility for change across all benefit categories while keeping the fundamental characteristics unchanged. We recognize that today's senior citizens have already made their financial planning decisions for their retirement and could not be expected to respond to changes in the plan.

That is why the new measures will not affect the benefits current seniors are receiving. That same principle applies to the so-called "near seniors", individuals between the ages of 60 and 64 who have chosen to take early retirement. Their existing pensions will

also be protected. If they are receiving benefits now, the amount will be unaffected.

As members will see, some small benefit adjustments have to be made which will affect future pensioners, including some changes to the Canada pension plan disability program. These proposed changes respond in part to concerns raised by the auditor general who said that disability administration costs need to be brought under control. Again, I want to clarify that the new measures will not affect current Canada pension plan disability benefits.

Under this bill, workers will be expected to demonstrate a slightly stronger attachment to the workforce to be eligible for disability benefits. Currently, individuals can work for as little as a few months over the course of two years to receive a Canada pension plan disability benefit. Under the proposed amendments, workers must have made contributions in four of the previous six years. Even so, the new coverage rules are still more generous than the original rules of the plan.

Before 1987 workers had to contribute in five of the previous 10 years and at least one-third of the years from their 18th birthday to be eligible for disability benefits. There are also changes to the requirement benefit formula for disabled beneficiaries.

Pensionable earnings will be updated based on the average wage at the time of disablement rather than adjusted for wage levels when the recipient turns 65. Like retirement and survivor benefits, Canada pension plan disability pensions will be fully price indexed from the time they are put in play.

The Government of Canada is helping Canadians with disabilities to participate more fully in the economic and social life of this country with an investment of some \$280 million per year in tax measures, employment and vocational support, as well as support to organizations and for people with disabilities.

Let me also assure the House that we are committed to responding positively to the recommendations of the Scott task force. We have already acted on some of these recommendations and will act on others in the near future. However, I also want to emphasize that the Canada pension plan should not be confused with programs specific to the needs of people with disabilities. The Canada pension plan disability benefit was designed as a wage loss insurance for workers. It was never intended to provide benefits to all persons with disabilities.

The changes contained in this bill will ensure that benefits go to those for whom the program was originally intended. They will enable us to continue to provide disability benefits in a fair, consistent and responsible manner. They reaffirm the Government of Canada's concern for people with disabilities, while maintaining benefits at sustainable levels.

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Canadians from all regions and walks of life have told us they expect us to act decisively to preserve the Canada pension plan. They have told us that they want us to make it sustainable, but they want to do so in a fair and consistent manner.

[*Translation*]

Significant elements of the CPP remain unchanged. First, benefits have not been changed in the case of all those currently receiving CPP pensions, disability benefits, survivor benefits or combined benefits.

• (1625)

Second, all CPP benefits, with the exception of the death benefit, which is paid only once, remain fully indexed to inflation.

Third, the age of early, normal or late retirement remains unchanged.

[*English*]

This bill responds to this call for action from Canadians. Once implemented, it will ensure that the Canada pension plan will be able to serve Canadians as well in the future as it does today. It will do so in a way that is fair to all.

For these reasons, I intend to vote for this bill and urge other members to do likewise.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would indicate to this House in my comment that I think it is so unfortunate that what we do is we emphasize messaging.

The Liberals are saying over and over again “We want to preserve the Canada pension plan because it is so wonderful. If we don’t, all these poor people are going to suffer”.

Here is the brutal fact. No one who has a low income or no income or who is poor is paying into Canada pension. Therefore, they are not eligible for benefits. That is a fact. The government keeps passing it on as if that is not true. It keeps trying to connect this. The fact is that anyone who has an income, who has a job and has deductions for the Canada pension plan would have that same amount of money available for RRSPs or other investments which he or she could choose, get a much better rate and end up with more money.

While the government is saying it is protecting the poor, what it is in fact doing is taking from particularly the middle income and the lower income people who are paying into the Canada pension plan, and it is giving them a tremendously poor return on their investment. It is somehow trying to message and image that as being the great heroes, the Liberal Party, saving the country from all these woes.

I would like a response to that.

Mr. Lynn Myers: Mr. Speaker, I thank the hon. member for the question.

I was recently interested in listening to a group which represents poor people in this country. They genuinely supported what the government was doing with respect to the Canada pension plan. They reiterated something I had forgotten. That was that this is a great pillar of our society and our economy. It represents social justice in this great nation of ours, rather than going off on a half-baked, hare-brained scheme like super RRSPs which no one understands, and I think only the rich would be involved with, which is what the Reform would have us do without knowing where that is going. It seems important that we stand firm and stand solid with the scheme that CPP is and represents to all Canadians something which poor Canadians, middle-income Canadians and all Canadians want and need and will benefit from as a result.

I think this is very important and is worthy of note.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, a question for the hon. member opposite.

We recognize, as most Canadians do, that up until this point the investment of the government with the clients’ funds has a deplorable record. What guarantee can this government give that the new CPP investment board is going to have one thing in mind and one thing only, to maximize every dollar put into the plan to the benefit of the clientele? What guarantee can the member give me of that?.

Mr. Lynn Myers: Mr. Speaker, I thank the hon. member for the question. It is an important one.

It seems to me that when the various provincial and territorial leaders signed on to this very important change, they too were concerned with the kind of question which the member is asking. What they said and said unanimously was that we would be proceeding in a fair and equitable manner. The same rules that apply to the public CPP would be similar to what the private people have done.

We have to remember that the same kind of common sense approach would be taken in both private and public. The board that has been put in place would make sure that that is done in a fair, consistent and equitable manner.

It is important for Canadians to know that that kind of process will be taking place by men and women who know what they are doing, by men and women who have the best interests of Canadians at heart, by men and women who will progress and proceed in a manner consistent with the great values of this country.

• (1630)

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, it is a rare opportunity to be able to speak to a bill of major consequence. In my last opportunity to speak in the Chamber on Bill C-2 respecting changes to the Canada pension plan I begin

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by expressing a great deal of regret and disappointment. One can only be left with the conclusion that the government is profoundly undemocratic.

I had some experience in the political arena before I came to the Chamber. It came as a real shock and surprise to learn that the government was willing to bypass the democratic process, to bring in closure on debate after only seven hours at second reading and to deny many of us in the Chamber the opportunity to speak on behalf of constituents.

Citizens everywhere in Canada want to have their voices heard. They believe in the democratic process. They believe members were elected to speak in their behalf and to bring their concerns to the Chamber. Now they are left feeling more cynical and more sceptical about the democratic process because the government could not even allow a reasonable amount of time for proper debate on a major topic.

Many of us on this side of the Chamber did not have a chance to speak at all. Certainly we did not engage in the kind of debate we expected to happen, given the seriousness of the issue. Equally disturbing has been the government's treatment of the committee process and of the thoughtful amendments proposed at report stage. The government ploughed straight ahead from day one with no intention of consulting with other Canadians or members of Parliament, of listening to the views of organizations that have developed some expertise in this area, or of taking seriously any thoughtful amendments on the whole process.

Here we are at third reading with hardly any debate, no serious treatment of our amendments, and the government wants us to rubber stamp its bill. It wants to get the bill through before anybody wakes up and realizes the devastating impact it will have on Canadians. It is appalling on the basis of the democratic process alone.

Our concerns are raised in the Chamber by very serious substantive inclusions in the bill. In my last opportunity to speak on the bill I remind the House of the work of Stanley Knowles for years and years and years.

An hon. member: Move on to this century.

Ms. Judy Wasylycia-Leis: A member across the way suggested that we get into this century. Is the member suggesting that the work of Stanley Knowles in helping to shape and create a universal pension plan is not significant, is not worthy of note or is not there to guide us in the future?

• (1635)

Stanley Knowles worked from 1942 on trying to make changes to ensure we had an adequate income retirement system. He started back when the old age pension act allowed Canadians \$20 a month and was means tested. He stood up to fight that meagre, mean

program and made some difference. He kept fighting until 1963 when the Canada pension plan was first introduced. He fought to see that benefits were indexed. He kept his fight going until 1967 when we were able to see come to fruition some semblance of a guaranteed income supplement program. He kept fighting through to 1975 to try to change the spousal allowance which only guaranteed women between the ages of 60 and 65 years, if they were single or widowed, some measure of security.

After that long struggle I would like to quote what Stanley Knowles said:

I sometimes think that if our party or if I had done nothing else in this country but play a part in getting this kind of improvement, it has been worth all the effort and all the struggle. We have done well and I am proud of having been involved in it but we are just getting started.

If only he were here today to see what it means to be just getting started. If only he knew just how much of what he fought for will be taken away by a single move on the part of the Liberal government by way of Bill C-2.

We can do nothing less than try to carry on the struggle and try to fight for the values that guided him throughout his life and helped make the income retirement system one of value.

Members can comment all they want about getting into the next century, but I suggest the values of decency, security and living with some semblance of quality of life are as good today as they were back in 1942 when Stanley Knowles started his struggle.

Stanley would have been shocked by the mean-spirited provisions of the legislation that target the weakest members of society and that imposes a 10% cutback across the board, having a particularly disproportionate impact on women and persons with disabilities.

We will continue the work Stanley Knowles began in 1942, much of which has to be started all over again. We are acutely aware of the fact that this is just the first shoe to drop. The government has a bigger agenda that would do precisely what Stanley Knowles said was abhorrent when he started in 1942, a plan that is means tested and mean spirited.

Maybe members on the Liberal side are not aware of what the seniors' benefit as being proposed by the Minister of Finance and his colleagues will do. It will do away with everything we have fought for long and hard and that must guide us in the future.

I conclude by saying the work of Stanley Knowles is not over. We are talking about the meaning of human life. It is the value we attach to quality of life in society. It is about ensuring that everyone in society, regardless of income, sex, ability and—

• (1640)

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I rise on a point of order. I have been listening very carefully to my colleague opposite. Could you ask her not to continue to use a

prop. We do not believe in using props in this place and she has waved that book about Stanley Knowles around quite long enough.

The Acting Speaker (Mr. McClelland): The Chair has been following the dissertation of the hon. member for Winnipeg North Centre and has found no such implication in her use of the book from which she was quoting.

The hon. member for Winnipeg North Centre has one minute to sum up her remarks.

Ms. Judy Wasylycia-Leis: Mr. Speaker, I would heartily recommend that all members of the government read the book entitled "Stanley Knowles: The Man from Winnipeg North Centre", written by Susan Mann Trofimenkoff.

Let me conclude by saying that the concerns we have brought to the debate are serious. They are based on the values of dignity and security. The debate is about ensuring that everyone who reaches their retirement years will live with some feeling of economic security and some sense of dignity about who they are and what they have contributed to the country. It is about our sense of being a civilized country. It is the least we can do. The fight will continue.

Mr. Rey D. Pagtakhan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I listened intently to the comments of the hon. member for Winnipeg North Centre whose riding is close to my riding of Winnipeg North. I certainly share her passion for social dignity, as the hon. member for Winnipeg North—St. Paul equally professes. I am sure she will agree with me that the CPP reflects the soul of Canada.

In beginning her debate she alluded to the profoundly undemocratic process used by the government in reforming the CPP. Is it undemocratic for the government to follow the CPP rule which says that it can only be amended with the consent of two-thirds of the provinces reflecting two-thirds of the Canadian population? That was done. Two-thirds of the Canadian population agreed.

The Acting Speaker (Mr. McClelland): The hon. member for Winnipeg North Centre in response.

We have five minutes remaining and two other members have interventions.

Ms. Judy Wasylycia-Leis: Mr. Speaker, it is very clear there is not unanimous support or even two-thirds support for the kinds of changes the Liberal government is introducing by way of Bill C-2. There was a huge outcry on the part of Canadians when they learned about this piece of legislation.

The problem is the government is busy forcing it through so quickly that there has not been ample time and ample opportunity to ensure that Canadians are well informed enough to raise their concerns.

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We as members of Parliament have had the opportunity to send out questionnaires and to seek opinions. We know that Canadians are deeply concerned about these changes and would like us to do whatever possible to slow down the process and to have a thorough review of the national retirement—

The Acting Speaker (Mr. McClelland): The hon. member for Waterloo—Wellington.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I listened with considerable interest to the hon. member opposite when she spoke of Stanley Knowles. I want her to know that I too knew Stanley Knowles. In fact to this day I have a picture of him in my office with a mutual friend. I very much admire who he was and what he represented.

I also want to say that while I do not know how Mr. Knowles would have voted on this issue, it is fair to say that he would have respected the government's position in keeping the universality of the CPP in place for all Canadians. I knew him well enough that I think I can say that. While he might not have voted with us, he would have respected the government for what it has done.

I remind the hon. member that we have had considerable debate on this issue. We debated the bill for nine and a half hours at second reading. Consultations have been held across the country.

When the member says we are ramming the legislation through, does she dismiss the hours and hours of consultation which have taken place?

Ms. Judy Wasylycia-Leis: Mr. Speaker, we had seven hours of debate at second reading, which was hardly time enough for but a handful of members in this place to participate.

• (1645)

We had the government refusing to allow for full representation at the committee hearings. Many groups were excluded. There was a built in bias for friends of the Liberal government, the BCNI, the Fraser Institute, all of those organizations, while excluding the Council of Canadians, the Canadian Union of Public Employees and other groups. The government refused to address any of our amendments—

The Acting Speaker (Mr. McClelland): Questions and comments. The hon. member for Kitchener Centre.

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I sit on the Standing Committee on Finance so I am interested to hear the concern of the hon. member opposite for the consultation process.

I am going on memory but I believe that we held at least 22 meetings to listen to a vast variety of both special interest groups as well as members of private pension plans, and I think of a teachers pension plan. We had them comment on the legislation and whether

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they felt it was a balanced and sustainable direction to head in and the fact that we had legislation in place to give the kind of arm's length integrity that we needed in this process.

The Acting Speaker (Mr. McClelland): In response, the hon. member for Winnipeg North Centre.

Ms. Judy Wasylycia-Leis: Mr. Speaker, I appreciate the fact that many organizations were able to appear before the committee, but many were not. In fact the Canadian Union of Public Employees representing 500,000 workers was not able to appear. It was turned down. The Council of Canadians, which had a petition with 500,000 signatures, was not able to appear. Many other concerned Canadians were not able to be before this committee because it was located here and there was no opportunity to go to the expense and the time to get here.

Let me just conclude by saying that not only were groups refused in terms of participation but in fact those that were able to be here were not listened to. The Council—

The Acting Speaker (Mr. McClelland): Resuming debate, the hon. member for Kitchener—Waterloo.

Mr. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, let me say first of all, that all the members from my area, three of us, got to speak on this particular bill this afternoon.

Let me also mention Stanley Knowles. I have nothing but respect for Stanley Knowles. A couple of years ago I hosted an event on the Hill—

The Acting Speaker (Mr. McClelland): Excuse me, if the hon. member for Kitchener—Waterloo and other hon. members would forgive me, I was not paying attention. When debate resumed it should have gone to the hon. member for Dartmouth. Please forgive me. We will get back to the member for Kitchener—Waterloo.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, the hour is late on this bill although it has been an indecently short debate that has occurred on this important legislation.

It is important to read into the record some excerpts from a report by Eric Norman, the president of the Council of Canadians with Disabilities, and Harry Beatty, the director of policy and research for ARCH: A Legal Resource Centre for Persons with Disabilities. At the same time I would like to comment on some of the more chilling aspects of this report.

The disability component of the Canada pension plan has been targeted for billions of dollars in cutbacks in the recent legislative amendments announced by the finance minister and by the Minister of Human Resources Development. The impact of these changes on Canadians with disabilities has been consistently understated or totally ignored by both politicians and the media. To a great many disadvantaged and vulnerable individuals however the new rules will be devastating.

The sixteenth CPP actuarial report prepared by federal chief actuary Bernard Dussault projects a total cumulative reduction in CPP spending on disability pensions by the year 2005 of over \$1 billion—

I would like to repeat that, \$1 billion.

—while the cutback in retirement pensions and other benefits for the same period is less than \$.5 billion. Since the disability program is only about one-fifth of the total CPP, this means that it is being cut much more than any other component of the CPP.

I find it astounding that what we are doing is cutting the benefits of the most vulnerable members of our society.

The depth of this reduction in CPP disability has been carefully hidden from the public by the federal government and the eight provincial governments which support the cutbacks.

Those already receiving CPP disability pensions will not have them taken away or reduced. The persons who will be adversely affected by the "reforms" are now working, often blissfully unaware of the career-ending disability which will affect them in future. The government has adopted the same strategy for persons with disabilities as for seniors: "grandfather" those now eligible, to blunt criticism, and apply the cuts to those whose needs will arise in the future.

The finance minister has recently indicated a willingness to rethink the seniors benefit—he should look again at the disability proposals as well. It is unjust to do otherwise.

• (1650)

But that is an unjust government we are facing right now across the floor from us.

The new CPP plan, scheduled to come into effect on January 1, 1998, has the support not only of the federal government but of eight provincial governments. Only B.C. and Saskatchewan are opposed. Under the amending formula, which requires CPP amendments to be supported by two-thirds of the provinces representing two-thirds of Canada's population, there is sufficient provincial support to have the changes apply across Canada—. Quebec participates fully under the amending formula, although it has its own Quebec pension plan. The PQ government is co-operating with the federal government in making the disability program cuts.

As of 1998, the new rules will require CPP disability pension applicants to have earned more than a specified amount in four of the last six years prior to being determined to be disabled. Current rules require contributions in either two of the last three years or five of the last 10 years. Who will be excluded from eligibility? Young people in the first three years of employment will not qualify.

For example, if a young person who is 21 and has an accident in the first year of his job and he is not covered by workers compensation or he has no private pension plan, which very few people do, that young person will in fact go straight on welfare for the rest of his life.

In another example perhaps a young person with a disability such as Down's syndrome lives with his family and has modest means with no other pension plan. That person may have no labour force attachment—that very strange phrase we use today meaning a job. And the chances as we know are very limited that people with disabilities have jobs unless there is enormous support available for them to get those jobs to begin with. We also know that those supports are disappearing at a great rate. The future for that person without labour force attachment will be either institutionalization or welfare.

It is a cruel irony that this government spends so much time talking about youth when in fact what it is doing is setting them up for a very bitter harvest in the future. That is what we are doing now for our youth.

Others who will be affected very negatively by these changes will be those with recent attachments to the workforce who have for reasons beyond their control such as unemployment or caregiving responsibilities somehow been unable to be eligible.

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Of particular concern to us are those who have tried to keep working despite the onset of a disability—multiple sclerosis, or psychiatric disability, cancer, amongst many others. They will be “rewarded” for their determined efforts in many cases by complete disentanglement to a CPP disability pension, which in turn will greatly reduce their eventual retirement pensions. To top it all off—pensions will now start to rise above the minimum contribution level, so someone with low earnings may have to pay CPP contributions to the government in a year, only to be told later that the contributions do not help in qualifying for a disability pension.

Those currently receiving CPP disability will not be affected. Those who apply before the end of 1997 will also have their cases determined under the present rules, so if you believe you may qualify, you should apply as soon as possible. But thousands who become disabled in the future will be disintegrated, especially as they reach their fifties and sixties, where the likelihood of disability is much greater.

• (1655)

I guess we should say baby boomers wherever we are in this crowd, beware because it could happen to us.

The cutbacks under the new CPP disability program do not end there. Those who do qualify for CPP pensions will have their eventual retirement pensions lowered by the new rules. Widows and widowers who are themselves disabled will have their combined survivor disability benefits reduced.

Worse still, the federal government states it will continue its administrative changes to the CPP disability program which it describes as “improvements”. What Human Resources Development Canada has really achieved through its administrative “improvements” has been a restricted approach to determining who is disabled, which has disintegrated thousands of Canadians unfairly. Older workers in particular, in their fifties and sixties, are being found “capable of working” despite significant health problems leading to physical and mental limitations. The “jobs” they are supposedly able to do may exist in a bureaucrat’s CPP manual but they do not exist in Canadian communities in 1997. CPP continues as well to penalize those who attempt training, education, rehabilitation programs or a part time or time limited return to work by finding them “employable” as well, in spite of a supposed policy which says this should not happen.

You do not get rich on CPP disability. Monthly disability pensions in 1997 range from a minimum of \$330 to a maximum of \$883. Payments are taxable so they are reduced in value for those with higher incomes. But for many who have a limited attachment to the workforce—

There is that great phrase again.

—because of unemployment, caregiving, home making or the onset of disability, the CPP pension benefit is desperately needed. It may be the only benefit a disabled person qualifies for, for example, if his or her spouse is working or if there is a modest income from savings. It is unfair to take the CPP disability pension away from those who need it the most.

Completely unnoticed in the debate is the cost impact of reductions in the CPP disability program on other disability income programs, including provincial social assistance, workers compensation and long term disability insurance. Those other programs top up CPP where a person qualifies for both. So if CPP is cut—

The Acting Speaker (Mr. McClelland): I am sorry, the hon. member’s time has expired. It is time now for questions and comments.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, being mindful of the earlier ruling that you made of 45 seconds, I will be very brief.

I just want to make the comment, after hearing this speech, that I guess the NDP is the only party in this House that really feels there is no problem with the Canada pension plan. It ignores the fact that changes were required to the Canada pension plan. The NDP thinks that just sitting back and hoping things will get better will deal with the challenges the plan is faced with.

When the NDP members continue to talk about the disability side of the benefit, they need to understand that as a reflection of

what Canadians have said, 75% of the changes to CPP are on the financing side and 25% are on the benefit side. We went easy on the benefits and that is a reflection of what Canadians said throughout the consultation period.

We had a year and a half of consultations. Members from the CFL, United Steelworkers, CUPE, CAW, Canadian Labour Congress, all made interventions with respect to the consultations. Unions had representation.

Ms. Wendy Lill: Mr. Speaker, \$1 billion by the year 2005 is not going easy on benefits. Although the CPP disability program has its weaknesses, nevertheless it has been an important cornerstone in Canada’s safety net for those who have become disabled. The CPP disability cuts will save a few pennies from everyone’s paycheques but thousands who become disabled will suffer the consequences.

Shame on this government for the legacy that we are leaving our young people now and in the future.

• (1700)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I want to congratulate the member on her sincerity in terms of the plight of the disabled in Canada. There are many people in Canada who are in circumstances that do not allow them to participate in the Canada pension plan. I know that the member is very sensitive to the plight of the stay at home mom who spends a great part of the income earning years managing the family home and caring for preschool children and who does not get any benefits. I am sure that the member would agree that consideration should be given to dealing with the issue of unpaid work.

I would like to ask the member a question. She is probably aware that the history of the disability benefit in the Canada pension plan is such that the number of claimants has been substantially larger than was ever anticipated and that the duration of disability benefits has been over a much longer protracted period.

I wonder if the member would concede that notwithstanding the need for disability benefits, the important issue is the pension benefits. The provinces and the federal government agreed in consultations that we should not do anything that would impinge on the security of the pension. Would she agree that it is important to secure the pension benefits first and deal with the disabilities with the best efforts possible?

Ms. Wendy Lill: Mr. Speaker, I have to go back to the astounding figure of \$1 billion being taken out of disability payments by the year 2005. I have to go back to the fact that we are looking at young people who in the future will grow older and who will possibly become disabled. We have to make sure there is enough money available to allow them a decent quality of life in the future. That is the bottom line. We find the money wherever we can, but find it. That is all there is to it.

The Acting Speaker (Mr. McClelland): Resuming debate with the member for Kitchener—Waterloo, who will not be interrupted.

Mr. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, let me begin by paying tribute to Stanley Knowles and letting

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the members of the New Democratic Party know that a couple of years ago I hosted a reception on Parliament Hill to help launch the Stanley Knowles chair at St. Paul's College at the University of Waterloo. We are involved in raising money for the project and I really hope that the New Democratic Party will help us make sure that wonderful chair continues.

Besides paying tribute to Stanley Knowles, let me pay tribute to Paul Martin, Sr. who was the minister who brought in the Canada pension plan along with Lester B. Pearson. I think it is important and we all owe a debt to those Canadians for their forward thinking in making the issue a reality in Canada which has greatly improved the lives of seniors.

People have been talking about slowing down the process. The fact is if Canada pension is to be sustainable, we have to deal with the changes and with the issue.

I have my householder here from December 1994, in which I consulted the constituents of my riding about changes to the Canada pension plan. It had a much better response than any other survey I have done. We have been dealing with these changes for a long time.

Almost 50% of my constituents are under the age of 30. It is imperative to their future that this Liberal government do something now to fix the Canada pension plan and to ensure that it is fair, sustainable and viable for the future. The government has done just that. The changes contained in this bill represent one more element in the larger policy agenda that the government has pursued since its first day in office, an agenda aimed at ensuring the well-being now and in future of our young people.

That policy agenda includes encouraging economic growth and job creation by getting our fiscal house in order and ensuring affordable, sustainable and fair social programs capable of serving Canadians both today and in the future. As part of this, we have undertaken a number of initiatives to promote the well-being of all Canadians.

• (1705)

For instance, we introduced EI reform. In addition to being fairer and more effective it has allowed many part time workers to be eligible for benefits for the first time. We also introduced the youth employment strategy to give young Canadians the training and work experience they need to make the transition from school to work a little easier. We recently announced our intention to introduce a national child benefit to fight child poverty.

The bill before us today represents one more element in this strategy. It is a balanced package of measures that will establish a new investment strategy and adjust contribution rates and benefits so the Canada pension plan can continue to serve Canadians well in the future as it does today.

There are those who complain because rates will increase slightly and benefits will decrease slightly. Yes, this is true. However, it is also true that the chief actuary has projected that if the status quo were maintained, premiums would have to go to over

14% in order to preserve the Canada pension plan. This situation would threaten future prospects of young Canadians.

It is because this Liberal government has looked ahead to the future and is taking action now that premiums will increase incrementally over the next five years to a ceiling of 9.9%. This increase will be shared by employers and employees equally. This is substantially lower than the 14% increase we would have if we sat on our duffs and did nothing, as the previous Conservative government did.

These modest increases teamed with small adjustments to benefits and improved management of the plan's assets will sustain the plan for future generations of Canadians. The proposed changes in this legislation reflect the ideas expressed during Canada pension plan public consultations.

I consulted with my constituents on the future of the Canada pension plan in the winter of 1994-95. Sixty-three per cent of the respondents said they supported an increased rate of contribution. Almost 70% were opposed to privatization, which is what the Reform Party is proposing.

We have listened to our constituents. The proposed changes also reflect negotiations with our provincial and territorial partners and the recent work of the House of Commons committee that studied the bill.

Ensuring an affordable, sustainable and credible plan also means looking at the benefit side of the Canada pension plan. However, during consultations Canadians told us to go easy on changes to benefits. Eighty per cent of my constituents were against the elimination of survivor and death benefits. Seventy-five per cent were opposed to increasing the benefit age.

We have listened to them. The proposed changes are moderate and they will be shared among all groups and be fair across generations so that no one is unduly burdened. Moreover, current retirees who are not able to adjust their retirement plans will not have their current benefits affected by the changes.

Those changes that will affect future retirees are modest. For instance, there is a new formula for adjusting previous earnings and calculating retirement pensions. This change will only affect benefits payable to future retirees. For example, retirement pensions will be based on the year's maximum pensionable earnings of the last five years instead of the last three years.

The changes resulting from Bill C-2 in terms of benefits will be small. For example, the maximum monthly pension based on this year's figures would be \$724 instead of the current \$736. The eligibility criteria for disability pensions will be updated. Future applicants will have to have contributed to the plan in four of the last six years. This is a reasonable requirement given that Canada pension plan disability is not designed to be a lifetime income replacement. Currently, recipients must have contributed in two of the last three years or five of the last ten years.

There are also changes to the retirement benefit formula for disabled beneficiaries. Like retirement and survivor benefits, Canada pension plan disability pensions will be fully indexed from the time they are put in play.

Government Orders

During the public consultations Canadians, including persons with disabilities, told us that people should have to work longer to qualify for disability benefits. So this bill requires a stronger workforce attachment. It also brings disability pensioner benefits in line with other Canada pension plan benefits. Effective administration measures have already been taken to strengthen the administration of the disability program. As a result the disability caseload has been substantially reduced. There are new guidelines for determining disability. We are doing more follow-up work to ensure continuing eligibility and we are using new technology to manage cases. We have launched a pilot project to enhance rehabilitation efforts.

• (1710)

Another change affecting the future benefits payable involves combined benefits. Some beneficiaries can currently stack disability and survivor benefits, or survival and retirement benefits.

Under the current rules combining disability plus survivor benefits, beneficiaries can receive up to \$185 more per month than other disability beneficiaries. Under this bill the combined total would not exceed the maximum disability pension.

As well, the rules for calculating combined survivor retirement benefits will change. These changes would bring the rules closer to those which existed before 1987 when the rules governing stacking provisions were relaxed. Like other benefit changes, these reforms do not affect people already receiving benefits under these provisions.

This bill would also adjust the death benefit. Currently the benefit equals six months of the contributor's retirement benefit or 10% of the year's maximum pensionable earnings, which is \$3,580 in 1997. The formula would reduce the ceiling to \$2,500 and freeze it at that level.

About one half of Canadian workers already have similar coverage through private sector insurance. It is important to remember that the death benefit was never intended to cover 100% of the cost. It was designed to be combined with other financial planning efforts to meet individual needs.

The changes in this bill will ensure fairness and sustainability of the Canada pension plan. That is what Canadians have asked us to do, fix the CPP where it needs to be fixed so that it will always be there, Canada's legacy to our future generations. The plan will ensure our seniors are always taken care of. That is the KW way, that is the Liberal way and that is the Canadian way.

Administration of the plan will be improved, funds will be invested and managed professionally and the plan will be able to serve our children and grandchildren when they need it. For this reason I urge all members to support this legislation before us today.

I also pay tribute to the Minister of Finance who is continuing the legacy of his father by bringing the financial affairs of this country in order so we are able to have social programs like the Canada pension plan.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I am wondering if the member for Kitchener—Waterloo would be able to give me some comfort at this point with some of my concerns about a young person. A young person who has just entered the workforce gets injured on the job. They have not been working for three years, maybe for three months, and does not have a wealthy family. Their family is not labour force attached and has no facilities whatsoever. What is the future of that person at that point in their ability to make their way through the world? Does he have some real comfort that he can give me now given the new changes in the plan that is being instituted?

Mr. Andrew Telegdi: Mr. Speaker, I thank my hon. colleague for her question.

First, injuries on the job are covered by compensation programs at the provincial level. The disability benefit was not meant to be there for everybody. It was meant to be there for people who have had a reasonable attachment to the workforce.

In the case the member refers to it would have to be a case of going with the compensation program at the provincial level.

The Acting Speaker (Mr. McClelland): It being 5.15 p.m., pursuant to order made on Monday, December 1, 1997, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

Is the House ready for the question?

Some hon. members: Question.

• (1715)

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): Call in the members.

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● (1740)

And the bells having rung:

The Speaker: The hon. member for Burlington, you were recorded as voting nay. I put the question to you: Were you here when the vote started?

Ms. Paddy Torsney: No, Mr. Speaker. I was trying to stand up on a point of order to vote with the government.

Some hon. members: Oh, oh.

The Speaker: The member for Burlington will not vote at this time.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 51)

YEAS

Members

Adams	Alcock
Anderson	Assad
Assadourian	Asselin
Augustine	Bachand (Saint-Jean)
Baker	Bakopanos
Barnes	Beaumier
Bélair	Bélangier
Bellehumeur	Bellemare
Bennett	Bergeron
Bertrand	Bevilacqua
Bigras	Blondin-Andrew
Bonwick	Boudria
Bradshaw	Brien
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Canuel	Caplan
Carroll	Catterall
Chamberlain	Chan
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Copps
Crête	Cullen
Dalphond-Guiral	de Savoye
Debien	DeVillers
Dhaliwal	Dion
Discepola	Dromisky
Drouin	Dubé (Lévis)
Duhamel	Dumas
Easter	Eggleton
Finestone	Finlay
Folco	Fontana
Fournier	Fry
Gagliano	Gagnon
Galloway	Gauthier
Girard-Bujold	Godin (Châteauguay)
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Guay
Guimond	Harb
Harvard	Hubbard
Jackson	Jennings
Jordan	Keyes
Kilger (Stormont—Dundas)	Knutson
Kraft Sloan	Lalonde
Lastewka	Laurin
Lee	Lefebvre
Leung	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marchand
Marchi	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McGuire
McKay (Scarborough East)	McTeague
McWhinney	Ménard
Mercier	Mifflin

Milliken	Minna
Mitchell	Murray
Myers	Nault
O'Brien (Labrador)	O'Brien (London—Fanshawe)
Pagtakhan	Paradis
Parrish	Patry
Peric	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Kent—Essex)
Pillitteri	Pratt
Proud	Provenzano
Redman	Reed
Richardson	Robillard
Rocheleau	Saada
Sauvageau	Scott (Fredericton)
Serré	Shepherd
Speller	St. Denis
Steckle	Stewart (Brant)
St-Hilaire	St-Julien
Szabo	Telegdi
Thibeault	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Mitis)	Turp
Ur	Valeri
Vanciel	Volpe
Wappel	Whelan
Wood—167	

NAYS

Members

Abbott	Ablonczy
Anders	Axworthy (Saskatoon—Rosetown—Biggar)
Bailey	Benoit
Bernier (Tobique—Mactaquac)	Blaikie
Borotsik	Brison
Cadman	Casey
Casson	Desjarlais
Dockrill	Doyle
Duncan	Elley
Epp	Forseath
Godin (Acadie—Bathurst)	Goldring
Gouk	Grewal
Grey (Edmonton North)	Hanger
Harris	Hart
Hill (Macleod)	Hilstrom
Jaffer	Johnston
Jones	Keddy (South Shore)
Kennedy (Calgary-Sud-Est)	Kerpan
Konrad	Laliberte
Lill	Lowther
Lunn	Mancini
Manning	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Matthews
Mayfield	McNally
Mills (Red Deer)	Morrison
Muise	Nystrom
Obhrai	Pankiw
Penson	Power
Proctor	Ramsay
Reynolds	Riis
Ritz	Robinson
Scott (Skeena)	Solomon
Stinson	Stoffer
Strahl	Thompson (Charlotte)
Vellacott	Wasylcia-Leis
White (Langley—Abbotsford)	White (North Vancouver)
Williams—73	

PAIRED MEMBERS

Alarie	Axworthy (Winnipeg South Centre)
Brown	Cauchon
Chrétien (Frontenac—Mégantic)	Desrochers

Government Orders

(The House divided on Motion No. 1, which was negated on the following division:)

Duceppe
Lincoln
Marceau
Normand
Plamondon

Godfrey
Loubier
McLellan (Edmonton West)
Perron
Stewart (Northumberland)

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

The Speaker: The House will now proceed to the taking of several deferred recorded divisions at report stage of Bill C-9.

* * *

CANADA MARINE ACT

The House resumed from December 3 consideration of Bill C-9, an act for making the system of Canadian ports competitive, efficient and commercially oriented, providing for the establishing of port authorities and the divesting of certain harbours and ports, for the commercialization of the St. Lawrence Seaway and ferry services and other matters related to maritime trade and transport and amending the Pilotage Act and amending and repealing other acts as a consequence, as reported (with amendments) from the committee.

The Speaker: The first question is on Motion No. 1.

• (1745)

Mr. Bob Kilger: Mr. Speaker, I rise on a point of order. If the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting nay.

I would ask the Table to add the member for Burlington and delete the Minister of Finance.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, I do not think it is right to delete the finance minister, but Reform Party members present will vote nay on this motion.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc Québécois will vote in favour of this amendment.

[*English*]

Mr. John Solomon: Mr. Speaker, NDP members vote yes on this motion.

Mr. Norman Doyle: Mr. Speaker, Progressive Conservative members will be voting no on this motion.

(*Division No. 52*)

YEAS

Members

Asselin
Bachand (Saint-Jean)
Bergeron
Blaikie
Canuel
Dalphon-Guiral
Debien
Dockrill
Dumas
Gagnon
Girard-Bujold
Godin (Châteauguay)
Guimond
Lalonde
Lefebvre
Mancini
Martin (Winnipeg Centre)
Mercier
Picard (Drummond)
Riis
Rocheleau
Solomon
Stoffer
Tremblay (Rimouski—Mitis)
Wasylcia-Leis —49

Axworthy (Saskatoon—Rosetown—Biggar)
Bellehumeur
Bigras
Brien
Crête
de Savoye
Desjarlais
Dubé (Lévis)
Fournier
Gauthier
Godin (Acadie—Bathurst)
Guay
Laliberte
Laurin
Lill
Marchand
Ménard
Nystrom
Proctor
Robinson
Sauvageau
St-Hilaire
Tremblay (Lac-Saint-Jean)
Turp

NAYS

Members

Abbott
Adams
Anders
Assad
Augustine
Baker
Barnes
Bélair
Bellemare
Benoit
Bertrand
Blondin-Andrew
Borotsik
Bradshaw
Bryden
Byrne
Cadman
Cannis
Carroll
Casson
Chamberlain
Charbonneau
Clouthier
Cohen
Comuzzi
Cullen
Dhaliwal
Discepola
Dromisky
Duhamel
Easter
Elley
Finestone
Folco
Forseth
Gagliano
Goldring

Ablonczy
Alcock
Anderson
Assadourian
Bailey
Bakopanos
Beaumier
Bélanger
Bennett
Bernier (Tobique—Mactaquac)
Bevilacqua
Bonwick
Boudria
Brison
Bulte
Caccia
Calder
Caplan
Casey
Catterall
Chan
Chrétien (Saint-Maurice)
Coderre
Collenette
Copps
DeVillers
Dion
Doyle
Drouin
Duncan
Eggleton
Epp
Finlay
Fontana
Fry
Galloway
Goodale

Government Orders

Gouk	Graham
Gray (Windsor West)	Grewal
Grey (Edmonton North)	Grose
Guarnieri	Hanger
Harb	Harris
Hart	Harvard
Hill (Macleod)	Hilstrom
Hubbard	Jackson
Jaffer	Jennings
Johnston	Jones
Jordan	Keddy (South Shore)
Kenney (Calgary-Sud-Est)	Kerpan
Keyes	Kilger (Stormont—Dundas)
Knutson	Konrad
Kraft Sloan	Lastewka
Lee	Leung
Longfield	Lowther
Lunn	MacAulay
Mahoney	Malhi
Maloney	Manley
Manning	Marchi
Marleau	Martin (Esquimalt—Juan de Fuca)
Massé	Matthews
Mayfield	McCormick
McGuire	McKay (Scarborough East)
McNally	McTeague
McWhinney	Mifflin
Milliken	Mills (Red Deer)
Minna	Mitchell
Morrison	Muise
Murray	Myers
Nault	Obhrai
O'Brien (Labrador)	O'Brien (London—Fanshawe)
Pagtakhan	Pankiw
Paradis	Parrish
Patry	Penson
Peric	Peterson
Pettigrew	Phinney
Pickard (Kent—Essex)	Pillitteri
Power	Pratt
Proud	Provenzano
Ramsay	Redman
Reed	Reynolds
Richardson	Ritz
Robillard	Saada
Scott (Fredericton)	Scott (Skeena)
Serré	Shepherd
Speller	St. Denis
Steckle	Stewart (Brant)
Stinson	St-Julien
Strahl	Szabo
Telegdi	Thibeault
Thompson (Charlotte)	Torsney
Ur	Valeri
Vanclief	Vellacott
Volpe	Wappel
Whelan	White (Langley—Abbotsford)
White (North Vancouver)	Williams
Wood —191	

PAIRED MEMBERS

Alarie	Axworthy (Winnipeg South Centre)
Brown	Cauchon
Chrétien (Frontenac—Mégantic)	Desrochers
Duceppe	Godfrey
Lincoln	Loubier
Marceau	McLellan (Edmonton West)
Normand	Perron
Plamondon	Stewart (Northumberland)

The Speaker: I declare Motion No. 1 lost.

Mr. Bob Kilger: Mr. Speaker, at the risk of being deleted myself, I believe you would find consent to apply the results of the vote just taken to the following: report stage Motion No. 2 and report stage Motion No. 18.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

[Editor's Note: See list under Division No. 52]

The Speaker: I declare Motions Nos. 2 and 18 lost. The next question is on Motion No. 3.

[Translation]

Mr. Bob Kilger: Mr. Speaker, you will find unanimous consent for the members who voted on the preceding motion to be recorded as having voted on the motion now before the House, with Liberal members voting nay.

[English]

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote no on this motion.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc will vote in favour of this motion.

[English]

Mr. John Solomon: Mr. Speaker, NDP members present will vote yes on this motion.

Mr. Norman Doyle: Mr. Speaker, Progressive Conservative Party members will be voting yes.

(The House divided on Motion No. 3, which was negated on the following division:)

(Division No. 53)

YEAS

Members

Asselin	Axworthy (Saskatoon—Rosetown—Biggar)
Bachand (Saint-Jean)	Bellehumeur
Bergeron	Bernier (Tobique—Mactaquac)
Bigras	Blaikie
Borotsik	Brien
Brison	Canuel
Casey	Crête
Dalphond-Guiral	de Savoye
Debien	Desjarlais
Dockrill	Doyle
Dubé (Lévis)	Dumas
Fournier	Gagnon
Gauthier	Girard-Bujold
Godin (Acadie—Bathurst)	Godin (Châteauguay)
Guay	Guimond
Jones	Keddy (South Shore)
Laliberte	Lalonde
Laurin	Lefebvre
Lill	Mancini
Marchand	Martin (Winnipeg Centre)
Matthews	Ménard
Mercier	Muise
Nystrom	Picard (Drummond)
Power	Proctor
Riis	Robinson
Rocheleau	Sauvageau
Solomon	St-Hilaire
Stoffer	Thompson (Charlotte)
Tremblay (Lac-Saint-Jean)	Tremblay (Rimouski—Mitis)
Turp	Wasylcia-Leis—60

Government Orders

NAYS

Members

Abbott
Adams
Anders
Assad
Augustine
Baker
Barnes
Bélair
Bellemare
Benoit
Bevilacqua
Bonwick
Bradshaw
Bulte
Caccia
Calder
Caplan
Casson
Chamberlain
Charbonneau
Clouthier
Cohen
Comuzzi
Cullen
Dhaliwal
Discepolo
Drouin
Duncan
Eggleton
Epp
Finlay
Fontana
Fry
Galloway
Goodale
Graham
Grewal
Grose
Hanger
Harris
Harvard
Hilstrom
Jackson
Jennings
Jordan
Kerpan
Kilger (Stormont—Dundas)
Konrad
Lastewka
Leung
Lowther
MacAulay
Malhi
Manly
Marchi
Martin (Esquimalt—Juan de Fuca)
Mayfield
McGuire
McNally
McWhinney
Milliken
Minna
Morrison
Myers
Obhrai
O'Brien (London—Fanshawe)
Pankiw
Parrish
Penson
Peterson
Phinney
Pillitteri
Proud
Ramsay
Reed
Richardson
Robillard
Scott (Fredericton)
Serré
Speller
Steckle
Stinson

Ablonczy
Alcock
Anderson
Assadourian
Bailey
Bakopanos
Beaumier
Bélanger
Bennett
Bertrand
Blondin-Andrew
Boudria
Bryden
Byrne
Cadman
Cannis
Carroll
Catterall
Chan
Chrétien (Saint-Maurice)
Coderre
Collenette
Copps
DeVillers
Dion
Dromisky
Duhamel
Easter
Elley
Finestone
Folco
Forseth
Gagliano
Goldring
Gouk
Gray (Windsor West)
Grey (Edmonton North)
Guarnieri
Harb
Hart
Hill (Macleod)
Hubbard
Jaffer
Johnston
Kenney (Calgary-Sud-Est)
Keyes
Knutson
Kraft Sloan
Lee
Longfield
Lunn
Mahoney
Maloney
Manning
Marleau
Massé
McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mills (Red Deer)
Mitchell
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Paradis
Patry
Peric
Pettigrew
Pickard (Kent—Essex)
Pratt
Provenzano
Redman
Reynolds
Ritz
Saada
Scott (Skeena)
Shepherd
St. Denis
Stewart (Brant)
St-Julien

Strahl
Telegdi
Torsney
Valeri
Vellacott
Wappel
White (Langley—Abbotsford)
Williams

Szabo
Thibeault
Ur
Vanclief
Volpe
Whelan
White (North Vancouver)
Wood —180

PAIRED MEMBERS

Alarie
Brown
Chrétien (Frontenac—Mégantic)
Duceppe
Lincoln
Marceau
Normand
Plamondon

Axworthy (Winnipeg South Centre)
Cauchon
Desrochers
Godfrey
Loubier
McLellan (Edmonton West)
Perron
Stewart (Northumberland)

The Speaker: I declare Motion No. 3 lost. The next question is on Motion No. 12.

[*Translation*]

Mr. Bob Kilger: Mr. Speaker, you will find unanimous consent for the members who voted on the preceding motion to be recorded as having voted on the motion now before the House, with Liberal members voting yea.

[*English*]

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote no on this motion.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc Québécois will vote in favour of this motion.

[*English*]

Mr. John Solomon: Mr. Speaker, NDP members present vote yea on this motion.

Mr. Norman Doyle: Mr. Speaker, Progressive Conservative members will be voting no.

(The House divided on Motion No. 12, which was agreed to on the following division:)

Government Orders

(Division No. 54)

YEAS

Members

Adams
Anderson
Assadourian
Augustine
Bachand (Saint-Jean)
Bakopanos
Beaumier
Bélanger
Bellemare
Bergeron
Bevilacqua
Blaikie
Bonwick
Bradshaw
Bryden
Byrne
Calder
Canuel
Carroll
Chamberlain
Charbonneau
Clouthier
Cohen
Comuzzi
Crête
Dalphond-Guiral
Debien
De Villers
Dion
Dockrill
Drouin
Duhamel
Easter
Finestone
Folco
Fournier
Gagliano
Galloway
Girard-Bujold
Godin (Châteauguay)
Graham
Grose
Guay
Harb
Hubbard
Jennings
Keys
Knutson
Laliberté
Lastewka
Lee
Leung
Longfield
Mahoney
Maloney
Manley
Marchi
Martin (Winnipeg Centre)
McCormick
McKay (Scarborough East)
McWhinney
Mercier
Milliken
Mitchell
Myers
Nystrom
O'Brien (London—Fanshawe)
Paradis
Patry
Peterson
Phinney
Pickard (Kent—Essex)
Pratt
Proud
Redman
Richardson
Robillard
Rocheleau
Sauvageau
Serré
Solomon
St. Denis
Stewart (Brant)

Alcock
Assad
Asselin
Axworthy (Saskatoon—Rosetown—Biggar)
Baker
Barnes
Bélair
Bellehumeur
Bennett
Bertrand
Bigras
Blondin-Andrew
Boudria
Brien
Bulte
Caccia
Cannis
Caplan
Catterall
Chan
Chrétien (Saint-Maurice)
Coderre
Collenette
Coppes
Cullen
de Savoye
Desjarlais
Dhaliwal
Discepola
Dromisky
Dubé (Lévis)
Dumas
Eggleton
Finlay
Fontana
Fry
Gagnon
Gauthier
Godin (Acadie—Bathurst)
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harvard
Jackson
Jordan
Kilger (Stormont—Dundas)
Kraft Sloan
Lalonde
Laurin
Lefebvre
Lill
MacAulay
Malhi
Mancini
Marchand
Marleau
Massé
McGuire
McTeague
Ménard
Mifflin
Minna
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Pettigrew
Picard (Drummond)
Pillitteri
Proctor
Provenzano
Reed
Riis
Robinson
Saada
Scott (Fredericton)
Shepherd
Speller
Steckle
St-Hilaire

St-Julien
Szabo
Thibeault
Tremblay (Lac-Saint-Jean)
Turp
Valeri
Volpe
Wasylcia-Leis
Wood—183

Stoffer
Telegdi
Torsney
Tremblay (Rimouski—Mitis)
Ur
Vanclief
Wappel
Whelan

NAYS

Members

Abbott
Anders
Benoit
Borotsik
Cadman
Casson
Duncan
Epp
Goldring
Grewal
Hanger
Hart
Hilstrom
Johnston
Keddy (South Shore)
Kerpan
Lowther
Manning
Matthews
McNally
Morrison
Obhrai
Penson
Ramsay
Ritz
Stinson
Thompson (Charlotte)
White (Langley—Abbotsford)
Williams—57

Ablonczy
Bailey
Bernier (Tobique—Mactaquac)
Brison
Casey
Doyle
Elley
Forseth
Gouk
Grey (Edmonton North)
Harris
Hill (Macleod)
Jaffer
Jones
Kenney (Calgary-Sud-Est)
Konrad
Lunn
Martin (Esquimalt—Juan de Fuca)
Mayfield
Mills (Red Deer)
Muise
Pankiw
Power
Reynolds
Scott (Skeena)
Strahl
Vellacott
White (North Vancouver)

PAIRED MEMBERS

Alarie
Brown
Chrétien (Frontenac—Mégantic)
Duceppe
Lincoln
Marceau
Normand
Plamondon

Axworthy (Winnipeg South Centre)
Cauchon
Desrochers
Godfrey
Loubier
McLellan (Edmonton West)
Perron
Stewart (Northumberland)

The Speaker: I declare Motion No. 12 carried.

• (1750)

The next question is on Motion No. 4. A vote on this motion also applies to Motions Nos. 10 and 11.

Mr. Bob Kilger: Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present vote yes on this motion.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, Bloc Québécois members will vote yes on this motion.

[English]

Mr. John Solomon: Mr. Speaker, NDP members present vote no on this motion.

Mr. Norman Doyle: Mr. Speaker, Progressive Conservative members are voting no.

(The House divided on Motion No. 4, which was agreed to on the following division:)

(Division No. 55)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Anders	Anderson
Assad	Assadourian
Asselin	Augustine
Bachand (Saint-Jean)	Bailey
Baker	Bakopanos
Barnes	Beaumier
Bélair	Bélangier
Bellehumeur	Bellemare
Bennett	Benoit
Bergeron	Bertrand
Bevilacqua	Bigras
Blondin-Andrew	Bonwick
Boudria	Bradshaw
Brien	Bryden
Bulte	Byrne
Caccia	Cadman
Calder	Cannis
Canuel	Caplan
Carroll	Casson
Catterall	Chamberlain
Chan	Charbonneau
Chrétien (Saint-Maurice)	Clouthier
Coderre	Cohen
Collenette	Comuzzi
Copps	Crête
Cullen	Dalphondu-Guiral
de Savoye	Debien
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Dubé (Lévis)	Duhamel
Dumas	Duncan
Easter	Eggleton
Elley	Epp
Finestone	Finlay
Folco	Fontana
Forseth	Fournier
Fry	Gagliano
Gagnon	Galloway
Gauthier	Girard-Bujold
Godin (Châteauguay)	Goldring
Goodale	Gouk
Graham	Gray (Windsor West)
Grewal	Grey (Edmonton North)
Grose	Guarnieri
Guay	Guimond
Hangar	Harb
Harris	Hart
Harvard	Hill (MacLeod)
Hilstrom	Hubbard
Jackson	Jaffer
Jennings	Johnston
Jordan	Kenney (Calgary-Sud-Est)
Kerpan	Keyes
Kilger (Stormont—Dundas)	Knutson
Konrad	Kraft Sloan
Lalonde	Lastewka
Laurin	Lee
Lefebvre	Leung
Longfield	Lowther
Lunn	MacAulay

Mahoney	Malhi
Maloney	Manley
Manning	Marchand
Marchi	Marleau
Martin (Esquimalt—Juan de Fuca)	Massé
Mayfield	McCormick
McGuire	McKay (Scarborough East)
McNally	McTeague
McWhinney	Ménard
Mercier	Mifflin
Milliken	Mills (Red Deer)
Minna	Mitchell
Morrison	Murray
Myers	Nault
Obhrai	O'Brien (Labrador)
O'Brien (London—Fanshawe)	Pagtakhan
Pankiw	Paradis
Parrish	Patry
Penson	Peric
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pickard (Kent—Essex)	Pillitteri
Pratt	Proud
Provenzano	Ramsay
Redman	Reed
Reynolds	Richardson
Ritz	Robillard
Rocheleau	Saada
Sauvageau	Scott (Fredericton)
Scott (Skeena)	Serré
Shepherd	Speller
St. Denis	Steckle
Stewart (Brant)	St-Hilaire
Stinson	St-Julien
Strahl	Szabo
Telegdi	Thibeault
Torsney	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Mitis)	Turp
Ur	Valeri
Vanclief	Vellacott
Volpe	Wappel
Whelan	White (Langley—Abbotsford)
White (North Vancouver)	Williams
Wood —213	

Government Orders

NAYS

Members

Axworthy (Saskatoon—Rosetown—Biggar)	Bernier (Tobique—Mactaquac)
Blaikie	Borotsik
Brisson	Casey
Desjarlais	Dockrill
Doyle	Godin (Acadie—Bathurst)
Jones	Keddy (South Shore)
Laliberte	Lill
Mancini	Martin (Winnipeg Centre)
Matthews	Muise
Nystrom	Power
Proctor	Riis
Robinson	Solomon
Stoffer	Thompson (Charlotte)
Wasylcia-Leis —27	

PAIRED MEMBERS

Alarie	Axworthy (Winnipeg South Centre)
Brown	Cauchon
Chrétien (Frontenac—Mégantic)	Desrochers
Duceppe	Godfrey
Lincoln	Loubier
Marceau	McLellan (Edmonton West)
Normand	Perron
Plamondon	Stewart (Northumberland)

Government Orders

The Speaker: I declare Motion No. 4 carried and I therefore declare Motions Nos. 10 and 11 also carried. The next question is on Motion No. 20.

[*Translation*]

Mr. Bob Kilger: Mr. Speaker, you will find there is unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

[*English*]

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote yes on this motion.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, Bloc Québécois members will vote no on this motion.

[*English*]

Mr. John Solomon: Mr. Speaker, NDP members vote yes on this motion.

Mr. Norman Doyle: Mr. Speaker, Progressive Conservative members vote yes.

(The House divided on Motion No. 20, which was agreed to on the following division:)

*(Division No. 56)***YEAS****Members**

Abbott	Ablonczy
Adams	Alcock
Anders	Anderson
Assad	Assadourian
Augustine	Axworthy (Saskatoon—Rosetown—Biggar)
Bailey	Baker
Bakopanos	Barnes
Beaumier	Bélair
Bélangier	Bellemare
Bennett	Benoit
Bernier (Tobique—Mactaquac)	Bertrand
Bevilacqua	Blaikie
Blondin-Andrew	Bonwick
Borotsik	Boudria
Bradshaw	Brisson
Bryden	Bulte
Byrne	Caccia
Cadman	Calder
Cannis	Caplan
Carroll	Casey
Casson	Catterall
Chamberlain	Chan
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Copps
Cullen	Desjarlais
DeVillers	Dhaliwal
Dion	Discepola
Dockrill	Doyle
Dromisky	Drouin
Duhamel	Duncan
Easter	Eggleton
Elley	Epp
Finestone	Finlay
Folco	Fontana
Forseth	Fry
Gagliano	Galloway
Godin (Acadie—Bathurst)	Goldring

Goodale	Gouk
Graham	Gray (Windsor West)
Grewal	Grey (Edmonton North)
Grose	Guarnieri
Hanger	Harb
Harris	Hart
Harvard	Hill (Macleod)
Hilstrom	Hubbard
Jackson	Jaffer
Jennings	Johnston
Jones	Jordan
Keddy (South Shore)	Kenney (Calgary-Sud-Est)
Kerpan	Keyes
Kilger (Stormont—Dundas)	Knutson
Konrad	Kraft Sloan
Laliberte	Lastewka
Lee	Leung
Lill	Longfield
Lowther	Lunn
MacAulay	Mahoney
Malhi	Maloney
Mancini	Manley
Manning	Marchi
Marleau	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Massé
Matthews	Mayfield
McCormick	McGuire
McKay (Scarborough East)	McNally
McTeague	McWhinney
Mifflin	Milliken
Mills (Red Deer)	Minna
Mitchell	Morrison
Muise	Murray
Myers	Nault
Nystrom	Obhrai
O'Brien (Labrador)	O'Brien (London—Fanshawe)
Pagtakhan	Pankiw
Paradis	Parrish
Patry	Penson
Peric	Peterson
Pettigrew	Phinney
Pickard (Kent—Essex)	Pillitteri
Power	Pratt
Proctor	Proud
Provenzano	Ramsay
Redman	Reed
Reynolds	Richardson
Riis	Ritz
Robillard	Robinson
Saada	Scott (Fredericton)
Scott (Skeena)	Serré
Shepherd	Solomon
Speller	St. Denis
Steckle	Stewart (Brant)
Stinson	St-Julien
Stoffer	Strahl
Szabo	Telegdi
Thibeault	Thompson (Charlotte)
Torsney	Ur
Valeri	Vanclief
Vellacott	Volpe
Wappel	Wasylycia-Leis
Whelan	White (Langley—Abbotsford)
White (North Vancouver)	Williams
Wood—207	

NAYS**Members**

Asselin	Bachand (Saint-Jean)
Bellehumeur	Bergeron
Bigras	Brien
Canuel	Crête
Dalphon-Guiral	de Savoye
Debien	Dubé (Lévis)

Dumas
Gagnon
Girard-Bujold
Guay
Lalonde
Lefebvre
Ménard
Picard (Drummond)
Sauvageau
Tremblay (Lac-Saint-Jean)
Turp—33

Fournier
Gauthier
Godin (Châteauguay)
Guimond
Laurin
Marchand
Mercier
Rocheleau
St-Hilaire
Tremblay (Rimouski—Mitis)

PAIRED MEMBERS

Alarie
Brown
Chrétien (Frontenac—Mégantic)
Duceppe
Lincoln
Marceau
Normand
Plamondon

Axworthy (Winnipeg South Centre)
Cauchon
Desrochers
Godfrey
Loubier
McLellan (Edmonton West)
Perron
Stewart (Northumberland)

The Speaker: I declare Motion No. 20 carried.

Mr. Bob Kilger: Mr. Speaker, I believe you would find consent to apply the results of the vote just taken to the Motion No. 19.

The Speaker: Is there unanimous consent to have it applied?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 56*]

The Speaker: I declare Motion No. 19 carried. The next question is on Motion No. 21.

[*Translation*]

Mr. Bob Kilger: Mr. Speaker, you will find there is unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

[*English*]

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote yes on this motion.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, Bloc Québécois members will vote yes on this motion.

[*English*]

Mr. John Solomon: Mr. Speaker, NDP members present are voting yes on this motion.

Mr. Norman Doyle: Mr. Speaker, Progress Conservative members are voting yes on this motion.

(The House divided on the Motion No. 21, which was agreed to on the following division:)

Government Orders

(Division No. 57)

YEAS

Members

Abbott
Adams
Anders
Assad
Asselin
Axworthy (Saskatoon—Rosetown—Biggar)
Bailey
Bakopanos
Beaumier
Bélanger
Bellemare
Benoit
Bernier (Tobique—Mactaquac)
Bevilacqua
Blaikie
Bonwick
Boudria
Brien
Bryden
Byrne
Cadman
Cannis
Caplan
Casey
Catterall
Chan
Chrétien (Saint-Maurice)
Coderre
Collenette
Copps
Cullen
de Savoye
Desjarlais
Dhaliwal
Discepola
Doyle
Drouin
Duhamel
Duncan
Eggleton
Epp
Finlay
Fontana
Fournier
Gagliano
Galloway
Girard-Bujold
Godin (Châteauguay)
Goodale
Graham
Grewal
Grose
Guay
Hanger
Harris
Harvard
Hilstrom
Jackson
Jennings
Jones
Keddy (South Shore)
Kerpan
Kilger (Stormont—Dundas)
Konrad
Laliberte
Lastewka
Lee
Leung
Longfield
Lunn
Mahoney
Maloney

Ablonczy
Alcock
Anderson
Assadourian
Augustine
Bachand (Saint-Jean)
Baker
Barnes
Bélair
Bellehumeur
Bennett
Bergeron
Bertrand
Bigras
Blondin-Andrew
Borotsik
Bradshaw
Brisson
Bulte
Caccia
Calder
Canuel
Carroll
Casson
Chamberlain
Charbonneau
Clouthier
Cohen
Comuzzi
Crête
Dalphond-Guiral
Debien
DeVillers
Dion
Dockrill
Dromisky
Dubé (Lévis)
Dumas
Easter
Elley
Finestone
Folco
Forseth
Fry
Gagnon
Gauthier
Godin (Acadie—Bathurst)
Goldring
Gouk
Gray (Windsor West)
Grey (Edmonton North)
Guarnieri
Guimond
Harb
Hart
Hill (MacLeod)
Hubbard
Jaffer
Johnston
Jordan
Kenney (Calgary-Sud-Est)
Keyes
Knutson
Kraft Sloan
Lalonde
Laurin
Lefebvre
Lill
Lowther
MacAulay
Malhi
Mancini

Government Orders

Manley	Manning
Marchand	Marchi
Marleau	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Massé
Matthews	Mayfield
McCormick	McGuire
McKay (Scarborough East)	McNally
McTeague	McWhinney
Ménard	Mercier
Mifflin	Milliken
Mills (Red Deer)	Minna
Mitchell	Morrison
Muise	Murray
Myers	Nault
Nystrom	Obhrai
O'Brien (Labrador)	O'Brien (London—Fanshawe)
Pagtakhan	Pankiw
Paradis	Parrish
Patry	Penson
Peric	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Kent—Essex)
Pillitteri	Power
Pratt	Proctor
Proud	Provenzano
Ramsay	Redman
Reed	Reynolds
Richardson	Riis
Ritz	Robillard
Robinson	Rocheleau
Saada	Sauvageau
Scott (Fredericton)	Scott (Skeena)
Serré	Shepherd
Solomon	Speller
St. Denis	Steckle
Stewart (Brant)	St-Hilaire
Stinson	St-Julien
Stoffer	Strahl
Szabo	Telegdi
Thibeault	Thompson (Charlotte)
Torsney	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Mitis)	Turp
Ur	Valeri
Vanclief	Vellacott
Volpe	Wappel
Wasylcia-Leis	Whelan
White (Langley—Abbotsford)	White (North Vancouver)
Williams	Wood—240

NAYS

Members

*Nil/aucun

PAIRED MEMBERS

Alarie	Axworthy (Winnipeg South Centre)
Brown	Cauchon
Chrétien (Frontenac—Mégantic)	Desrochers
Duceppe	Godfrey
Lincoln	Loubier
Marceau	McLellan (Edmonton West)
Normand	Perron
Plamondon	Stewart (Northumberland)

The Speaker: I declare the motion carried.

The next question is on Motion No. 5. A vote on this motion also applies to Motions Nos. 6, 13 and 14.

Mr. Bob Kilger: Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting nay.

• (1755)

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present vote yes on this motion.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, Bloc Québécois members will vote yes on this motion.

[English]

Mr. John Solomon: Mr. Speaker, NDP members vote no on this motion.

Mr. Norman Doyle: Mr. Speaker, Conservative members are voting yes on this motion.

(The House divided on Motion No. 5, which was negated on the following division:)

(Division No. 58)

YEAS

Members

Abbott	Ablonczy
Anders	Asselin
Bachand (Saint-Jean)	Bailey
Bellehumeur	Benoit
Bergeron	Bernier (Tobique—Mactaquac)
Bigras	Borotsik
Brien	Brison
Cadman	Canuel
Casey	Casson
Crête	Dalphond-Guiral
de Savoye	Debien
Doyle	Dubé (Lévis)
Dumas	Duncan
Elley	Epp
Forseth	Fournier
Gagnon	Gauthier
Girard-Bujold	Godin (Châteauguay)
Goldring	Gouk
Grewal	Grey (Edmonton North)
Guay	Guimond
Hanger	Harris
Hart	Hill (Macleod)
Hilstrom	Jaffer
Johnston	Jones
Keddy (South Shore)	Kenney (Calgary-Sud-Est)
Kerpan	Konrad
Lalonde	Laurin
Lefebvre	Lowther
Lunn	Manning
Marchand	Martin (Esquimalt—Juan de Fuca)
Matthews	Mayfield
McNally	Ménard
Mercier	Mills (Red Deer)
Morrison	Muise
Obhrai	Pankiw
Penson	Picard (Drummond)
Power	Ramsay
Reynolds	Ritz
Rocheleau	Sauvageau
Scott (Skeena)	St-Hilaire

Stinson
Thompson (Charlotte)
Tremblay (Rimouski—Mitis)
Vellacott
White (North Vancouver)

Strahl
Tremblay (Lac-Saint-Jean)
Turp
White (Langley—Abbotsford)
Williams—90

NAYS

Members

Adams
Anderson
Assadourian
Axworthy (Saskatoon—Rosetown—Biggar)
Bakopanos
Beaumier
Bélanger
Bennett
Bevilacqua
Blondin-Andrew
Boudria
Bryden
Byrne
Calder
Caplan
Catterall
Chan
Chrétien (Saint-Maurice)
Coderre
Collenette
Coppes
Desjarlais
Dhaliwal
Discepola
Dromisky
Duhamel
Eggleton
Finlay
Fontana
Gagliano
Godin (Acadie—Bathurst)
Graham
Grose
Harb
Hubbard
Jennings
Keyes
Knutson
Laliberte
Lee
Lill
MacAulay
Malhi
Mancini
Marchi
Martin (Winnipeg Centre)
McCormick
McKay (Scarborough East)
McWhinney
Milliken
Mitchell
Myers
Nystrom
O'Brien (London—Fanshawe)
Paradis
Patry
Peterson
Phinney
Pillitteri
Proctor
Provenzano
Reed
Riis
Robinson
Scott (Fredericton)
Shepherd
Speller
Steckle
St-Julien
Szabo
Thibeault
Ur
Vanclief
Wappel
Whelan

Alcock
Assad
Augustine
Baker
Barnes
Bélair
Bellemare
Bertrand
Blaikie
Bonwick
Bradshaw
Bulte
Caccia
Cannis
Carroll
Chamberlain
Charbonneau
Clouthier
Cohen
Comuzzi
Cullen
DeVillers
Dion
Dockrill
Drouin
Easter
Finestone
Folco
Fry
Galloway
Goodale
Gray (Windsor West)
Guarnieri
Harvard
Jackson
Jordan
Kilger (Stormont—Dundas)
Kraft Sloan
Lastewka
Leung
Longfield
Mahoney
Maloney
Manley
Marleau
Massé
McGuire
McTeague
Mifflin
Minna
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Pettigrew
Pickard (Kent—Essex)
Pratt
Proud
Redman
Richardson
Robillard
Saada
Serré
Solomon
St. Denis
Stewart (Brant)
Stoffer
Telegdi
Torsney
Valeri
Volpe
Wasylcia-Leis
Wood—150

Government Orders

PAIRED MEMBERS

Alarie
Brown
Chrétien (Frontenac—Mégantic)
Duceppe
Lincoln
Marceau
Normand
Plamondon

Axworthy (Winnipeg South Centre)
Cauchon
Desrochers
Godfrey
Loubier
McLellan (Edmonton West)
Perron
Stewart (Northumberland)

The Speaker: I declare Motion No. 5 lost. I therefore declare Motions Nos. 6, 13 and 14 lost.

The next question is on Motion No. 7. A vote on this motion also applies to Motions Nos. 9, 15 and 17.

Mr. Bob Kilger: Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting nay.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present support the motion wholeheartedly.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, Bloc Québécois members will vote yes on this motion.

[English]

Mr. John Solomon: Mr. Speaker, NDP members vote no on this motion.

Mr. Norman Doyle: Mr. Speaker, Conservative members will be voting no.

(The House divided on Motion No. 7, which was negated on the following division:)

(Division No. 59)

YEAS

Members

Abbott
Anders
Bachand (Saint-Jean)
Bellehumeur
Bergeron
Brien
Canuel
Crête
de Savoye
Dubé (Lévis)
Duncan
Epp
Fournier
Gauthier
Godin (Châteauguay)
Gouk
Grey (Edmonton North)
Guimond
Harris
Hill (Macleod)
Jaffer
Kenney (Calgary-Sud-Est)
Konrad
Laurin
Lowther

Ablonczy
Asselin
Bailey
Benoit
Bigrais
Cadman
Casson
Dalphond-Guiral
Debien
Dumas
Elley
Forseth
Gagnon
Girard-Bujold
Goldring
Grewal
Guay
Hanger
Hart
Hilstrom
Johnston
Kerpan
Lalonde
Lefebvre
Lunn

Government Orders

Manning
 Martin (Esquimalt—Juan de Fuca)
 McNally
 Mercier
 Morrison
 Pankiw
 Picard (Drummond)
 Reynolds
 Rocheleau
 Scott (Skeena)
 Stinson
 Tremblay (Lac-Saint-Jean)
 Turp
 White (Langley—Abbotsford)
 Williams—79

Marchand
 Mayfield
 Ménard
 Mills (Red Deer)
 Ohrai
 Penson
 Ramsay
 Ritz
 Sauvageau
 St-Hilaire
 Strahl
 Tremblay (Rimouski—Mitis)
 Vellacott
 White (North Vancouver)

Power
 Proctor
 Provenzano
 Reed
 Riis
 Robinson
 Scott (Fredericton)
 Shepherd
 Speller
 Steckle
 St-Julien
 Szabo
 Thibeault
 Torsney
 Valeri
 Volpe
 Wasylcia-Leis
 Wood—161

Pratt
 Proud
 Redman
 Richardson
 Robillard
 Saada
 Serré
 Solomon
 St. Denis
 Stewart (Brant)
 Stoffer
 Telegdi
 Thompson (Charlotte)
 Ur
 Vanclief
 Wappel
 Whelan

NAYS

Members

Adams
 Anderson
 Assadourian
 Axworthy (Saskatoon—Rosetown—Biggar)
 Bakopanos
 Beaumier
 Bélanger
 Bennett
 Bertrand
 Blaikie
 Bonwick
 Boudria
 Brison
 Bulte
 Caccia
 Cannis
 Carroll
 Catterall
 Chan
 Chrétien (Saint-Maurice)
 Coderre
 Collenette
 Copps
 Desjarlais
 Dhaliwal
 Discepola
 Doyle
 Drouin
 Easter
 Finestone
 Folco
 Fry
 Gallaway
 Goodale
 Gray (Windsor West)
 Guarnieri
 Harvard
 Jackson
 Jones
 Keddy (South Shore)
 Kilger (Stormont—Dundas)
 Kraft Sloan
 Lastewka
 Leung
 Longfield
 Mahoney
 Maloney
 Manley
 Marleau
 Massé
 McCormick
 McKay (Scarborough East)
 McWhinney
 Milliken
 Mitchell
 Murray
 Nault
 O'Brien (Labrador)
 Pagtakhan
 Parrish
 Peric
 Pettigrew
 Pickard (Kent—Essex)

Alcock
 Assad
 Augustine
 Baker
 Barnes
 Bélair
 Bellemare
 Bernier (Tobique—Mactaquac)
 Bevilacqua
 Blondin-Andrew
 Borotsik
 Bradshaw
 Bryden
 Byrne
 Calder
 Caplan
 Casey
 Chamberlain
 Charbonneau
 Clouthier
 Cohen
 Comuzzi
 Cullen
 De Villers
 Dion
 Dockrill
 Dromisky
 Duhamel
 Eggleton
 Finlay
 Fontana
 Gagliano
 Godin (Acadie—Bathurst)
 Graham
 Grose
 Harb
 Hubbard
 Jennings
 Jordan
 Keyes
 Knutson
 Laliberte
 Lee
 Lill
 MacAulay
 Malhi
 Mancini
 Marchi
 Martin (Winnipeg Centre)
 Matthews
 McGuire
 McTeague
 Mifflin
 Minna
 Muise
 Myers
 Nystrom
 O'Brien (London—Fanshawe)
 Paradis
 Patry
 Peterson
 Phinney
 Pillitteri

PAIRED MEMBERS

Alarie
 Brown
 Chrétien (Frontenac—Mégantic)
 Duceppe
 Lincoln
 Marceau
 Normand
 Plamondon
 Axworthy (Winnipeg South Centre)
 Cauchon
 Desroschers
 Godfrey
 Loubier
 McLellan (Edmonton West)
 Perron
 Stewart (Northumberland)

The Speaker: I declare Motion No. 7 lost. I therefore declare Motions Nos. 9, 15 and 17 lost.

Mr. Bob Kilger: Mr. Speaker, I believe you would find consent to apply the results of the vote just taken to report stage Motion No. 8.

The Speaker: The question is on Motion No. 8. A vote on Motion No. 8 one way or the other will apply to Motion No. 16. Is that agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 59*]

The Speaker: I declare Motion No. 8 lost. Therefore Motion No. 16 is defeated.

Hon. David M. Collenette (Minister of Transport, Lib.) moved that the bill be concurred in.

Mr. Bob Kilger: Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yes.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will support this motion.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, Bloc Québécois members will vote no on this motion.

[English]

Mr. John Solomon: Mr. Speaker, NDP members present vote no on this motion.

Mr. Norman Doyle: Mr. Speaker, Conservative members will be voting yes.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 60)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Anders	Anderson
Assad	Assadourian
Augustine	Bailey
Baker	Bakopanos
Barnes	Beaumier
Béclair	Bélangier
Bellemare	Bennett
Benoit	Bernier (Tobique—Mactaquac)
Bertrand	Bevilacqua
Blondin-Andrew	Bonwick
Borotsik	Boudria
Bradshaw	Brisson
Bryden	Bulte
Byrne	Caccia
Cadman	Calder
Cannis	Caplan
Carroll	Casey
Casson	Catterall
Chamberlain	Chan
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Copps
Cullen	DeVillers
Dhaliwal	Dion
Discepola	Doyle
Dromisky	Drouin
Duhamel	Duncan
Easter	Eggleton
Elley	Epp
Finestone	Finlay
Folco	Fontana
Forseth	Fry
Gagliano	Galloway
Goldring	Goodale
Gouk	Graham
Gray (Windsor West)	Grewal
Grey (Edmonton North)	Grose
Guarnieri	Hanger
Harb	Harris
Hart	Harvard
Hill (MacLeod)	Hilstrom
Hubbard	Jackson
Jaffer	Jennings
Johnston	Jones
Jordan	Keddy (South Shore)
Kenny (Calgary-Sud-Est)	Kerpan
Keyes	Kilger (Stormont—Dundas)
Knutson	Konrad
Kraft Sloan	Lastewka
Lee	Leung
Longfield	Lowther
Lunn	MacAulay
Mahoney	Malhi
Maloney	Manley
Manning	Marchi
Marleau	Martin (Esquimalt—Juan de Fuca)
Massé	Matthews
Mayfield	McCormick
McGuire	McKay (Scarborough East)
McNally	McTeague
McWhinney	Mifflin
Milliken	Mills (Red Deer)
Minna	Mitchell
Morrison	Muise
Murray	Myers

Nault
O'Brien (Labrador)
Pagtakhan
Paradis
Patry
Peric
Pettigrew
Pickard (Kent—Essex)
Power
Proud
Ramsay
Reed
Richardson
Robillard
Scott (Fredericton)
Serré
Speller
Steckle
Stinson
Strahl
Telegdi
Thompson (Charlotte)
Ur
Vanclief
Volpe
Whelan
White (North Vancouver)
Wood —191

Government Orders

Obhrai
O'Brien (London—Fanshawe)
Pankiw
Parrish
Penson
Peterson
Phinney
Pillitteri
Pratt
Provenzano
Redman
Reynolds
Ritz
Saada
Scott (Skeena)
Shepherd
St. Denis
Stewart (Brant)
St-Julien
Szabo
Thibeault
Torsney
Valeri
Vellacott
Wappel
White (Langley—Abbotsford)
Williams

NAYS

Members

Asselin	Axworthy (Saskatoon—Rosetown—Biggar)
Bachand (Saint-Jean)	Bellehumeur
Bergeron	Bigras
Blaikie	Brien
Canuel	Crête
Dalphon-D-Guiral	de Savoye
Debien	Desjarlais
Dockrill	Dubé (Lévis)
Dumas	Fournier
Gagnon	Gauthier
Girard-Bujold	Godin (Acadie—Bathurst)
Godin (Châteauguay)	Guay
Guimond	Laliberte
Lalonde	Laurin
Lefebvre	Lill
Mancini	Marchand
Martin (Winnipeg Centre)	Ménard
Mercier	Nystrom
Picard (Drummond)	Proctor
Riis	Robinson
Rocheleau	Sauvageau
Solomon	St-Hilaire
Stoffer	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Mitis)	Turp
Wasylcia-Leis —49	

PAIRED MEMBERS

Alarie	Axworthy (Winnipeg South Centre)
Brown	Cauchon
Chrétien (Frontenac—Mégantic)	Desrochers
Duceppe	Godfrey
Lincoln	Loubier
Marceau	McLellan (Edmonton West)
Normand	Perron
Plamondon	Stewart (Northumberland)

The Speaker: I declare the motion carried.

Private Members' Business

• (1800)

[Translation]

The Deputy Speaker: Order. It being 6 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

TOY LABELLING

Mr. Yvon Godin (Acadie—Bathurst, NDP) moved:

That, in the opinion of this House, the government should enact legislation mandating toy manufacturers to label toys containing phthalates in order to allow parents to make an informed decision when buying products for their children.

He said: Mr. Speaker, I would like to rise today on an issue that is of great importance at this time of the year, children's toys. While we are discussing this issue, thousands of parents are in shopping centres buying toys for their children, but some of these toys can be dangerous.

The motion I am moving today proposes that all toys containing phthalates be labelled so that parents can make an informed decision when buying products for their children. Phthalates are chemical agents that soften plastics. They are used in many items, including plastic covers for containers, cellophane tissue and children's toys.

With this motion, I ask the government to take action in the case of plastic toys, because studies have shown that this material can cause cancer, damage the liver, and cause infertility. These studies also show that children are more vulnerable to these toxic effects, especially during the growing years.

What is of even greater concern to me is the fact that these phthalates can be found in pacifiers, in teething rings and in a variety of other toys. Imagine, our children are biting into toys that release chemical agents that can cause cancer. Soft plastic toys containing phthalates are like a sponge. When a child bites into a teething ring, these phthalates are released into his digestive system, in the same way that water is released when a sponge is squeezed. Once in the system, these phthalates apparently alter the normal development of the reproductive organs, for example, and they could cause health problems like cancer, infertility and damage to the liver.

So here are these parents in shopping centres probably buying without knowing it toys that can harm their children. That is why labelling is required to allow parents to make informed decisions.

It was Greenpeace that brought the issue of phthalates to the attention of Canadians. Greenpeace did research on toys bought here in Canada to determine the percentage of toys containing phthalates. This research revealed that phthalates made up a rather important part of the product, and often accounted for 10 to 40% of the weight of a toy.

• (1805)

After Greenpeace released its findings, Health Canada conducted its own study, which confirmed Greenpeace's findings.

If our children put in their mouths toys with a 40% toxic content, it is imperative that we take immediate action to protect them. In September, Health Canada started studying the effects of ingesting phthalates contained in toys. This study is still at the preliminary stages but, so far, no action has been taken by the government to increase the visibility of this very serious concern. The department's attitude seems to be: let us wait for the results of our study; too bad if children get sick in the meantime.

You may recall the time we learned about the serious health hazard posed by the mini-blinds that everyone had in their windows. Only after several cases of poisoning were reported in the United States did the government act. Putting the lives of our children at risk because science cannot answer all our questions quickly enough is unacceptable.

In Denmark, tests conducted on rats showed that phthalates cause cancer, liver damage and infertility. These new findings prompted some store chains in Denmark, the Netherlands, Sweden, Argentina, Spain, Belgium and Italy to take a large number of phthalate containing toys off the market.

These stores were responding to a request from the government of their country for the voluntary withdrawal of phthalate containing toys. These stores incurred losses as a result, but they felt that protecting the health of children was more important than making profits.

The Netherlands, Austria and Denmark have put in motion the necessary process to regulate the use of phthalates not only in toys but also in other plastic products.

Just this week, Denmark's environment minister asked the Environmental Protection Agency to develop a proposal to ban all phthalate containing toys for small children. This is what he had to say about phthalates.

[English]

When it comes to phthalates in toys for smaller children, I have already had the Environmental Protection Agency prepare proposals for a ban. Ever since the problem with phthalates has shown up, the industry has made enormous effort in trying to dismiss all problems instead of developing more health and environmental friendly material. It is time to act.

Private Members' Business

[Translation]

Again, that was what Danish environment minister Svend Auken said.

The Belgian minister of public health also encouraged toy distributors in his country to take some toys off the market. He had this to say to the Belgian federation of distributors: "Given the results of analyses in certain countries of the European Union, which indicate that toys and other common objects made of plastic style PVC intended for chewing by young children release significant quantities of phthalates that could represent a health hazard, I appeal to the sense of responsibility of the Belgian federation of distributors and ask you to intervene with members of your federation and have them take voluntary action against the marketing of such products".

The Belgian minister continued: "I would also stress that you do urgently whatever is necessary to withdraw these plastic style PVC products containing phthalates from sale and thus maintain consumer confidence in the safety of these toys".

I have just quoted the remarks of two European ministers. If they considered it necessary to act on the matter of phthalates, should Canada not do the same? If these countries, in the light of new information, thought it necessary to withdraw plastic toys from the market, we should obtain the information parents need to know what they are buying.

This is a matter of protecting our children and of consumer rights. In Canada today, parents concerned by what children put in their mouths cannot know that the toys contain phthalates.

The labels of toys containing phthalates provide the information parents need to make a considered decision.

• (1810)

At the moment, Canadian parents have to guess. That is not acceptable. It is also a public information issue. I talk with parents all over the country, and they are alarmed at not being able to get this information. They tell me that their priority is their children's health and that they are entitled to access to information as vital as this.

This morning I did a test with our press colleagues. I gave them a series of plastic toys and asked them which ones contained phthalates. Of course, nobody could tell me.

The problem with phthalates is that they cannot detect it. We have to test for it in the lab or have the manufacturer's list of materials that went into the toy. This is why we need labels, in order to know which toys might be dangerous.

At the present time, Health Canada is starting to do testing on certain toys, but any parent knows that there are a number of toys made out of soft plastic. Before Health Canada can test all those toys, we might well be in the next millenium. Action must be taken now to protect our children's health.

As well, Health Canada has not yet determined what concentration of phthalates is considered dangerous. Even if the toy testing is done, then, they do not have the tools to determine what is acceptable and what is not.

We all know how much time it takes to get standards approved. In this case, as well, Canada is seeking to get an international standard set, which means that once our position has been determined, we will have to get it accepted by the European countries, the United States, Australia and New Zealand, as well as by our colleagues in this undertaking.

I respect what Health Canada is doing, but I believe that, if our European counterparts have acted in a definitive manner on this, the least we can do is to label these toys. Too often in this House we hear of cases where the government has not acted fast enough to deal with a situation, out of lack of information or neglect. This week we received the Krever report, which underscores the shortcomings in government action on tainted blood.

In ten years, do we want to realize that we did not act fast enough on phthalates? I want to be very clear here, a ban on the use of phthalates is not what I want. I understand that science has its merits and must be allowed to play its role.

That is why I am only asking that toys be labelled. This way, Health Canada could take whatever steps are necessary and the public could make informed decisions. In the meantime, I ask toy manufacturers to do what the Danish environment minister asked. Many other substances can be used to make plastic soft. Why risk it? Why not just use other plasticisers?

We often overlook the financial factor in health issues. By taking preventative steps now, we will not need to use an already overburdened health system later. We are talking about diseases for which treatment is expensive. Cancer, infertility and liver damage are expensive to treat. Prevention always pays off.

And, of course, there is the human cost. How can you not act when there are small children who are growing and who, 20, 30 or 40 years from now, could develop cancer or be unable to have children of their own because they chewed on soft plastic toys when they were toddlers. Why take such a risk?

[English]

Canada is a sensible country where the well-being of its citizens dominates. When other countries take firm action on a health issue such as this one, should we not act as soon as possible to ensure that

Private Members' Business

Canadians are protected? Of late this government has been more preoccupied with the bottom line than the best interests of Canadians.

What I am asking is not much, a label on toys to ensure that Canadian parents can make an informed decision. Why would we be afraid of an informed public? The human cost of ingesting phthalates is enormous. We are talking about kids with vulnerable bodies who are shaping themselves.

• (1815)

As parents, we all know how quickly they grow, how last month's shirt or pants are too small. Imagine that while their little organs are developing our children are taking a chemical which will alter the normal development process. This means that their little hearts and their little brains do not develop normally. That is the bottom line. That is what we are talking about.

Put in those terms, putting a label on the toys does not seem like much, does it?

[*Translation*]

I stressed the risks associated with phthalates. I listed the immediate steps various countries took to take toys off the shelves in stores. I am not asking that we reinvent the wheel. I just want Canadians to have all the information they need to make the right decision. Everyone benefits from toy labelling. Let us act now to protect our children's health. I am asking my hon. colleagues to make this their Christmas present to all Canadian children.

Mr. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, the House is being asked today to support a motion requiring toy manufacturers to label toys containing phthalates. It is claimed that such a measure would enable parents to make an informed decision when they buy toys for their children.

While the motion clearly seeks to protect children against potentially dangerous phthalates, it is not the best solution to the problem. Why? Because merely indicating on a label that a toy contains phthalates does not tell parents anything about the potential risk and is therefore of little help in making an informed decision.

The label can only be of some use if it specifies the type of phthalate, its concentration in the toy, and the concentrations which could potentially be harmful to a child. Moreover, if a particular toy was found to contain potentially dangerous phthalates, even in high enough concentrations to be harmful to children, it would not be necessary to issue a warning on the label, since that toy would simply not be sold. Indeed, the government would already have taken steps to have such a product taken off the market.

The second problem concerning the motion is the legislation. Should the motion be adopted, the Hazardous Products (Toys)

Regulations under the Hazardous Products Act would have to be amended to make it compulsory to indicate the presence of phthalates in toys made with PVC plastic.

Again, this would be an unnecessary measure. As it now stands, the Hazardous Products Act already gives the government effective and powerful instruments to deal with potential threats to children's health. The act formally prohibits certain toxic solvents and substances. If it was found that some toys contain unacceptable levels of potentially harmful substances, the government would take appropriate measures to have these toys taken off the market.

• (1820)

I would like, if I may, to draw attention to an apparent oversight in this motion. The mere presence of phthalates in a given product does not necessarily constitute a health hazard. Health Canada officials are now looking at studies in order to determine whether the phthalates in question are in fact hazardous.

Finally, I would like to draw attention to the third problem with this motion, which is that the labelling it proposes for the products in question would not constitute a reliable or effective method in the event of an actual hazard. Labelling cannot take the place of energetic and decisive action, should such action ever be necessary.

In closing, I wish to stress that the Hazardous Products Act, together with Health Canada's ongoing monitoring, analysis and evaluation activities, provides the government with all the tools it needs to deal with any potential health hazard caused by the presence of phthalates in plastic PVC products.

[*English*]

In the motion, the hon. member asserts that the government should enact legislation mandating toy manufacturers to label toys containing phthalates in order to allow parents to make an informed decision when buying products for their children. The motion is well intentioned, but the fact is that there is no conclusive evidence linking all, and I stress the word all, phthalates in toys to health risks for children. In fact there has never been a reported case of a child experiencing ill effects from phthalates in this country or anywhere else. For this reason, it is difficult for us to support the motion at this time.

This does not mean however that the government is taking the matter lightly. Quite the contrary. As I indicated a moment ago, officials within the department are currently investigating the potential health risks of phthalates in polyvinyl chloride or PVC plastic toys. In other words, we are being proactive rather than reactive.

My minister, the minister responsible for the health and well-being of Canadian children, has already assured this House, and I repeat that assurance, that if at any time clear evidence of health

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risks from phthalates are established, appropriate action will be taken to protect the health of children and I dare say with alacrity.

Health Canada's investigation of potential health risks from phthalates includes ongoing information exchange with the department's counterparts in the United States and in Europe, with industry, advocacy groups and health associations, as well as a comprehensive literature assessment on the potential toxicity of phthalates.

As part of this investigation, Health Canada officials are undertaking a scientific risk assessment on phthalates in various PVC plastic products. This risk assessment involves two key elements: an evaluation to determine the presence of potentially toxic substances, and testing to see if these substances can in fact be absorbed by children.

I am confident that Health Canada's sound research combined with ongoing dialogue and consultation with government, industry and NGOs, stakeholders and players will result in a clear assessment of this issue, an assessment I am confident that will form a solid, well-informed basis for any possible future action on this matter by the Government of Canada. This approach focuses on solid evidence-based risk assessment as a means of understanding and acting on complex health issues, particularly as they relate to children.

Permit me to suggest that the thorough and comprehensive nature of our response to this potential health threat is also a reflection of the government's ongoing commitment to ensuring the health and safety of all of Canada's children.

● (1825)

Under the circumstances while it is well intentioned, the motion goes beyond what is already in place. In fact it becomes unnecessary. We have all the mechanisms already in place. They are already being utilized and they are being employed in a proactive and aggressive fashion.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, I rise today to speak on Motion No. M-85 which has been brought forward by the hon. member Acadie—Bathurst. I must say to the hon. member I support the motion before us. In doing so I must add that I have a number of questions and some concerns which we will investigate.

What is truly unfortunate in the way in which we do things in the House of Commons is that my concerns and questions will not be answered because the format for debate of a private member's motion does not allow for a question and answer session. In view of this I am hopeful that the sponsor of the motion might address in his closing remarks some of the questions that I raise.

For instance, I am curious as to whether or not any regulatory impact studies will be done in order to give manufacturers an idea of how they will be expected to comply. It is clear the effort to label toys with phthalates will rest with the manufacturers. In this regard it would also be nice if they could have some idea of the costs that would be associated with doing this. This is not to say that the labelling costs should in any way shape or form be placed ahead of consumer safety, especially where the safety of children is concerned, far from it. However in fairness to an industry which will be expected to comply with any new regulations some idea of costs must be given.

The other consideration has to do with the study performed by Greenpeace. I wonder if there have been any other studies done. Have toy manufacturers in Europe responded only to this study? Have they directly responded at all?

I am not calling into question Greenpeace's objectivity or scientific analysis, but its disdain for corporations of all kinds is no secret. Indeed we only have to look at the way in which in Europe it has misrepresented the British Columbia forestry practices to understand what I am saying.

In any event I and my Reform colleagues are in favour of what the member is proposing regardless of whether the issue is one of safety, particularly that of children, or manufacturing compliance.

In this regard I am particularly impressed that the motion places the responsibility of whether or not to purchase a toy containing phthalates with the consumer. This is a good thing as we should not underestimate the ability of consumers to decide what is in their or in this case their children's interests.

All too often in this House we see members put forward legislation which seeks to ban or to remove or otherwise restrict a product based on tentative findings. This applies to members on both sides of the House so I hope that my friends in the government will not feel like I am singling them out.

None of these questions or concerns imply that phthalates are not toxic. We know that they are. But even Greenpeace will concede that the leaching of phthalates from a toy into a child is not an absolute certainty. However, in cases like this I think we must always err on the side of caution especially because it involves the safety of our children.

In this regard I agree with the principal intent of this motion which is to inform consumers of a potential hazard. I note that the effort in Europe has gone beyond alerting consumers to the presence of phthalates in toys to one of actually removing them from shelves. With this in mind, perhaps the hon. member from the NDP could comment on whether this extra step was indeed warranted or whether it was an over-reaction to a situation.

Private Members' Business

• (1830)

If it was not an over-reaction by European governments, then I commend the hon. member for not blindly following their lead in this matter. If removal was necessary, then are we not placing Canadian consumers at some form of risk? Again, the comments of the hon. member for the NDP would be useful.

Lastly, I would like to know if Canadian manufacturers are aware of the problems that are associated with phthalates. If they are, what is their position on the matter?

This is important because they should be given a chance to voluntarily sort this thing out for themselves. This is a more effective route, instead of being ambushed by regulations which they would be forced to comply with on short notice.

I want to again commend the hon. member for Acadie—Bathurst for his foresight in this matter. Indeed, given the time of the year which we are now celebrating, highlighting this concern for parents who will be buying toys of all kinds is a very worthwhile endeavour.

In closing, I appreciate having had this opportunity to speak on this matter to the House today. I look forward to seeing the motion passed by the House and I trust that the hon. member sponsoring the motion will consider some of what I have said here today.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to speak today on the motion by the hon. member for Acadie—Bathurst.

Motion M-85 reads as follows:

That, in the opinion of this House, the government should enact legislation mandating toy manufacturers to label toys containing phthalates in order to allow parents to make an informed decision when buying products for their children.

People need to know what phthalates are. For the good of the public, I will point out that they are chemical agents containing concentrations of lead and cadmium. They are used in certain products made of polyvinyl chloride and vinyl, what we call PVCs.

These chemicals, the phthalates, have the property of making plastics softer, which is necessary for manufacturing such baby items as toys, pacifiers and teething rings. They are also used in manufacturing various plastic toys. Of all the chemicals used in plastics manufacturing, phthalates are the most common.

The problem with these chemicals is that they do not bind with the PVCs. They remain in a freely mobile phase and are leachable, which means that they are released in washing or percolation. Contact and pressure, whether by biting into the object or playing with it, can accelerate the leaching process of these items, for example, the pacifiers that babies put in their mouths.

As they soften plastics, they are ideal for all sorts of plastic covers, cellophane and children's toys such as teething rings and soothers, as I mentioned earlier. Given that children of a certain age tend to put everything in their mouth, the knowledge that a toy contains phthalates is not reassuring. Worse yet is the fact that phthalates are used in the manufacture of toys intended to go into children's mouths.

Prolonged exposure to phthalates can cause all sorts of problems. However the presence of a toxic substance in a toy is not the only problem. The greatest concern is that certain toxic substances, as I have said, may be released from the toys the children put in their mouth. These substances, including phthalates, are ingested and go directly into the system, causing irreversible harm to a child playing normally.

It has been shown that repeated exposure to phthalates can cause such health problems as liver and kidney damage, certain forms of cancer and may even cause infertility.

• (1835)

Since children are in constant development, they are particularly sensitive to exposure to phthalates, as are older people and those whose immune system is deficient.

In September, Greenpeace, the well-known environmental group, released a scientific study that identified large concentrations of toxic products in several commonly used objects easily accessible to children. Indeed, tests have shown that certain products contain phthalates in various proportions, anywhere from 10% to 40%, with no indication of that fact on the label.

Yet, as the authors of the study pointed out, phthalates bought for laboratory work are accompanied by warnings such as "harmful if inhaled, if in contact with water or if swallowed", "possible risk of irreversible effects" and "may cause cancer". However, once phthalates are incorporated into toys, even in proportions of up to 40%, there is no mention of or warning about these harmful products. This is quite a paradox.

Following these findings, Health Canada conducted a series of tests on 19 selected products, to see if certain chemical agents used to make toys could actually be absorbed by children and endanger their health. Strangely enough, although the findings showed significant levels of toxic substances in most of the products tested, including two containing liberal amounts which can be ingested by a child, Health Canada concluded that there were no serious risks associated with the presence of toxic substances and, therefore, that no special action was necessary.

Environmental groups like Greenpeace fiercely criticized Health Canada's attitude, accusing it of having conducted biased tests jeopardizing the health of children. Among other criticism, Health Canada is condemned for not having conducted heat and light exposure tests on the products, when several of them were designed

to be used outdoors. The fact that, on the basis of a risk analysis on two products, it was concluded that, while they containing an excessive level of toxic chemicals, there was no need to take the toys off the market was also decried.

Canada is not the only country where there are concerns about dangerous substances contained in toys and their potential effects on health. In Denmark, the Netherlands, Sweden and Argentina, several tests were conducted, as a result of which several products containing phthalates were take off the market. In Denmark and the Netherlands, they went as far as banning the use of phthalates in all plastic products, including toys.

So why Motion M-85? If a number of studies, including the one done by Health Canada, show that the presence of toxic products can represent a health hazard, if it is known that they can separate from the product and be ingested directly by a child, when we know that many other countries have also done similar research and arrived at similar conclusions, and when we know that many of these countries have already taken preventive action by withdrawing certain products or putting an outright ban on the use of phthalates in plastics, we might well wonder.

Finally, Health Canada has recognized the presence of chemical agents in vinyl products but, for the department, that did not represent a significant health hazard. Even so, why refuse to indicate this on these products? I think it is important that parents know what they are buying and that they be aware of the presence of chemical products that are potentially hazardous to the health of their children.

I think it is a question of protecting our children, of protecting consumers. In my view, when we have just come through the tainted blood scandal, I think it is always better to be safe than sorry.

That is why the Bloc Quebecois is in favour of labelling as proposed in Motion M-85.

• (1840)

[*English*]

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, I want to speak a few moments on this very proactive piece of legislation.

I commend the NDP member from Acadie—Bathurst for bringing in a piece of legislation which is very proactive and tries to protect the most innocent in our communities, young infants that may be susceptible to disease when they are exposed to some of these chemicals. So I say I commend the member for bringing it in. If nothing else today, we are discussing and informing certain

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parents of new children, babies and infants, that there may be a health threat.

One of my workers and his wife have a new baby. I am sure anybody would want to know of any possible health threats to their new child. I am glad the member brought it to my attention and I am glad we are discussing it in the House of Commons.

I am a little surprised at the government's approach. I cannot believe that the government would not be proactive as well and want to give this advice to anyone who may be at risk. We are not asking for any new huge piece of legislation. We are not asking the government to cause the manufacturers to invest huge amounts of money to change machinery and that type of thing. We are simply asking for legislation that would force companies to put on their packaging that something contains a chemical that may be dangerous to a child.

The government approach reminds me almost with what we did on the smoking ban. We could never convince the tobacco companies or convince governments that smoking was hazardous to people's health. Eventually when there were enough conclusive studies done, we used to put on the packages that smoking might cause cancer and other illnesses. We have long passed that stage now. We say yes, it does cause cancer. It is proven that if you use cigarettes as directed, they will most certainly kill you. It is a known fact and now it is accepted.

Why would the government not want to support labelling these toys so that maybe somewhere down the road some family does not have to go through a tragedy simply because we did not have all the studies on time.?

As I say, I commend the member and I am a little bit surprised at the government's approach to this. Much has been said about the studies that have been done throughout Europe, so I will not bother to repeat it. Albeit they may not be conclusive, but there certainly is an element of risk. There is an element that these things can cause problems, otherwise they would not have banned these chemicals in certain parts of Europe.

Even in Canada I understand under our Canadian Environmental Health Protection Act that phthalates are still registered as a toxic or carcinogenic substance. If in one part of Canadian law we have it registered because it is toxic and carcinogenic, why can we then not make sure that manufacturers put it on children's toys so it can be seen?

Those are my comments. There is no need to repeat what has been said. I think it is an excellent piece of legislation. Anything that we can do which is not going to cost taxpayers a lot of money or not going to cause any great deal to the manufacturers and will give some added protection to parents of newborn children I

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strongly support. We in the Conservative caucus will very strongly support this proactive legislation.

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I was impressed with the debate here today. I appreciate the words of the hon. member who introduced this bill. His heart is on the side of child protection which is something where we all are on the same side.

The debate raises more questions than it answers. It raises the question of the research that was conducted which would lead the hon. member to introduce this bill and what were the methods used. Phthalates themselves may very well be toxic in a particular form but where is the evidence to show that phthalates migrate out of plastics and are ingested?

Actually the word that is used in all these debates is the word "may". It does not say it does it. It says it may do it. That is a weasel word because it is just as easy to say it may not. Therefore some of the more serious questions that are raised about the research must be answered before such a pronouncement can be made.

• (1845)

I appreciate that the hon. member is talking about labelling toys to say they contain phthalates, but what does it mean if such a label goes on to a toy? If an organization can stir up enough emotional response to say that phthalates are a terrible thing to be in toys, then parents may respond. But as a government we have a responsibility to make absolutely certain of the evidence before a decision is made. It would be absolutely irresponsible to simply accept a particular claim from a study that was done by an organization whose credibility is in question in the first place. I refer to Greenpeace and the misleading activities it has taken part in with regard to the forest industry in Canada. I suggest to my hon. friend that the credibility of Greenpeace today is zero.

Therefore I suggest to him that we should depend on the Ministry of Health in Canada to continue to conduct studies which have already begun. If Health Canada can find conclusive evidence of any kind we can be sure this government will act and act very quickly.

I have no question of the hon. member's intent. We all believe in the protection of children. From a government's perspective it would be irresponsible to actively campaign to ban something before the difficulty with it has been truly established.

Mrs. Michelle Dockrill (Bras d'Or, NDP): Mr. Speaker, as a member of the New Democratic Party and as a mother I am very proud to stand and second this motion brought before the House today by my hon. colleague from Acadie—Bathurst.

This motion simply asks that the government introduce legislation to require manufacturers to indicate on the label when a toy contains phthalates so parents can make informed decisions when

buying playthings for their youngsters. It asks for labelling because recent studies have shown that phthalates, which are invisible chemical agents commonly put into plastics to make them flexible, have been found to cause cancer, infertility and liver damage, and are particularly damaging to children. Examples include teething rings, soothers and plastic toys.

The studies have recently prompted chain stores in at least seven countries, all with large and highly developed modern economies like Canada, to remove toys polluted by phthalates from store shelves. The Netherlands and Denmark have banned outright the use of phthalates in plastics. The Austrian government has banned phthalates in toys. In what is a clearly growing international momentum on this issue, the Government of Denmark just this week approached the European Commission for a continent-wide ban on phthalates in products.

However, in Canada millions of children are undoubtedly playing with these chemicals right now and their well intentioned parents will bring even more into the home this holiday season and put them under the Christmas tree.

An official from Health Canada told my office that as of this week the department is standing behind all studies that show toys with phthalates are safe. Health Canada is not joining the growing international movement against these toxins. Health Canada has not asked for labels to identify these dangerous toys. Health Canada has only said that it will begin what may be a lengthy process of its own testing which has the very real possibility of being inconclusive.

• (1850)

I have to ask why this minister will not err on the side of the safety of our children. Has the Minister of Health not learned anything from Justice Krever and the ways in which early danger signs were sadly ignored in that shameful episode? The same thing that happened with blood products appears to be happening with plastic toys.

The minister's department says that these deadly toys are safe and will stay on the market and nothing will be done to raise public awareness about the problem. The government's position appears to be that it is okay to poison children for Christmas.

The action by Denmark creates an interesting dilemma for the minister. Denmark is a nation whose people are considered thoughtful and prudent. They have added much to the evolution of modern civilization. The Danish and other governments have decided that these nasty products, sold for profit, specifically to children, have not met the community standard of health and safety and, indeed, morality and will be banned outright.

Protecting the public good is done elsewhere, yet when New Democrats suggest the same business and the government react as if the sky is falling and the mountains are tumbling into the sea. It is like we were taking away the cookie jar.

The Danes and the others are banning these toys and other phthalate ridden products because they know that businesses will not pack up and leave the country and take along every last job when the government makes a common sense decision in the interest of public health.

Holding such a threat over the head of a nation is nothing short of economic terrorism, yet this government thinks that regulation is a dirty word, a word the Minister of Health is afraid to say. Thankfully the Danish and other governments will ensure that corporations make their profits in a way which enhances the public good, and if killer toys have to come off the market, then so be it.

We in this party applaud Denmark's integrity. This government is always talking about international trade. Perhaps we could import some Danish integrity to this government.

I would like to point out to the minister that these types of common sense health policies currently in place in other countries like Denmark are commonly referred to by Canadians as having backbone and principle.

The New Democratic Party knows that there are ways of regulating rogue business without causing economic chaos. It is an accepted part of national life in most countries, and yet this government has abandoned its responsibility in this area. The government should be aggressively protecting the public good and especially the public health of our children with stronger health and consumer regulations.

Canadians used to rely on something called consumer and corporate affairs. The corporate affairs part has changed its name to the Government of Canada, while we can find the consumer part in a matchbox in the basement of Industry Canada.

Millions of polluted toys are being bought this Christmas season by unsuspecting Canadian parents and the official policy of the Minister of Health appears to be toxic toys for girls and boys and a very scary Christmas for all, or perhaps toxic toys *r* us.

The minister is lost in toyland, like his cabinet colleagues. They only seem interested in hearing the prime minister announce his best before date.

I cannot understand how on earth the people in this government can spoon feed poison to our children, my eight year old daughter included. The studies are there. I urge the minister to act quickly in the interest of all Canadians.

The reason we need labels is that phthalates are not a danger a parent can see coming. It is not like a car in the street, a vicious dog or a sharp object. Phthalates are not something a parent can recognize. They are unseen, hidden inside toys that children are often desperate to get their hands on or put in their mouths, and yet the government refuses to even warn parents of the dangers,

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preferring to please itself by putting these deadly chemicals into Canadian babies through things like soothers. It is absolutely shameful.

We at least need labels so parents can make an informed decision to protect their children while the machinery of government grinds through its own testing process. Not even Health Canada can tell us how long that will take.

It is important for a government such as this, sitting as it is in the hip pocket of big business, to realize that the word is going to get out about phthalates, whether CEOs and comfy bureaucrats at Health Canada like it or not.

• (1855)

When that happens, and it is happening right now, all toy manufacturers, including those who refused to use phthalates, will suffer an exodus from toy stores.

Not acting on my colleague's motion will cause economic harm, confusion and fear among parents. The Minister of Health can take the blame for that one too when the CEOs call him on the carpet for it.

How can Canadians continue to have faith in these products that are improperly studied before allowing them into our homes? Perhaps that is why earlier this year it fell upon two workers at an Ikea store to notice that the eyes on 11 models of stuffed toys posed a danger to children. Somehow these 11 toys were approved for sale by the manufacturers and Health Canada but were pulled off the shelves by the large retail chain itself.

It should not be the responsibility of store clerks to protect the nation from dangerous products. It is the responsibility of Health Canada and the Minister of Health.

I call on this government to properly fund departments responsible for public health and safety. Perhaps if this funding had not been cut, we would not be here today imploring the government to take notice of what is happening over this issue.

The economic costs associated with health problems from these polluted toys are obvious. By taking preventive measures we can save some Canadian children from liver disease and cancer. For all these reasons, the safety of our children, the health of the economy, it is important for the government to recognize this problem and accept my hon. colleague's suggestion and place labels on toys polluted by phthalates as soon as possible.

I cannot think of a better Christmas gift for my child and all Canadian children.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I have only been in the House four years, but in that time I have never heard the use of such extreme language and such unfair language as I have just heard from the member who spoke previously.

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We abuse our privilege as parliamentarians when we make exaggerated statements that we cannot make outside the House without being sued.

This talk of killer toys, polluted toys, when she knows full well that she has the protection of the Chamber to use that language, I do not think is something that is very admirable.

In fact, this whole thing springs from a Greenpeace report which says that there is a possibility of danger with phthalates, which are actually ethylhexylphthalate, a chemical softener used in polyvinyl chlorides, plastics, and in baby's soothers and that type of product.

Greenpeace raised a legitimate concern when it pointed out that there may be some possibility that this type of material existing in these toys could be leached out when the child sucks on the toy.

However, the Greenpeace report goes into no detail whatsoever about the alleged toxic qualities of these phthalates. If the member opposite had taken the time to look up the various reports that have been done by Environment Canada and Health Canada, she would have discovered that there is little evidence found by the government that phthalates are a serious problem in the environment.

It is very easy to condemn a product when it gets headlines. But we have to take a responsible attitude to this problem. There is no evidence that these phthalates have any effect except over a very long term. Greenpeace has not supplied the evidence of its laboratory studies and the member opposite is obviously is not prepared to supply the evidence either.

The Deputy Speaker: I have to interrupt the hon. member's remarks because the time provided for the consideration of Private Members' Business is now expired. But he will have eight minutes remaining the next time this matter comes up for discussion.

ADJOURNMENT PROCEEDINGS

• (1900)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved

PRIVACY

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, on November 18 I posed a question regarding the actions taken by the Toronto-Dominion Bank. On October 31 at the stroke of midnight, Halloween night, the computers at the Toronto-Dominion Bank whirled and downloaded every piece of personal information it has on each and every customer.

This information went to the Toronto-Dominion mortgage corporation, securities corporation and insurance corporations and it went free of charge. The only way a TD customer could avoid their own information from being sent was if, and only if, first they read the eight-page brochure that was sent by the TD to all of its customers in June of this year.

Second, they would have to understand just what was being proposed in this brochure and the implications of that.

Third, they would have to phone or write to their Toronto-Dominion Bank and tell them, no, they did not want these separate corporations to have this information.

This is what is called negative option marketing; that is, placing the onus on the consumer to read, understand and respond to a demand that favours only the Toronto-Dominion Bank. This is a bold faced attempt by the Toronto-Dominion Bank to take advantage of its customers. It is also a gross invasion of privacy because there is no consent.

Is it any wonder or surprise that Canadians have no faith, in fact despise the banks and bankers of this country when they actively and purposely take advantage of the little people, the average consumer, the average TD Bank customer?

I know that the parliamentary secretary is going to say that the Canadian Banking Association has a privacy code approved by the Canadian Standards Association. However, I would suggest that we are not talking about wrenches or screwdrivers and how good they are. We are talking about the details of a person's personal financial life, what they own and what they owe. This is a privacy code—and we have to remember this—made by the banks for the banks and enforceable only by the banks. The only entity it helps is the Toronto-Dominion Bank.

What does this mean? It means that consumers of the Toronto-Dominion Bank can at least expect more and more annoying junk mail. It means more and more annoying phone calls at lunch and dinner for the telemarketer trying to sell TD insurance or some other TD product over the phone.

However, what it really means—and the parliamentary secretary does not want to mention this—is that when someone goes into the TD Bank for a loan, that bank or loans manager is going to take out a hammer and that hammer is going to be something like this: the Toronto-Dominion Bank will approve the loan if—and this is a big if—you, the customer, will move your registered retirement savings plan or your car insurance or your home mortgage. There are endless possibilities here.

This is what is called tied selling and it is based on an intimate knowledge of the customer across a very broad segment of their personal financial details.

It is obvious that Canadians need more protection from big banks. Big banks do not need more power. The Canadian Standards Association cannot protect Canadians from the banks. Only the government can and the government should be passing legislation to prohibit this gross invasion of privacy.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, privacy is certainly a major concern to Canadian consumers of financial services and rightly so. Consumers do not want confidential and personal information given to outsiders or used for the purposes other than which it was given or authorized.

The government certainly appreciates these concerns and is planning to build on actions already undertaken by financial institutions. I emphasize that the government is planning to build on these actions.

Earlier this year changes were introduced to the financial institution legislation that strengthens privacy protection for consumers of financial services. Regulations are under discussion that will require all federally regulated financial institutions to establish procedures governing the collection, retention, use and disclosure of customer information, to implement complaints handling procedures, to inform customers of these procedures and to report annually on privacy related complaints.

The banks and property casualty insurers have already adopted codes of conduct on privacy that are modelled on and consistent with the privacy code established by the Canadian Standards Association. The banks' code was audited by Price Waterhouse and the Insurance Bureau of Canada's code was examined by the Quality Management Institute to ensure that the codes were in compliance with the CSA model. The CSA financial institution codes allow organizations to obtain customer consent to use their shared personal information in a number of ways.

• (1905)

The banks do not provide customer information to parties outside their corporate group, with the exception of information released for legal, income tax and credit reporting purposes.

The government will continue to monitor the privacy practices of financial institutions, both to ensure their effectiveness and to assess whether more needs to be done to ensure the protection of customer information.

The task force on the future of financial services sector may also be examining privacy issues in its work. We certainly look forward to seeing what the task force has to say when it reports back to the government next fall.

The Deputy Speaker: The hon. member for Vancouver Island North. I apologize to him. I got mixed up in my reading of the sheet.

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FISHERIES

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, the returns of Atlantic salmon are at historically very low levels. This is why, for conservation reasons, anglers have been practising only catch and release on the Saint John River in New Brunswick.

My question to the minister on November 17 asked why the DFO closed the Saint John River to catch and release fishing and then proceeded to kill fish and give them to the local native aboriginal communities for ceremonial purposes when these communities never asked for those fish, they were not surplus and were not required for science.

The minister's answer displayed a profound lack of knowledge of the spawning behaviour of Atlantic salmon. He stated that male fish were double the number of female fish, and therefore it was important to reduce the imbalance by killing male fish as well as to protect genetic stocks of salmon by making sure that the numbers of hatchery fish are reduced.

When the head of DFO science appeared before the Standing Committee on Fisheries in November, he also justified the killing of these fish based on the female ratio. This is bogus and DFO has no supporting evidence for these actions.

Once again, DFO has managed to politicize fish science. First, for the record, the fish stock from the hatchery are all of Saint John River origin and there is a competent breeding program to prevent in-breeding. Thus, there should be no reason to kill fish to protect genetic stocks of salmon, contrary to what the minister stated.

Second, a biased male to female ratio is not something inherently wrong which requires correction by killing off the offending males. So far, no one has found a nightclub where eligible Atlantic salmon meet to pair up prior to joining in their journey to the spawning grounds.

Salmon are schooling fish and behave more normally when they are in groups. When returns to rivers are low, such as this year, the number of fish available to form schools is low.

These fish may alter their behaviour and become hesitant to move upstream to spawning areas because they do not have companions. Killing off any fish, male or female, when numbers are so low is unjustified.

The hatchery on the Saint John River was built to compensate for fish losses caused by the construction of the Mactaquac dam. However, even with these hatchery contributions, the river is not meeting its egg conservation thresholds. Every fish counts.

The scientific rationale for killing these fish makes no sense. The explanations by the minister and by DFO have not abated the concerns of the Saint John River anglers nor of the local population.

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Locally, DFO appears to be embarrassed. The department and the minister both stated that part or all of the rationale was to harvest these 40 fish to fulfil native requests. We believe this is an attempt to cover all bases by DFO and certainly does not explain why there are some fish still in a DFO freezer.

The statutory authority for this action is dubious at best and, in my opinion, exceeds the authority of DFO. It is important that the department have the support of the community at large to conserve and protect habitat and Atlantic salmon.

The statements and actions by DFO defy logic and have turned off the people normally most involved in stewardship of the river. The community wants reassurance that these actions will not be repeated.

Will the minister assure the community and the fish that this action will not occur again?

• (1910)

Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I think it is time to clear up some facts.

The salmon fishery on the Saint John River was closed earlier this year in August because conservation requirements were not going to be met. DFO had to ensure that the maximum possible number of female salmon were present in the river to spawn. The closure affected all salmon fisheries including the aboriginal fisheries.

The requirement for the most successful spawning is one male per female. The ratio of males to females present in the river, as the hon. member admitted, was in the order of two males to every female. With this number of males salmon surplus to spawning requirements in the Saint John River a decision was made to take 40 hatchery grilse.

Removing the salmon from the fish collection facility was the safest way to do that particular test. Other methods would have resulted in a higher risk of mortality and could have had an impact on the number of females left to spawn.

I should also point out that they were hatchery males and therefore less important for spawning purposes than male wild salmon. There is nothing bogus about this decision. In fact conservation and science were paramount in that decision.

The facts of the matter are that DFO has the authority to undertake these types of activities under written permissions and licences granted in the Fisheries Act and the fishery general regulations.

These permissions and licences permit the specified activities to proceed in spite of closures. In removing the surplus grilse, DFO first gathered specific scientific information from each fish. Following such scientific scrutiny they were then provided to the first

nations, which I am told had expressed an interest in receiving them.

Surplus grilse in the Saint John River were allocated to first nations in their 1997 communal fisheries licences. However, as a result of the early closure, the first nations were unable to reach their allocations for food, social and ceremonial purposes. Some first nations did not receive a single fish.

These fish were justifiably provided to first nations as a partial means to address the food fish shortfall without jeopardizing conservation objectives.

CANADIAN HERITAGE

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, a recent survey found that nearly one in two Canadians would fail the citizenship examine given to immigrants. This suggests that a large number of Canadians lack the basic civic knowledge required to understand and participate in Canada's public life.

I must confess that as a former history teacher at the secondary school level, I was surprised by some of the findings. For example, the title of the national anthem was named by 95% of Canadians but only 63% got the first two lines right.

Just 22% of the respondents could name the four provinces, Ontario, Quebec, New Brunswick and Nova Scotia, that formed Canada in 1867 and 8% cited Newfoundland which joined Confederation in 1949. Again only 8% correctly named the Queen as Canada's head of state; 57% believed the prime minister filled the role.

Fewer than one-third of those surveyed were able to name the Charter of Rights and Freedom as part of the constitution that protects the civil rights of Canadians.

The federal government should play a role in ensuring that history and civics are taught in schools across Canada and should develop national standards in these areas.

I join with those who are calling for a federal-provincial council of ministers of education to develop a new approach to civic education. Like many Canadians I believe that not enough history and civics are being taught in our schools. I believe, as do many Canadians, that we as a national government need to develop Canada-wide standards in these very important areas.

I would be interested in hearing the secretary of state outline whether or not she shares these concerns.

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, the statistics and the results of that survey are a great concern to all of us.

The Minister of Canadian Heritage is convinced that the key to a strong Canadian identity is a sound knowledge of Canada. The role of the federal government and in particular that of the Department of Canadian Heritage is to provide support to enable all Canadians to learn about each other, about our diversity, about our heritage,

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history, symbols, traditions and shared values, so that we can all participate fully in and appreciate the society and country we have built together.

• (1915)

We recognize that formal education is a provincial responsibility, but the federal government can provide innovative high quality learning materials on Canada that are complementary to school curricula. The Canadian studies program of the Department of Canadian Heritage has been supporting the development of Canadian learning materials about Canada's rich and diverse history since 1984. The department's successful "With Flying Colours" educational kit is a model of what we can do in this area.

In much the same way, the federal government highlights Canadian history through our museums, our galleries, our parks and our historic sites. So that young Canadians can learn to understand and participate in our society, we also support youth

exchanges that give Canadian youth the opportunity to develop long term citizenship skills. Multiculturalism programs highlight not only our history but the diversity of our history.

Through key partnerships for instance with the Charles R. Bronfman Foundation which produced our heritage minutes on CBC, the department has shown a flexible and effective approach to supporting the teaching of history outside the classroom.

I recognize that this is not enough. We are working with the Council of Ministers of Education and provincial governments to have a concrete proposal that will benefit all Canadian students.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.16 p.m.)

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Published under the authority of the Speaker of the House of Commons

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