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OFFICIAL REPORT
(HANSARD)

Wednesday, May 13, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, May 13, 1998

The House met at 2 p.m.

Prayers

• (1400)

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

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

STATEMENTS BY MEMBERS

[English]

NATIONAL UNITY

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Mr. Speaker, today I am putting two regional political parties on notice. These parties are the Bloc and the Reform. Both parties knowingly or unknowingly are negative forces in our government's attempt to resolve unity problems once and for all.

During this first session I have witnessed escapades like the Reformers screaming, Reformers throwing Canadian flags on the floor and Reformers driving around Parliament Hill in an old wreck of a car with the Canadian flag painted on it for no other reason than to excite emotion and gain a little publicity.

I see the Bloc members screaming. I see them abusing parliamentary privilege to promote the break-up of our great country.

Both of these factions should be ashamed of themselves. Bloc and Reform listen up. The residents of Simcoe—Grey want a united Canada. The vast majority of Canadians want a united Canada. Indeed the vast majority of residents of Quebec want a united Canada.

On behalf of all Canadians, enough is enough. Stop trying to break up our country.

CANADIAN CONTENT

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, let us look at the heritage minister's misguided attempt at promotion of Canadiana, the most recent being the CRTC Canadian radio content ruling.

The measurements of music, artist, production and lyrics, known as MAPL, forces some Canadian artists off Canadian radio stations while others simply because they reach the bureaucratic high bar are included.

CanCon censors micromanage what Canadians can listen to. While only 12% of CDs purchased are certifiably Canadian, radio stations are forced to play 35%, soon to be raised to 40%, certifiably MAPL rated music. This decision to increase Canadian content to 35% was simply picked out of thin air.

Why should this government bother to hold expensive hearings and public forums when the result is the CRTC and the minister do not listen to the people anyway? The minister's Canadiana culture-crats do not trust Canadians to be Canadians.

* * *

[Translation]

LUIGI GIORDANO

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, I would like to rise in this House today to congratulate Luigi Giordano, a resident of my riding of Laval West who operates a restaurant in Sainte-Dorothée.

Mr. Giordano has just been awarded the title of Olympic official, class 3, world class by the International Amateur Athletic Federation. According to our sources, Mr. Giordano is the first Canadian to be so honoured, and all of us in Laval are proud of it.

Laval is the second largest city in Quebec, and this is not the first time that our community brings honour to Canada. Indeed, Tania Vicent, a bronze medal winner at the Olympic Games in Nagano, is also a resident of my riding and she was the guest of this House a few days ago.

These citizens of Laval West make us proud, and we wish them every success.

*S. O. 31**[English]***SOUTHBROOK WINERY**

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, today at the gala reopening of Canada House, Queen Elizabeth, Prime Minister Chrétien, British Prime Minister Tony Blair and many others will sample one of the finest wines in Canada.

Southbrook Winery and its owner, my friend Bill Redelmeier, have created an international award winning dessert wine, Canadian Framboise. Southbrook started producing wine in 1991 and won the gold medal in 1997 at the London wine challenge. It now produces over 100,000 bottles a year, from table wines to fruit wines. CP Hotels selected the Framboise especially for the Canada House gala dinner.

Mr. Redelmeier is also helping the town of Richmond Hill celebrate its 125th anniversary by including the anniversary crest on the label and donating \$1 from every sale to help fund the anniversary events.

Please join me in congratulating Bill Redelmeier and Southbrook Winery for their success and for being selected as Canada's dessert wine of choice.

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CANADA-WIDE SCIENCE FAIR 1998

Mr. Réginald Bélair (Timmins—James Bay, Lib.): Mr. Speaker, I am very proud to inform the House that the Canada-wide Science Fair 1998 is being held this week in Timmins, Ontario, welcoming over 600 participants, judges, parents and visitors to this prestigious and popular event.

This is not only an opportunity for young Canadian scientists to display their projects and compete for awards, it is also an excellent occasion to celebrate individual endeavours through a collective appreciation of a discipline which is becoming one of Canada's richest resources.

[Translation]

The Canada-wide science fair highlights the diversity of these scientific projects and the creativity of our young people, with whom rests our hope for the future. The initiative of putting this fair together under the theme "earth's resources" should be commended.

[English]

I would like to publicly thank the organizing committee of the science fair, the many volunteers and especially the young competitors for their hard work and dedication throughout the past year.

[Translation]

These young people will show how they lived up to the challenge through their science projects, and we will be there to applaud their masterpieces—

[English]

The Speaker: I have to make a comment. I always cut the hon. member off by four or five seconds. We have to get the punchline in there first.

* * *

BRAIN DRAIN

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, when a government drains our best and brightest from our workforce, it drains our future, our promise and our prosperity as a nation. Right now we have an entire generation of economic refugees fleeing our borders, a generation driven away by high taxes.

These are the brain drain facts. Over the last seven years, work visas to the U.S. have increased tenfold. There has been a 20% increase in Canadian doctors and nurses leaving for the states since 1985. Last year the University of Waterloo had 120 U.S. companies recruiting its graduates, four times more than in 1995. One-third of its co-op computer grads are hired away by Microsoft each year.

The fact is we are subsidizing American jobs with Canadian education. What we really need is to create an environment that lets our graduates stay here at home. For us in Canada this means lower taxes.

* * *

NATIONAL NURSING WEEK

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, this week has been designated as National Nursing Week and "Nursing is Key" is the theme of the celebrations.

Nationally the Canadian Nurses Association is addressing strategies to improve the quality of health care including the implementation of the recommendations of the National Forum on Health. This includes the expansion of medicare to address a broader range of needs, such as home care and pharmacare as part of our innovative health system.

• (1405)

There are over 110,000 registered nurses who have played a leadership role in shaping our health system. We as legislators have come to depend on their experience and expertise to guide us in making wise investments in the health of Canadians.

In recognition of their professionalism and leadership in health care, we salute today the registered nurses of Canada. We extend our gratitude for their continued contributions to the delivery of safe, quality and cost effective health care for all Canadians.

YOUTH

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, the Baffin Regional Youth Council is visiting the nation's capital this week. It is a great honour for me as a representative of Nunavut to be involved in youth issues.

Youth are the future of this country and of our part of Canada, which will officially be Nunavut on April 1, 1999. Some of the youth who form the Baffin Regional Youth Council today may very well be leaders in Nunavut tomorrow. I wish them good cheer and good luck in their future endeavours.

Next week is Aboriginal Awareness Week in Canada. Although we have made great strides in awareness of aboriginal issues, success stories and even problems in the last 10 years, we still have a lot of work to do in teaching all Canadians about many other issues related to all aspects of native culture, beliefs, lifestyles, hopes, aspirations and dreams.

I hope that next week every Canadian will make a special effort to get to know about aboriginal issues and that the dialogue will continue for better relations for all concerned.

* * *

THE SENATE

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, I would like to quote some words of wisdom from the upper house, the Canadian Senate:

“An elected Senate would be an ideal one.” Senator Taylor.

“If it all could be worked out I would be in favour of an elected Senate.” Senator Forest.

“I am not revealing a secret by stating publicly that I am in favour of an elected Senate.” Senator Gauthier.

“I think that would be the first step towards democratizing this place and going to the elected Senate, which I have advocated for years.” Senator Perrault.

“Canadians will not tolerate much longer the status quo. The status quo means our work and our efforts will become meaningless and we're better off staying home.” Senator Ghitler.

Even a number of senators want the Senate reformed. When is the Prime Minister going to realize he is on the wrong side of the issue and live up to his promises to reform the Senate?

S. O. 31

NATIONAL SPEECH AND HEARING AWARENESS MONTH

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, May is National Speech and Hearing Awareness Month.

Our government is committed to building a society where the 10% of Canadians who suffer from hearing impairment can reach their goals both personally and professionally.

I am a person who suffers from hearing loss. I have no hearing in my left ear and only 50% in my right. In spite of this disability I have been able to build a successful accounting practice.

As a member of this House I have been able to use the sound equipment here without much impediment. In fact it has sometimes been a great advantage to me to turn off my hearing aid which I might say often adds to the comprehensibility of this place rather than detracts from it. Of course this is the lighter side of what for many is a major impediment.

I can say that government through programs at HRDC has made funding available to allow for training and computerization of many job functions to allow people with hearing impairments to have full and productive lives.

I salute the 10% of Canadians who suffer from hearing loss.

* * *

[*Translation*]

MEMBER FOR NOTRE-DAME-DE-GRÂCE—LACHINE

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, yesterday the hon. member for Notre-Dame-de-Grâce—Lachine said that President Roosevelt was in favour of assimilating French Canadians. On this basis, the hon. member urged our leader to denounce the monument in Quebec, which, in her mind, is unfair to Liberal Prime Minister Mackenzie King.

However, an excerpt of Mackenzie King's personal diary published in the March 1, 1997, issue of *L'Actualité*, stated that Hitler and Mussolini really tried to make various benefits available to the grassroots and that Hitler could be seen as one of the saviours of the world.

If we follow the logic of the hon. member for Notre-Dame-de-Grâce—Lachine, every work perpetuating King's memory in Canada, including the words written on the monument which is the cause of such humiliation for the Liberals, should be denounced.

S. O. 31

The Liberals, who are facing embarrassment over the hepatitis C issue, are stirring up trouble to distract the public from their lack of compassion. Their pettiness is a disgrace to Quebeckers, who take pride in their history.

* * *

• (1410)

[English]

CANADIAN PORTS

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I and other members of the NDP continue to raise concerns about the disastrous effect of Bill C-9 on Canadian ports.

One of the most damaging sections of Bill C-9 is section 25. Section 25 bans any federal government from giving any money to any ports to improve their infrastructure.

How dare the government make decisions for future governments. By closing the door to federal investment in ports, this government is on a collision course with Canadians who depend on ports for their livelihood.

Yesterday NDP MPs lobbied members of the Senate transport committee before they rubber stamped the minister's bill but some refused to listen to common sense.

Common sense tells us if we want to remain competitive, we must look at our competition. The Americans understand the importance of investing in their ports and that is what they are doing.

New Democrats call on the minister to suspend approval of Bill C-9 until the disastrous provisions prohibiting federal investment in Canadian ports are removed.

* * *

[Translation]

POVERTY

Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.): Mr. Speaker, to be sure, the content of the report on poverty released yesterday by the National Council on Welfare is cause for concern.

As a government and a political party, we are firmly committed to fight the threat of poverty. Indeed, during our most recent convention, the Quebec wing of the Liberal Party of Canada passed a resolution urging the Canadian government to make every effort to eliminate poverty as quickly as possible.

But let us not forget that this is a collective responsibility. All levels of government are directly involved in the process to improve Canadians' quality of life.

We, as a government and political party and as citizens, must support any measure aimed at eliminating poverty in Canada.

* * *

[English]

SENIORS

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, Bill C-36, the budget implementation act, nickels and dimes Canada's poor seniors.

No one blinked an eye when the budget promised to "improve the way in which the guaranteed income supplement operates". This was until people realized that the finance minister's idea of improvement is to cut benefits to seniors.

Take for instance the effects Bill C-36 will have on seniors who are working to earn extra money. These seniors will now be subject to a stiffer clawback on the benefits they receive. If the clawback that already exists was not enough, the government proposes to take up to \$250 more from the poorest senior citizens in Canada.

Some of these senior citizens are working in fast food restaurants. They were told by this government that they would get a full meal deal. Instead, this finance minister is giving them the drive through. It is unfortunate and it is wrong.

The finance minister's improvements nickel and dime Canada's poorest seniors. That is why I have sent a letter to all members of the House seeking their support for amendments that I am proposing to Bill C-36 which will provide for equitable treatment in Canada.

The Speaker: Colleagues, today we are going to do something for the first time in our House of Commons.

I have been asked by the House leaders, and there is agreement in the House, because this is hearing impaired month we are going to have a statement signed by one of our own members of parliament.

At the end of it I am told that if you want to give an ovation you move your hands like this. If you want to give a standing ovation you do what I am doing and make your hands go like that.

I am going to recognize the hon. member for Longueuil.

* * *

[Translation]

HEARING AWARENESS MONTH

Ms. Caroline St-Hilaire (Longueuil, BQ):

[Editor's Note: Member spoke in sign language as follows:]

Mr. Speaker, May is Hearing Awareness Month. I am taking this opportunity to salute all my friends who are deaf or hard of hearing, in the riding of Longueuil and elsewhere in Quebec and Canada.

Oral Questions

Over 10% of the population has a hearing problem. That figure may be even higher, since people are not always prepared to recognize that they have a hearing problem.

I am proud to speak LSQ, the Quebec sign language, and I invite hon. members to do the same.

Let us eliminate the wall of silence.

The Bloc Quebecois salutes its deaf and hard of hearing friends.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

• (1415)

[*English*]

HEPATITIS C

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, tomorrow the country's health ministers will meet to solve the problem of compensating hepatitis C victims. But the real problem has become the federal health minister.

The minister did not want this meeting. He has fought full compensation for the victims tooth and nail. He is the one that said this file was closed.

Today I ask, will the health minister make a personal commitment to this House to achieving compensation for all hepatitis C victims at the conference tomorrow?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I know that our objective in attending the meeting tomorrow is to determine from the health ministers across the country what their position is on these issues and to find out whether we can reach a new consensus on how to approach the issue of those who received hepatitis C through the blood system.

My personal commitment to this House, to the member and to all members of the parliament, is to spend my time tomorrow trying to forge with my counterparts a consensus on how to approach this problem.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the victims and the premiers are asking the minister and the federal government to commit to a position and we get no commitment.

To make things worse, the minister's officials are saying that the health minister will be proposing a two-tier package tomorrow: two tiers of compensation and two tiers of health care for two tiers of victims.

Why is this Liberal health minister pitting one group of victims against another by proposing a two-tier system?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, first, I would caution the Leader of the Opposition against engaging in speculation. That is something I am not going to do.

Rather, I am going to go to the table and sit with ministers of health from across Canada. I am going to find out what their views are. Some have changed their position over the last few weeks. I am going to find out from them what their approach is.

I will then determine whether it is possible to do what is in the interests of all ill people in this country, which is to have an integrated and co-ordinated approach among all levels of government to the health system to serve those who are ill. That is our objective.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, we know that the health minister does not get along too well with the backbenchers. No wonder.

The MP from St. Paul's is now saying that any assistance should be based on pathology rather than chronology. In other words, she does not want—

Some hon. members: Oh, oh.

The Speaker: My colleagues, the hon. Leader of the Opposition has the floor.

Mr. Preston Manning: Mr. Speaker, the backbenchers do not want two tiers of victims based on when someone was infected. That is precisely the same point that Premier Harris made in his unanswered letter to the Prime Minister.

I ask the health minister the question that Ontario is bound to ask him tomorrow. Does he still believe it is fair to treat someone infected on December 31, 1985 differently than someone infected on January 1, 1986?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, one of the reasons it is important for us to find out tomorrow what provincial positions are is that the federal government cannot resolve this issue by itself. It is the provinces which deliver the services. The hon. leader knows that.

It is very odd to listen to the leader of the Reform Party complaining about a two-tier approach to health care when he and his party are the people who call the Canada Health Act an outdated piece of legislation and who want to introduce two-tier medicine in this country.

• (1420)

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, about an hour ago I talked with Jeremy Beaty of the Hepatitis C Society. The victims are meeting with the health ministers tomorrow. Jeremy asked that he not just have a quick little audience and then be ushered out. He wanted, at the end of their presentation, to have a dialogue with the health ministers. He wants to hear what they have to say.

Oral Questions

Will our health minister give Jeremy the opportunity to have a dialogue, an interchange?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I sent Mr. Beaty a copy of my letter to provincial and territorial ministers urging them to join me in receiving representatives of the Hepatitis C Society and, indeed, we added other societies as well who are interested in the subject so we can hear them.

The member and the House can be assured that as far as we are concerned those representatives will be accorded the respect that they are due.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, Mr. Beaty will notice that there was not an answer to my question.

They have a second request. Although they will be ushered out and the ministers will not be able to listen to them all, at the end of the deliberations they want to come back to hear the solution. They want to have these health ministers look them in the eye and tell them what they are going to do for them.

Will Jeremy Beaty and the other victims get a chance to look these ministers in the eye when they have their solution?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we have written to ministers urging them to join us in welcoming representatives of the Hepatitis C Society and other associations.

I should say that the member ought not to jump to the conclusion that there is going to be a resolution tomorrow. Indeed, the provinces may take a very different position and it may not be possible to have a consensus tomorrow. We will do the best we can.

The member should bear in mind that this depends as much on what the provincial positions are as it does on what the federal position is.

* * *

[*Translation*]

NUCLEAR TESTING

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, by detonating five nuclear bombs one after the other, India has challenged international public opinion.

It has also rekindled the already considerable tension with Pakistan, as well as with China. And all this has taken place in an area of the globe where the political situation is far from stable, given the situation that also exists in Indonesia and Afghanistan in particular.

Will Canada, which until now has been content to have the Prime Minister announce timid measures against India, review its position and implement real political and economic sanctions, as the United States is doing?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, we have already taken concrete action. We have withdrawn our

high commissioner, suspended all contact with India, and banned all military exports. We are considering and taking decisions regarding other measures, following active consultation with our allies.

We are taking concrete action because we are in complete disagreement with what India is doing.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the past, Canada has placed substantial limitations on trade with certain countries, in order to put pressure on them. I am thinking of South Africa in particular.

If India persists in defying international public opinion, does the government plan to take more substantial action against this country, such as reviewing the work of the Export Development Corporation?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I repeat that we are actively considering additional but sensible measures. Our approach is to work together with our allies because, as I said, we are in complete disagreement with India's nuclear activities.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

Canada's attitude toward the use of nuclear testing as an instrument of intimidation in a regional conflict is pretty weak, considering the important issues raised by the irresponsible attitude of the Indian government.

Above and beyond the intentions of the Minister of Foreign Affairs and the Prime Minister to raise the question at the G-8 summit, does Canada intend to show leadership in this conflict by immediately calling for a meeting of the UN Security Council?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the government intends to do something equally important, which is to discuss the situation with the leaders of the European Union, as well as with the other G-7 leaders. These are very significant concrete actions.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, we shall see whether the government is interested in very concrete actions.

● (1425)

Is Canada giving thought to officially opposing India's candidacy for a seat on the UN Security Council, since that country is demanding a permanent seat as part of the institutional reform currently underway at the UN?

[*English*]

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, as the acting prime minister has indicated, this matter will be before the G-8 countries. It is at that stage that measures, including candidacy for seats for the security council, can be discussed.

Oral Questions

I might remind the hon. member that the Standing Committee on Foreign Affairs and International Trade of the House has been engaged in a useful study on nuclear and general disarmament and we await anxiously the report of that committee.

* * *

[*Translation*]

HEPATITIS C

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, in the matter of hepatitis C, the meeting of the health ministers has yet to begin, but the government is already talking about a plan B, which does not involve compensation, another plan B destined to fail.

The government must now concentrate on plan A: compensation for all victims.

Is the federal government prepared to pay out enough to compensate all victims?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I will be meeting my counterparts tomorrow and I hope that all the health ministers will be at the table. Tomorrow we will determine whether we can settle the matter with a new consensus.

Today, however, what matters is that we are keeping an open mind and that we are prepared to work with our partners in Canada's health care system. I will be bringing this objective to the table with me tomorrow.

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, crafting a fair compensation package demands leadership from the federal government. Dividing blood injured Canadians into two classes of victims reflects a failure of leadership.

Victims will not accept two-tier compensation. Canadians will not accept two-tier compensation.

Will the health minister categorically reject here and now all plans for two-tier compensation?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I do not think it is useful to speculate on the outcome of tomorrow's meeting.

I also think it is important to bear in mind that the solution to this issue must come not just from the federal government, but from all governments, the provincial governments who deliver health services, the provincial governments who are responsible for administering health programs in the provinces. To be sure, under the leadership of the Prime Minister, we have brought them to the table so far, but the solution must be found in the provinces as well as in the federal government.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the same blood system infected people before and after 1986, but the government's policy toward the victims is to divide and discriminate.

Now we hear that the minister may offer a two-tier package that will leave the provinces with the ongoing cost of assisting hep C victims.

Will the minister do the right thing and go into the meeting with an open mind? Will he commit to go into the meeting tomorrow to see how all the victims can be compensated and not whether all the victims will be treated equally?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I will, of course, approach the meeting with an open mind. That is the way I have approached the subject from the outset.

I also want to tell the hon. member that this is the party that is responsible for introducing medicare in Canada. This is the party that believes strongly in one tier of treatment for those who are ill and no proposal we make or support at any time will depart from the principle of one tier of treatment for those who are ill.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, God bless those who got hep C before 1986 if he went in with an open mind that way.

By slashing health care transfers by billions of dollars since 1994 the government has jeopardized provincial ability to meet the health care needs of not just hep C victims, but all Canadians.

Some provinces have realized that to compensate some victims and not others is wrong and they are willing to put more money on the table.

Will the government have the courage to do the same when it goes into that meeting tomorrow?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, what we have managed to do, remarkably, is to make our way through the economic ruins left by the last government to restore fiscal balance and at the same time maintain cash transfers to the provinces at a floor of \$12.5 billion a year. That is a remarkable achievement. We will bring that kind of skill and commitment to this issue as well.

• (1430)

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, the health minister says that this file is closed. It is not and it will not be closed until we get fair compensation for all victims.

I remind the minister of his promise to the mother of one such child in my riding. On March 8 he told Debbie Duncan her son would be compensated. He said "Hang in there and we'll help you to take care of your son".

Did the minister just say this to get her off his back or will he keep his word tomorrow?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, over the last 10 months we have overcome remarkable provincial resistance. We have overcome ingrained provincial refusals to talk about these issues. We finally got them through a series of several meetings to the point where together we offered compensation to a

Oral Questions

group that was infected at a time when those responsible could have prevented those infections.

We will be sitting down again tomorrow to look at outstanding issues that have arisen in recent weeks. I can assure the hon. member we shall bring to the process tomorrow the commitment we have shown as a government throughout to do the best we can in these difficult circumstances.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, the health minister has to blow his own horn because the editorialists certainly are not these days.

Jonathon Duncan had 16 blood transfusions between 1983 and 1986. One transfusion falls in the 1986 to 1990 compensation window but because of a technicality he is not eligible. So much for one tiered approaches.

The minister promised his mother that if she hung in there he would help. Instead the minister has hung Jonathon out to dry.

Will the health minister do the right thing and compensate all victims, or will he go back on his word once again?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the member will find that it is dangerous to use examples for partisan purposes.

A few weeks ago they were talking about a 15 year old boy. They were saying that 15 year old boy was excluded from the compensation offer. When we found out the facts of the case we discovered that the little boy was covered. I caution the member to be careful.

Rather than engage in that, I will be at the table tomorrow with provincial ministers from around the country to see if a new consensus can be reached on this important issue.

* * *

[Translation]

YOUNG OFFENDERS ACT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, yesterday the Minister of Justice capitulated under pressure from the Reform Party and from the western provinces and toughened the Young Offenders Act even further.

If it is true, as she said yesterday in her presentation, that she borrowed considerably from the Quebec approach, why did she not manage to convince the West to accept the Young Offenders Act as it stands, and as Quebec has done successfully?

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the government response

we tabled yesterday speaks to the balanced and integrated approach I have often referred to in the House.

Our government response tabled yesterday speaks to the importance of prevention, speaks to the importance of meaningful consequences and speaks to the importance of rehabilitation. I would hope those are all values everyone in the House would support.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the problem is not the law, but its application, and this is the opinion of all Quebecers involved.

Even her predecessor, the minister sitting beside her, said at the time, and I quote “The government continues to believe the youth justice system is a valid one and supports it”.

Having heard the opinions of experts and of her predecessor, how does the minister explain her shift to the right, except as a means of getting easy votes in western Canada?

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I reassure the hon. member, as I have said before, that this response speaks to balance. It speaks to fundamental values that are shared by all Canadians regardless of where they live.

Let me inform the hon. member and the House that this morning the Canadian School Boards Association, l'Association canadienne des commissions de conseils scolaires, endorsed the government response in relation to young offenders.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, yesterday the justice minister had her splashy press conference about the broken Young Offenders Act.

• (1435)

She did speak a lot but she did not exactly do anything. She did not change a single section in the law. She did not hire one more police officer or a single social worker.

Is she soft on crime or just buying time?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, let me say that the government's response, the government's strategy for the renewal of the youth justice system, is plain. It does not take the simplistic uni-dimensional myopic approach of the Reform Party.

Some hon. members: Oh, oh.

The Speaker: Colleagues, I encourage you not to shout out when answers are being given or when questions are being asked. I encourage you to do that throughout question period.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, if that is her strategy it is a tragedy and nothing more. It has taken

337 days for the justice minister to come up with a press conference. After all was said and done, a lot was said but nothing was done.

For months the justice minister has kept telling us that she would have her legislation ready in a timely fashion. How many more days will it take for Canadians to get real legislation to do something about the Young Offenders Act? Where is the bill?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have said often in the House that we would table our government response to the standing committee report in a timely fashion.

In fact I tabled that government response yesterday. Yesterday I made it plain that I would be introducing legislation in the fall.

* * *

[Translation]

POVERTY

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the statistics on poverty reveal not only the federal government's inability to fight poverty effectively but also its contribution to increasing the number of poor people in Canada.

How does the Minister of Finance explain the fact that, despite Canada's increased wealth, incomes continue to drop and poverty continues to rise?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the data cited by the member of the opposition dates from before 1996, according to Statistics Canada.

Almost half the jobs created in the economy since this government's arrival in office date from 1996 and, more particularly, 1997. This indicates therefore a visible improvement in the lives of our fellow Canadians.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am addressing the Minister of Finance, because this is of concern to him.

Since 1988, the cost of living has gone up by 27%, whereas the Canadian tax system was indexed at only 6.5%.

Is the Minister of Finance aware that bracket creep is one of the factors increasing middle class family poverty and that he should index all tax tables as of this year?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the hon. member kept up with matters he would realize that we have made targeted reductions to help single parent families, poor children, parents saving for their children's education and persons with disabilities.

We have cut taxes by over \$7 billion, which will help poor families and the middle class in Canada.

Oral Questions

[English]

YOUNG OFFENDERS ACT

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, yesterday the justice minister admitted that the Young Offenders Act was seriously flawed. The act was amended in 1995 by her seatmate in the House so her comments would appear to be a reflection on her predecessor and indeed the government.

The minister appears to have a keen grasp of the obvious. I ask her why after five years in power Canadians still do not have effective legislation.

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I indicated yesterday in the government response that it is indeed time to renew our country's youth justice system.

I also indicated—

Some hon. members: Oh, oh.

The Speaker: The hon. Minister of Justice has the floor.

• (1440)

Hon. Anne McLellan: Mr. Speaker, in conclusion, I also indicated yesterday that I would be introducing legislation as part of our renewal package in the fall.

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, yesterday the minister admitted that her mere promise for change did not have caucus approval for funding and did not have provincial support in a cost sharing scheme.

Is it not obvious we still have months or even years to go before we receive effective legislation?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I find it interesting that the official opposition's obsession seems to be with legislation. We have not heard one word from them today about the content, about the proposals, about the balance between prevention and meaningful consequences and rehabilitation. I find that very interesting.

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[Translation]

HEPATITIS C

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, while the meeting with his provincial counterparts on the hepatitis C issue is scheduled for tomorrow, we are still wondering what the position of the Minister of Health will be.

The cat may have been let out of the bag this morning, as a newspaper reported that the Minister of Health will let those infected before 1986 down yet again.

Oral Questions

Will the minister confirm information to the effect that his government has no intention of extending its compensation package to hepatitis C victims infected before 1986 and after 1991?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I have said repeatedly that the purpose of tomorrow's meeting is to determine whether a new consensus can be achieved. I hope that all health ministers will be at the table. We shall see tomorrow.

* * *

[English]

NATURAL RESOURCES

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

Recently the environment committee heard that district energy could help solve the problem of Canada's greenhouse gas emissions.

What is the minister doing to encourage district energy projects? Is he prepared to act upon a major study of the potential for district energy in the national capital region which was completed last year?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, we are very interested in the potential of district energy systems and have in fact been instrumental in the founding of the District Energy Association of Canada.

We have worked on such projects as the Oujé-Bougoumou project in an aboriginal community in northern Quebec. I personally think the prospects with respect to other projects, including in the national capital region, are promising. It is one of the solutions we intend to pursue with respect to climate change.

* * *

NUCLEAR TESTING

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, India's nuclear testing is symptomatic of a bigger problem. The problem is the increasing tensions between China, India and Pakistan. Instead of attacking the symptoms, the government should get to the root of the problem.

Is the government prepared to get to the root of the problem? Will Canada press for an Asian security agreement? Will it push to get these countries to sign a non-proliferation treaty? Will it get these countries to stop testing nuclear weapons?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, Canada believes that all nuclear countries should be members of the non-proliferation agreement. It has been pushing for this type

of action. It will continue to do so and it will act vigorously in concert with its allies on this important issue.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, as usual, we got a non-answer, sort of a liberal answer.

Canada has a special obligation and that obligation is because we have supplied so much of this nuclear technology to these countries.

Is the minister prepared for the government to show some leadership and get an Asian security agreement, get them to sign this non-proliferation treaty and get them to stop testing?

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, we have a clear policy of not exporting Candu reactors to any country that has not signed the nuclear non-proliferation treaty or the comprehensive test ban treaty.

We do find it passing strange, though, that the member's party opposite opposed in the Standing Committee on Foreign Affairs and International Trade an Asian regional security study launched by the Minister of Foreign Affairs.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question as well is for the Deputy Prime Minister on India's nuclear weapons test.

Canada's response so far has been pathetically weak, falling far short of the tough sanctions proposed both by the U.S.A. and by Japan.

• (1445)

Why is the Liberal government not moving now, not after the G-8, to impose tough sanctions on India, urge it to sign the comprehensive nuclear test ban treaty and send a strong signal to Pakistan that it should not follow India's dangerous lead in this mad nuclear arms race?

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, it has been our constant policy with the Indian government and others in the region to urge them to sign the non-proliferation treaty and the comprehensive test ban treaty.

I could add to what the acting prime minister has said, that we have cancelled talks in Delhi for May 22 on CIDA aid to India. We have cancelled in Delhi for May 22 trade policy bilateral talks. We have cancelled a pending joint ministerial committee. We are doing all this in conjunction with any action within G-8.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

Cancelling talks is one thing, tough sanctions are what Canadians are demanding of this Liberal government. Canada's own credibility on nuclear disarmament is weakened by our support of NATO's policy allowing the first use of nuclear weapons.

Will Canada now speak out against NATO's first use policy and call on nuclear weapon states to commit now to timetables and conditions to rid the world once and for all of all nuclear arsenals?

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, we have already said that our policy is to get people to sign the non-proliferation treaty and the comprehensive test ban treaty.

We have had before the standing committee on foreign affairs a project for the study of nuclear and general disarmament in light of the world court's recent ruling. Give us a strong report and we can act on it. You are a member of the committee.

The Speaker: I encourage hon. members to please address the Chair at all times.

* * *

HEPATITIS C

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I find it very ironic that the leader of the Reform Party speaks against the two tier health care system in the policy that his party subscribes to. However, I find it equally ironic that the Minister of Health is subscribing to Reform policy right now.

The new compensation package that is going to be put forward tomorrow speaks to enhanced medical services for those people who were infected with hepatitis C prior to 1986.

Can the Minister of Health please tell me why he is putting the universal health care system in jeopardy with a two tier health care system?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I caution the member not to engage in speculation about what might happen tomorrow. He can be assured that neither I nor any member of this government would ever propose any approach that departs from the principle we think is important, that all people who are ill in this country should have single tier health care to look after them.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, perhaps the Minister of Health could put this speculation to rest. Perhaps he can tell this House what he is going to enter those negotiations with. What is he going to offer the hepatitis C victims before 1986 and post-1991?

Could the Minister of Health please tell us what he is prepared to put on the table, in fact what the Minister of Finance has allowed him to put on the table?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the member should know that the provincial governments actually provide health services. They are the ones that run the health systems in the provinces. Any solution must involve and include the provincial governments, which is the reason we brought them

Oral Questions

together to one table over several sessions to make the progress we have.

My objective in sitting with health ministers from across Canada tomorrow is to forge, if we can, a consensus approach to the remaining issues. That may not be possible. It may take more than tomorrow to get there if we can get there at all. However, that is my objective and it is to that process that I am committed.

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[Translation]

SUDAN

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, in recent days, Canadians having been watching on television troubling images of the Sudanese people threatened by a famine brought upon by drought and civilian unrest.

My question is for the Minister responsible for International Cooperation and for Francophonie. What is Canada doing to help the people of Sudan?

● (1450)

Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, Canada has been providing assistance to Sudan for years. Through UNICEF, Médecins sans frontières and other organizations, Canada has contributed approximately \$5.7 million since February. This assistance is designed to provide food, tools, seeds and emergency relief to the most vulnerable victims.

In spite of tremendous obstacles, Canada will continue to do its part.

* * *

[English]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the preceding has been a paid political announcement.

We know from Statistics Canada that family incomes have fallen in the last few years in a way we have not seen since the Great Depression. We also know that federal revenues are way up in a way we have never seen.

When is the finance minister going to bring in sweeping tax relief, not the puny tax cuts he brought in with the budget? When it comes to tax cuts, size really does matter.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what the numbers cited by the hon. member demonstrate is that when this party was in opposition the recession from 1989 to 1993 was one of the deepest and most severe this country has ever gone through. As a result, when we took office we vowed to put in place policies that would reverse that trend.

Oral Questions

I am glad to say that in 1995-1996 that trend was reversed. Canada is now on the road to prosperity and Census Canada and Statistics Canada have said that.

* * *

[Translation]

SAINT-JEAN-BAPTISTE-DE-ROUVILLE HYDRO CO-OP

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

Quebec's only hydro co-op, in Saint-Jean-Baptiste-de-Rouville, could go bankrupt if nothing is done to help it recover from the recent ice storm. The situation is as follows: there are 5,200 subscribers in a rural area spread over four federal ridings, the damage caused to the power grid totalled \$10 million, and profits are minimal.

Will the government quickly answer the call for help from the hydro co-op in Saint-Jean-Baptiste-de-Rouville?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I thank the hon. member for raising the issue of the ice storm. The federal government is participating in a program to compensate the province for the costs it incurred as a result of the damage. The same was done for Manitoba and the Saguenay region.

Of course, the province has primary responsibility for any damage caused by natural disasters, while the role of the federal government is to help the province support the costs involved. This is what we did by paying 90% of the costs in the Saguenay region and probably also in this case, and we will continue to do so.

* * *

[English]

JOB CREATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is to the finance minister.

The minister's rosy portrait of the economy ignores the glaring condemnation of the council of welfare and now Statistic Canada, two of our most respected organizations. It is a tragedy that there are 1.2 million more Canadians living in poverty than in 1990. Hungry people do not need empty speeches. They need jobs to fill empty stomachs.

When will the minister stop taking credit for jobs that are substandard or do not exist and initiate a job creation program that works?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is absolutely right. Canadian people do not need the kind of empty rhetoric we have heard coming from the NDP.

In the most recent budget this government brought in the most comprehensive set of measures possible providing access to education. What the census numbers demonstrated was there were jobs lost where people did not have education and there were jobs created where they did. That is why I ask the hon. member to ask her leader why, the day after the budget, on *Canada AM* she said education does not create jobs. She is wrong.

* * *

JUSTICE

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, seven years ago James Mills was murdered while in Renous prison. The Mills family has never received a full report on the death and no charges have been laid even though seven years have passed.

● (1455)

After I raised the issue in the House six months ago RCMP and corrections officials promised the Mills family that charges would be laid by December 20, 1997. That promise has not been kept. No charges have been laid.

Will the solicitor general honour that promise today and finally give the Mills family a little peace of mind by pressing charges as promised?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, surely the hon. member does not believe that in the House of Commons today I can announce that we are pressing charges. That is not how the criminal justice system works in this country.

He did bring it to my attention. I made arrangements for him to meet with corrections officials and at the end of the day if charges are laid it will be done by the justice system in the province of New Brunswick.

* * *

WORKFORCE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, my question is for the Secretary of State for the Status of Women. The recent census has shown that women are now occupying 22% of the top well paying jobs in Canada. Between 1990 and 1995 the number of men in these occupations dropped by 5% while the number of women increased 26%. Does this mean that we are finally closing the gender gap in the paid workforce?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, the census did show that women are making small gains in the highest paying jobs in this country. But it also showed that women are still stuck in the lowest paying jobs in terms of clerical, retail and nanny jobs. That is why the 1998 budget looked to the issue of increasing access for women to education and training.

The millennium scholarship will help, plus \$3,000 a year for low income persons with dependants, as well as increasing tax credits and deductions for persons who are attending part time university and training to be able to access this. This means women and so I think we are on the right track.

* * *

NATIONAL HOCKEY LEAGUE

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, in spite of the U.S. control of the NHL, our Canadian teams are doing us proud. But when we asked what this government was prepared to do in order to bring protection under NAFTA, it said it could not be done.

An international trade lawyer in committee yesterday said that it could be done. Why will the government not give us the tools to get the job done the same way that our players are getting the job done for our proud cities?

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I am most impressed with the Preston come lately approach of the Reform Party. It has taken quite a while for the Reform Party to realize that this is a genuine concern of Canadian people.

We welcome all the submissions to the committee being chaired by the hon. member for Broadview—Greenwood who is doing a noble job. We will continue to examine each and every one of them and we await his report.

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[Translation]

MILLENNIUMSCHOLARSHIPS

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, despite the smooth talk of the Minister of Human Resources Development, the government seems determined to bulldoze ahead and impose its millennium scholarships program.

What is the minister's reaction to the comment last week by his former boss, Claude Ryan, who said, and I quote "This is a case where there could be no doubt that Quebec's jurisdiction takes priority. Quebec should therefore be permitted to exercise its right to opt out, with full financial compensation"? What does he say to that?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, what I can say is that we want to work with the Government of Quebec. That is why we are now in the process of conducting negotiations.

We are not negotiating in public, as members opposite have regrettably begun to do.

Points of Order

As soon as the Quebec Liberal Party introduced a resolution in the National Assembly, it was rejected out of hand by the Bouchard government, which did not even want to look at the promising initiative undertaken by the Quebec Liberal Party through Mr. Gauthrin's resolution.

* * *

● (1500)

[English]

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, yesterday in the House the Minister of Health said he shares my concern about any unlicensed or unsafe blood product on the market.

I know he has been preoccupied with the preparations for tomorrow's meeting. I certainly hope he has been busy convincing the Minister of Finance that he needs more money for compensation for all hepatitis C victims. But any possibility of unsafe blood products on the market today demands urgent attention.

What has the minister done since these incidents were brought to his attention on Monday?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I have conferred with officials. I have made sure they went over the questions asked by the member yesterday and the day before. In fact, my staff has seen a draft response which will be worked on further.

I would be happy to arrange a briefing between the member and the appropriate officials if she would like to have that done because the matters she raises are important. I assure her we will deal with them on that basis.

* * *

POINTS OF ORDER

STANDING COMMITTEE ON JUSTICE AND HUMAN RIGHTS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, on a point of order, I want to protest in the strongest terms the actions of the chair of the justice committee yesterday to bring a report before the House this afternoon.

The committee adopted this report with only one opposition member present and no notice was given of the intention to proceed in this manner at yesterday's meeting. The chair and the Liberal members at the committee knew full well that the opposition members were intending to attend the briefing that was called by the Minister of Justice.

Members of the Liberal caucus were given an advanced briefing of the same material at 1 o'clock yesterday, while the opposition members were not provided the same information until 3 o'clock.

Routine Proceedings

This activity, I suggest, created a planned conflict for the justice committee.

The agenda of the justice committee could have been adjusted and the Liberals' intention, therefore, to adopt the report with a full committee would have been much more advisable.

• (1505)

The Minister of Justice certainly should have been and I suggest would have been aware of this conflict and resulting fiasco for the opposition. The contempt that she showed for the House of Commons by failing to make her policy statement here in the House as a ministerial statement rather than a statement to the press is an attempt to manipulate this House.

I would suggest that a warning to the minister, the parliamentary secretary and the chair of the justice committee is in order. All of those individuals have to depend on the goodwill of the House, including the opposition and the second House of Parliament, if there is to be a successful disposition of legislation.

I urge the government to use this coming week to reflect on this point and I serve warning that the insults shown to the opposition and the amateur attempts to manipulate the House will result in the undermining of the government House leader, which might lead to unforeseen consequences for future good workings in this parliament.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I agree with my colleague's comments. We had a short discussion regarding this with the House leaders yesterday and I think it is appropriate in this House that we start acknowledging and respecting our colleagues.

I believe that when these ministers have points to make or reports to table they should be tabled in this House prior to them going out and worrying about their media friends. They should be here giving every consideration to their colleagues and tabling reports prior to media events or any other such events because these kinds of issues are important to all of us.

The Speaker: My colleagues, indeed, these types of points have been raised before.

The hon. member for Pictou—Antigonish—Guysborough mentions something that took place in the committee and I firmly believe that he does have a grievance. However, I think that particular point should be settled in the committee.

With regard to other statements being made, the House does not have any rules governing this particular way of disseminating information. However, I would encourage ministers and, indeed, all members when they bring reports, if it is at all possible, that we, the collective parliamentarians of Canada, should have access to these documents as quickly as possible. I understand that sometimes that cannot be done when the House is not sitting. I

understand that. But where it is possible I would urge ministers to consider doing just such a thing in the future.

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 33rd report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items, in accordance with Standing Order 92.

This report is deemed adopted on presentation.

* * *

CANADA WATER EXPORT PROHIBITION ACT

Mr. Nelson Riis (Kamloops, NDP) moved for leave to introduce Bill C-404, an act to prohibit the export of water by interbasin transfers.

• (1510)

He said: Mr. Speaker, this bill is very timely in that we have heard that an entrepreneur in Ontario wishes to export water from the Great Lakes to Asia. This bill would prohibit the export of water by interbasin transfer specifically. It points out that water is one of Canada's most valuable natural resources and that Canada is committed to preserving water resources within its boundaries for future generations. Basically, this bill would prohibit anyone from exporting water using interbasin transfers.

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

* * *

PETITIONS

THE FAMILY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have two petitions to present today. The first comes from a number of Canadians, including those in 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 agree with the National Forum on Health which suggests that the Income Tax Act discriminates against families who choose to provide care in the home to preschool children.

The petitioners therefore call upon parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home to preschool children.

FOOD AND DRUGS ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition is also from my riding of Mississauga South.

The petitioners draw to the attention of the House that the Food and Drugs Act is designed to protect Canadians from potentially harmful effects related to food and drug consumption; that the consumption of alcoholic beverages may cause health problems; and specifically, that fetal alcohol syndrome and alcohol related birth defects are 100% preventable by avoiding alcohol consumption during pregnancy. The petitioners therefore call upon parliament to require health warning labels to be placed on the containers of all alcoholic beverages to caution expectant mothers and others of the risks of alcohol consumption.

MULTILATERAL AGREEMENT ON INVESTMENT

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, due to the negligence of this government in dialoguing with Canadians on the MAI, I have two petitions to present to this House.

The petitioners are requesting that parliament impose a moratorium on Canadian participation in the MAI negotiations until a full public debate on the proposed treaty has taken place across the country so that all Canadians may have an opportunity to express their opinions and decide on the advisability of proceeding with the MAI.

CRUELTY TO ANIMALS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is a privilege for me to present a petition today on behalf of 29,500 people from all provinces and territories in Canada.

The petitioners point out that in Canada individuals convicted of causing pain and injury to animals face a maximum penalty of six months in jail, a two year prohibition from having custody or control of an animal and/or a maximum fine of \$2,000, but they are not ever aware of this penalty being imposed at its maximum. They point out that a number of states in the United States have now made cruelty to animals a felony offence and punishment varies

Routine Proceedings

from one year in jail to up to 10 years of hard labour with fines going as high as \$100,000.

They point out a number of horrid situations that have occurred in our country regarding cruelty to animals. They are asking the Government of Canada to impose harsher penalties for serious offences against animals and to establish an educational program for judges to help them understand society's abhorrence and condemnation of acts of cruelty to animals.

I present this petition with a great deal of pride.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, pursuant to Standing Order 36, I have a petition containing approximately 3,200 names of people from right across the country indicating the petitioners' abhorrence of cruelty against animals.

• (1515)

They are asking for the enforcement of harsher penalties for serious offences against animals and the establishment of an education program for judges to help them understand society's abhorrence and condemnation of acts of cruelty to animals.

YOUNG OFFENDERS ACT

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, it is my pleasure to present on behalf of 113 constituents in my riding of Nanaimo—Cowichan a very timely petition considering the events that have occurred in the House.

They ask that the Parliament of Canada significantly amend the Young Offenders Act, not tinker with it but truly amend it, to publish the names of violent young offenders and to increase the maximum three year sentence for all offences except murder to seven years.

NUCLEAR WEAPONS

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, I rise today to present a petition signed by hundreds of people from across the country who are concerned about the proliferation of nuclear weapons.

The petition is calling for the abolition of nuclear weapons. In particular they are asking that parliament support the immediate initiative and the conclusion by the year 2000 of an international convention which will set out a binding timetable for the abolition of all nuclear weapons. I table this petition today on their behalf.

CRIMINAL CODE

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, today I am presenting a petition on behalf of the family of Jeff Giles and all of the people of Manitoba. This petition arose out of the senseless murder of a wonderful young man during an armed robbery in Winnipeg.

Routine Proceedings

The petition, signed by over 11,000 Manitobans, cries out for parliament to change the Bail Reform Act, to lengthen mandatory sentences and to do everything possible to return a sense of safety to our communities.

[*Translation*]

CRUELTY TO ANIMALS

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Mr. Speaker, I wish to present a petition signed by some 3,200 people concerned about cruelty to animals.

These people want the government to impose greater penalties and to set up information programs for judges so they will understand exactly what the problem of cruelty to animals entails.

[*English*]

CRIMINAL CODE

Mr. Jake E. Hooppner (Portage—Lisgar, Ref.): Mr. Speaker, I have three petitions to present.

I have 1,800 signatures on the brutal murder of Jeff Giles. The petitioners pray that government will amend the Criminal Code so that violent crimes result in stiff sentences and that those guilty of violent crime are not eligible for parole or conditional release of any kind.

THE SENATE

Mr. Jake E. Hooppner (Portage—Lisgar, Ref.): Mr. Speaker, in another petition the petitioners pray that parliament fill future vacancies in the Senate through elections.

CANADIAN WHEAT BOARD

Mr. Jake E. Hooppner (Portage—Lisgar, Ref.): Mr. Speaker, the third petition deals with the Canadian Wheat Board delivering its grain shipments to the port that offers the most advantageous cost to producers and the requirement for conveyers to guarantee seamless car interchange between all railways and short lines.

I support all three petitions.

The Deputy Speaker: The hon. member was doing so well with his presentations. They were short and succinct. Then he broke the rules by saying whether he agreed or disagreed. I know he will not want to do that again.

CRUELTY TO ANIMALS

Hon. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, I am pleased you are very diligent; we all appreciate that.

I also want to present a petition about cruelty to animals that was signed by hundreds of people across the country. It specifically refers to an incident that took place in Saskatchewan, another one in Alberta and another one in Gatineau, Quebec.

The petitioners call for tougher rules and regulations in the country so that when people commit an offence that is cruel to animals they have to actually pay for it.

I am very proud to present the petition on behalf of hundreds of Canadians all across the country.

IRAQ

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from numerous citizens in the city and county of Peterborough who are concerned about hardship in the wake of the gulf war.

They point out that the sanctions have not personally hurt Saddam Hussein. They also point out that UN Secretary General Kofi Annand has negotiated an acceptable peace accord which also includes an oil for food agreement.

The petitioners call upon parliament to reject any military action against Iraq, to immediately withdraw Canadian forces from the gulf and to call for an end to the embargo against necessities of life for the Iraqi people.

• (1520)

Further, in the interests of gaining the support of the Iraqi people and relieving their terrible suffering, they ask the Government of Canada, following the lead of the United Kingdom, to join in a massive effort to provide medicine and food for sick and starving Iraqi people.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 55 will be answered today.

[*Text*]

Question No. 55—**Mr. John Reynolds:**

With respect to the selection of the "Van Doos", as the honour guard at the recent APEC Conference held in Vancouver November 23 to November 26, 1997: (a) why was the originally selected honour guard the Seaforth Highlanders rejected and replaced by the "Van Doos" (b) how many individuals including the actual honour guard were included in the "Van Doos" entourage; (c) what was the total cost of airfare for transporting the "Van Doos" and their entourage to and from Vancouver; (d) what was the total cost of accommodation for the "Van Doos" and their entourage; (e) where did the actual "Van Doo" regiment stay in Vancouver and where did the entourage stay and for how long; (f) what was the total cost for food and other expenses for the "Van Doos" and their entourage; (g) what was the average working day, in hours, for the "Van Doo" regiment members and the remainder of the entourage?

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I am informed by the Departments of Foreign Affairs and National Defence as follows:

(a) The Royal 22nd Regiment was selected as the arrival guard for international delegates at APEC 97 because of their ceremonial dress of red tunics and bearskin hats, most recognizable worldwide from their role on Parliament Hill.

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This representation should not eclipse the participation of the B.C. regiment of the Seaforth Highlanders of Canada, who should be recognized for their substantial contribution to APEC 97. Regimental pipers played a ceremonial role at the Prime Minister's cultural performance and dinner; as well Seaforth Highlanders coordinated the APEC 97 transportation effort.

Canada proudly hosted APEC 97 in Vancouver and both regiments admirably represented our country.

(b) Fifty-seven.

(c) \$45,706.25

(d) \$22,520.13

(e) The group stayed at the Travel Lodge Hotel for seven nights, from November 18 to 24, 1997. A two-person reconnaissance group arrived three days earlier and stayed from November 15 to 24, 1997.

(f) \$23,964.14

(g) The group worked six days and averaged eight hours per day. During the last three days, the guard was on standby from 0530 hours to 0030 hours daily. The reconnaissance group worked an additional two days at eight hours per day average.

[*English*]

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

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, I have asked the parliamentary secretary many times this week and last week about Question No. 21. We have been waiting for an answer since October 3, 1997.

Could the parliamentary secretary tell the House right now whether this question will be answered before the House breaks for the summer?

Mr. Peter Adams: Mr. Speaker, the member is correct. He has asked me about this question each day and each day I have looked into the situation regarding the response to Question No. 21.

I think the member will have noticed that we have been cutting through the backlog. I have high hopes that Question No. 21 will be answered soon.

The Deputy Speaker: I am sure that is a hope shared by all hon. members. Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTION FOR PAPERS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.): Mr. Speaker, I rise on a point of order concerning my Notice of Motion for the Production of Papers No. P-8 which deals with a \$2 billion contract awarded to Bombardier.

Motion No. P-8 has been on the order paper for half a year. I have raised previous points of order on the matter on February 18, March 25 and April 24.

I demand to know from the parliamentary secretary on which specific date I can expect a response. Could he tell the House what is so secretive about the government doling out taxpayers' dollars to Bombardier? After all, the Liberals do it all the time.

Mr. Peter Adams: Mr. Speaker, I note the question about Notice of Motion for the Production of Papers No. P-8. I will certainly look into that matter.

As the member knows, some of these matters take longer than others. Again I have the highest hopes that he will have a response soon.

The Deputy Speaker: Shall the Notices of Motions for the Production of Papers stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUDGET IMPLEMENTATION ACT, 1998

The House proceeded to the consideration of Bill C-36, an act to implement certain provisions of the budget tabled in Parliament on February 24, 1998, as reported (without amendment) from the committee.

Mr. Yvan Loubier: I rise on a point of order, Mr. Speaker.

The Deputy Speaker: Perhaps the hon. member could await the Chair's ruling on the admissibility of motions. I think I understand what he wants to do and that is quite acceptable, but first I would like to render my decision. Is it agreed?

Mr. Yvan Loubier: Agreed.

[*English*]

SPEAKER'S RULING

The Deputy Speaker: There are 107 motions in amendment standing on the notice paper for the report stage of Bill C-36.

[*Translation*]

The motions will be grouped for debate as follows:

Group No. 1: Motions Nos. 1 to 67.

[*English*]

Group No. 2, Motions Nos. 68 to 76.

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[Translation]

Group No. 3: Motion No. 77.

[English]

Group No. 4, Motions Nos. 78 to 81.

Group No. 5, Motions Nos. 82 and 83.

Group No. 6, Motions Nos. 84 to 87.

[Translation]

Group No. 7: Motions Nos. 88 to 93.

[English]

Group No. 8, Motions Nos. 94 to 96.

Group No. 9, Motions Nos. 97 to 107.

• (1525)

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern at the time of voting.

[Translation]

I will now put Motions Nos. 1 to 67 to the House.

Mrs. Christiane Gagnon: Mr. Speaker, I rise on a point of order. I would like to withdraw Motion No. 77.

The Deputy Speaker: Consequently, Motion No. 77 in Group No. 3 is withdrawn.

(Motion No. 77 withdrawn)

MOTIONS IN AMENDMENT

Mrs. Christiane Gagnon (Québec, BQ): moved:

Motion No. 1

That Bill C-36 be amended by deleting Clause 2.

The Deputy Speaker: Is it necessary to read each of the 66 motions to the House at this point? Perhaps the House would give its consent to have this entire group deemed to have been put to the House.

[English]

Can I dispense with reading the other 66 motions?

An hon. member: We want to test your reading skills.

The Deputy Speaker: If the hon. member wants to hear the other 66 motions, I would be happy to read them out, but I have a feeling members might get bored.

Is it agreed that Motions Nos. 2 to 67 have been moved and seconded and are now before the House?

Some hon. members: Agreed.

Mr. Scott Brison (Kings—Hants, PC) moved:

Motion No. 2

That Bill C-36, in Clause 2, be amended by replacing lines 16 to 24 on page 1 with the following:

““eligible institution” means

(a) a public post-secondary educational institution in Canada that grants degrees, certificates or diplomas; or

(b) a private post-secondary educational institution in Canada that grants degrees, certificates or diplomas in respect of a program of studies that has been designated by a law of the province in which the institution is located, as a program whose students are eligible to receive a scholarship granted by the government of that province.”

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 3

That Bill C-36, in Clause 2, be amended

(a) by replacing line 19 on page 1 with the following:

“certificates or diplomas and that is a specified educational institution within the meaning of section 2 of the Canada Student Loans Act,”

(b) by replacing lines 22 to 24 on page 1 with the following:

“certificates or diplomas and that is a specified educational institution within the meaning of section 2 of the Canada Student Loans Act.”

[Translation]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 4

That Bill C-36 be amended by deleting Clause 3.

Motion No. 5

That Bill C-36 be amended by deleting Clause 4.

Motion No. 6

That Bill C-36 be amended by deleting Clause 5.

[English]

Mr. Nelson Riis (Kamloops, NDP) moved:

Motion No. 7

That Bill C-36, in Clause 5, be amended by replacing line 10 on page 3 with the following:

“across Canada and allocate those scholarships to reflect the relative population size of each province.”

[Translation]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 8

That Bill C-36 be amended by deleting Clause 6.

Motion No. 9

That Bill C-36 be amended by deleting Clause 7.

Motion No. 10

That Bill C-36 be amended by deleting Clause 8.

[English]

Mr. Nelson Riis (Kamloops, NDP) moved:

Motion No. 11

That Bill C-36, in Clause 8, be amended by replacing lines 6 and 7 on page 5 with the following:

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“(b) six persons, one of whom shall be a student attending a college and one of whom shall be a student attending a university,”

Mr. Scott Brison (Kings—Hants, PC) moved:

Motion No. 12

That Bill C-36, in Clause 8, be amended by replacing line 7 on page 5 with the following:

“student attending an eligible institution full-time,”

Motion No. 13

That Bill C-36, in Clause 8, be amended by adding after line 17 on page 5 the following:

“(2.1) The Board shall consist of at least one person representing public post-secondary educational institutions and at least one person representing private post-secondary educational institutions.”

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 14

That Bill C-36 be amended by deleting Clause 9.

Motion No. 15

That Bill C-36 be amended by deleting Clause 10.

[*English*]

Mr. Scott Brison (Kings—Hants, PC) moved:

Motion No. 16

That Bill C-36, in Clause 10, be amended by replacing lines 36 to 39 on page 7 with the following:

“(a) the Board is knowledgeable about post-secondary education and learning in Canada, the needs of the Canadian economy and the management of investments; and”

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 17

That Bill C-36 be amended by deleting Clause 11.

Motion No. 18

That Bill C-36 be amended by deleting Clause 12.

[*English*]

Mr. Scott Brison (Kings—Hants, PC) moved:

Motion No. 19

That Bill C-36, in Clause 12, be amended by adding after line 32 on page 8 the following:

“(4.1) The Foundation shall have at least one member representing public post-secondary educational institutions and at least one member representing private post-secondary educational institutions.”

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 20

That Bill C-36 be amended by deleting Clause 13.

Motion No. 21

That Bill C-36 be amended by deleting Clause 14.

Motion No. 22

That Bill C-36 be amended by deleting Clause 15.

Motion No. 23

That Bill C-36 be amended by deleting Clause 16.

Motion No. 24

That Bill C-36 be amended by deleting Clause 17.

Motion No. 25

That Bill C-36 be amended by deleting Clause 18.

Motion No. 26

That Bill C-36 be amended by deleting Clause 19.

Motion No. 27

That Bill C-36 be amended by deleting Clause 20.

Motion No. 28

That Bill C-36 be amended by deleting Clause 21.

Motion No. 29

That Bill C-36 be amended by deleting Clause 22.

Motion No. 30

That Bill C-36 be amended by deleting Clause 23.

Motion No. 31

That Bill C-36 be amended by deleting Clause 24.

Motion No. 32

That Bill C-36 be amended by deleting Clause 25.

Motion No. 33

That Bill C-36 be amended by deleting Clause 26.

Motion No. 34

That Bill C-36 be amended by deleting Clause 27.

Motion No. 35

That Bill C-36 be amended by deleting Clause 28.

Motion No. 36

That Bill C-36 be amended by deleting Clause 29.

Motion No. 37

That Bill C-36 be amended by deleting Clause 30.

Motion No. 38

That Bill C-36 be amended by deleting Clause 31.

Motion No. 39

That Bill C-36 be amended by deleting Clause 32.

Motion No. 40

That Bill C-36 be amended by deleting Clause 33.

Motion No. 41

That Bill C-36 be amended by deleting Clause 34.

[*English*]

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 42

That Bill C-36, in Clause 34, be amended by replacing line 16 on page 16 with the following:

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“appropriate but no scholarship may be granted unless a person who meets the requirements mentioned in paragraphs 27(1)(a) to (d), or a person described in subsection 27(2), makes an application to the Foundation for a scholarship.

34.1 (1) Where the Foundation does not grant a scholarship to an applicant referred to in section 34 who meets the requirements mentioned in paragraphs 27(1)(a) to (d) or who is a person described in subsection 27(2), the applicant may appeal the Foundation's decision in accordance with the appeal process established by regulations made under subsection (2).

(2) The Minister of Finance shall, not later than 90 days after the coming into force of this section, make regulations establishing an appeal process for the purposes of subsection (1). The regulations shall come into force on or before the expiry of those 90 days.”

[Translation]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 43

That Bill C-36 be amended by deleting Clause 35.

Motion No. 44

That Bill C-36 be amended by deleting Clause 36.

[English]

Mr. Scott Brison (Kings—Hants, PC) moved:

Motion No. 45

That Bill C-36, in Clause 36, be amended

(a) by replacing line 11 on page 17 with the following:

“year and next year;”

(b) by adding after line 13 on page 17 the following:

“(e) the names of the five highest paid employees and officers of the Foundation appointed under section 16 and the salary paid by the Foundation to each of these persons;

(f) a summary of all individuals, and businesses that benefitted from contracts for professional services with the Foundation totalling more than \$100,000;

(g) any written statement referred to in subsection 168(7) of the Canada Business Corporations Act that has been requested and received by a person described in that subsection, from an auditor described in that subsection;

(h) an executive summary of the findings of any internal audit that has been carried out at the request of the Board; and

(i) such other information as may, by regulation, be prescribed by the Minister of Finance.”

Mr. Nelson Riis (Kamloops, NDP) moved:

Motion No. 46

That Bill C-36, in Clause 36, be amended

(a) by replacing line 11 on page 17 with the following:

“year and the next year;

(b) by replacing line 13 on page 17 with the following:

“the granting of scholarships during the year; and

(e) the number of students that were granted scholarships in the year, the name and location by province, of the eligible institutions in which each of those students were enrolled and the program of studies they were pursuing.”

[Translation]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 47

That Bill C-36 be amended by deleting Clause 37.

[English]

Mr. Scott Brison (Kings—Hants, PC) moved:

Motion No. 48

That Bill C-36, in Clause 37, be amended by replacing lines 14 to 17 on page 17 with the following:

“37. Every five years after the coming into force of this Act, the Foundation shall cause a review and report to be made by a person who is independent of the Foundation of its activities and organization.”

[Translation]

Mrs. Christiane Gagnon (Québec, BQ) moved:

Motion No. 49

That Bill C-36 be amended by deleting Clause 38.

[English]

Mr. Scott Brison (Kings—Hants, PC) moved:

Motion No. 50

That Bill C-36, in Clause 38, be amended by replacing lines 18 to 25 on page 17 with the following:

“38. Not later than six months after the end of each fiscal year, in the case of a report referred to in section 36, and not later than six months after the report referred to in section 37 has been made, the reports shall be made public and a copy of them shall be sent to the Ministers and to the provincial ministers. The Minister of Human”

Motion No. 51

That Bill C-36, in Clause 38, be amended by adding after line 30 on page 17 the following:

“(3) The reports said before each House of Parliament under subsection (2) stand permanently referred to the standing committee of the House of Commons that normally considers matters relating to human resources development and the standing committee of the Senate that normally considers social affairs.”

Mr. Nelson Riis (Kamloops, NDP) moved:

Motion No. 52

That Bill C-36, in Clause 38, be amended by adding after line 30 on page 17 the following:

“(3) A report under section 36 that is laid before each House of Parliament under subsection (2) stands permanently referred to such committee of the House of Commons as is established or designated to review matters related to human resources and education.

(4) A report under section 37 that is laid before each House of Parliament under subsection (2) shall be referred to such committee of the House of Commons as is established or designated to review matters related to human resources and education.”

*Government Orders**[Translation]***Mrs. Christiane Gagnon (Québec, BQ)** moved:

Motion No. 53

That Bill C-36 be amended by deleting Clause 39.

Motion No. 54

That Bill C-36 be amended by deleting Clause 40.

*[English]***Mr. Scott Brison (Kings—Hants, PC)** moved:

Motion No. 55

That Bill C-36, in Clause 40, be amended by replacing lines 1 to 5 on page 18 with the following:

“40. (1) On the recommendation of the Minister of Finance, the Governor in Council shall appoint an auditor for the Foundation for the fiscal year, and the members shall fix, or authorize the Board to fix, the auditor’s remuneration.”

Motion No. 56

That Bill C-36, in Clause 40, be amended by adding after line 24 on page 18 the following:

“(c) the Auditor General of Canada.”

Motion No. 57

That Bill C-36, in Clause 40, be amended by replacing lines 29 to 31 on page 18 with the following:

“(4) On the recommendation of the Minister of Finance, the Governor in Council may remove an auditor from office.”

Motion No. 58

That Bill C-36, in Clause 40, be amended by replacing lines 38 to 44 on page 18 with the following:

“(6) On the recommendation of the Minister of Finance, the Governor in Council shall appoint an auditor to fill any vacancy in the office of the auditor.”

*[Translation]***Mrs. Christiane Gagnon (Québec, BQ)** moved:

Motion No. 59

That Bill C-36 be amended by deleting Clause 41.

Motion No. 60

That Bill C-36 be amended by deleting Clause 42.

Motion No. 61

That Bill C-36 be amended by deleting Clause 43.

Motion No. 62

That Bill C-36 be amended by deleting Clause 44.

Motion No. 63

That Bill C-36 be amended by deleting Clause 45.

Motion No. 64

That Bill C-36 be amended by deleting Clause 46.

*[English]***Mr. Scott Brison (Kings—Hants, PC)** moved:

Motion No. 65

That Bill C-36, in Clause 46, be amended by replacing lines 6 to 10 on page 20 with the following:

“46. (1) Subject to subsection (2), from and out of the Consolidated Revenue Fund there may, on the requisition of the Minister of Finance, be paid and applied for payment to the Foundation the sum of two billion five hundred million dollars.

(2) The sum referred to in subsection (1) shall not be paid to the Foundation in respect of a fiscal year that ended before the date of the coming into force of this Part.”

Motion No. 66

That Bill C-36 be amended by adding after line 10 on page 20 the following new clause:

“46.1 The Access to Information Act applies to the Foundation as if it were a federal institution.”

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 67

That Bill C-36 be amended by adding after line 10 on page 20 the following new clause:

“46.1(1) Where the Foundation enters into an agreement with the provincial minister of a province whereby

(a) the Foundation shall not carry out its objects and purposes in the province;

(b) the Foundation promises to pay to the government of the province the amount that the Foundation would otherwise have spent in the province in carrying out its objects and purposes; and

(c) the provincial minister promises to use the amount referred to in paragraph (b) to address the particular needs of the province in terms of post-secondary education the Foundation shall cease to carry out its objects and purposes in the province.

(2) Within ten days after the signing of an agreement referred to in subsection (1), the Foundation shall pay to the government of the province the amount specified in the agreement.”

[Translation]

Mrs. Christiane Gagnon: Mr. Speaker, as a member of the finance committee responsible for reviewing Bill C-36 as it relates to the millennium fund, I am very pleased to take the floor today.

In my opinion, the millennium scholarships are as important as manpower training. It would have been a symbolic gesture on the part of the government to comply with the consensus that has been expressed in Quebec, concerning the possibility of opting out, with full compensation.

I believe that the millennium scholarships are a test of the flexibility of federalism. This is the kind of attitude we are up against. We saw 34 groups, 41% of which came from Quebec. All Quebec groups were in favour of opting out with full compensation.

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Once again, this is a demonstration of the government's bad faith. Had it wanted to show good faith in this matter, it would have amended the Canada Student Loans Act. All that would have required, as we know, was to add these scholarships on to it, and then opting out with full compensation would have been possible.

First, I would point out the bad faith of the government, and then there is another point to be made as well. They could have given the current negotiations a chance without rushing to pass a bill which, as we know, does not give the power to the foundation and does not allow a province to opt out with full compensation.

Why do we want to do so? Clearly, as the Prime Minister himself has said, he needs visibility. He is therefore creating a bill that does not allow opting out with full compensation.

The board will not have the power to delegate to the provinces. That is why the Bloc Québécois will speak today on this Bill C-36, which we oppose because the millennium scholarships do not reflect the reality of Quebec.

Had it not been for pressure from the Government in Quebec and the coalition for Quebec's withdrawal with full compensation, we would never have had the opportunity to speak for Quebec. Forty one percent of those who testified through their various organizations, or 1.2 million people, have been heard by the committee, including 89,000 small businessmen and women.

• (1530)

We know that the business community, Quebec's Conseil du patronat and Chamber of Commerce as well as manufacturers and exporters from both Quebec and Canada came before the committee to ask that Quebec be allowed to manage education and to opt out with full compensation, so that funds can be allocated based on the needs and realities of Quebec.

I am very disappointed. I sat on this committee with a great deal of good faith. I was able to see once again how little attention is paid to Quebec's demands, consensus and reality. These were ignored since the government members, after having heard all the witnesses, do not have a single amendment to propose in this place. I am disappointed as a member of the committee who took part in the proceedings in an honest and open fashion.

I can say that all witnesses from Quebec were once again unanimous. I did warn the committee that the people will judge their performance. It shows just how inflexible this federal system is. In fact, John Trent, a university professor and a federalist, told us that this was poor federalism and that, once again, Quebec's demands were being ignored. This is not a sovereignist speaking, but a federalist who testified before the committee.

This is all very disappointing. Many students' associations outside Quebec came to tell us to listen to Quebec. They believed

Quebec's demands should be listened to for once. I attended almost every discussion and meeting with the various representatives, associations and witnesses, and I can tell you that several witnesses noticed the government's bad faith in this matter.

The consensus in Quebec includes the education sector and the unions, but polls have also been conducted. According to one public opinion poll, 71% of respondents preferred an increase in the Canada social transfer. They felt that it had been extremely difficult to go through the period of restraint created by the cuts and that the surpluses might not be properly managed. Considering the \$2.5 billion to be allocated to a private foundation which, as we know, will have a rather broad mandate, I do not think we can expect a great deal of transparency from that foundation. So I am very disappointed.

I would ask the unanimous consent of the House to postpone consideration of the bill until we have seen the results of the negotiations between Quebec and Ottawa. Why not do that? I am asking you, Mr. Speaker, to seek the consent of the House to postpone the study of this bill. I think the government is acting in bad faith.

The Deputy Speaker: Could the hon. member clarify the reason why she is requesting the unanimous consent of the House? Is it to refer the bill to committee?

Mrs. Christiane Gagnon: Mr. Speaker, we are now looking at the bill. I am asking that this review be postponed.

When one wants to negotiate, one does not rush things. I worked in the real estate sector for seven years. I know what negotiating means. One does not sign a contract until both parties have agreed to it.

• (1535)

The Deputy Speaker: Perhaps I can clarify the situation. It is the government that determines the order of the items to be considered during Government Orders. So, we cannot change things, but the hon. member may want to ask the House for permission to adjourn the debate on this bill.

Mrs. Christiane Gagnon: Yes, Mr. Speaker.

The Deputy Speaker: Is there unanimous consent to adjourn the debate on this bill?

Some hon. members: Yes.

Some hon. members: No.

The Deputy Speaker: There is not unanimous consent.

Mrs. Christiane Gagnon: Mr. Speaker, I am not surprised by the answer. We see that our colleagues across the way, who were not on the committee, have not heard everything that people

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wanted. Most of those who appeared before us wondered what the point was of trying to agree on a bill now.

I am therefore disappointed. The government holds a vote on a motion on distinct society and what does that really mean? We have always said that we will achieve absolutely nothing by holding a vote on the motion. In the end, the government is making grand promises and telling us how very deeply they care about distinct or unique society, call it what you will.

But this means that it is passing wall-to-wall legislation that does not reflect the real situation, specific to Quebec. This bill shows, once again, the government's inflexibility. It was a test the government could have passed, but one that it is going to fail. The people of Quebec, and students in particular, who know what is going on and are not stupid, know that the real reason for this bill is to increase the government's visibility, to the detriment of what happens in the education sector with student funding.

Students would have liked there to be a better form of management of the funding than by a private foundation. This concern is shared by almost all the witnesses that appeared before us. The auditor general challenged the transparency of this foundation that will be managing \$2.5 billion. I think this money should have gone back into the social transfer to the provinces for education, health and welfare.

[*English*]

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I want to acknowledge my friends in the Reform Party for giving me the privilege to speak at this point in the discussion and my friends in the Liberal Party as well. I should also refer to my friends in the Conservative Party who have agreed to allow me to make a couple of points.

I might have some different views than my colleagues from Quebec, but we have concerns about the millennium fund. I first of all want to acknowledge that in terms of the government providing some recognition of the serious problem of student debt relief I think is a step in the right direction although a very limited step.

We have to acknowledge that the average student debt load now for Canadian students is at \$25,000 and is growing year after year. Obviously some dramatic measures must be taken.

When it comes to the millennium scholarship fund we have to acknowledge that this is going to help perhaps somewhere between 8% and 9% of students requiring financial assistance. We still have a huge group of young people, and perhaps not so young people, who need financial help and this millennium scholarship will not be of much help.

We also want to acknowledge that we are concerned that students who are able to access this fund do so on the basis of need. We take the position in the New Democratic Party that if a person seeking post-secondary education is accepted by an institution, that demonstrates merit. They have qualified for their program; they have qualified for entrance to a university or college or an institute of one kind or another. After that it should be based on need to ensure that no Canadian is kept from pursuing post-secondary education because of a financial barrier. That is one point.

Another point is we are concerned that the scholarships be allocated on a reasonable basis. By that I would suggest that if a population of a province is for example 12% as in British Columbia, then British Columbia could expect to receive 12% of the scholarships operating in that fund. It would not go to one area of the country over another area, which unfortunately is the tradition in so many of these federal government programs. Certain people in certain areas of Canada receive an overwhelming benefit, often at the expense of other regions of Canada.

• (1540)

While this fund is limited to certain kinds of institutions, there are other institutions and other ways of training and learning that should be considered. I think for example of apprenticeship programs. We are woefully lacking properly trained apprentices in a number of areas. They should have access to this program.

We should also recognize certain institutions. If they qualify for funding under the present Canadian loans act, students in those institutions or colleges or whatever they may be called ought to have access to the scholarship fund. It should recognize that education is changing in terms of how it is being pursued by individuals, whether it is on a part time basis in a small institute, or career planning as opposed to academic planning. If a person is serious about self-improvement, serious about becoming better educated, we should use this facility.

Let us also acknowledge that this scholarship fund reflects a government that does not place a high value on education. If it actually placed a high value on education, it would do what some other nations do which in fact place a high value on education. For example, 16 out of the 29 OECD countries have no tuition fees. It is their way of saying it is one thing they can do to eliminate a barrier from some people pursuing post-secondary education.

It is fair to say that many decades ago we as a country decided that 12 years of education was an absolute minimum in order for someone to be a contributing citizen. Therefore we do not have tuition fees in grade 6 or 10 or 12 but we do at let us say, grade 13 or 14 or 15. There probably is not a single Canadian that would not think that they now have to have more than 12 years of formal education. They probably have to have at least 14 or 16 years to enter the workplace and become a contributing citizen.

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In that tradition we should consider eliminating tuition fees as a barrier, like so many other countries do. As a matter of fact, even the college system in Quebec does not have tuition fees, unlike other provinces, as a way to encourage young people to continue their education in that province.

We have a number of concerns. As the day progresses, various colleagues of mine will be identifying concerns they have in various sections of the bill and other concerns regarding the millennium scholarship fund.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure to address the Group No. 1 motions respecting Bill C-36, the budget implementation act. In particular I want to speak to the three motions being brought forward by the Reform Party and explain why we think it is important that the House consider them seriously and give serious thought to accepting them. We feel very strongly that they will improve greatly what is being proposed in the budget.

The first motion I want to speak to is Motion No. 3. This amendment would ensure that an eligible institution for a millennium grant would be any institution that currently is eligible to receive a student loan from the federal government. In other words, what we would do with this motion is spread the eligibility from the current proposal which is just for students who attend publicly funded institutions to all institutions, including institutions for instance like Trinity Western University in British Columbia.

We feel very strongly that publicly funded institutions do not have the monopoly on good education. The federal government in the past has seen that these institutions, like Trinity Western, provide a good education which is why it allows student loans to be used to go to school there. We think it just makes sense if the government is going to be consistent that the millennium fund should apply to those sorts of institutions.

• (1545)

We are suggesting that the government should hear what we are saying. I also believe that this was supported by witnesses who came before the committee. We hope the government will hear what we are saying and adopt this as part of the budget implementation act.

The second motion we want to address, Motion No. 42, deals with the establishment of an appeal process whereby a student who was turned down to receive a scholarship fund would have some way of appealing the decision. Governments are notorious for making bad decisions. They do it all the time. They get information wrong and based on that information they may make a faulty decision.

We think it makes sense to have an appeal process so if somebody is turned down because of a bureaucratic bungle, a

problem at the government's end, there is some way for the student to come back and say "these are the facts, you have it wrong, you made a mistake, let me have another chance to apply and have access to the grant". It is a mechanism that will ensure fairness for students.

The final motion we want to discuss and the one that is most important is Motion No. 67. It is a motion to allow a provincial government to opt out of the millennium scholarship fund and enter into an agreement where the foundation pays the province the amount that would have been spent in a particular province. The province would then use the funds for its own priorities.

There is a bit of history required in order to understand why Motion No. 67 is so important. In the 1993 leadership debate the current Prime Minister was questioned by the current Leader of the Opposition about transfer payments for health care and higher education. The Leader of the Opposition asked the current Prime Minister if he would keep them at the current level. The Prime Minister replied: "I said yesterday in reply to Mr. Bouchard that I promised that they will not go down and I hope that we will be able to increase them". That was a few days before the election.

What happened after that is history. I think we all know what happened. There were \$6 billion in cuts to the provinces for health care and higher education. After the Prime Minister promised they would not go down and in fact might even go up they were cut by \$6 billion. That means the provinces have \$6 billion less to give to their health care systems and higher education.

The impact was devastating. It meant that tuition costs had to go up dramatically. We know as a result of tuition costs going up dramatically all of a sudden students had to bear more of the cost for their education. That is why we have student debt levels of around \$25,000 today. But that is not in all provinces.

Quebec provides more money for its university system and education is much more heavily subsidized. Student debtloads are much lower, about \$11,000. We heard that over and over again from witnesses who came from Quebec. They said their student debtloads are not nearly as high. They said they do not need the millennium scholarship fund to address those things.

Once the federal government created the problem it then stepped in with the millennium scholarship fund, this great monument to the Prime Minister, and said "now that we have created this problem and the provinces are taking all the heat for it we are going to step in and be heroes and get all the credit for fixing it". It is like the arsonist who starts fires so he can come back later to put them out and get credit for putting out the fire.

So we are saying let us not let the federal government get away with that. Let us ensure there is a clause that allows the provinces to opt out and if they so choose to take the money that would come to their province through the millennium scholarship fund and use it

to lower all tuition costs, not just for the select few who have access to the millennium scholarship fund.

I think what the government did was duplicitous.

• (1550)

It set out in 1993 to convince Canadians it would somehow fix all their problems without having to make any cuts of any kind and then turn around immediately and slash funding to the provinces for health care and higher education. Then it steps in with a fund that is clearly in provincial jurisdiction and wants to get credit for fixing the problem it created.

We do not want to let it get away with that. We want to ensure the money gets back to the provinces so they can use it in a way they choose. They may choose to stay in the millennium scholarship fund and if they do that is fine, it is up to them. But they know their own priorities a lot better than the federal government does 2,000 miles away.

Let us give the provinces that option. In a day and age when the federal government is talking about co-operative federalism it would take a giant step toward healing rifts if it would adopt Motion No. 67.

All we are asking is to give provinces the options. The federal government needs to have some faith in the people of Canada. If the people of Canada do not want their provinces to use this money for something else, they will send a strong message to their provincial governments.

The federal government should have some faith in the people. That is exactly what they will do. We are encouraging the House to seriously consider adopting Motion No. 67. I am very sensitive to the issues raised by my colleagues from Quebec that over and over again we had witnesses coming from Quebec saying they did not necessarily need this for scholarships in Quebec. Student debt levels in Quebec are only about \$11,000 compared to \$25,000 elsewhere.

I urge colleagues to consider the good this motion would do in terms of building bridges with the provinces, in terms of uniting our country and strengthening the union. I urge members to support Motion No. 67 and the other motions Reform has brought forward.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, this government's approach to budgetary decisions is a patchwork quilt of interventionist policy that lacks the type of consistency required for sound economic policy.

We have proposed 19 amendments to Bill C-36. I want to ensure we have proposed these amendments in a very constructive non-partisan way because we want to make significant improvements to this legislation which will benefit all Canadians and which will be a credit to this House.

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Two such amendments we have proposed would see both private and public institutions treated similarly by the millennium scholarship foundation. For instance, we believe private institutions require representation at the board level and at the membership level of the foundation. It is absolutely essential that students in private educational institutions across Canada have that kind of representation.

Private colleges and career colleges are growing across Canada because they represent the needs of the workplace. They are more sensitive to labour mobility and a lot of the facts of life of the late 20th century and the early 21st century in terms of the needs of Canadian employers.

For this millennium scholarship fund to not recognize the importance of career colleges and private educational institutions would be a travesty. One of our amendments calls for membership at the board of directors level and at the membership level of the foundation for representatives from career colleges.

Another amendment we have moved would allow students studying provincially certified programs at private institutions access to the scholarships as well. This is consistent with our belief that career colleges and private institutions and students studying at those institutions deserve to be treated with respect and deserve to be thought of with the understanding they are going to be making a significant contribution to Canada in the 21st century.

• (1555)

Each province currently has standards and criteria for funding for programs so we do not have to reinvent the wheel. We can simply rely on the provincial certification process which has worked extraordinarily well to date. The federal government need not reinvent the wheel or start a new bureaucratic process to do this. We can simply rely on the good judgment of the provinces.

Some of the legislation governing federal boards and agencies must provide a proper framework for accountability and transparency, and this framework is lacking in this bill. For boards and agencies functioning with taxpayer money there must be an accountability to this parliament and to all Canadians.

Transparency means that the stakeholders, ordinary Canadians and their representatives in parliament, have free access to information sufficient to enable them to judge the make-up of the board and the board's conduct of its business. Unfortunately the arm's length nature of the millennium scholarship foundation and the lack of transparency denies Canadians that access and denies Canadians the opportunity to judge whether the millennium scholarship foundation will meet the needs of ordinary Canadians.

Two and a half billion dollars of Canadian taxpayer money is going to a private foundation which would not be accessible through the Access to Information Act, the books of which will not be available to the auditor general. What the government is really

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doing is saying "here is \$2.5 billion, do not worry about screwing up, you operate at arm's length and you are free to run your own show and the auditor general will not have access to your books anyway". The auditor general is the Canadian taxpayers' watchdog in Ottawa and to deny Canadian taxpayers access and due diligence over the books of \$2.5 billion of their money is a travesty.

It is debatable to what extent this foundation is at arm's length given that the government appoints a chairman and a third of the board. The other two-thirds are appointed by members who in turn are initially appointed by the minister. Most of the money will come from the federal treasury and yet this is considered an arm's length foundation.

The annual report is to be tabled in parliament. The auditor general questions exactly how arm's length the millennium foundation will be. In chapter 9 of last month's report he states: "It relates to what we would call the essential nature or substance of these types of entities. We will be examining this matter further and will report separately if significant findings emerge. Questions that we will address in this study will include whether, in substance or in fact, such entities operate at arm's length from the government".

The auditor general questions the degree to which this will be an arm's length foundation and I think Canadians require greater accountability and assurances that this \$2.5 billion is to be invested properly and will benefit all Canadians. That is why we call in our amendments for a greater level of transparency and a greater level of accountability for these funds.

We have also put forward an amendment that would require a five year review to be conducted by someone who is independent of the foundation. The Liberals do not care if this review is done by someone with close ties to management who would take a cursory look around and write a glowing report and then collect a fat fee for telling management what it wants to hear.

Canadians deserve better than that. Canadians deserve to have true accountability. We are offering government members an opportunity to redeem themselves in this instance by supporting some of these amendments and effectively ensure that Canadians will have external auditors who will do unbiased evaluations of the millennium scholarship foundation's activities without the bias or prejudice of appointment by the board.

I urge members to support this amendment so that all members of parliament can judge for themselves the success or failure of the millennium scholarship fund and its value to the Canadian taxpayer.

Another amendment we have put forward would allow the board to indefinitely block the release of unfavourable annual reports by simply refusing to approve them. Under the current legislation if a report comes forward that would be an unfavourable annual report

the board can indefinitely block it from public viewing. That is unacceptable.

• (1600)

We propose that effectively any report or any annual report will be made available to the Canadian public after a reasonable period of time. Currently these types of negative annual reports can be shelved indefinitely, denying Canadians the access to information and the accountability and transparency they need.

There is also an amendment we are proposing which would require that some directors know something about investments. They are going to be given \$2.5 billion. We do feel that they should know something about investments. Perhaps they will lend the money to the provinces, as was done with the Canada pension plan money resulting in the stellar performance that we have seen in recent years during a time when we have seen unprecedented growth in the equities markets around the world.

We believe that there should be criteria for the board members that include some knowledge of the investment industry and some knowledge of portfolio management. This can prevent poor returns in fixed income securities. It can also prevent high risk situations à la Orange county derivatives or shares in the next Bre-X.

It is increasingly apparent that the Minister of Finance does not have a particularly good relationship with the auditor general. I would venture to say that is probably one of the greatest understatements made in this House this year. The auditor general's accounting advice is routinely ignored by the Minister of Finance.

We are looking to provide the type of accountability through these amendments to this legislation which will provide ordinary Canadians with the accountability they need, independent of the auditor general and independent of the Minister of Finance. We need to ensure that this money is accounted for properly and that ultimately the millennium scholarship foundation results in the betterment of Canadian educational opportunities and competitiveness in the 21st century.

I do not have time to devote my speech to some of the other amendments, but we will have some opportunities later today. I urge all members to take a look at these amendments in a non-partisan and constructive way. That is the way they were developed and proposed.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, let me start off by saying that the 1998 budget set up the arm's length foundation to manage the millennium scholarship fund. It is intended to increase access to post-secondary education for deserving students from lower income families. It is a priority that has support right across Canada. It has been discussed at the first ministers meeting and in other fora. Federal and provincial officials have been working together

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co-operatively to address the issue of student financing for post-secondary education.

The foundation has been mandated to undertake an extensive consultation with the various stakeholders, which would include the provinces, on the definition and administration of the scholarships. We heard during committee the concern that individuals have with respect to overlap and duplication. That is why the foundation has been mandated to take on those consultations.

Let us be very clear. The millennium scholarship foundation will not be a federal program. Scholarships will be distributed from a private arm's length organization which will deal directly with the students. That means the foundation and the scholarships will not be under the control of the federal government, nor will the government be able to dictate to the foundation the parameters of these scholarships or their distribution.

The scholarship fund will provide 100,000 scholarships a year to students in every province and every community, up to \$3,000 per year for full time and part time students. It is about increasing access to knowledge and skills. It is the country's dividend for balancing the books. It is the recognition that Canadians from coast to coast, province to province deserve equal access to the opportunities that will secure a better future for them and their families.

I have said it in committee and I will say it again here. Something as important as this should be taken out of the hands of politicians and put into the hands of experts. That is what this millennium scholarship fund is doing. The foundation will be administering the scholarships and over time will attract private sector endorsements so that it can grow and help even more young Canadians.

• (1605)

With respect to the motions in Group No. 1, the member for Kings—Hants talked about his amendment and the idea that private schools should be designated by provincial law as eligible for the millennium scholarship fund. Under the current legislation, universities, community colleges and CEGEPs will be eligible institutions.

The current legislation also provides the foundation with the flexibility it needs to determine the eligibility of privately funded institutions. This flexibility gives it the means to designate bona fide credible private institutions as eligible institutions. There is no intent in this legislation to exclude such institutions.

I go on to the Reform motion that would require the foundation to establish an appeal process for applicants who do not receive scholarships. I said it in committee and I will say it again. There is

nothing in this legislation to prevent the foundation from establishing an appeals process.

We have to understand this is an arm's length foundation. It is completely within its purview, and the legislation allows for this flexibility, to establish an appeals process. Establishing an appeals process pursuant to regulations established by the government would undermine the arm's length nature of the foundation. We cannot have it both ways.

The Conservative Party proposed an amendment that calls for the Auditor General of Canada to be appointed as the auditor of this foundation. There is really no need for this amendment because the auditor general could be appointed as the auditor for this foundation. There is no legal obstacle to naming the auditor general. It is completely within the purview of the foundation to choose the auditor general as its auditor.

The same member from the Conservative Party calls for the Minister of Finance to remove the auditor of the foundation from office. I could not believe this amendment when I read it. The hon. member's motion gives the Minister of Finance the power to remove the auditor chosen by the foundation. This amendment compromises the arm's length nature of the foundation. It gives the minister a direct role in the removal of the auditor. That role properly belongs to the members of the foundation.

What is actually being said is on the one hand there is a call for transparency and accountability and on the other hand this amendment says if the Minister of Finance does not like the particular auditor, the minister can pull him. I do not think we can support that amendment. We are looking for independence, an arm's length relationship, accountability and transparency.

Motion No. 65 makes reference to the booking of this foundation. The auditor general came before the committee. As I have said before, the accounting issue has also been discussed by the public accounts committee. In its majority report the public accounts committee supported the government's accounting policies with respect to the booking of such non-recurring liabilities. It is certainly very clear.

The member from the Bloc spoke eloquently at the meeting. I believe that member is in agreement with me that there is disagreement within the accounting profession with respect to this issue. That means professional judgment should be exercised in such cases, which is exactly what the government is doing and what it will continue to do.

When the government announces a program and commits to funding a program, it is incumbent upon the government to pay for that program. When we came to office there were a number of unfunded liabilities on the books. There were programs that had

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been announced but not funded. We came to office and there was a \$42 billion deficit and decisions needed to be made.

• (1610)

What we are saying is no more. We are saying that when a government makes an announcement and makes a commitment to a particular program, the government should pay for it. I believe Canadians will support that. Canadians want to know that when an announcement is made and a program is put in place that the money is there to pay for it, even if the program is going to begin down the road, as long as certain criteria is met.

That criteria was certainly discussed at the finance committee. What we have here is a disagreement within in the accounting profession. Professional judgment will be exercised as it has been in the past and as it will be in the future.

The other point brought forward by the hon. member from the Conservative Party was about access to information. Again the foundation is an arm's length entity and it is independent of the federal government. Let us talk about what it is required to do.

Sections 36 and 39 of the bill talk about what the foundation is required to do with the annual report. It needs to outline its investment activities. It needs to include the auditor's report. It needs to include the portfolio on the policies, the statement of outlook, and the results achieved with respect to the foundation's scholarships which are placed. Finally it is also required to hold a public meeting every year. It is required to provide ample advance notice of the public meeting so the public can attend, scrutinize, ask questions and discuss what the foundation has done over the past year. So it is not about access to information.

I should also say that the annual report which is then tabled in the House of Commons is certainly open to the auditor general to review and comment on it, as is any other document that gets tabled in the House. It is completely within the purview of the auditor general. There is transparency and there is accountability.

I will close by saying that this is not a government program. It is an arm's length foundation. The opting out option is not there because it is not a government program, it is an arm's length foundation.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I am pleased to speak today to this important bill and to the group of motions we have presented, whose aim essentially is to eliminate everything to do with the millennium scholarships.

Why are we presenting this group of motions? For one good reason: with the millennium scholarships the government is not minding its own business. In the course of three weeks of hearings before the Standing Committee on Finance, 14 organizations from

Quebec all said the same thing, which was that the federal government has no business meddling in an area of exclusive jurisdiction. According to the Constitution these people claim to be defending, the federal government cannot interfere, and the organizations are calling for the right to withdraw with full compensation for Quebec.

Witnesses appeared on behalf of such important organizations as the FTQ, the CSN and university and college student associations. An association of former student movement leaders, who oversaw the changes in the education sector in the past 11 years, had seven messages for the committee, and especially the federal government. The first was that, with these scholarships, the federal government is showing its ignorance of the situation in Quebec.

Allow me to quote from the brief of the FTQ, which said, about the proposal as it was formulated in Bill C-36, that "this proposal illustrates the Canadian government's lack of knowledge about Quebec's system of loans and grants and its priorities in education". The president of the Fédération des cégeps said essentially the same thing.

• (1615)

The association of former student leaders of Quebec said "With its millennium scholarships, the federal government is showing its ignorance and its incompetence in the field of education".

I do not think they were paying much attention on the other side of the House because, despite three intensive weeks and the unanimity of the witnesses from Quebec, the members of the Liberal majority on the finance committee did not move a single amendment.

They have the nerve to claim to be in touch with people's needs, when 14 organizations representing at least 1.2 million adult Quebecers with some degree of connection to education or business have told them to mind their own business. But they did not get it. They are thumbing their noses at people and at the democratic system.

Normally, if people had been listened to properly, and if the business of holding public hearings in the committees had had any value in the eyes of the parliamentarians, who claim they are democratic right down to the roots of their hair, they would have backed off after hearing the representations from Quebec. I fault the chair of the finance committee for not allowing any mention of Quebec's unanimous opposition to the millennium scholarships in the report he tabled last Friday.

The second criticism voiced by all stakeholders is that the federal government came up with this project solely to gain some more visibility. Minister of Human Resources Development made no bones about this either. With his usual candour, he indicated that

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this indeed was the reason. The Prime Minister went still further, as has been his wont since the start of his career in politics.

This project creates duplication and doubles costs for all taxpayers. At the present time, the loans and bursaries system that Quebec has developed since the Ministry of Education was created in 1964 is without equal, and works impeccably well. We are not the only ones to say so. It is cited as an example across Canada. We have all of the structures, all of the staff, and all of the expertise accorded to us by the Constitution, the British North America Act.

Adding on a foundation to administer scholarships just creates duplication and greatly increases costs. The administrative costs of the millennium fund are double what we have in Quebec.

On the average, Quebec's administration of bursaries and loans takes about 2.5% of the amounts involved, while the figure for the millennium scholarships will be twice that, at 5%. Yet they talk of efficiency. Efficiency, my foot!

The third criticism from Quebec stakeholders at our hearings was that, far from reducing inequalities, the millennium scholarships run the risk of increasing inequalities in the field of education.

The fourth criticism is that the millennium scholarships are not a solution to student indebtedness. Ever since 1995, since the Minister of Finance started slashing federal transfers for higher education, we have been saying that the answer to the student loans problem is for the government to stop slashing and start giving back what it has taken from the pockets of the provinces and was actually used before to finance the education programs. That would be a positive measure to reduce student loans.

The fifth criticism put forward by people from Quebec is there is no need for this in Quebec. That does not mean that we do not need money, but we do not need a wall to wall policy. That could work outside Quebec. Some Canadian stakeholders stated that they were interested in the millennium scholarships, because they are not organized as Quebec has been since 1964, when it set up its student loans and grants program. However, the proposed scholarship fund does not meet the needs of Quebec.

What Quebec needs right now is for the Minister of Finance to stop playing petty politics with the surplus he hides year after year, by juggling the figures, and to start giving back what he has grabbed from Quebec. We would then be in a position to help students out.

The sixth criticism is a major one. We have grown accustomed, ever since his appointment, to seeing the Minister of Finance juggling the figures. He literally juggles all the figures he brings forward. It has come to a point where we no longer believe the

government's financial statements or the estimates the minister tables.

With the millennium scholarship program, he has been criticized three times by the auditor general, who is the watchdog of public finances and is accountable to Parliament. The auditor general is impartial; he is accountable to Parliament.

• (1620)

What did the auditor general have to say? He said that, by charging to the 1997-98 budget these \$2.5 billion that he plans to start spending only in the year 2000, the finance minister is fixing the books. They no longer mean anything. Amounts that have yet to be spent cannot be included in the financial statements. Where will that kind of government accounting lead us?

A few moments ago, I heard the secretary of state say that people appreciate this new accounting method whereby all commitments are included in the books as soon as they are made, even though the money will be spent only three years later, because it makes people aware of planned spending. This is not true. It is absolutely false. People want to know what the real figures are. They want to know where they are going. They want to know that the money they are paying in taxes will be spent in the current fiscal year. They do not want to know that expenditures that will be made only in the year 2000 were charged in full to last year's budget.

These \$2.5 billion should not have been included in the books for the fiscal year ending March 31, 1998. The auditor general and chartered accountants are almost unanimous on this issue, except for those hired by the government, of course, who may be suspected of being less impartial.

It is not the first time the finance minister pulls such a stunt. It is the third time. He did it when he concluded a deal with three maritime provinces to harmonize the GST with their provincial sales tax. A compensation package totalling about \$1 billion—which is still being criticized because it means the government bought those three maritime provinces to get what it wanted—was included in the books before the agreement between these provinces and the federal government was even signed.

The second time was when the innovation fund was created. Again, the minister charged the full amount to the current year's budget even though he started spending the money only one year and a half later. Therefore, like all the stakeholders in Quebec, we condemn this practice.

During this debate, we will have the opportunity to address other aspects of the millennium scholarship fund that are very important to Quebecers. I will talk about an important federal-provincial conference that took place on March 31, 1964, in Quebec City. It was a turning point in the debate on education between the federal government and the Quebec government.

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[English]

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Madam Speaker, on behalf of my constituents of Battlefords—Lloydminster I am pleased to speak today to Group No. 1 amendments to Bill C-36, the budget implementation act.

Like the budget itself, the act is full of items that may have good intentions but are badly thought out or whose purpose seems to be to fool Canadians into thinking the government is managing taxpayers' money properly.

As a member of the Standing Committee on Finance, the most glaring example I can see of good intentions gone bad and turning into a political boondoggle is the Prime Minister's millennium scholarship fund.

I am sure the thinking in the Liberal cabinet was: Who could possibly disagree with putting more money in the hands of deserving students? In principle, no one really disagrees.

However, most of the presenters to the finance committee in the past weeks all had problems with sections of this fund, including the student groups themselves.

The Reform Party certainly supports the concept of encouraging these young Canadians to pursue higher education but, in the time honoured tradition of its predecessors, this Liberal government has managed to separate the taxpayer from his money only to offer it back to him as if it were a favour.

After cutting \$6 billion from the amount the provinces were expecting to help pay for further education, this finance minister had an embarrassing problem. He had taxed Canadians to the limit and built up a budgetary surplus.

Why he could not bring himself to leave these excess tax dollars in the hands of the people who earned them we will never understand. In any case, he ended up with \$2.5 billion to dispose of, to hide from his fellow colleagues as it were.

The finance minister decided to charge his credit card this year and start paying for it two years down the road. The benefit of providing only 7% of Canada's students with \$3,000 a year will not even kick in until the year 2000, but the taxpayer gets to foot this bill right away. The auditor general says nobody else could get away with this creative accounting and we certainly agree with that statement.

Our colleagues in the Bloc have been pressing to allow Quebec to opt out altogether and to decide how to dispense its share of the millennium scholarship fund.

• (1625)

I certainly agree in principle since the provinces are responsible for education and this bill states nothing about how to approach the

various types of schools that each province has set up to provide a range of education opportunities.

However, in committee we were told that there is no provincial share because this is not a federal program in the legal sense of the word. This is a new breed of animal that commits taxpayers' money to a private foundation. This government sets up an entity with public money but says it does not need the auditor general to look after it.

The board will name its own auditor, state its own salaries, hand out taxpayers' dollars on merit—whatever that might be—or need, or both, ignoring the fact that provinces and the federal government and, for that matter, private industry already have bursaries, loans, grants and award programs in place to help students who demonstrate that merit and need.

Are we going to reward the poorest of the best or the best of the poorest? That is one of the comments we heard at the finance committee the other day. I think it is certainly true.

No wonder this government does not want the millennium scholarship foundation to be subject to the Access to Information Act. It is clearly a political ploy to convince Canadians that the Liberals care about education when what they really care about is filtering tax money through their offices to get credit at election time.

To sum up, the Reform Party wants this government to return to recognized accounting procedures that only book funding in the year that the project actually takes place. We propose that the Auditor General of Canada be named in the act that creates this scholarship fund, that this fund be subject to the Access to Information Act and that an appeal process be specified to deal with applications that are turned down.

Further, we propose that each province and territory be allowed to access scholarship funds based on the system in place and the needs as determined by the governments based on student populations.

If we are to assist the next generation in developing the skills and education they need to build a better Canada we should look first at how we can leave the maximum resources in their hands and then how we can provide them with the most flexible and cost effective ways to support their efforts.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I want to make a brief intervention on the bill before us.

As a member of the finance committee I had an opportunity to listen to the witnesses who came before us. It is clear that the millennium scholarship fund was one of the most talked about aspects of the budget implementation bill.

The member asked: Are we rewarding the best of the poorest or the poorest of the best? The member well knows that the issue of

merit was well explained by the authors of the millennium scholarship fund and that acceptance at an institution would constitute merit. Clearly, for any program to be successful, obviously the candidates who are eligible should be those who demonstrate an aptitude to be able to complete a program because that is the most important part.

The issue of accessibility was more important for many members simply because we all know that there are many students out there who have demonstrated aptitude in secondary education but, given their circumstances, are unable or unwilling to take the economic plunges needed to pursue post-secondary education. All members know that is almost a prerequisite to having a good job.

The member's cynicism with regard to a political ploy is certainly a very weak argument against the federal government being involved in the education of Canadian youth. There is no question that there is an appetite to have more students attend post-secondary education in order to pursue the necessary skills and training they are going to need to participate fully in the economy of Canada.

With regard to the funding and the accounting, this issue has been dealt with very thoroughly. Indeed, the public accounts committee congratulated and supported the government in terms of its accounting for the millennium scholarship fund.

When the committee met and discussed briefly the mechanics of the accounting, it was pointed out that if the millennium scholarship fund had been designated to be operated through the foundation for innovation that would have eliminated the need for the auditor general to comment.

• (1630)

In fact, before the committee, the auditor general did admit that if the millennium scholarship fund, as proposed, were put under the umbrella of the foundation for innovation he would not have made comment with regard to the \$2.5 billion.

I would like to table those remarks. It is clear that some members do not agree with the millennium scholarship fund, but it appears also that their reasons are more politically motivated than they are in terms of showing interest in the future of our young Canadians.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, I am very pleased to speak to Bill C-36 at report stage. This bill makes it possible to implement certain provisions of the budget.

Our first group of amendments indicates our strong opposition to this government bulldozing over Quebec's jurisdiction in the education sector, and not deciding, in the present situation, to

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complete negotiations. The Prime Minister of Canada and the premier of Quebec have given themselves two months to come up with a solution that will respect Quebec's jurisdiction and Ottawa's need for visibility. This is the only reason Ottawa has intervened: to ensure its visibility on the cheques it may send students.

Not respecting the negotiating process either means the Liberal majority is ignoring the Prime Minister, or the Prime Minister's promises are worthless. Members of the Quebec education coalition, who support Quebec's position, were present at a meeting of the premier of Quebec and the Prime Minister of Canada.

It is important to know who these people are. They are not just sovereignists. They represent the entire education movement in Quebec. We are talking about the following groups: the Alliance des manufacturiers exportateurs du Québec, the Centrale de l'enseignement du Québec, the Fédération des travailleurs du Québec, the Fédération étudiante collégiale du Québec, the CSN, the Fédération des associations d'étudiants universitaires québécois en éducation permanente, the Fédération des cégeps, the Coalition d'ex-leaders et étudiants québécois, the Fédération québécoise des professeurs et professeures du Québec.

All these people, 41% of the witnesses heard, came to say the same thing. The Liberal majority was unable to find a single witness from Quebec to say that the millennium scholarships made any sense. Why does Quebec feel this way?

In 1964, there were two men who had a conception of Canada that was completely different from that of the Prime Minister today, Mr. Pearson and Mr. Lesage. I remember because I was quite young at the time but my father was a Liberal supporter and he knew that they were trying to come to an agreement. In the 1964 agreement, it had been decided to recognize Quebec as a distinct society.

The people of Quebec and Canada were told "There is indeed a Canada Student Loans Act, but one province wishing to develop a different model will be allowed to do so". That is what distinct society is about. This philosophy worked for 34 years and led to the best student assistance system in Canada. Many witnesses agreed on this, not only those from Quebec who were defending their system or Quebec students who came to speak out in favour of their system, but also witnesses from the other provinces of Canada. It was very clear what was on the table.

The federal government had to choose between two alternatives. To put in place a student loans and bursaries program like the one available elsewhere in the country, all it had to do was to amend the Canada Student Loans Act. This way, the rest of Canada could have benefited from a loans and bursaries system similar to the one in Quebec.

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Why did the federal government not take that route? Because this meant automatically allowing Quebec to use its right to opt out with full compensation. This right is already provided for in the legislation. Since 1964, Quebec has been using this right to opt out with full compensation and has apparently been doing so properly. The system it has developed could be a model for all Canadian stakeholders.

In Quebec, the average debt load of university graduates is \$11,000. In Canada, it is anywhere from \$18,000 to \$25,000. Obviously, Canadian students are curious about what makes the Quebec system so successful. The main reason is the fact that there is a bursaries program within the Quebec system.

• (1635)

The federal government decided, in order to create a scholarship program, to use a rather extraordinary legal scheme called the millennium fund. The government claims that it must absolutely promote students' performance to achieve great results. But the real reason is that it did not want Quebec to be able to opt out with full compensation. The federal government wanted to make sure Quebec would be forced to ask the foundation for the authority to grant scholarships, according to specific criteria.

This House must realize that if there is one thing on Quebec will never compromise, it is its jurisdiction over education. This government's claim that providing financial assistance to students has nothing to do with education is hogwash.

Any Quebec student or member of the Quebec coalition against the millennium fund knows full well that financial assistance to students is part of the balance, part of the whole system in the education sector. It is what determines accessibility to education. It is thanks to the financial assistance provided to students that there are now as many young women as there are young men in Quebec's universities. This financial assistance has helped children from low income families complete their education. The program was established in 1964, because we had an old and obsolete system which, while quite successful in producing a high quality elite, did not allow others to succeed.

During the Quiet Revolution—and this was an initiative taken by a Liberal government—we wanted to make sure we would have an education system that would be accessible. We are proud of the model that we developed in Quebec, even though it is not perfect.

Let me give you an example of what this system allows us to do. We have a project to recognize students' good performance. One of the ways to achieve this in Quebec is to forgive part of a student's debt if that student completes his or her education within the normal timeframe. This means six semesters for a B A. If a student completes his or her B A in six semesters, he or she can get a 15% reduction of his or her debt. This is a nice way to acknowledge the

efforts of someone who works hard to complete his or her education.

Along with that program, we will now have the millennium fund. Under that fund, students will get scholarships based on merit, but not necessarily their financial needs. Students will be facing the following situation: elsewhere in Canada, in the nine English-speaking provinces, some students will be granted millennium scholarships. Good for them, but several others will have to do without.

However, in Quebec, when a student will be granted a millennium scholarship, if the legislation is not changed, Quebec will have to withdraw any financial assistance it was providing that student, because it will have to take into account this additional income.

For the student at the receiving end, it does not change a thing. It only creates a whole new bureaucracy. The members opposite do not seem to know how education works. To apply for a loan or a grant, one needs to fill out some forms. The cegep and university staff who help the students to fill out the forms and to meet the requirements to get the most out of the system will now have to learn how the two systems work, to become familiar with the two different forms, because the requirements will not all be the same. This total and absolute duplication.

Obviously, we have to deal with a government that is turning a deaf ear. It did it in committee, it gagged us and decided it would do the same thing at report stage. One thing is clear, in the end, the people in Quebec will realize by themselves that the federal government is turning a deaf ear to all Quebec stakeholders.

I urge the members from the province of Quebec, whether they are from Brome—Missisquoi, from Anjou—Rivières-des-Prairies, from Notre-Dame-de-Grâce—Lachine, from Bourassa, from Beauce or from Saint-Maurice, to reconsider their position. How can they be silent in the House, not say a word, not rise in their place to say that Quebecers are right about this, that they must be given a chance to continue running their system, which is a good one?

And to top it all, last week, three of Quebec's major management associations, the Conseil du patronat, the Chambre de commerce du Québec, and the Association des manufacturiers et des exportateurs du Québec came to testify before the committee. These are not exactly people who are identified with the sovereignist movement in Quebec.

• (1640)

The representatives of these three associations came to tell the government to postpone consideration of the bill until negotiations had been completed. If an agreement is reached, it will be incorporated into the bill. If no agreement is reached, the government will assume its responsibilities, as will the opposition, but

there will not be a pretence of democracy such as that being forced on us today.

That is why the Bloc Quebecois has introduced motions to delete from this bill any references to the foundation. Quebec will never agree to the federal government poking its nose into one of the systems we have developed, the best in the world. We will never stand for it. The government will make sure it passes by invoking closure at every stage, because otherwise this bill will never get through.

[*English*]

Mr. Deepak Obhrai (Calgary East, Ref.): Madam Speaker, it is my pleasure again to speak to Bill C-36, the budget implementation bill, at report stage.

Today there was a report in the newspapers that Canadians are feeling poor. I can tell the House why Canadians are feeling poor. It is because their government has become richer at their expense. Why? It is because of high taxation, not because the government reduced expenditures. It has been on the backs of Canadians, raising taxes as well as cutting funding to the provinces. Funding to the provinces for education has been cut by \$6 billion.

This has created a debtload on students. We all know that students' debtload has skyrocketed.

I have two daughters who are in university. One has just completed university and she has a debtload of \$15,000. The other has a debtload of almost at \$8,000 and she is midway through her university degree. They are both very worried about how they will pay this debt.

Let us talk about what the government is trying to do. It has come up with what it calls a millennium fund. The irony of this situation is that Brian Mulroney, a former prime minister, came up with the Meech Lake and Charlottetown accords so he could go into the history books as doing something. Now we have this Prime Minister who also wants to go into the history books by bringing in the millennium fund which is not well thought out.

Who will benefit from this millennium fund? We are told that the fund is targeted toward students. About 7% of students will receive about \$3,000. It is based upon merit. Granted, there has been talk about need, but the majority of scholarships will be given on merit. We heard a member opposite talk about how the merit system will work.

I would like to bring in another point of view. My riding, like many ridings in Canada, is made up of hard working Canadians, Canadians who, due to the high taxation of this government, are struggling to put food on the table. They do not have the money to send their children to university. Most of their time is spent trying to put food on the table. Therefore, they have less time to spend looking after their families.

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In my riding, particularly, there are hard working, working class people. When I visited a high school in my riding the principal told me that only 10% of the students will go on to higher education. What is the solution to that?

• (1645)

I talked to them and explained that they do not have to go to university for higher education. They do not have to go to college to get ahead in life. They should look at another option, trade schools. They can become electricians. They can become drywallers. They can become carpenters. These are the options the majority of the students in my riding face.

Where is the millennium fund going, their tax dollars? It is not going to address these concerns. That is why I call the millennium fund an elitist fund. Time after time after time many members have talked about how it will help students in university. That is fine, but what about the other students? What about thousands of Canadians who will try to choose a trade career and be denied access to the fund?

Therefore the amendments the Reform Party have put forward are worth looking at to address many of the issues I have raised. First and foremost, Motion No. 3 asks that we take a look at public and private post-secondary education institutions in Canada that are designated for Canada student loan purposes. This will open it up to many students in high school who are unable to go university but choose a trade as their career.

I emphasize that we must look at the students who choose careers that are different. We must also help them. We do not want a shortage of skilled workers in the trades area.

Motion No. 42 is extremely important. Whenever taxpayers' money is put into something, be it a private foundation or a government institution, there has to be a mechanism where people can appeal a decision that at times may not be favourable.

We know that the bureaucracy in these foundations has a tendency to follow strict rules. There has to be a place where people can go to someone and say that a wrong decision was made. They have that right because they are taxpayers. Their parents have paid money into the fund. That money has not been raised by private sources. It is public money so the right to appeal should be there.

I will talk about the provinces. Education is a provincial jurisdiction. Provinces are the ones most closely associated with the economy of their regions. They know what is required in the regions. It is not the federal government sitting 2,000 miles away. Therefore it is important that we look at the motion which allows the provinces to opt out and use the money in the way that will address their own needs. It is very important that they be given flexibility. It is public money. There is no need for the federal

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government to have tight control over it although it talks about the private foundation.

I ask my colleagues across the floor to look at the motions that are trying to create a better disbursement of the fund and make it accessible to all Canadians.

• (1650)

[*Translation*]

The Acting Speaker (Ms. Thibeault): 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 Halifax West, National Defence; the hon. member for Acadie—Bathurst, Trans-Canada Highway; the hon. member for Vancouver East, Post-Secondary Education.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, it is a pleasure today to speak Bill C-36, the Budget Implementation Act.

I will not go over the litany of problems we have historically had in our country. I will not go over the 30 years of mismanagement of our finances by previous Liberal and Conservative governments. My colleagues have outlined that specifically and very eloquently.

I look forward to constructive solutions that the government could have employed but has not. It can employ them in the future if we are to create a stronger more stable country, a stronger more vibrant economy, and save our social programs, that social net which protects many underprivileged people in our country.

It is instructive for us to look at real world experiences. We should look at other countries, other provinces and other states that have employed very specific solutions to problems that have affected them and are affecting us. Let us look at our own country, at Ontario and Saskatchewan.

I lived in Ontario for 18 years. It was very sad to see the economic devastation that took place with respect to the huge debt load the NDP government foisted upon the people of Ontario at that time, the high tax rates that crushed the life out of the economy, and the egregious rules and regulations that prevented the Ontario economy from being the lion it could be.

The current government took the bull by the horns. It substantially cut taxes. It streamlined and eliminated government spending, not by doing fancy accounting or changing accounting practices but by cutting the fat off the government beef. It also eliminated rules and regulations that tended to constrict and restrict the private sector. What has happened? Ontario is engaging in a

boom. Ontario has had more money coming into its coffers. This is very interesting.

Those who slandered the Ontario government for engaging in its policy of fiscal conservatism, tax cuts and diminished government spending said that it would gut social programs. What has happened to health care? In spite of a \$2.7 billion cut in health care transfer payments to Ontario, the Ontario government has had an extra \$1 billion to spend on health care. That is very instructive because it dispels the myth that some would put forth that if taxes are cut social programs are gutted. That is not true at all. If taxes are decreased what happens? It causes investment to go into the province. It causes a revamping and a resurgence of the private sector. By doing so the amount of money in the public coffers is actually increased.

Mr. Mulroney did it in 1992. He lowered taxes. What happened? More money went into the public purse. As a result he could have spent more money on public social programs but instead he increased taxes.

We have been pushing forward a very constructive plan. We have given it to the government. To some extent the government has pursued it and should be congratulated for balancing the budget. We have been telling the government to do this for many years.

It is also instructive to look at Saskatchewan. An NDP government in Saskatchewan woke up and said that it should look at what works, at the reality of the late 20th century economies of the world and becoming competitive. The NDP government took a very balanced approach. It listened to the Reform Party and said that it would cut taxes and balance the budget. It wanted to give people more money in their pockets, to have a balanced budget, to cut taxes and to spend intelligently doing what governments do best.

• (1655)

That government invested in infrastructure, invested in education and put money where governments should put money to give people the tools to take care of themselves.

Historically there has been a rule among Liberal thinkers that government can take care of us better than we can take care of ourselves. We obviously do not adhere to that rule. We believe the government's role is to give people the tools, the power and the ability to take care of themselves. Governments should also take care of those people who cannot take care of themselves. Those two can actually work together. Those two are actually two halves of the same whole.

If we are fiscally irresponsible we are socially irresponsible. By being fiscally irresponsible and spending more than we take in, we compromise the social programs we profess to help by spending more on those programs than we take in. By elevating debt and interest payments we diminish the amount of money available to

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spend on those programs. We do not compromise the rich because they can go wherever they want. We compromise the poor.

As my colleagues in the Reform Party have mentioned, the government is saying that it will take care of people instead of people taking care of themselves. That is why the government has increased CPP payments made by individuals by a whopping 75% for every working man and woman in the country. What does that do? It takes money out of people's pockets and prevents people from taking care of themselves. It does not work.

If we look at New Zealand we see very clearly that approach does not work. In every country that has tried to do this it has resulted in abysmal failure.

Great Britain and Chile have taken a long pragmatic look at their pension plans and social programs and have put them on firm financial ground. They have managed to privatize them while still ensuring that all individuals will be taken care of. No one will go without. Those most socially deprived in those countries will be taken care of. If they did not do that those in the lowest socio-economic areas would be compromised the most.

We do not try to devise grandiose new plans for the problems that affect us. The problems that affect us in Canada affect other developed nations all over the world. If we were to take those solutions and employ them in Canada we would see a national growth rate that could rival the provincial growth rates we have seen in Ontario and Saskatchewan.

If one wants to look at the other side of the coin one need only look at my province of British Columbia to see what high tax rates, high debt loads, egregious rules and regulations and labour laws that constrict and restrict the private sector do to an economy.

British Columbia, arguably the richest province within the country, has an enormous amount of natural resources and a well trained and educated workforce. It is actually 10th in the nation in terms of development. Who would have thought that British Columbia would be 10th, the bottom of the barrel, in economic growth for two years running?

The reasons for it are very simple. I implore the government to take a look at what we have been trying to convince it to do for years. The member for Medicine Hat, our finance critic, has been very eloquent in suggesting this to the finance minister. Why not adopt most of these solutions when they have been proven to work all over the world?

We can take a look at the United States, for example the state of New Jersey which has employed constructive solutions to its problems. It has right to work legislation. It has used tax havens. It has decreased taxes and eliminated egregious rules and regulations.

What happened to the individual worker there? What happened to the person who works day in and day out slogging on the

streets? Their incomes were increased by over \$2,200 per person. This meant more money in their pockets and better health and welfare for every individual in those communities.

• (1700)

I implore the government to adopt the policies put forward by the Reform Party. They have been used in New Zealand, the United States, in Ontario and Saskatchewan. Decrease taxes. Decrease debt load. And for heaven's sake remove the egregious rules and regulations that constrict the private sector. In doing so we would provide for better socioeconomic circumstances for all and we would save our social programs.

[*Translation*]

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Madam Speaker, my colleagues in the Bloc Québécois who spoke before me had an opportunity to express all of their objections to the millennium fund and, since the subject provided lots of fodder, they had lots to say.

To be objective, all of this should be weighed and some acknowledgement made of the fund's positive aspects. The millennium fund to its credit advances the cause of sovereignty. It will bring home the truth to Quebeckers that the federal system, regardless of the party in power, will never change, that it is incorrigible.

We sovereignists know that many Quebeckers are not sovereignist because they still hope that the federal system will change. Now, the pretentious millennium fund, which is infringing provincial rights, has revealed the true colours of the federal government, and we hope that many Quebeckers, who up to now have not understood, will now understand that federalism, regardless of the party in power, will not change.

Such disdain for the people of Quebec to have thought that they would swallow it holus-bolus because it meant money.

Madam Speaker, you are as familiar with the Bible as I am. You know that Esau gave up his birthright for a dish of lentils because he was hungry. We will not do the same for the dish of lentils the millennium fund represents. We in Quebec have not stopped advocating and claiming provincial rights because the federal government is infringing them.

It was wrong to think that we would give up our rights for a dish of lentils. I understand that it is a rude awakening for the Liberals to discover that their proposal did not slip through and that Quebeckers are protesting and indignant at this unfair fund.

The neat thing in all this is that it is not just the sovereignists who are complaining. All the various communities in Quebec are protesting this fund. I have a few examples. First those from the educational community, obviously.

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The CEQ stated that the millennium fund was not the way to provide young Quebecers with improved access to a university education.

Let me give another example among many. The Fédération des étudiants des collèges du Québec said that student debt was a big problem, but that the millennium fund was not the answer. We should not forget that this fund was supposed to lure young Quebecers, most of whom are sovereignists. Obviously, it did not work.

I could go on and on. We also have the general manager of the Canadian Institute of Adult Education. Here is what he had to say: "The federal government's budget and tax decision over the last few years have contributed to the erosion of the standard of living of students and of the provincial public education systems. The package contained in the last budget may well go against what provincial governments have been trying to do".

• (1705)

I could give so many examples, but the one that takes the cake comes from a federalist, John Trent, from the University of Ottawa. He told us: "The millennium fund will necessarily be a source of federal-provincial duplication and overlap with existing programs. Bill C-36 which provides for the millennium fund is a direct attack against the principles of federalism." That is a federalist talking. The millennium fund is an abuse of the very principles of federalism. It shows contempt for the parliamentary resolution, proposed by the Prime Minister, to recognize the distinct nature of Quebec society. One of the advantages of the millennium fund is that it has shown people that this distinct society resolution is pure window dressing.

The educational sector is not the only one putting up a fuss, so is the business sector. This is worth noting. The Finance Canada experts have estimated that the administrative costs for the foundation will be around the 5% mark, or twice what they are in Quebec. The comment by the Alliance des manufacturiers et exportateurs du Québec was "Duplication must be avoided, and the millennium fund is definitely one example of this. Existing provincial structures must be taken advantage of." That is the reaction of the business sector.

As for the Canadian taxpayer, the comment by Walter Robinson of the Canadian Taxpayers Foundation was that this showed "contempt for accounting standards". It is unbelievable. Need I go on?

The arrogance of Ottawa's desire to trample over the rights of the provinces is nothing new, but until now Quebec had managed to block it as far as student loans were concerned. Earlier on, one of my colleagues recalled that, back in 1964, the Pearson government proposed student loans for which it would cover the interest. In

response, Mr. Lesage, who was not a sovereignist, said that Quebec would have to go to court in order to have its constitutional rights respected in this matter. Mr. Pearson then had to acknowledge that, if a province preferred to have its own loan program, it would be entitled to an equivalent amount in compensation. It seems to me that the federal federalists were brighter than they are now.

This time, the scandal is even greater, because it comes in the wake of cuts to education which have forced the provincial government to slash budgets, particularly those allocated to universities and colleges, which have done them real harm. The Liberals have, therefore, cut provincial education budgets, to then use the money merely to increase their political visibility through the millennium fund, which does not meet any real need in Quebec. This is outrageous. The Liberal motto is "Make political hay while pretending to serve the public".

This arrogant government, with its contempt for provincial jurisdictions, thought it could once again pass off as a service something that was totally focussed on gaining political popularity. It did not work and, as I have said, it will help show Quebecers that the federalist cause is no longer sustainable. The arrogant, authoritarian, overbearing federal regime, which is also disrespectful of provincial areas of jurisdiction regardless of which party is in power, is simply hopeless. Thanks to the millennium fund, more Quebecers than ever now understand that there is but one solution for Quebec, and that is sovereignty.

[English]

Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.): Madam Speaker, on behalf of my constituents in Edmonton—Strathcona and on behalf of every Canadian taxpayer, I am pleased to rise to speak against Bill C-36 concerning the implementation of many of the recent announcements made by the government in the 1998 budget.

• (1710)

My colleagues have dealt thoroughly with this legislation in committee. I would like to address only the Group No. 1 amendments concerning the millennium fund.

As this House is aware, the passing of this act would bring into effect the much talked about Canada millennium scholarship foundation. This fund concerns me for a number of reasons, the first of which has nothing to do with the world of budgets and finance at all.

Education is an area of provincial jurisdiction. Any further meddling by the federal government only helps to enhance the frustration felt by our provincial partners about the Canadian federation.

This point is important because the millennium fund will be more than just another ineffective and wasteful Liberal policy. It will be a constant reminder to our friends in Quebec, Alberta and elsewhere that this government refuses to recognize constitutional division of powers.

I recall very well the Bloc supply day motion which opposed the millennium fund because it violates provincial jurisdiction. There were aspects of the motion that were admittedly objectionable to the Reform caucus, but I share the sentiment felt by my colleagues in the Bloc that the federal government has once again overextended its reach.

I would also suggest that the members of the Bloc, like the members of the Reform caucus, are no less concerned about the quality of education than the Prime Minister. They simply appreciate that the federal government should respect provincial jurisdiction. They also understand that the provincial governments are better able to administer programs than is a distant and out of touch federal government.

The premiers of this country are united in their support for a rebalancing of powers that better reflects the original constitution. Yet the federal government refuses to respect this consensus.

I would recommend that if the government is interested in solving the national unity problem, it should look at the new Canada act put together by the Reform caucus. This act embodies many of the concerns felt by our premiers and is a blueprint for positive change.

I mention this to illustrate a point. There are consequences of bad policies which are not readily apparent but that must be addressed fully. We cannot continue to ignore the delicate political reality in this country.

The millennium fund must be opposed because of the potential damage it will do to intergovernmental relations. The Prime Minister is not concerned about national unity or constitutional matters. He is concerned about his political legacy.

The millennium fund will provide the Prime Minister with a legacy, but not for being a champion for higher education. Our Prime Minister will instead join the long list of status quo federalist politicians who refuse to listen to our first ministers who are calling on this government to get out of areas of provincial jurisdiction.

My second concern with the millennium fund is one that has been addressed many times. It is a concern I alluded to only minutes ago. This fund, simply put, will not be effective in improving the financial situation for Canadian students.

Even after billions are spent, 90% of Canadian students will never see a penny of this money. They will face the same financial constraints they always have. If the federal government was concerned about education, it need only to reinvest money in

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provincial transfers for education. Maybe it could look at such things as an income contingent student loan plan which would ensure adequate funding for students. Or maybe the Prime Minister could work toward building a partnership between educators and industry.

My point is that the possibilities for helping Canadian students are endless. We must look for creative ways to drive down the cost of education and to ensure access to funds for students in need. However the millennium fund is clearly not the way to accomplish this.

While the Reform caucus is opposed to the fund, we have recommended some changes that will improve the current legislation.

First, the millennium scholarship fund should be subject to the Access to Information Act. This is fair. It is hard to argue why the fund should be shrouded in secrecy. If the government is confident the money will be properly spent, it should embrace the opportunity to make the fund open to scrutiny. Second, eligible institution should mean an institution that is a public or private post-secondary educational institution in Canada that is designated for Canada student loan purposes and grants degrees, certificates or diplomas.

• (1715)

I think this amendment satisfies the principle of equality and fairness and should be considered by all members of this House.

Third, it is our recommendation that the provinces and territories be allowed to opt out and enter into agreements with the foundation to use their portion of the fund to suit their post-secondary priorities with no strings attached.

I would be very surprised if Liberal members of this House opposed the amendment, as it is in keeping with Liberal policy on the procedure for implementing federal programs in areas of provincial jurisdiction where the provinces are reluctant to allow federal intervention. This is a part of Liberal policy on national standards, so I expect the government's support on that amendment.

Finally, we recommend that an appeal process be established to consider grant applications which were denied or rejected. Again, this is a reasonable amendment that entrenches a provision for fairness.

The millennium fund will not help Canadian students struggling to pay their way through university. It is a bad program that should be scrapped. However, if it must remain the recommended amendments made by my hon. colleague from Medicine Hat should be given careful consideration and support.

This is only one of the issues that have put a black mark on Bill C-36. For this reason I will join my colleagues in the Reform caucus in opposition to it.

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Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I am pleased to have this opportunity to rise in the House to speak about Bill C-36, the budget implementation act. There has been much debate about this bill already in committee and certainly in the House coming out of the budget that was presented. We have heard a lot of discussion about the millennium fund and whether it will improve the situation for post-secondary education.

Having looked at the document in committee where some of this discussion has taken place it is quite clear that post-secondary education is in a very deep crisis. One of the reasons that we are facing a crisis with post-secondary education is the retreat of public funding to our post-secondary educational facilities.

Although we have heard a lot of talk about the millennium fund, this grand fund of \$2.5 billion, the reality is this fund will not even begin until the year 2000 and will in reality help only about 7% of students.

By the time the fund begins in the year 2000 we will have experienced cuts of around \$3 billion from post-secondary education. So it becomes very clear that the millennium fund does not even come close to replacing and compensating for the massive drain and cuts we have experienced in post-secondary education.

This is causing enormous concern in terms of where public policy is going but also for the impact it is having on the lives of individual students. It is because of the retreat of public funding that tuition fees have skyrocketed. We have seen an increase of 240% in tuition fees over the last 10 years. We have all used the figure that average student debt is now at \$25,000.

There is a direct relationship between the pain and the debtload students are facing and the retreat of public funding as a result of a loss of transfers from the federal government to the provincial government. There is absolutely no escaping that fact, and the millennium fund cannot make up and does not make up for the loss we have experienced.

In addition, the other really serious situation that the millennium fund creates is it begins to take us down a slippery slope of privatization.

● (1720)

New Democrats are very concerned that with this foundation, a private foundation being set up which will have representation from corporations in the private sector, there will be less and less control in terms of public administration and public direction of our post-secondary educational facilities.

For that reason alone, this fund should be rejected and we should go back to the drawing board and say that the real issue here is to support publicly administered, publicly accessible post-secondary educational facilities.

We have already seen examples in Canada where the corporate influence on board of governors of universities and colleges and now on this millennium fund is beginning to have an impact on curriculum of deregulation of tuition fees and deregulation of programs. All these things are creating an environment where there is increasing privatization and corporatization of our post-secondary educational system.

The millennium fund is a part of that direction and for that reason must be rejected.

The NDP believes very strongly that we must have an open discussion with the provinces because education is a provincial jurisdiction. Members of the Bloc Québécois have pointed out very well the huge concerns they have with the millennium fund. It is not only in Quebec. This is echoed across the country in terms of unilateral decisions being taken by the federal government with regard to post-secondary education and the establishment of this private foundation with no consultation whatsoever with provincial jurisdictions.

The NDP believes we need to have leadership from the federal government. It needs to be the kind of leadership done in co-operation and collaboration with provincial jurisdictions to design a national program of national grants that deals with different provincial jurisdictions and different provincial contexts where there is a clear understanding and a principle that accessibility for all students in Canada is a national standard.

The NDP believes that is the starting point of ensuring that our post-secondary education system is protected and strengthened and not destroyed as we have seen over the last few years.

Canada is one of only two OECD countries that do not have a national grant system. We need to ensure federal funding is provided in co-operation with provincial governments to establish a national system of grants.

In my province of British Columbia as well as in the province of Quebec there has been leadership shown in terms of trying to keep education accessible for students even in the face of massive cutbacks.

In British Columbia we are now in the third year of a tuition freeze. That has been very difficult to accomplish given the massive cutbacks we have experienced in transfers from the federal government.

The NDP is calling on the federal government to show the leadership that is necessary. We have heard a lot of rhetoric and concern expressed by government members about the level of students debt, but there is nothing in this bill that will really alleviate the pressure and the huge debtload now facing students.

I have talked to students in my riding and here in the Ottawa area and have been really shocked to hear stories of students who are now facing debts of \$40,000, \$50,000, \$60,000. What kind of way is that to start a life?

We need to go back to the drawing board and say clearly that this millennium fund is taking us down the wrong road. We need a national grant system. We need accessibility. Most important of all, we need restoration of federal funding for post-secondary education in Canada.

• (1725)

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Madam Speaker, it is with great interest that I wanted to speak to Bill C-36, particularly with regard to the millennium scholarship fund. There are many reasons for this: first, because I am a father; second, because I worked in the area of education; and third, to show that, once again, we are duplicating structures.

I will always remember the farmer who, in 1970, convinced me to join in the fight for Quebec's sovereignty. He lived on concession 7 in a small community in my riding. His argument was quite simple.

He said: "Jean-Guy, take a good look in my barn". He had a magnificent herd of Ayrshire cows. That dairy farmer had a mixed quota: 50% fluid milk and 50% industrial milk. The part of a cow's production used for industrial milk was under federal jurisdiction, whereas the part used for fluid milk, the kind we drink every day, was, and still is, under Quebec's jurisdiction.

For the same cow, two agriculture ministers: one for industrial milk and one for fluid milk. All that for the same dairy producer—

An hon. member: And the same cow.

Mr. Jean-Guy Chrétien: And the same cow, of course.

This government is doing the same thing to our students. The same student will have to send two applications for a loan or a scholarship: one to the Quebec government and one to the federal government. We are talking here about the same taxpayers, the same parents and the same students.

A few moments ago, I heard my friend, the member for Laurentides, say that 5% of the \$2.5 billion will be used to pay employees, to pay for the forms, and so on. That means \$1 out of every \$20. If the federal government really wants to help our students, why does it not allow former students who are starting to repay their student loans to deduct the interest on their loans from their income?

If it were so generous, if it really had the interests of young Canadians and young Quebecers at heart, it would accept our suggestion immediately and would gain from this situation that opposes it to the Quebec government. In the early 1960s, under the late Jean Lesage, whom I had the pleasure to work with in the Liberal Party of Quebec, an honest man who worked for the well-being of his community, the well-being of Quebecers, the Government of Quebec established a loans and grants program in

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co-operation with the federal government. It is working exceptionally well.

Our students are leaving universities with a bachelor's degree, with an average debt of \$11,000, while students outside Quebec, elsewhere in Canada, have an average debt of \$19,000 or \$20,000.

In Quebec, tuition fees are almost half those outside Quebec. It is not surprising that our English universities are filled with students from Ontario or elsewhere.

Duplication creates unwarranted and unacceptable expenses, and the result is, in Canada, we pay 27% more taxes of all kinds than in the United States for equal services.

A second point that also hurts and offends students, the future recipients of these scholarships, and they demonstrated this in all the universities and cegeps of Quebec, is the way the federal government is getting ready—

• (1730)

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon. member. You will have about five minutes when the debate on this bill resumes.

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

BANK ACT

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ) moved that Bill C-289, an act to amend the Bank Act and the Statistics Act (equity in community reinvestment), be read the second time and referred to a committee.

He said: Madam Speaker, you will understand that I have been waiting for this moment for a long time, since I introduced this bill in November. This is a somewhat special day, because it is also my birthday.

Some hon. members: Hear, hear.

Mr. Réal Ménard: I am not saying this simply to get attention, I just think this might be my lucky day and that my luck will benefit poor communities.

Let me start off by saying that this bill is a concrete step against poverty. As MPs, we all know there is a direct link between poverty and access to credit.

In the United States, a country where, we must admit, capitalism and free enterprise are thriving, they have had since 1977, that is

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for the past three decades, the Community Reinvestment Act, which makes it compulsory for banks to invest in disadvantaged communities.

What is this all about? The six major chartered banks listed in schedule I of the Bank Act have the privilege to earn big profits using the money deposited by their clients. What we are asking for is some balance between the deposits they receive and the loans they make to the community.

We are not challenging the fact that banks are trying to make profits. If they make money by playing the bond market smartly or making a wise use of any other financial vehicle, we understand. What we do not understand is that in 1998 banks are no longer present in poor communities.

Hochelaga—Maisonneuve is a case in point. This once thriving blue collar community is now hurting. Elderly people there tell me that in the 1960s there were 10 banks in their community. I challenge you to guess how many there are today. There are two. That is what has to change.

The banks, which are making record profits, have entered the global market, with 40% of their assets coming from foreign investments at the present time. It is not right that banks are not present in communities needing their help.

In a community such as mine, Hochelaga—Maisonneuve, housing is where banks could invest and get involved. Eighty-six per cent of my constituents rent their accommodation. The banks' requirements are such that it is extremely difficult for anyone wishing to buy property to get a loan. This must end.

In the United States, the equivalent of our superintendent of financial institutions tables an annual report in Congress on the efforts banks make in disadvantaged communities. This report looks at loans made for community development purposes, loans to small business and loans to individuals.

• (1735)

In the case of loans to individuals, there are figures for low, middle and high income earners, by urban census area.

Here is what I am asking of all parliamentarians today. At a time when the Bank Act is being debated, at a time when a five-year review is obligatory, at a time when the Minister of Finance has set up a task force, is it not incumbent upon us as parliamentarians to send a very clear message in the end to the effect that we want the philosophy behind the Community Reinvestment Act to be part of our concerns as parliamentarians?

This is not a partisan issue because, regardless of which side of the House we are on, there is always a need for banks to get involved in the community. The Reform Party and the Bloc

Quebécois each represent a part of this constituency. The same is true of the New Democratic Party and the Progressive Conservative Party, not to mention the government party.

Why should banks get involved in their communities? The most obvious reason is of course that they can afford it. My bill does not call for this social involvement of banks across Canada to take a specific form. Within each of their communities, banks should work with industry, community groups, elected representatives, the bone and sinew of the community, to ensure that investments can be made which will benefit community development. That is the philosophy behind community reinvestment.

Let me remind you that, in 1992, banks made approximately \$2 billion in profits. This year, profits will likely be closer to \$8 billion. So, we are in a situation where, as I said, the effort asked of banks is not an unreasonable one.

Banks should get involved in their communities because they operate in an extremely sheltered environment. The socio-economic studies chair at UQAM reported that 90% of loans issued by banks are secured by one level of government or the other and that 92% of all banking activities in Canada are conducted by the six major schedule I chartered banks. In a word, banks make profits and operate in a sheltered and concentrated environment.

The good news for bank shareholders is that retained earnings are higher than they have ever been in recent years. The retained earnings of banks have grown by 18% per year. Few industries in our society can match that.

UQAM is a breeding ground of ideas, which has enlightened the Quebec society. A good friend of mine, whom I wish to mention in passing—his name is Dominic Peltier-Rivest—is a professor of economics at UQAM and he supports my bill, which is comforting to me. I would ask my colleagues to some enthusiasm about this.

Some hon. members: Hear, hear.

Mr. Réal Ménard: Also, the socio-economics studies chair at UQAM has revealed, along with banking specialist professor Bernard Élie in his latest book, available from the Presses de l'Université de Montréal for the modest sum of \$28, that the banks are getting rich off people's savings.

Every day in Canada, 2.5 million transaction slips are churned out by automatic tellers, and the banks get 50 cents for each transaction. Imagine, a person cannot even take money out of his own account, his own independent income, without the banks charging for the transaction.

It cannot be repeated enough, we parliamentarians must tell the financial institutions, the chartered banks, that they have to get involved in disadvantaged communities, that they have to do so because they can afford to, and because they receive a lot from the

community by virtue of their protected situation, so it is the least they can do.

• (1740)

To give some examples, once again in the United States, the Community Reinvestment Act has been in force since 1977 and so we can see what the effects of such an arrangement can be. I do not want to talk about coercion here, we do not see a bill of this kind as compulsion. It is a bill that will clarify the framework within which the banks can act in order to get involved in their community.

As you know, in recent years the Hispano-American community and the Afro-American community have seen their access to credit improve by 30%. That is, of course, understandable. When a bank is in a predominantly black community, efforts will be expended to ensure that this community has access to personal loans and to mortgage money. This is possible because there is an evaluation of banking business. Bank involvement is assessed. The monitoring agency makes reports and the consumers and American consumer groups follow those reports.

The following are a few examples. In some American states, there are special accounts just for people who write a limited number of cheques. Some states have said that, in the spirit of the Community Investment Act, a certain number of free cheques will be allowed. The banking institution will process a certain number of cheques without a service charge.

I will quote an example from New York State. As the member for Quebec, who has always been sensitive to these issues, knows, some communities passed rules making it impossible to freeze a client's account for more than two banking days. This is something important which comes from the Community Reinvestment Act.

More important yet, as I was saying earlier, in an area like Hochelaga—Maisonneuve, 86% of the population lives in rental accommodation. If we do not help them a bit, and God knows banks are not easy to deal with in that respect, they will never own a home.

Let me give you another example. In a number of American states, banks absorb part of the mortgage-related costs such as the appraisal, title search and credit rating costs.

You will no doubt agree with me, Madam Speaker, that all this is very reasonable. There is nothing outlandish about this. There is nothing in the examples I just gave that is not consistent with what banks are all about.

Is there anybody in this House who believes that, if we leave the banks to their own devices, they will voluntarily invest in disadvantaged communities? Certainly not. As law-makers, we must send them a very clear message and tell them exactly what we expect of them, regardless of our political affiliation. Whether we

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belong to the government, the NDP—of course, much to its credit, the NDP has a long history of social action—the Reform Party or the Conservative Party, we must tell banks now that we will no longer tolerate their being absent from large communities.

I recently gave a press conference with the bishop of Rimouski. He is highly respected in his community; he received a classical education and he is an extremely sensitive man. He told me that, just as in Hochelaga—Maisonneuve, banks have deserted his community. I have to say it, I want this to be very clear, it is the main thrust of the bill before us today.

For the rest, I can only hope. This bill is very close to my heart. I want to get this thing going because I know that several other parliamentarians are sensitive to this problem. I want to use my colleague from Brome—Missisquoi as an example, because he has also introduced a bill to better control bank fees, to ensure that banks will have to appear before a committee to explain any fee increases and also to establish the appropriate regulations. I raise that point because there are obviously, in every political party, members who could work on this in a non-partisan caucus.

• (1745)

Imagine for a minute how strong we would be in this House if we were to decide to review the Bank Act and address the issue of the operations of the banks and our expectations in this area in a non-partisan way. We would work as parliamentarians in a non-partisan caucus, where all members who are concerned about this issue would represent their parties and give their best for greater social justice.

I see that my time is running out. I just want to stress that this is a very important bill for me and I am very proud of it. I am also extremely moved by all the support my caucus colleagues gave me. As far as I am concerned, this battle will be over only when this bill is passed.

[*English*]

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I will begin by making it clear that the government fully supports the principles of community investment.

We are also committed to ensuring proper accountability and transparency of the banks' small business lending activities. We will continue to challenge the banks to do a good job of meeting the needs and in particular the credit needs of consumers and small businesses across Canada.

It is also important to note that the Task Force on the Future of the Canadian Financial Services Sector is examining the responsiveness of financial institutions to community needs as part of its work. Consequently we believe that it is appropriate to wait for the

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task force views before deciding whether any further action is required.

The issue of community reinvestment involves a number of important considerations. At the end of the day the task force will need to assess whether there is a need for a more focused approach to community investment by the banks. There may be a number of models that would have to be carefully considered. The government's primary task, should it decide to move forward on this matter, is to ensure that the model chosen will accomplish specific policy objectives in an efficient manner.

Bill C-289 represents one approach to community reinvestment. While the bill's provisions are intended to promote equity in community investment, it contains some elements that could have unintended negative impacts.

Bill C-289 appears to be loosely modelled on the American community reinvestment act, legislation that was implemented in the U.S. in response to a unique credit discrimination problem. This type of credit discrimination does not exist in our banking system.

It is important to recognize that the CRA was introduced in the U.S. during the 1970s to discourage financial institutions from red lining inner city areas, that is, taking deposits from the entire service area but not lending in certain neighbourhoods. This practice is believed to be the primary factor underlying the transformation of many U.S. inner cities into urban ghettos.

While the CRA has been useful in raising U.S. lenders' awareness of their lending patterns, it remains unclear whether its benefits, primarily social, outweigh the regulatory costs. This legislation has been criticized for imposing cumbersome and expensive data reporting and record keeping requirements on both the government and regulated institutions.

Bill C-289 will require Stats Canada to produce estimates of monthly unemployment rates for each federal riding. Statistics Canada has estimated the initial implementation cost would be \$15 million. The ongoing annual cost of the monthly labour force survey would mushroom to \$40 million, triple the current cost. We would want to explore whether there may be a more cost efficient method of designating disadvantaged communities and establishing stress measurements.

Under the provisions of the bill, branches of schedule I banks located in designated disadvantaged federal ridings would be required to produce detailed lending statistics for those specific areas. Disadvantaged ridings would be defined on the basis of the unemployment rate within the riding. However the proposed criteria that would be used to assess whether a riding is disadvantaged is problematic.

Any federal riding having an unemployment rate equal to or higher than the national average unemployment rate would be designated as disadvantaged. Furthermore a riding's monthly unemployment rate need only equal or exceed the national rate once during the preceding year to be designated as disadvantaged. Such a loose definition goes far beyond capturing those ridings with chronic unemployment problems.

Moreover there is a problem with the definition of community in general. Imposing artificial limits on bank lending based on the geographic source of deposits presupposes that the market is not working efficiently. In considering any potential community investment initiatives, the government would want to be assured that the model being examined would not lead to inefficient allocation of capital.

● (1750)

A further area of concern with Bill C-289 is the requirement for banks to generate detailed lending statistics at the federal riding level. This could impact negatively on privacy protection for bank customers.

During its hearings with the banks on small business financing, the House industry committee explored the concept of requiring a much more detailed breakdown of lending statistics. In fact the committee looked at seeing whether we could get the breakdown by postal code or community. In the end it was determined that the aggregating of lending statistics to this extent would potentially result in the breach of client privacy.

I want to re-emphasize the government's commitment to community investment despite the criticisms I have put forward here. Today the government is taking action to promote community investment. The regional development agencies and other government programs continue to play a big role in financing community needs across Canada. We are also sustaining efforts to aggressively encourage the banks to meet legitimate small and medium size businesses' financing needs in all regions of Canada.

The government is nevertheless sensitive to the fact that many rural communities have experienced difficulties in accessing not only credit but banking services in general. Let us be clear. The banking landscape has changed dramatically in recent years. The banks must take steps to ensure that rural and remote communities have sufficient access to banking services.

The government is also keeping a watchful eye on the banks' lending activities and carefully reviews their lending data in order to assess progress in meeting the financing needs of small business. Regular House industry committee hearings with the banks provide a good opportunity to question the banks on statistics which may reveal problem areas with respect to access to capital. While it is

recognized that credit decisions are highly subjective and involve potential considerations, the data reporting requirements of the banks provide an effective check on the banks with respect to their efforts to support community development.

Much of the debate on community reinvestment has focused on the increasing availability of microcredit to small business. I would note that there are a number of federal and provincial microcredit initiatives run by a variety of community organizations right across the country.

In general these programs offer financial assistance as well as training, mentoring and counselling services. These programs serve not only small business operators but also target youth, aboriginal peoples, women and non-urban rural communities. The government considers these microcredit programs to be of vital importance in promoting community development at the grassroots level and will continue to support and promote microcredit lending.

In summary, while the government supports the principle of community investment, Bill C-289 may not be in fact the best approach. Furthermore, we believe that it would be premature to take any action in this area before the task force submits its views to the government this fall. For this and the other reasons I have outlined in my discussion today, I believe that it would be incumbent upon the House to reject Bill C-289.

I also want to say that the hon. member, I am sure, is quite sincere in putting forward the bill and does believe in what he is doing. I merely want to point out a number of deficiencies that I see in this particular bill.

In fact the reason we set up the task force was to look at the changing financial institutions and the changing financial sector. I do believe that waiting for that report would be the most effective way of dealing with the change that is going on.

In the end we all want to ensure that Canadians in urban Canada and rural Canada, Canadians who are involved in small businesses and Canadians who deal in microcredit are all properly served by the financial institutions in this country.

I certainly applaud the work of the industry committee and certainly the work of all members. The outcome is the benefit that can be achieved by ensuring that small business and Canadians in general do have the proper access to capital and do receive the necessary banking services they require so that they can continue to contribute in a very real and effective manner to the growth of this country and its economy.

• (1755)

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, I feel privileged to enter the debate on this bill. I think the motivation that gave rise to the bill is a very commendable one.

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I believe at the beginning of the last parliament, the 35th Parliament, the industry committee undertook a major study on access to capital for small business. That study has continued to guide the hon. member who just spoke on behalf of the government side in this debate. It certainly influenced him and it influenced a lot of other people.

The issue here is the availability of credit to individuals and to businesses. We need to be very careful that this credit is available in a fair and equitable manner and in a competitive marketplace where the people who are providing the capital do so in a fair and reasonable manner.

The issue before us is that banks, chartered banks in particular, be forced. I know the hon. member who is presenting this bill said that there is no coercion involved. That word perhaps is false. There is coercion involved in this bill.

At the outset of the bill its summary clearly suggests rather directly that the banks shall. It says that this enactment amends the Bank Act and provides that certain branches of banks must take measures to facilitate access to credit to persons who have a residence or place of business in the federal electoral district in which the branches are located.

Throughout the clauses of the bill the words "shall" and "must" are located. The issue is very clear that there is definitely an element of coercion involved in this bill.

The purpose of my remarks is not to suggest that the banks are doing an exemplary job in providing access to capital to small business or to individuals. That is not the issue. The issue is that the banks are doing that sort of thing. Are they doing it as well as they should?

My hon. colleague opposite said that the industry committee receives quarterly reports from the way in which the chartered banks are lending money to the various businesses. It is very interesting. The most recent of those quarterly reports is dated September 30, 1997. I did a comparison with the first report dated December 1995. I compared what has happened to the lending patterns of the chartered banks in that time.

It was very interesting that in December 1995 the banks were lending more money to small businesses, that is from zero to \$25,000, than they were in 1997. The total number of dollars available in fact decreased during that time period. The number of people however who received those loans increased. This really meant that more people were getting smaller loans than was the case two years previously.

When we look at the other end of the scale, the number of those who borrowed \$1 million to \$5 million dollars had gone down. However, the total amount available in credit was considerably higher. Therefore, there were fewer people borrowing more money.

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This is all part of the banks' profit picture. It is true that the banks can argue that they are profitable organizations. Nobody will debate that. We all know that they are highly profitable. They are so profitable indeed that many people would criticize their profitability.

Let us not forget that there are a lot of other profitable businesses in this country. The issue here is not to criticize the profitability but rather to look very carefully at whether their pattern is such that we can take exception to the accessibility to the lending and the borrowing that we need to do in order to run our businesses and our own individual lives.

This bill restricts itself only to chartered banks. It also restricts itself to branches in chartered banks. There are two difficulties with this.

First of all, there are many other deposit taking institutions that are not chartered banks. I look particularly at the credit unions, caisses populaires and trust companies. Those are probably the most commonly recognized as being deposit taking institutions.

• (1800)

These institutions are very community centred, very involved in the community. They take money out of the community and lend money back into the community. To distinguish one particular group by saying that it must but others can do whatever they feel I do not think is quite fair. I do not think that was the intention either. Perhaps it was; I do not know.

I suppose it could be argued that because the banks have 85% of the deposits in Canada therefore in each community that is the case. It may follow or it may not. In fact in many cases it does not follow. There are other ways of depositing money.

The issue is one of reinvestment. How do we reinvest? If a bank takes substantial sums of money in deposits from a particular community, ought it not reinvest in the same proportion as it receives deposits from the community? The bill is not clear as to whether that is how it would work or whether it would not work that way. It is not known.

I would like also to refer to another provision in the bill which I think has a serious shortcoming. It suggests that a disadvantaged community is a community in which the unemployment rate once during the previous 12 month period was equal to or larger than the national average. This is to be done on an electoral basis.

An electoral district does not have a constant boundary. It changes every 10 years, but nevertheless it does change. The issue now becomes one of being very micro centred. A community goes beyond an electoral district.

If we take the city of Montreal it can in one sense be considered a community. If we look at the unemployment statistics for that

community—and I agree there is more than one electoral district—it would as the larger community certainly qualify as being a disadvantaged community. Not only that one, but we could go right across Canada and most of our major centres would qualify as disadvantaged communities under that definition. If we break it down small enough into certain sections there would not be a disadvantaged community in that sense. In other cases there would be very much the opposite situation.

I suggest that there are some shortcomings in the bill. The intention may have been reasonable but the way it is worded will cause us a lot of difficulty.

Also we want to recognize the intent and purpose. Certainly my purpose on the industry committee and certainly my purpose as a parliamentarian is to make sure that there is a sound and stable financial institutional system in Canada. Our chartered banks have served us very well, but there are some very severe shortcomings. The issue is that some of our chartered banks are perhaps moving into areas that are to the disadvantage of the small borrower, the small lender, the small depositor.

I know the pressures that have come with quarterly reports have caused the banks to perhaps change their behaviour slightly but not enough to make a material difference. The intention may be okay but I think there are some difficulties.

I would also like to suggest that there is a major change coming. It is happening already in the whole financial institutions area and in particular with regard to banking and banking services. We are getting into electronic banking in a big way. In fact there are electronic banks that have no branches.

What would the legislation do in that regard? Non-branch banks also take deposits out of what would have been defined as a disadvantaged community. Would the same requirements that are imposed on chartered banks with branches be imposed on them? If not, one group is being preferred over another and it does not create fair competition or equality of competition. I do not think that is fair.

For that reason, if for no other, I would say let us vote against the bill.

[*Translation*]

Hon. Lorne Nystrom (Qu'Appelle, NDP): Madam Speaker, I would first like to say that I support Bill C-289 moved by my friend, the member for Hochelaga—Maisonneuve. There may be some details on which I disagree, but this is normal.

• (1805)

It is very important to refer this bill to a committee of the House to have a debate on the future of the banking system in our country.

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Similar legislation exists in the United States. It is not something very radical. In the United States, just south of the border, there is very similar legislation. For this reason, I am in favour of this bill before us this afternoon.

[English]

The time has come when we should start treating more seriously private members' initiatives in the House in terms of referring them to committee more often; giving our committees more power and independence so that a committee of the House can actually initiate legislation; reforming our political parliamentary system to make it more democratic and more independent from the executive, the government; and making parliament more meaningful to the people of the country. I think that is a very non-partisan statement.

I come from Saskatchewan where our party has been in power for the most part of the last 50 years. I know there and in every other province that too much power resides with the executive. There is not enough independence for ordinary members of parliament who are elected to express their point of view and initiate legislation that is useful to people of any province or any country.

The time has come where members on all sides of the House, all five parties, will have to band together to make sure we get some meaningful reforms to make parliament more acceptable.

When I look at the cynicism out there today I see it is increasing. When we look at the turnout in the last election we see that it is going down. People are more and more turned off by the political process. If we could somehow make debates like this one more meaningful, it would serve a great purpose for Canadian people.

One of the great exercises in democracy that I hope will occur in the next six months will be to allow the opinion of the people of the country to be expressed about the bank mergers and the future of financial institutions.

The Minister of Finance, probably in November, will make a decision on whether or not he will allow the merger of the Royal Bank and the Bank of Montreal along with the merger of the CIBC and the Toronto-Dominion Bank.

As I travel around the country there is a great amount of concern about megabanks being expressed by a broad spectrum of the Canadian population that support all parties in the House. It does not only come from certain groups in society. It comes, for example, from the Canadian Federation of Independent Business that represents 89,000 small and medium businesses. It recently did a survey which shows around 75% of its members are in opposition to these megamergers.

That should tell us something. Small business is the real motor of our economy. It employs people. It talks to the public. It has a good sense of what the public wants.

We in parliament should find a way to make sure that point of view is heard by and expressed to the government. We should be saying to John Cleghorn, Matthew Barrett and the other presidents of the banks that they will not hold parliament to ransom by making their announcement well ahead time and expecting us to rubber stamp the merger of these four great Canadian banks into two.

That will not be the case just because the stock market has reacted and bank stocks have gone up by \$19 billion since January in anticipation of our being trained seals. We will not necessarily react that way. Parliament should express the will of the people.

Big is not necessarily better. We can look at the big Japanese banks that are having trouble today. These two megabanks which are now four Canadian banks represent assets of over \$900 billion compared to the budget of the Government of Canada in the \$120 billion to \$150 billion range. We are talking about two huge sumo wrestler type banks.

They do not want to merge to be a better service to the Canadian people. It is the bank workers, the customers and the communities which have built those banks and made them profitable that will be devastated by these mergers.

• (1810)

The banks want to merge for one reason and that reason is greed. Those bank presidents have seen their stock options increase by approximately \$100 million since January. In the CIBC and the TD alone the nine major officers of those two banks have seen their stock options increase by \$142 million since January. No wonder they want the mergers to proceed. It is good for the big fat bankers, but is it good for Canadians?

Experts are saying that approximately 20% of the people who work for those banks will be laid off. They will lose their jobs. Approximately 30,000 Canadians will lose their jobs. That is a population of a small city. That is why parliament has to stand up and say no and represent the Canadian people on this issue.

Those four banks have about 5,000 branches, many of which will close throughout rural Canada and in city centres. This will result in a lack of service for the Canadian people. There is also the issue of corporate concentration. Our banking sector already is the most concentrated banking sector of any country in the Organization of Economic Co-operation and Development.

When we go from five big banks to two megabanks we will see about 70% of the banking assets in the hands of two banks. In the

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United States it would take approximately 100 banks to make 70% of the banking assets of that country.

This should be a great worry to Canadian people in terms of service, bank service charges, interest on loans, service to the small business community, farmers and ordinary people. These mergers will not be in the interest of the people of the country. They are in the interest of Mr. Cleghorn, Mr. Barrett, Mr. Baillie and Mr. Flood, the presidents, CEOs and banking executives of these four big banks.

Those banks have been made very profitable. They have made over \$7 billion in profits in the last year, and they have done that in Canada. They do not have to get bigger to be more profitable.

Even my Liberal friend from Winnipeg is embarrassed about the power of these big banks. He knows the electorate in his riding is very concerned about the layoffs that will ensue, the lack of competition and the branches that will close throughout Manitoba. In Lynn Lake, Manitoba, there was only one bank which is the Toronto-Dominion Bank and it has closed. It is a community without a bank. This is happening right across the country.

I hope we take advantage of this debate to focus once again on the power of these banks and to say at the very least that Canadian banks should be forced to reinvest in their local communities the money they take from depositors in their local communities. This is happening now in the United States of America.

There is nothing radical about it. It is happening in the United States. Let us make sure it happens here. The banks are here to serve the Canadian people, not to fatten the pockets of John Cleghorn, Al Ford and the other big bank CEOs.

I will do whatever I can as a member of parliament to help channel public opinion against these big mergers. They are not in the Canadian interest and I say to John Cleghorn "Don't take parliament for granted. We are not trained seals. We are not a rubber stamp. You can't blackmail the Parliament of Canada". Parliament is supreme in terms of making up its mind whether or not these mergers go ahead. We reflect the Canadian people. We will make sure they say no.

There was a survey in the Regina *Leader Post* about two weeks ago. It was a survey and not a poll. The question was "Do you think if these big banks merge you will get better service or worse service?" Over 2,000 people called the *Leader Post* and 93% said the service would be worse and 7% said the service would be better.

This is another reason we as members of parliament should say that it is not in the public interest, not in the interest of Canada, that these mergers go ahead. That is one of the reasons I support the bill of the hon. member for Hochelaga—Maisonneuve.

• (1815)

Mr. Rick Borotsik (Brandon—Souris, PC): Madam Speaker, I congratulate the member for Hochelaga—Maisonneuve for putting forward this piece of legislation, which I have read. I echo the comments of my colleague in the NDP that it is very refreshing to speak to issues that are important to us as individual members of parliament.

I share some sympathy with the member who submitted this bill that it is not votable. I find that to be unfortunate. I wish that all private members' legislation, bills or motions, were votable in this House. I have had the opportunity to speak to a number of my own that were not votable, although they were very important issues. They are very necessary issues for individual members of parliament, not only for their own constituencies but for the constituency we all serve, the constituency of Canada.

I was confused as I read the bill because it did not speak a lot about the bank mergers. I respect the hon. member in the NDP for his opinion on a number of issues. He has conviction and he is certainly very dedicated to his cause. However, I am not prepared to stand here and not speak to the legislation, and I certainly will not bank bash, which was the soap box given to the hon. member with respect to this piece of legislation.

I will try to home in on what the member for Hochelaga—Maisonneuve is trying to put forward. As I understand it, this bill would amend the Bank Act and the Statistics Act to promote equity in community reinvestment. It is not a bill that talks about bank mergers and the operations of banking institutions and how the Americans are either better or worse than us. What it talks about is a very important issue to all of us, in particular the smaller communities which have banking institutions. Moneys are taken from those communities, whether in deposits, in RRSP contributions, in mutual funds or in other investment vehicles to be invested in other areas, most of them being the major financial centres, the larger centres in eastern Canada.

I understand the theory and practicalities of economy. Let us be serious about it, perhaps a little more serious than the NDP member who spoke, who may not quite understand all of the mechanics of international and national economies.

I believe very seriously that in my own community the banking institutions are good corporate citizens. They become a part of our community, but they have a job that has to be done. That job is obviously to make a profit, which the NDP member would see slightly as a dirty word. I see it as an opportunity for corporations to reinvest in themselves and to help those same employees the member suggested would be impacted by the mergers. They are and have always been good corporate citizens in my community.

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They are certainly there when necessary to help the community in any number of fashions.

We first talked about reinvestment in the community. The banking institution is there to help people like members of the House to maintain the standard of living they have developed over the past number years in their families. They allow us to purchase our residences, to purchase our vehicles, to purchase things for our leisure activities and to purchase the education that is vital for our families.

They reinvest in the community with respect to commercial and industrial reinvestment. We have heard constantly about small and medium size enterprises, the backbone of the Canadian economy. In most cases the small and medium size enterprises depend an awful lot on the same financial institutions we speak about in this legislation. That is not in all cases because mistakes are made and everything is not perfect in this world. However, in most cases those small and medium size enterprises are assisted by the banking industry, which is good, not bad. This legislation also speaks to those good things. I am very pleased about that.

The legislation also calls for more transparency in the banking institutions. It suggests that the banks should tell us how many dollars are being taken from our communities and how many are being reinvested.

• (1820)

That is as far as it should go. I do not think there should be a quota system. I do not believe there should be legislation saying that if dollar one goes out then dollar one must come in. That changes the whole dynamics of what we realize as being a Canadian economy built on a banking system which is probably second to none in the world.

The PC Party believes in promoting equity in community reinvestment and in strengthening the corporate citizenship of the banks in those communities. However, the measures that Bill C-289 would take to ensure equity are ambiguous and a bit unclear. Under Bill C-289 banks in different regions would be held at different standards. Only those banks in a district with higher unemployment than the national average would be subject to this bill and the accountability that it would bring.

I would suggest that the bill should be applicable to all electoral districts, not just to a selected few. Currently the legislation is not equally applicable to all banks. Judging a bank in Cape Breton differently than one in Medicine Hat is not a solution that will promote community reinvestment.

Government intervention in the lending sector is not the solution to job creation. Lowering payroll taxes and tax relief should be the first steps in promoting job creation.

However, Bill C-289 does propose a very productive step forward in promoting accountability in the banking industry that is very positive. It is a step for which I congratulate the member. But the accountability brought forward by Bill C-289 should not be restricted just to electoral districts with unemployment rates greater than the national average. That same accountability and transparency should be throughout all electoral districts. There should not be any criteria with respect to unemployment rates. It should be applied to all banks across the country.

Currently the Canadian Bankers Association distributes business credit statistics outlining recent credit extended to small and medium size businesses. In fact, the banking sector undertook this practice even before crown corporations began to publish similar reports.

The bill rightfully pushes the level of accountability and transparency further than the current reporting practices of the banking sector. The proposal under section 522.06 where banks would have to analyse their operations systems, rules and practices in order to determine their position relative to community reinvestment is positive.

However, the bill admits that the government would be hard-pressed to apply specific measures to certain banks which did not comply with the bill's intention. Nowhere in the bill is there any mention of how the minister could impose greater lending practices on institutions that do not meet the ambiguous and undefined criteria for community reinvestment.

The PC Party is in favour of having a report published and publicly accessible outlining the commitment the banking sector has made toward community reinvestment. At this point in time we believe that simply publishing this information would ensure greater public accountability in the banking sector. If the numbers are there the public then has the opportunity to make its own decision as to whether sufficient dollars are being reinvested into the community from that one institution and whether the public should in fact support that institution in their community.

If this bill is meant to promote accountability in the banking sector, then yearly reports are the first step in this process. However, if this bill is meant to strengthen job creation in underdeveloped employment regions of Canada, the government should not confuse the issue with accountability in the banking sector. They are two separate issues. I appreciate the fact that we should have transparency in accounting in the system because then we do have a choice, but for the institutions to put that money back into a region simply because of a high unemployment rate is not the way to do it. There are other ways.

Instead of intervening in private enterprise the government should offer small and medium size businesses in Canada the tools to expand and promote job creation on their own. I touched on that earlier by suggesting that the government should help regional

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development with respect to taxation, which is the major impediment of any regional development, and provide the opportunity to develop those industries.

Offering Canadians tax relief and cutting employment insurance premiums are the first steps the government should undertake to assist regions with high unemployment.

I thank the member for Hochelaga—Maisonneuve for putting the bill forward.

• (1825)

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I would like to clarify three points.

First, the government member who said that this legislation dates back to the 1970s probably does not know that the Clinton administration has updated the Community Reinvestment Act. The impact of this legislation and its underlying objectives are just as relevant today as they were when the bill was first passed in 1977.

Second, why was the electoral district used as unit of reference? Simply because it is the unit for which there was the most data available and because we thought, along with the drafters who worked on the bill, that it was an interesting unit of reference.

Now, if a member thinks that another unit of reference should have been used, in a democracy, the best way to counter an idea is to put forward a better one. I am very open to any kind of amendment that would improve this bill.

At the end of my remarks, I will ask unanimous consent to refer this bill to a parliamentary committee so that we can have a real debate on this issue.

I will not have unanimous consent. The four opposition parties, namely the New Democratic Party, the Progressive Conservative Party, the Reform Party and the Bloc, are willing to give it, but not the government. Do you know why the government is not willing to give its consent? Because this government is made up of hypocrites who speak from both sides of their mouths, particularly the House leader. They tell us that they support the philosophy behind the Community Reinvestment Act, but they back off when the time comes to engage into a real debate.

You know very well, Madam Speaker, that we have a problem with credit in Canada and in Quebec. The Liberals are hypocrites, particularly their House leader. They are just short of being liars.

What is unacceptable is that, yesterday, the leader of the Bloc Québécois and I came very close to an agreement with the government for the bill to be referred to a parliamentary commit-

tee, which is the minimum one can expect in a democracy. Today, the Liberals are opposed to that. Do you know why? Because none of them can rise and speak without his hands being tied by the banks.

If one of these members were to rise and say this is not true, I would be prepared to table in this House the banks' contributions to the political parties. You can see these people cannot be honest and upright. They cannot hope for a real debate and take a stand on behalf of the disadvantaged, as in the south centre, Hochelaga—Maisonneuve and Winnipeg, because they have sold their souls. They are owned by the banks. I find the position of the House leader of this government insulting, disdainful and unparliamentary, as I do the remarks of the government members who just spoke.

We are nowhere near a real debate on the banks. I know we cannot count on the Liberals. What is interesting today is that the Reformers, the New Democrats and the Conservatives, with whom we do not agree on everything, as is to be expected, are giving their consent and are prepared to meet in committee and call witnesses in order to have a real debate.

I am sick at the thought of how hypocritical the Liberals are. Earlier, the deputy whip said to me "No, we will not support this bill". They were prepared to give their support, yesterday, because they thought the Reformers would not.

I would like those watching this evening to know that the Liberals are deeply dishonest. They lack integrity. If people do not take to the streets, if there is no groundswell to force this government to assume its responsibilities, there will be no debate on the banks.

And what will happen. We will go on as before. How is it that, yesterday, the National Council of Welfare reminded us of the five million Canadians living in poverty, when in 1989 we passed a resolution to have all parties work to fight poverty?

Is there one member in this House who will rise? Is there one individual among the government members, with their stupid smiles, who will rise and say there is no relationship between poverty and access to credit? The Liberals make me sick, and I want people to know that they will never be honest with the banks, because of the funding they get. We know, we have the list. That is the distinction between democracy, between people who can stand up and speak honestly with their hands untied and the traditional parties that let themselves be bought by the banks.

• (1830)

The Acting Speaker (Ms. Thibeault): The hour provided for the consideration of private members' business has now expired and this item is dropped from the order paper.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

NATIONAL DEFENCE

Mr. Gordon Earle (Halifax West, NDP): Madam Speaker, both military and civilian employees of the Department of National Defence are under heavy attack from this government. That was evidenced by what the federal standing defence committee heard last week in Halifax.

The committee was told of military families so strapped for money they were forced to knowingly cash bad cheques to pay for their children's medicine. There were also horror stories about people injured while serving their country, only to be thrown on the scrap heap by DND.

Instead of working to maximize the potential of our armed forces, this Liberal government has chosen to treat our defence personnel as second class citizens, sacrificing their jobs and their families' future to the short term selfish economic gains of large corporations.

This Liberal government's ASD allegedly stands for alternate service delivery. It really stands for armed services destruction.

This shortsighted and destructive strategy of cutting the civilian workforce in Halifax, Goose Bay, Shiloh, Gagetown and throughout the country hurts not only those employees sacrificed but also their families and entire communities.

This offensive against Canada's military reads like a well crafted government strategic campaign to attack from two fronts. It was not enough to disrupt the lives and plans of civilian defence employees by forcing them to all of a sudden compete for service bids with mega corporations.

When civilian military workers successfully beat the ASD contract bids of private companies, this government abruptly changed the rules of engagement to favour large corporations. The bundling of bids provides for the awarding of contracts on a national basis, not only a cheap shot at our military but a slap in the face to small businesses throughout this country.

What is this Liberal government's real agenda, an efficient military or a privatized and gutted military where there are enough funds for huge capital purchases but not enough to sustain the dedicated men and women serving Canada in both civilian and military roles?

Before rushing blindly into a minefield, will this government not take time and fully explore what this will mean to the people of Halifax and elsewhere?

Adjournment Debate

The plan to cut 125 jobs at CFB Halifax is structured to allow management favourites to keep their jobs while those with better credentials are fired.

There are close to two and a half thousand civilian defence employees in Nova Scotia, about 90% of them in greater metro Halifax.

In 1994 the federal government cut over 50% of the civilian jobs at CFB Shearwater and has been cutting further through this ASD fiasco. Just what are the government's plans for Shearwater? The people of Halifax deserve to know what this government has up its sleeve for their future.

In Goose Bay, Newfoundland where support services were privatized to a foreign corporation, jobs and wages were slashed. The impact on the local community has been dire, with everyone from the DND workers to the local chamber of commerce denouncing the shortsighted and selfish deal.

The Minister of Defence has suggested that people would be treated humanely as this offensive against Canada's military was deployed. If laying off people and cutting salaries in half is humane, it is a good thing his portfolio does not include human rights.

The people of the Halifax region, throughout the province of Nova Scotia and across Canada deserve answers, answers this Liberal government seems loathe to provide, as if it is afraid to jeopardize this backward strategy of taking wages and jobs from Canada's civilian defence personnel in order to hand over quick cash to large corporations. Not good enough.

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.): Madam Speaker, as the Minister of National Defence has previously stated in this House, the Department of National Defence has an obligation to meet budget reduction targets.

The Canadian forces and the Department of National Defence must deliver the missions defined by the government in the defence policy in the most cost effective way possible within the constraints of the budget available.

Achieving cost savings in support activities is something that can be done with the alternative service delivery program. At the same time, however, the government has an obligation and a desire to make sure that employees are treated fairly. We have demonstrated that with the way we have gone about the downsizing of the public service. We will demonstrate it again in the terms of how we treat employees affected by the alternative service delivery program.

• (1835)

Among the options being considered are various alternative service delivery mechanisms such as competition, which may at times include in-house bids, or employee takeover leading to

Adjournment Debate

contractual arrangements and partnering and collaborations between government and private sector and privatization.

However, the Minister of National Defence directed the department to ensure that the six sites recently selected for an alternative service delivery review have the opportunity to demonstrate whether sufficient savings can be achieved through internal redesign of the work before a decision is made to pursue the competitive process.

The review of alternative service delivery initiatives provides for fair consultation and involvement of all interested parties including management, employees, unions, industry, local communities and other government departments.

In cases where there may be personnel cuts resulting from these initiatives, the Department of National Defence and the Canadian forces work with the union leadership and affected personnel to discuss the possible impact of anticipated reductions. In these cases arrangements can be made to secure employment with the new employer and remaining—

The Acting Speaker (Ms. Thibeault): I am afraid I must interrupt the hon. member as his time has expired.

[*Translation*]

TRANS-CANADA HIGHWAY

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, I rise in response to the reply provided by the Minister of Transport on February 24 to my question on the toll highway in New Brunswick.

The Trans-Canada Highway between Moncton and Fredericton was built with Canadian taxpayers' money. The federal government joined New Brunswick to fund the construction of that highway.

But at the last minute, the New Brunswick government played behind the back of the residents of that province and reached an agreement with Maritime Road Development Corporation. This agreement creates a number of problems. First, New Brunswick residents have already paid for the highway, through taxes. To collect a toll from those who travel from one city to another violates people's right to move freely.

The tolls collected may not be a problem for someone like Doug Young, but they represent several hundreds of dollars every year for those who travel from Moncton to Fredericton a number of times every week.

The agreement also poses a problem in that the negotiations with Maritime Road Development Corporation were conducted behind closed doors. I realize it is common practice for the Liberals to do things behind the back of Canadians, but this must stop.

Let us not forget that the person behind these negotiations is Doug Young, the former Liberal Minister of Transport. Mr. Young

is now getting rich at the expense of the residents of New Brunswick.

Enough is enough. Canadians are sick and tired of seeing patronage everywhere they look. They are sick and tired of seeing that their elected officials are only looking after their friends' interests instead of protecting the interests of Canadians. Awarding a contract to a former minister of one's own party and helping him get rich is not only deplorable, but is clearly a conflict of interest.

Canada's highways should never be subject to tolls, particularly not to help private contractors get rich. The situation was best described by the mayor of Salisbury, Ruth Jackson, who said "Setting tolls on any section of the Trans-Canada Highway is an abuse of the trust of Canadians, because it deprives them of a unified transportation network from coast to coast. Any toll road, whether provincial or private, must be completely separate from the Trans-Canada Highway. If such tolls are set up, any commercial haulage in the region east of Moncton will be deprived of the access to the national highway network".

Let us listen to Canadians and do away with the idea of toll highways.

• (1840)

[*English*]

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.): Madam Speaker, let me remind the hon. member that highway matters fall under provincial jurisdiction. Lesson one. This means that provincial governments decide on their alignment, design, construction standards, tendering process and financing as well as subsequent operations and maintenance.

The decision to establish tolls on highways is exclusively a provincial decision. New Brunswick has chosen to operate the 195 kilometre highway project from Longs Creek west of Fredericton to Magnetic Hill west of Moncton as a public sector-private sector partnership using tolls.

New Brunswick announced on January 23, 1998 that the Maritime Road Development Corporation would construct and operate the four lane controlled access highway which will be opened by November 30, 2001.

The total capital cost of this project is \$887 million. This cost includes new construction at \$584 million plus a payment to the province for work completed or under way on various sections of \$123 million, not including the \$32 million federal contribution plus land costs and construction interest costs. The overall agreement is for 50 years.

This highway project is not being funded under the federal-provincial cost shared agreement. The federal government has no legal basis to prevent New Brunswick from imposing tolls on this highway.

Adjournment Debate

POST-SECONDARY EDUCATION

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, as the post-secondary education critic for the NDP I have tried to do my best to press the federal government on concerns about post-secondary education and the crisis we are facing.

In question period about a week ago I questioned the government about the skyrocketing tuition fees and deregulation which is causing a two tier educational system in Canada. I pointed out to the government that the Americanization and the privatization of post-secondary education is directly as a result of the gutting of federal funding.

I was shocked by the response from the Secretary of State for Children and Youth, who suggested I speak to my colleagues in the Government of British Columbia to deal with the issue of skyrocketing tuition fees. I was shocked at this response because I could not believe a government minister was not aware, especially the Secretary of State for Children and Youth, that in the province of British Columbia we have had a tuition freeze not for one year, not for two years but for three years.

The B.C. government introduced legislation very recently that will continue the tuition freeze until 1999. The government of B.C. is doing this to ensure that post-secondary education is affordable and accessible. The freeze will include tuition fees for graduate, undergraduate, career, technical, vocational and developmental programs. It also freezes mandatory ancillary fees that could increase the cost of tuition, including such items as library registration or laboratory fees.

I point this out because I really find it appalling that the federal government apparently has not a clue what is going on in British Columbia and the leadership that has been taken to ensure that post-secondary education is still accessible. This tuition freeze will ensure tuition fees of B.C. are among the lowest in Canada.

In other provinces such as Ontario tuition fees have increased by 20% in recent years and enrolment has declined. But B.C. has increased funding to post-secondary education despite the massive cutbacks by the federal government, a 20% increase, \$39 million for this year alone. Even today in British Columbia the government announced that it is removing tuition fees completely for adult basic education.

I want to set the record straight and call on the government to issue an apology to the B.C. government in alleging and charging that tuition fees in B.C. are skyrocketing. That is the case elsewhere in Canada as a result of the gutting of funds from post-secondary education and that is something that is of huge concern to all of us, particularly to students who are facing a massive debtload. Let us get the facts straight here. I would like to see in the government response today and in future responses government members acknowledging the leadership that B.C. has taken to ensure that post-secondary education is accessible to students.

● (1845)

We are calling on the federal government to demonstrate and to show that same kind of leadership across the country by instituting a national freeze on tuition fees and instituting a national program of grants for students in Canada.

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.): Madam Speaker, at the outset it is important to recognize some of the key indicators relating to post-secondary education as outlined in the 1997 education at a glance report prepared by the Organization for Economic Co-operation and Development.

Canada's expenditure on post-secondary education as a percentage of gross domestic product was 2.6% in 1994, the highest among the OECD member states. Canada ranks second among the OECD countries in terms of post-secondary enrolment as a proportion of the 18 to 21 age group. Canada ranks third among the OECD countries in terms of graduates at the bachelor or equivalent level.

As has been said before, all government have a continued responsibility to ensure that students have access to post-secondary education. Clearly the Government of Canada has a long history of helping students access post-secondary education and other learning opportunities.

Since its inception in 1964, the Canada student loans program has helped more than three million students access post-secondary education.

The Government of Canada has been offering grants to students across Canada for many years, including those awarded by three research granting councils, the Medical Research Council, the Social Sciences and Humanities Research Council and the Natural Sciences and Engineering Research Council. By funding these councils the Government of Canada supports advanced research for graduate students.

The Canada opportunities strategy announced in the recent budget further confirms the government's commitment to helping Canadians access learning opportunities and participate in the knowledge economy.

The Canada millennium scholarships fund will award over 100,000 scholarships to post-secondary students each year. Canada study grants will provide up to \$3,000 a year and will help 25,000 to 50,000 needy students with children or other dependants. Canadian education savings grants will help families save for their children's education through registered education savings plans.

Also announced—

The Acting Speaker (Ms. Thibeault): I am sorry, but I must interrupt. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.47 p.m.)

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