



CANADA

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OFFICIAL REPORT
(HANSARD)

Wednesday, May 27, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, May 27, 1998

The House met at 2 p.m.

Prayers

• (1400)

The Speaker: As is our practice on Wednesdays, we will now sing O Canada, and we will be led by the hon. member for Sackville—Eastern Shore.

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

STATEMENTS BY MEMBERS

[English]

LAND MINES

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I call on all members of the House to join me in congratulating all parliamentarians of the Republic of Croatia for unanimously ratifying the Canadian led treaty to ban anti-personnel land mines.

One of the first countries to support and join the Ottawa process, Croatia became the 12th country to ratify this convention.

A foremost victim of land mines, up to three million mines were laid in areas of the country, blocking the safe return of refugees and displaced persons and further hampering attempts at development and reconstruction.

Through partnerships with other states, Canadian de-mining technology and expertise can help to eliminate the dangers of existing land mines in this region.

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INCOME TAX ACT

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, there has been a lot of talk lately about the declining role of parliamentarians at the hands of judicial activism.

In the case of *Rosenberg v Canada*, a lesbian challenged the constitutionality of the Income Tax Act, since it forced Revenue Canada to refuse to register her employer's private pension plan if

it extended death benefits to same sex partners. In a unanimous decision on April 23, the Ontario Court of Appeal decided to read a same sex definition of the term spouse into the act.

I feel that the government has an obligation to defend its stated position on the definition of spouse and if an appeal fails then this issue should be put before parliament.

As the former justice minister himself said while defending the need for Bill C-33, "we shouldn't rely upon the courts to make public policy in matters of this kind. That's up to legislators, and we should have the courage to do it".

This issue comes down to one question: Is the current justice minister going to let the courts decide on the redefinition of the term spouse or is parliament?

* * *

ARMENIA

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, I rise in the House today to commemorate the 80th anniversary of Armenian independence.

On May 28, 1918 the Armenian nation threw off the shackles of oppression of the Ottoman Empire and re-established itself as an independent nation on the world stage.

Today Armenians throughout the world join together to celebrate the birth of the modern Armenian state. As we gather to celebrate this important milestone we will pray that the growth of democracy and the rule of law will continue to flourish in today's Armenia.

Armenians have fought countless battles and endured immeasurable hardships to sustain our language and culture and, in fact, our very existence as a nation.

Happy Anniversary, Armenia.

[Editor's Note: Member spoke in Armenian]

* * *

[English]

BISHOP FRANJO KOMARICA

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I would like to call on members of the House to join me in welcoming Monsignor Franjo Komarica, Bishop of Banja Luka, Bosnia-Herzegovina.

S. O. 31

During the war which engulfed Bosnia-Herzegovina, most of those in Bishop Komarica's diocese were subjected to ethnic cleansing and their homes open to systematic destruction.

Monsignor Komarica has long been an outspoken advocate of a just and peaceful solution to the conflict in Bosnia and a harmonious co-existence between all of its peoples.

Despite the threat to his personal safety, the bishop worked courageously to intervene and prevent the outbreak and escalation of large scale conflicts and oversaw the distribution of desperately needed humanitarian aid to all citizens in need.

I applaud Bishop Komarica for his defence and assistance of all victims of war in Bosnia-Herzegovina and I welcome him to Canada.

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[Translation]

CANADA'S ARMENIAN COMMUNITY

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, May 28 is a significant date for the Armenian community in Canada.

On that date, in 1918, the Republic of Armenia was created following the tragic events in which more than one million of their fellow citizens were killed.

[English]

Although the new republic was annexed by the Soviet Union soon after, May 28, 1918 remains an important date for all Armenians.

Today the Republic of Armenia is once again an independent country, having declared its independence on September 23, 1991 from the former Soviet Union. Even though the Armenian economy has been strained by recent changes and is currently undergoing a difficult process of economic restructuring, the future now looks brighter for the new republic.

● (1405)

On this day I wish to pay a special tribute to my constituents of Armenian origin who are model Canadians and proud of their rich culture and linguistic Armenian heritage.

I invite all my colleagues to celebrate this anniversary together with all Canadians of Armenian origin.

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CANADIAN SPECIAL OLYMPICS ORGANIZATION

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I rise in the House today to pay tribute to the Canadian Special Olympics Organization.

These very dedicated people provide programs of tremendous benefit to individuals with mental challenges.

The special olympics is one of the most respected charity help groups in all of Canada and this is due to the thousands of dedicated volunteers who donate so much of their time to this very worthy cause.

I am proud to host in my riding every year the Prince George special olympics charity golf classic which has raised more than \$100,000 for our special olympics organization over the last five years.

I salute the many special olympics volunteers and especially the special olympics athletes who, with grit and determination, say "Let me win. But if I cannot win, let me be brave in my attempt".

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[Translation]

CALGARY DECLARATION

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, yesterday, Ontario became the eighth Canadian province to send a clear message in favour of national unity by supporting the Calgary declaration.

"We recognize Quebec's unique character", said the Ontario legislature. The provinces are once again reiterating that Quebec belongs in the Canadian federation.

As for the Bouchard government, it has instituted a so-called non-partisan parliamentary commission on the Calgary declaration.

Why did nine of the thirty persons who were approached decline the sovereignists' invitation to take part in this bogus commission? This speaks volumes about the non-partisan nature of this commission, which Premier Bouchard would have us believe in.

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AIR POLLUTION

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, air pollution advisories are being issued more and more frequently across the country. Montreal has already had two smog alerts so far this year, which is somewhat unusual this early in the season.

Children and older people as well as those with respiratory and cardiac problems are the most vulnerable. Recent data show that up to 1,800 Ontario residents die every year from air pollution.

Immediate action is required to ensure that Canadians can breathe cleaner air. Air pollution is a source of concern for all Canadians and should be a priority for all governments.

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[English]

CANADIAN WHEAT BOARD

Mr. Garry Breikreuz (Yorkton—Melville, Ref.): Mr. Speaker, the results of a survey on grain marketing in Saskatchewan was recently made public. I thought members who helped ram Bill C-4 through the House would be interested in the results.

Sixty per cent of the respondents thought there should be dual marketing for wheat; that is, the Canadian Wheat Board should not be the only company the western farmers can sell their wheat and barley to.

Sixty-one per cent thought there should be a provision for producers to sell a portion of their production outside the Canadian Wheat Board.

Fifty-four per cent thought the wheat board would be effective in a dual market.

Fifty-three per cent felt they did not know enough about the changes to the wheat board passed in Bill C-4.

I think members on the government side will pay more attention to these survey results when they learn that the survey was conducted by the leader of the Liberal Party of Saskatchewan.

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[Translation]

QUEBEC'S SENIOR CITIZENS WEEK

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, since this is Senior Citizens Week in Quebec, I take this opportunity to salute all senior citizens in Laval and Quebec and to thank them for their contribution to our society's development.

Two years ago, the federal government announced a seniors benefit program that would provide minimum annual payments of \$11,420 to a person living alone, and \$18,440 for a couple, which is clearly below the poverty line.

With the support of Bloc Quebecois members, seniors groups have questioned the formula used to calculate these benefits. They have criticized the federal government for jeopardizing the financial independence of elderly women and penalizing seniors with other sources of income.

We want the Minister of Finance to follow up on these concerns. Seniors can be assured that we will be vigilant during the review of that program.

I wish you all a good week.

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CALGARY DECLARATION

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, last week, we learned that unemployment has gone up in Quebec. Instead of

trying to find concrete solutions, the PQ government has decided to set up a parliamentary commission on the Calgary declaration, a document in which it does not even want to believe.

In this morning's edition of *La Presse*, an editorial writer says: "There is in fact a direct link between the two events. Politics is killing the economy in Quebec. We will not succeed in lowering the unemployment rate, in efficiently fighting poverty and in giving back to the state enough financial leeway as long as we continue to bleed ourselves dry over this political debate, which is getting us nowhere".

• (1410)

I leave it up to Quebecers to make up their own minds about the PQ decisions, which go squarely against their own interests and seem to be unanimously supported by Bloc Quebecois members.

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[English]

UNIVERSAL DECLARATION OF HUMAN RIGHTS

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, human rights and the family are the topic of the Canadian Council of Refugee's semi-annual conference. Participants from Canada and abroad will attend and celebrate the 50th anniversary of the Universal Declaration of Human Rights.

The Canadian government is concerned with trade and not human needs or problems. This government must advance policies that represent the values of Canadian citizens rather than reacting to the hysteria of right wing politicians and enforcing detentions and deportations.

A refugee claimant who has passed the medical and background checks should receive landed immigrant status at the most three years after filing a refugee claim. A large number of refugees are in limbo and waiting for basic human rights such as the pursuit of work, education or travel. We must not close our doors to those seeking refuge.

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MINISTER OF NATIONAL DEFENCE

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, it is with great pleasure that I rise today to congratulate the Minister of National Defence, the hon. member of parliament for York Centre. He was recognized last Thursday as the recipient of the American Public Works Association's Distinguished Service Award. The award recognizes members of government for their far-reaching positive impact on public works programs, services or policies through distinguished public service commitment.

He is the first Canadian to win the award in the 104 year history of the APWA. The minister certainly deserves it for the work he did as minister responsible for infrastructure when he launched the Canada infrastructure works program, a model program for inter-

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governmental co-operation. He spearheaded the effort to rebuild Canada's infrastructure and provided \$2 billion in federal money. The program delivered the money where it was needed most, at the municipal level.

In his current portfolio the minister mobilized 15,000 Canadian forces to support public works officials during the ice storm of 1998.

Please join me in congratulating the Minister of National Defence.

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[Translation]

GLOBALIZATION

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, members of the political and economic community met this week to look at certain aspects of globalization in terms of economic imperatives at the world conference in Montreal.

The members of a popular lobby group, l'Opération Salami, vigorously expressed their resistance to globalization, which, according to them, is creating its share of injustice.

One phenomenon, two visions: a world where everything should be done to facilitate economic exchange, because it is the guarantee of prosperity, or a world where community well-being means protecting the social values that have come from democracy.

When groups demonstrate to such an extent to express their viewpoint, it is time for us, the politicians, to look at the phenomenon of globalization and especially at its impact on our social values.

This is tangible evidence that we parliamentarians should adopt the solution I recently proposed, which is to create a parliamentary committee to study the consequences of this new reality.

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[English]

AIRBUS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, in anticipation of tomorrow's supreme court ruling on a case involving Karlheinz Schreiber in the ill-conceived, politically motivated airbus investigation, many questions remain unanswered.

It is increasingly clear that Kimberly Prost, retired Staff Sergeant Feigenwald, mysterious convict Mr. Palosi and the equally credible Stevie Cameron are not the main players in this entire debacle.

We know a former prime minister has been harassed and defamed by the current government's administration and, when challenged on the merits, this same government only offered a qualified apology, paid the bill and now presses on with renewed vigour like an addicted gambler doubling his bets in the hope of covering his debts.

The affront to public sensibility and personal vendetta continues. The questions remain. Why has this dragged on? When will the government show good faith and abandon this dead end trail, saving Canadians further tax dollars? In light of Air Canada's decision to purchase more airbuses, does the government fear for the future integrity of the current Prime Minister, given the Liberal history of involvement with the airbus which dates back to 1971?

* * *

REFORM PARTY CONVENTION

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, this week in London, Ontario, one of Canada's most important democratic activities is taking place. Canadians from every corner of the country and from every walk of life will be gathering to discuss the state of our country and to develop innovative policy at the 1998 assembly of the Reform Party.

• (1415)

Assembly 98 delegates will speak freely and candidly about the problems facing their country. Unlike the Liberals, Reformers do not need to be whipped into line and smile for the cameras. Reformers take pride in speaking their minds on any issue, including an open debate on all aspects of our own party.

Reformers believe in an efficient and accountable government, and accountability starts with the individual. I invite members opposite to tune in and watch the proceedings of Assembly 98. They will see accountability, autonomy and the ingenuity that will continue to shape Canada for generations to come.

ORAL QUESTION PERIOD

[English]

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, yesterday the health minister said that albumin, used to treat burn victims imported from the U.S. Alpha Therapeutic Company, is safe and "at no time have American authorities prohibited the sale of the products of this company".

In one hour I found two product withdrawals from this company in one year, and one of them was albumin. Has the government learned nothing from the tainted blood tragedy?

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Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the important point here is that the albumin being imported into Canada has been inspected by the American authorities and by the Canadian authorities and has been found to meet safety standards.

The member as a physician should know that albumin is an important product for the health of many Canadians. Because of the shortage of licensed suppliers and at the request of physicians, Health Canada through the special access program has permitted importation of this product from Alpha, which is an American company.

This product has been inspected by the American authorities, by the Canadian authorities and has been found to be safe.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, remember he said no withdrawals and there were withdrawals.

The same company has such a bad safety record in the U.S. that on voluntary standards which they would normally comply with the FDA had to go to court to force them and the parent company, Green Cross in Japan, to get down on their knees and apologize for the Japanese tainted blood scandal.

Why are we allowing outsiders to tell us that these blood products are safe?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, as usual the member is not listening. What he is doing through his fearmongering is upsetting people who rely on this product.

I have said to the House and I say again to the member, if it does any good, that because of the shortage of this supply from licensed suppliers doctors have asked Health Canada to permit the importation from Alpha.

The American authorities have examined the very product being imported. Canadian authorities have examined that product and have found it to be safe.

Let us not instil unnecessary fear on the part of innocent Canadians who rely on these products for their own health and safety.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Canada is not testing this blood for safety. We are trusting someone else to say that it is safe.

The same company's founder said "Money is more important than blood". That is not good enough in Canada.

Why are we trusting and repeating the errors of the past when it relates to tainted blood?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I can do no more than rely on the facts. I urge the member to be responsible in the way he is dealing with this issue.

Please, we are dealing with innocent Canadians who need this product for their health and safety. Please, the officials have told

me expressly that Alpha has an albumin product that has been approved for marketing in Canada but does not have a licensed importer.

This product has been approved for importing into Canada. It has been approved by the Americans. Surely the member will be responsible enough to deal with the true facts of this matter instead of using it for narrow political purposes.

* * *

EMPLOYMENT INSURANCE

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the finance minister must have trouble sitting down these days with \$15 billion in his back pocket.

The Premier of Ontario calls his EI tax grab stealing from Canadians. How much longer will Canadians have to wait—

Some hon. members: Withdraw.

The Speaker: My colleague, as you know, we cannot use the words of somebody else if they are words that we would not be allowed to use. I would ask you not to use the word again in question period.

• (1420)

Mr. Monte Solberg: Mr. Speaker, the Premier of Ontario said he obtained the money through very questionable means. How much longer will Canadians have to pay to fatten the finance minister's election fund?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, over the course of the last year the government has reduced the employment insurance premiums from \$2.90 to \$2.70, one of the largest reductions in history.

At the same time we have reduced income taxes for 83% of Canadians and we have put \$1.5 billion into the Canadian health and social transfer, all at the same time eliminating the deficit.

Now the question is if the hon. member would decrease unemployment insurance premiums more, which of those other options would he not have chosen?

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, this really does not have to be. The fact is the finance minister has kept premiums artificially high, milking business people and workers and all the while ending up killing hundreds of thousands of jobs in the Canadian economy. That is what payroll taxes do.

Canadians want a date. They want to know when they can expect real cuts to EI premiums, not the nickels and dimes the finance minister just mentioned. When are we to get real cuts?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, since we have taken office the unemployment insurance premiums

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have gone down from where they were at \$3.30 to \$2.07. That is \$4.2 billion. That is not nickels and dimes.

The issue is if the hon. member would reduce the unemployment insurance premiums more, would he have increased taxes? Would he not have eliminated the deficit, or would he have done what most of his party would do and that is eviscerate the health care and the education systems of the country?

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the surplus in the employment insurance fund will be up to almost \$20 billion this year.

In the meantime, the government is depriving thousands of unemployed workers of benefits. The Premier of Ontario is apparently even considering taking Ottawa to court for using the money in the employment insurance fund for purposes other than the ones intended.

How can the Minister of Finance continue to line the government's coffers with money from the employment insurance fund, putting money from workers and employers to uses other than those initially intended, when the very legality of this move is being called into question?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first of all, the reserve in the employment insurance fund was used for the transitional job fund, to create jobs. Is the leader of the Bloc Québécois against that?

The government's ledgers show that we have eliminated 400,000 taxpayers. Is that not what he would like to see?

We have lowered taxes for 83% of Canadians. Is that not what he would like to see? We have increased transfers to the provinces by \$7 billion over a five-year period. Is all this not to his liking?

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we are not against job creation, but he is talking about the transitional fund, which is completely empty.

And the government has been able to do all this because it has dipped into the pockets of the most disadvantaged members of society.

What does the minister have to say to unemployed workers and their families, with the banks making exorbitant profits and him raking in more than all the banks together from the pockets of unemployed workers, from the pockets of those who can least afford it? We are talking about over \$6 billion a year. This is unacceptable.

Some hon. members: Hear, hear.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the leader of the Bloc Québécois says he wants to create jobs.

Alain Dubuc had this to say in this morning's edition of *La Presse*: "Politics is killing the economy in Quebec. We will not succeed in lowering the unemployment rate—as long as we continue to bleed ourselves dry over this political debate, which is getting us nowhere".

If jobs are what is wanted, then the threat of a referendum has got to go.

Some hon. members: Hear, hear.

• (1425)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, this morning, the Minister of Finance announced that he had some decisions to make concerning the indecent surplus in the employment insurance fund.

It was high time he woke up, for the surplus was beginning to exceed the levels allowable by law.

May we know more about these famous decisions the minister intends to make about his surplus, a surplus that has always been immoral and is now becoming increasingly illegal?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, is it immoral to fund the transitional job creation fund? Is it immoral to put money into health and education? Is it immoral to help young people, those who need work, single mothers? If that is the Bloc Québécois' idea of morality, it is not one shared by Quebecers nor Canadians.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, it is immoral to continue to give such answers when there are thousands of unemployed people in distress.

And while he was answering my question—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Saint-Hyacinthe—Bagot has the floor.

Mr. Yvan Loubier: Mr. Speaker, in the minute it took for the Minister of Finance to reply to my question, the employment insurance surplus increased by \$12,000?

During oral question period, it will have increased by \$700,000. By the end of this month, the amount stolen from the unemployed will total \$85 million.

Some hon. members: Oh, oh.

Mr. Yvan Loubier: When will the minister stop siphoning off money from the unemployed?

Some hon. members: Hear, hear.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is not going to create any employment by working himself up into a state.

Since we assumed power, there have been 1.2 million new jobs, 453,000 new jobs in the last year—

Oral Questions

Mr. Yvan Loubier: You look out for your boats, but not for the unemployed.

Hon. Paul Martin:—have been created in Canada. This is how jobs are created, by investing in education and in the health of Canadians, in—

* * *

[English]

HEALTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, emergency provisions allow the health minister to permit the use of unlicensed blood products in exceptional circumstances on a case by case basis.

However the health minister is permitting unlicensed albumin to be used routinely and extensively in hospitals across the country. Instead of accusing those concerned of fearmongering, why does the minister not act before, not after another blood tragedy?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the member does not understand the system. It is not the products that are licensed. It is the importers that are licensed. Products are approved or disapproved. In the case of albumin from Alpha, it has been approved by both American and Canadian authorities. They have applied safety standards and they have approved the product.

• (1430)

Would the member confine herself to the facts. We had her calling over to the department last week. We sat her down with the officials. We gave her all the facts, instead of engaging in what she is doing right now, and as the member for Macleod is doing, which is creating fear on the part of Canadians who take this product without regard for the facts.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, that don't worry, be happy, somebody else is minding the store attitude of the minister shows that he has not learned a thing from the Krever inquiry.

If the albumin meets Canadian standards, why is the government still importing it under the emergency measures? The minister refuses to inspect and test its unlicensed albumin. Why not enforce the Canadian law, inspect the sites, test the samples, trace the lot, and just enforce the law?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the reason the Alpha product is being permitted into Canada under the special access provision is that all the licensed importers are out of product. Physicians have come to Health Canada and said "Please let us use this product", even though they do not have a licensed importer. We looked at the product and it has been approved, as the Americans approved it.

The question is, is it safe? The authorities have examined it. They have applied standards and they have said it should be approved. That is the issue, not whether the product is licensed. Products are not licensed. They are either approved or not approved and this product has been approved.

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EMPLOYMENT

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I just heard the Minister of Finance say that he had created jobs in health care and education. I would like to tell that to all the doctors and nurses who have had to leave our part of the country and go to the United States to work.

We have been asking the finance minister to stop taxing jobs by keeping EI premiums higher than needed for two years. Back in my riding we have the highest unemployment rate that we have had in 30 years.

The EI fund is not supposed to be used to pad the government's books. Now that the EI surplus is at least \$12 billion, will the government reduce this job killing tax to \$2 today?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I hate to point this out to the hon. member, but in fact when the previous Conservative government took office from the Liberals the rate was at \$2. I hate to do this but in 1989 under the Tories the rate was \$1.95. In 1990 it went up to \$2.25. Then it went up to \$2.80. Then it went up to \$3. When we took office it was going up to \$3.30 and we would not let it happen. That is why it is at \$2.70 today.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I want to tell the hon. finance minister that when we were in power we had 4,000 people working at the shipyard and now we do not have people working at the shipyard. We just lost Atlantic Sugar a week ago.

I want to say to the minister that the government's own actuary has said that the EI premiums need not be any higher than \$2. Media reports indicate that government officials are saying that the finance minister will have to amend the EI act if he wants to keep padding the books at the expense of the Canadian taxpayers.

Is that what the minister is planning to do, or will he cut those premiums and put more money back in the pockets—

The Speaker: The hon. Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I find it unfortunate to have to correct the historical record, but in fact when the hon. member's party was last in power there was a deficit in the unemployment insurance fund of \$6 billion.

I would also like to point out that in the Canadian economy over one million jobs were created in the last four years. In the last three years of the Tory regime there were over 200,000 jobs lost in the Canadian economy.

Oral Questions

• (1435)

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, in fact the only thing left in the \$15 billion EI surplus is an IOU from the finance minister. Today when asked if he felt good about ripping off the surplus from Canadian business and workers he said that we have choices to make.

Why does the finance minister think it is such a good choice to continue ripping off business workers in the EI surplus when he knows very well that these payroll taxes are killing jobs and killing investment in this country?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, every year since we have been in office we have cut those premiums. We have demonstrated our desire to do so.

The choices have to be made. The one the Reform Party ought to face up to is that you cannot do everything at once and at the same time make sure that the country's books stay in the black.

I ask the hon. member when he stands up on his preamble, would he not have cut taxes? Would he not have put money back into the Canadian health and social transfer? Would he not have put more money back into education? Would he not have eliminated the deficit?

* * *

BPS CALL CENTRE

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, human resources bungling cost taxpayers \$1 million and Newfoundlanders 124 jobs when the BPS call centre went belly up. Now we have learned that the \$1 million earmarked for company salaries did not even get to the employees. The Newfoundland government is picking up the tab.

Since the minister is forcing taxpayers to pay twice for jobs that no longer exist, why will he not tell us where the money went?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I have never heard of this particular case that taxpayers would be paying twice for jobs. This is a very vague and ambiguous question. I will look into the particular case.

I can tell the member that the transitional job fund has created thousands of very good and solid jobs in difficult regions in Canada. We are very proud of having created those jobs all over the country. I am very sorry that those members are not happy to see a government that is investing in helping unemployed Canadians to go back to work. That is what Canadians expect of us.

[Translation]

TRANSITIONAL JOBS FUND

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, when we raise questions about the dramatic drop in employment insurance benefits, the Minister of Human Resources Development says he has compensated for the drop by adding active measures directly linked to the transitional jobs fund.

Will the minister confirm that, despite his fine words and his promises, there is not one cent left for Quebec in the transitional jobs fund?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the transitional jobs fund is clearly an extremely popular program that has created thousands of jobs in Quebec and elsewhere in Canada.

It is a transitional fund intended to last three years, that is, until March 31, 1999. It is to be expected that funds lasting until March 31, 1999 will be committed now, if they are to be spent by March 31, 1999.

The funds are committed, but they have not yet all been spent. They will be spent over the coming months until March 31, 1999.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, did the minister just confirm that a meeting was recently held for the heads of employment centres, where they were told that the fund that was supposed to last until 1999 has already dried up and will remain dry until 1999?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, what I said was that there are \$300 million in the transitional fund, \$95 million or 30% of which is for Quebec and has to last until March 31, 1999.

It is committed at the moment, because, understandably, if we want to spend it by March 31, 1999, we have to make commitments. There is nevertheless some manoeuvring room, because the costs of projects are sometimes less than forecast. So there is some flexibility, but less so at the end of the program than at its start. This is how responsible management works, generally.

* * *

[English]

THE SENATE

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, we managed to chase Andrew Thompson out of the Senate last fall, but it looks like Allan MacEachen just does not know when to leave. Legally he should have retired two years ago when he turned 75

Oral Questions

years old, but we find out now that he is on Parliament Hill. He has an office, computers and free government telephone services. Surely 12 years is enough at the Senate trough.

I ask the Prime Minister, when will the Liberal Party pay back the taxpayers of Canada for this—

The Speaker: The question is out of order.

The hon. member for Roberval.

* * *

• (1440)

[Translation]

EMPLOYMENT INSURANCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday, the Minister of Human Resources Development recognized that his government had deliberately made it harder for young people to qualify for employment insurance, so that they will stay in school.

The minister claims in all seriousness that the government made cuts to the employment insurance program for the good of young people.

My question to the Minister of Human Resources Development is this: Is it truly his government's intention, through its employment insurance reform, to deny benefits to three out of four young people, so as to force them to go back to school?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we are also giving an insurance premium holiday to any business that will hire young people, in an effort to help young Canadians enter the workforce. That too is part of the employment insurance reform.

What I said yesterday is that we, on this side of the House, have ambitions for our young people. We want them to have access to the labour market, and we know that this will be achieved through greater skills and knowledge.

What I said yesterday is that, when it is too easy to get EI benefits, this becomes an incentive to—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Roberval.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the minister does not seem to understand that these young people have worked, paid premiums and are thus entitled to employment insurance benefits, whether he likes it or not.

Does the minister not find it unacceptable that young people who decide to enter the job market and who unfortunately lose their jobs

are forced to go back to school because the minister says so? If these young people are not entitled to employment insurance benefits, why does the minister make them pay premiums?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, if young people are not eligible for employment insurance benefits, it is precisely because they have not yet entered the labour market. This is obvious.

Some hon. members: Oh, oh.

Hon. Pierre S. Pettigrew: The fact of the matter is that those who have not accumulated the required hours of work do not qualify. I think that when—

Some hon. members: Oh, oh.

The Speaker: The Minister of Human Resources Development.

Hon. Pierre S. Pettigrew: Anyone will agree that an employment insurance system that is too readily accessible is an incentive for young people to enter the labour market too soon, sometimes before they are ready. This is something I have seen personally in many regions of Quebec. That is why we have greater ambitions for young Quebecers.

* * *

[English]

NATIONAL DEFENCE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I would like to ask the minister of defence if he could confirm that Canadian forces surgeon general Wendy Clay has been charged with at least one criminal offence.

• (1445)

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I can only say that the matter is under investigation.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I am not asking about an investigation. My understanding is that the investigation is passed. The surgeon general has been charged with obstruction of justice and possibly the destruction of evidence.

I ask that the minister confirm whether that is the case.

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I am not aware of that being the case. The information I have is that the matter is under investigation.

As the hon. member knows from his policing days, until the investigation is completed there is nothing further that can be said about it.

*Oral Questions**[Translation]***MILLENNIUMSCHOLARSHIPS**

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, today is the day the government is going to impose its millennium scholarship bill on us.

It never tried to bargain in good faith with the Government of Quebec despite its very reasonable proposal. It never listened to the collected representatives of the education community in Quebec. It did not even deign to answer a letter from the premier or react to a unanimous motion by the Quebec National Assembly.

Why is the Prime Minister stubbornly ignoring the Quebec consensus headed by the rector of McGill University, the national Assembly's unanimous resolution and even Mr. Bouchard's appeal to honour Quebec's jurisdiction in this area?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I answered Mr. Bouchard today. Over the next ten years, our plan is to help 100,000 Canadians reap the benefits of education, an essential requirement for the 21st century.

* * *

YEAR 2000 COMPUTER BUG

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, there are grounds for concern about the disastrous consequences that may occur worldwide when we reach the year 2000.

[English]

Canada is not yet ready for the year 2000 and could face power grid disruptions and breakdowns in the business, health and communications sectors.

Would the Prime Minister tell all Canadians in the public and private sector of the importance of becoming year 2000 ready?

[Translation]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I wish to thank the members of the House of Commons Industry Committee who are addressing this problem and are attempting, with the help of the Minister of Industry, to alert Canadians so that everyone will be prepared and there will be no problem when the year 2000 arrives.

[English]

It is a serious problem and we are doing our best to alleviate it. Canada is in a better position than most countries. It was a subject that was debated in Birmingham at the G-8 meeting. Everyone around the world has realized that if countries are not ready for the year 2000 problems will develop.

I am happy to report that we are ahead of other countries but it does not mean we will be ready. We must make sure that everyone remains—

The Speaker: The hon. member for Vancouver—Sunshine Coast.

* * *

IMMIGRATION

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Yesterday the minister refused to answer my question concerning the granting of refugee status to a convicted hijacker and seven others currently held in an Israeli jail.

Rather than duck and weave, will the minister today assure this House that she has no intention of granting status to these individuals?

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, we will always examine requests from the United Nations High Commission on Refugees to help refugees throughout the world.

That said, we are also going to respect the Immigration Act and to make the necessary medical, criminal record, and security checks. It is therefore very clear that we will never admit anyone to Canada who is going to represent a danger to Canadians.

I believe that the hon. member of the opposition is still trying to perpetuate the myth that refugees are—

The Speaker: The hon. member for West Vancouver—Sunshine Coast.

[English]

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, of these eight people, one of them is a hijacker and some are spies. These are not normal refugees.

Will the minister assure the House and all Canadians that they will not be accepted in this country?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the information given by the member is completely false. This is a way for him and his party to create rifts all the time. When we want to help genuine refugees, we will do so but not against the protection of Canadians.

* * *

● (1450)

THE ENVIRONMENT

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, this government's failing grade on the environment reflects on the leadership of the Prime Minister.

Oral Questions

The environment commissioner warned that if the performance does not improve, the environment and our health will be threatened. Yet the environment minister seems to be unwilling to make substantial changes.

How does the Prime Minister expect that this problem will be solved if the environment minister does not even realize there is a problem?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, I have never denied that there are problems in the environment in Canada. It is my role to work with the government to ensure Canadians have better quality air, water and natural ecosystems.

Our department has worked very hard, has worked with Canadians from coast to coast at grassroots level to improve our environment. We will continue to do so and bring in policies and measures to do so.

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, it is the Prime Minister's responsibility to protect the health and safety of Canada.

The environment commissioner warns that inaction will be disastrous. The lack of resources and measurable targets will lead to an accumulative deterioration of our health and ecosystem.

Will the Prime Minister rise today and commit human and financial resources to revive the integrity of our environment? It takes guts to restore a gutted department.

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, our government is committed to the environment and we will continue to meet the existing challenges.

As human beings become more engaged in the environment in Canada, there are more challenges. We have specific targets to try to meet all the challenges and assure Canadians of a good environment.

The environment affects Canadians' health and it is important to all of us in the government.

* * *

TAXATION

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, we asked the finance minister to cut EI premiums on October 7, October 31, November 7, November 28 and December 1. The minister has refused.

High payroll taxes kill jobs. Will May 27, 1998 go down as another day that this minister refuses to give Canadians the tax breaks and the jobs they need?

The minister is trying to build a war chest on the backs of unemployed Canadians. Does the minister honestly believe that significant payroll tax reductions would not lead to job growth in Canada?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if that is the position of the member's party, why was that not the position it took when it was in government?

We have reduced payroll taxes \$4.2 billion more per year than when that government was in power. We will continue in this vein because reducing personal income taxes, reducing payroll taxes and investing in health care and education are the priorities of the government.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, listen to this quotation: "Whatever may be the situation in the past, we are now confronted in this country by very serious problems and the government should address these problems. They should not seek refuge in history". That was from Paul Martin Sr. in 1956 in the House.

I have a news flash for the minister. Ten cent cuts are not good enough.

In Halifax in March the minister said that significant payroll tax reductions would not lead to job growth. Yet in his budget he reduced payroll taxes for youth significantly. Why is it good enough for young people but not good enough for all Canadians?

If payroll taxes will not lead to job growth, why did he give—

The Speaker: The hon. Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I can certainly understand why the hon. member would not want to discuss his party's history. A \$42 billion deficit is now down to zero. Unemployment of 11.5% is now down to 8.4%. Consumer confidence is up. Retail confidence is up. Business investment is surging. That is today. It was not the case six years ago.

* * *

[Translation]

CALGARY DECLARATION

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, I am very proud to say that yesterday Ontario became the eighth province to adopt the Calgary Declaration.

The Bloc Quebecois, however, is trying to make us believe that few Canadians support the declaration.

• (1455)

[English]

My question is to the Minister of Intergovernmental Affairs. What is the significance of this declaration, this vote in favour of the declaration and the message it sends to all Canadians?

[Translation]

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, yesterday, in supporting the Calgary Declaration,

Oral Questions

Ontario's legislative assembly and the leaders of the three major Ontario parties expressed very forcefully the feelings of the people of Ontario towards those of Quebec. The three leaders spoke as great Canadians, as real statesmen.

Prime Minister Harris said "If we work together, Ontarians and Quebecers can certainly keep this country united".

Opposition leader, Dalton McGuinty, said:

[English]

"We believe that it is better to grow together than to grow apart".

[Translation]

Finally, the leader of the NDP, Howard Hampton—

The Speaker: The member for Yorkton—Melville.

* * *

[English]

THE JUDICIARY

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, in the ruling of the Ontario court of appeal last month in the Rosenberg case, the judges changed the meaning of the term spouse in the federal Income Tax Act.

Does the justice minister believe it is right for unelected judges to make changes like this, or should those changes be made by this parliament, by the elected representatives of the people of Canada?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, while I know it is hard for the official opposition to accept this fact, under the Constitution of this country the judiciary has an important constitutional role to play. In the Rosenberg case the judiciary was doing what it was constitutionally obligated to do, interpret and apply the law.

* * *

[Translation]

TOBACCO LEGISLATION

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, one year after its promises in the last election campaign, all signs are that the government is finally getting ready to announce what it plans to do to offset the impact of its tobacco legislation on sports and cultural events.

On the eve of the Montreal Grand Prix, and in light of the many questions we have asked, will the minister undertake to make his announcements himself right here, out of respect for the House, particularly as he will probably need our support to get his future amendments through?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I will introduce the amendments when the government is ready.

* * *

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the employment insurance program belongs to the workers of this country. The surplus currently amounts to \$17 billion.

My question is for the Minister of Human Resources Development. Does he agree with me that this \$17 billion surplus is, in fact, money stolen from the workers?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, at the request of the auditor general, the employment insurance fund has been consolidated with the government's financial statements since 1986.

Having said that, as the hon. member knows full well, this fund is used by my colleague to finance the transitional jobs fund. That has been made quite clear.

We are using it, but we have also reduced EI premiums since we came to office. Lower interest rates, which benefit all Canadians, lower taxes and investment in transfer payments to the provinces clearly show—

The Speaker: The hon. member for Fundy—Royal.

* * *

[English]

THE ENVIRONMENT

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, my question is for the Prime Minister. Yesterday the environment commissioner's report on the government's mishandling of the environment clearly stated that if the performance of the government does not improve, the environment and the health of Canadians will be damaged. It is a sad situation when there are more than six traffic officers to patrol Parliament Hill looking for parking violations while this government has only one environmental assessment officer for the province of New Brunswick.

Does the Prime Minister want to be known as the Prime Minister of parking lots or as a Prime Minister with a genuine interest in preserving Canada's environment?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, it is a very important priority for this government to look after its environment and to improve it where there are deficiencies.

• (1500)

We have made commitments to make sure Canadians have clean air and clean water. We have policies and regulations in place. The people in my department work as a team. People are designated a

certain position, but we work as a team, and we do enforce our regulations and our policies.

* * *

PRIVILEGE

ORDER PAPER QUESTIONS

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, I rise today on a question of privilege. I have given the Chair a copy of the grievance that I bring to the attention of the House and I have also contacted the office of the Parliamentary Secretary to the Leader of the Government to indicate to him that I wanted to rise today on a question of privilege.

In the past, in your wisdom, you have offered guidance on similar matters and I would hope for the same today. Needless to say, if you determine that I do have a question of privilege I am willing to move the necessary motion to bring this matter to the appropriate parliamentary committee.

It is a long and honourable custom in the House that members of parliament are to provide other members factual information and only the truth. It is part of the law of privilege that a member of this House in the performance of his or her duties can expect the truth from ministers of the crown, even if the truth should be that ministers cannot or will not answer the question raised.

Either we as members of parliament on all sides are entitled to rest secure in the knowledge that we are going to receive the truth in ministerial replies or we are not. Parliament is dependent upon ministers providing truthful information so that they and the government as a whole can be held accountable. This doctrine is the hub around which much of our parliamentary life revolves and lies behind our existing practices of parliamentary disclosure of official information.

In essence, it means that ministers have to provide truthful information about the exercise of their responsibilities in order that an account can be rendered in parliament.

Over the years different mechanisms have been developed for the disclosure of information, parliamentary Order Paper questions being a prime example of the mechanism for eliciting factual information.

A failure to provide to the House truthful information is considered a grave offence. After a careful review of various precedents, in 1978 Speaker Jerome summarized in the form of a question what I think is still the convention of this House. I quote:

• (1505)

Does that lead to the conclusion that, by virtue of an act or omission, the House or a member has directly or indirectly been impeded in the performance of its functions or

Privilege

his duty, or that there has been a tendency to produce such a result? If I find so, then I really have no choice but to find, *prima facie*, that a contempt has been committed.

Conventions governing responses to written parliamentary questions have been established to govern the disclosure of information by government to parliament. Such conventions have recognized that a balance must be struck between the legitimate requirements of government to have a certain degree of privacy for the proper conduct of its business and the need to ensure that parliament has the factual information which it requires to scrutinize the executive and hold ministers to account.

It is right for members and for the Chair to ask themselves if sanctioning the tabling of obviously false information to parliamentary questions strengthens or weakens our parliamentary institutions. A parliamentary democracy cannot function unless parliamentarians are permitted to know what their government is up to.

An approach to written parliamentary questions that does not respect the fundamental feature of our system will undermine rather than strengthen Canadian parliamentary democracy.

Where does it leave us if we disregard the fundamental principles of ministerial responsibility?

Mr. Speaker, I am sure you will remind honourable members that to assume that any member of the House ever states anything but the truth would be in itself a breach of the standing orders of this House.

I want to bring to your attention, Mr. Speaker, the fact that I placed Question No. 33 on the Order Paper last October. The answers given by the government to Question No. 33 appear to be, in whole or in part, simply false. I am concerned that the government's response hinders and obstructs the work of parliament and its members and has the effect of diminishing respect for this House.

The question inquired into what involvement ministers of the crown had in an issue that arose in 1995. Sport fishing lodges in July and August 1995 refused to comply with the requirements of the Fisheries Act. The act required lodges to provide accurate and timely catch data to the department of fisheries so it could manage the chinook fishery on an almost daily basis.

Mr. Speaker, 1995 was a year much like 1998. In 1995 chinook were expected to return to spawn in dangerously low numbers. In 1998 it is coho.

The government states in its response to parts (a), (b), (d) and (f) of Question No. 33 that no minister of the crown or their staff other than the fisheries minister and his staff were involved. Departmental documents suggest otherwise.

The department of fisheries has provided me, under the Access to Information Act, documents that go to the credibility and veracity of the claim that ministers of the crown and their staff were not involved. The documents refer to ministerial involve-

Privilege

ment. The documents have fisheries managers complaining of political pressure. The documents reveal a meeting or meetings between a minister of the crown from Victoria and his political staff and the lodge owners. The documents detail a possible threat from the Minister of Industry to go to the Prime Minister to have fisheries officers stand back while the Oak Bay Marine Group flouted the law and let conservation be damned.

Mr. Speaker, you have been very patient with me and I will quickly cite specifics.

A July 21, 1995 briefing note prepared for and given to the minister, the member for Victoria, states:

Meeting with David Anderson's office, the Sport Fishing Institute and representatives from Queen Charlotte Island lodge operators regarding management ventures implemented in Areas 1 and 2.

Another note, dated July 25, reads:

The attached briefing note was used to brief Randy Pettipas of Minister Anderson's office.

This indicates that responses to (a), (b) and (f) are in whole or in part false.

Another document reveals the fisheries minister's office demanding ammunition to fend off the Minister of Industry who was threatening to go to the Prime Minister. It reads:

• (1510)

Judd Buchanan has convinced John Manley's office that our actions regarding Queen Charlotte Island sports fishery may be punitive and unjustified. Manley's office and Buchanan are suggesting that they might take this issue directly to the Prime Minister.

The political aid acting in the name of the minister of fisheries concluded his demand to the regional director general for the Pacific region with:

We would like this information by the end of this afternoon. Please contact me as soon as possible to let me know what we might expect.

Finally, in reply to Question No. 33(d), the government told the House that no ministers or their staff participated in the Pacific salmon management teleconference calls once the sport fishing lodges refused to supply vital catch data in July and August.

Part (d) asked if ministers of the crown or their staff participated in the Department of Fisheries and Oceans Pacific salmon management teleconference calls in 1995 which considered the refusal of the lodges, including the Oak Bay Marine Group, to provide such data.

Departmental documents made available by the department of fisheries under the Access to Information Act indicate that the current minister of fisheries, then in another portfolio and a

minister of the crown, did through his political staff participate in these management conference calls at a time when the lodges were refusing to provide the department of fisheries with the necessary catch data such that the department could manage the fishery to protect fragile chinook stocks.

I quote from a document entitled "Speaking Points for the Deputy Minister":

On August 15, [1995] the bi-weekly salmon management conference call between departmental officials was extended to include participation from—Minister Tobin's office and Mark Cameron, Minister Anderson's office.

Again, the response given to the House to part (d) of Question No. 33 is incorrect.

The current minister of fisheries, then and now the lead minister from British Columbia, and a spokesman in cabinet for the Sport Fishing Institute, a lobby organization of lodge owners, and for Bob Wright, the largest lodge operator on the west coast, did through a member of his political staff participate in these management discussions once the lodges had refused to obey the requirements of the Fisheries Act.

Mr. Speaker, in a question of privilege on the accuracy of responses to written questions by a previous minister of fisheries, Mr. Tobin, on December 13, 1994 you stated:

I do not in any way minimize the seriousness of this question of privilege raised—He surely has a grievance which perhaps can be corrected without proceeding to a complete point of privilege. I hope the hon. member for Delta and perhaps the member for Kingston and the Islands and the hon. Minister of Fisheries and Oceans might come together to resolve this particular grievance. I want the House to understand that I do take this very seriously when a member feels that he or she is in any way impeded from performing his or her duties as members of Parliament. I would give this assurance that I will return to the member from Delta if indeed he does not get a response to his grievance in discussions with the hon. member for Kingston and the Islands and the hon. Minister of Fisheries and Oceans.

In conclusion, I am concerned that such obviously false responses should be allowed to stand on the parliamentary record.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, what we have here is more an issue of debate, rather than one which is otherwise. Hon. members opposite, both in oral and in written questions, have differences in what they believe to be accurate or otherwise.

The information I have as Leader of the Government in the House of Commons is that the information provided by my hon. colleague, the minister of fisheries, is in fact accurate. If the member feels that he has new information that indicates otherwise and if he wants to write to us to seek further clarification, there is certainly nothing that stops him from doing so.

Clearly, there is no intention either on the part of the hon. minister of fisheries, myself or anyone else in the government to provide information that is anything other than correct. We still

Points of Order

believe that the information that was tabled in the House of Commons is correct.

Finally, the facts which we brought were gathered after considerable research. That does not mean that anyone is beyond making a mistake, but the information that we have now is that the information is accurate.

• (1515)

I do not believe that it is necessary for the member across to whom we listened very patiently, notwithstanding his heckling, to continue to make accusations against others.

If the issue was one of making accusations with regard to one's adherence to the Fisheries Act, I could heckle a few from my vantage point across to him.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I realize that on certain questions of privilege or on certain points of information there is always a chance we could debate such issues as the efficacy of some policy or whatever, but this question of privilege does not deal with that.

The question of privilege brought forth by the hon. member deals specifically with the contradiction between an answer to a question on the order paper and information gathered through access to information channels.

When you review this question of privilege, Mr. Speaker, I believe you will see that one is in complete contradiction to the other. It is not a matter of debate of policy or a debate on the issues. That would be just a political argument.

I would argue there is enough question, based on the evidence when you look at it, that you would allow the hon. member to put the appropriate question, which is to refer it to a committee to have it properly examined.

I realize the government member says that we can write to him. Of course that is what the question on the order paper was already about.

There is enough question now as to the answer and the veracity of the answer that I would hope a committee of parliament could examine it to see what is at the bottom of these two obviously conflicting arguments. One is from access to information and the other is from the answer to the question on the order paper.

The Speaker: Of course I want to listen to any question of privilege and I do listen attentively. From what I heard today this is a dispute of the facts.

We have an hon. member saying he put a question in and he received an answer. The answer he received does not coincide with the facts that he believes he has.

We have the hon. government House leader standing up and saying that to the best knowledge of whoever prepared this and to

his best knowledge these are the facts as they are stated. You put the Speaker in a position where he becomes an ombudsman for a fact determination.

You mentioned a ruling that I made in 1994. I ruled also as reported at page 9426 of *Hansard* on February 9, 1995 when I said:

This is not the first time there have been disputes over replies to order paper questions or over the content of documents tabled by a minister. For example, I refer hon. members to three rulings, the first on February 28, 1983 at pages 23278-9 of the *Debates*; the second on February 21, 1990 at page 8618; the third on May 15, 1991 at page 100. I must point out, however, that in none of these cases was the matter found to be *prima facie*.

Speaker Fraser noted on May 15, 1991 in his ruling:

The hon. member has raised an issue which is not an unusual kind of issue to raise. The hon. member is not satisfied with the response given. The difficulty that is always with the Chair in these cases is that there are often very great differences of interpretation on answers given. It is not a question of privilege. It is a question of disagreement over certain facts and answers that were given.

The hon. member will know that I did listen to his arguments. I listened to the opposition whip and I listened to the government House leader. In my view this is surely a dispute over the facts but it is not a question of privilege.

* * *

• (1520)

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I rise on a point of order. During question period the member for Edmonton North asked a question that you ruled was out of order.

I felt that the question dealt with the administration of public funds. It dealt with the role of a citizen, not an elected official, not a member of the Senate, but a regular Canadian citizen who was using public facilities for—

The Speaker: Any time I intervene on a question I wait as long as I can to hear what the question is. I even give it a pretty long preamble before I get there.

In this case I ruled the question was out of order. I believe it was. I would refer the hon. member to citations 409 and 410 of Beauchesne's.

[*Translation*]

MILLENNIUM SCHOLARSHIPS

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I rise on a point of order to request the unanimous consent of the House to table the agreement in principle proposed by the Quebec government to the federal government on the issue of the millennium scholarships, and the motion unanimously adopted by the Quebec National Assembly.

Routine Proceedings

The Speaker: Does the House give its consent to allow the hon. member to table the motion?

Some hon. members: No.

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 eight petitions.

* * *

[English]

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT AND STATUS OF PERSONS WITH DISABILITIES

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee of Human Resources and Development and the Status of Persons with Disabilities.

INDUSTRY

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, I have the pleasure today of presenting four reports.

First I would like to present, in both official languages, the eighth report of the Standing Committee on Industry relating to Bill C-20, an act to amend the Competition Act and to make consequential and related amendments to other acts.

I also have the honour to present, in both official languages, the ninth report of the Standing Committee on Industry relating to a recommendation to the House on Bill C-20, an act to amend the Competition Act and to make consequential and related amendments to other acts.

JUSTICE AND HUMAN RIGHTS

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 10th report of the Standing Committee on Justice and Human Rights.

Pursuant to the order of reference of Thursday, February 26, 1998, the committee has considered the main estimates for the fiscal year ending March 31, 1999.

The chair wants to thank members of the committee for their efforts in that review. The plans and priorities of two departments and 11 agencies were examined by the committee which devoted

14 meetings and more than 24 hours to the study of the 1998-99 budget estimates.

Further I have the honour to present, in both official languages, the 11th report of the Standing Committee on Justice and Human Rights.

Pursuant to the order of reference of Tuesday, April 21, 1998, the committee has considered Bill C-37, an act to amend the Judges Act and to make consequential amendments to other acts. The committee has agreed to report it without amendments.

* * *

PETITIONS

PUBLIC SAFETY OFFICERS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present two petitions today signed by a number of Canadians including some from my riding of Mississauga South.

• (1525)

The petitioners would like to draw to the attention of the House that our police officers and firefighters are required to place their lives at risk on a daily basis as they execute their duties, that employment benefits of police officers and firefighters often do not provide sufficient compensation to the families of those killed in the line of duty, and that the public also mourns the loss of those killed in the line of duty and wishes to support in a tangible way the surviving families in their time of need.

The petitioners therefore call upon parliament to establish a public safety officers compensation fund for the benefit of families of public safety officers including police officers and firefighters killed in the line of duty.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition has to do with families. The petitioners would like to draw to the attention of the House that managing the family home and caring for pre-school children is an honourable profession which has not been recognized for its value to our society.

The petitioners also concur with the National Forum on Health discussion paper which says that the Income Tax Act discriminates against families who choose to provide care in the home to pre-school 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 pre-school children.

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I have three petitions to present. The first one I present pursuant to Standing Order 36 deals with the multilateral agreement on investment.

The petitioners are completely freaked out that the government will try to pull a sneaky one and reintroduce this agreement. They are very concerned.

They want it registered clearly that they are against the MAI completely and totally and never want any signature to be attached to that document from Canada.

GOODS AND SERVICES TAX

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, the second petition is on another matter. The petitioners are again from Kamloops. They are concerned about the ongoing GST situation.

They are suggesting that now the government is in a surplus situation it should start phasing out the GST. If there is one way to send a clear signal that the government is serious about providing some tax relief, a GST reduction would give immediate tax relief to virtually every Canadian from coast to coast to coast.

The petitioners are very excited by this prospect and hopeful the government will act.

PENSIONS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my last petition is on another matter. The petitioners are from cities and communities throughout British Columbia. They are concerned about the state of the retirement system of Canada.

They point out that many seniors are living below the poverty line with the incomes they receive. They want the government to consider looking at the retirement system to ensure that every senior citizen has an adequate retirement pension.

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, I have a petition to present from residents from Gogama, Ontario.

They request that parliament impose a moratorium on ratification of the MAI until full public hearings on the proposed treaty are held across the country so that all Canadians can have an opportunity to express their opinions about it.

NUCLEAR WEAPONS

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I am pleased to present a petition pursuant to Standing Order 36 on behalf of many of my constituents and others in Saskatchewan who are concerned about the continuing existence and continued testing of nuclear weapons which pose a significant threat to the health and survival of human civilization and the global environment.

The petitioners are requesting that parliament support the immediate initiation and conclusion by the year 2000 of an international convention which will set out a binding timetable for the abolition of all nuclear weapons.

Routine Proceedings

OSTEOPOROSIS

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present petitions originating from the Women's Institute in Washago in my riding of Simcoe North.

These petitions contain 197 signatures and call upon parliament to request the government, through the Medical Research Council, to increase and adequately fund the remaining years of the Canadian multi-centre osteoporosis study.

ALLOWANCE FOR MOTHERS

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, pursuant to Standing Order 36 I am pleased to rise today to present a petition on behalf of my constituents, people from Dalhousie, Campbellton and Eel River Crossing.

They call upon government to give a \$12,000 allowance to mothers at home. In order to finance this allowance the Bank of Canada must issue new money that would not be borrowed but issued debt free, interest free and tax free. This new money would be given out free like a dividend to all the mothers who stay at home.

The production of our country is evident enough to correspond to the issuance of new money and this would boost our country's economy.

• (1530)

BIOARTIFICIAL KIDNEY PROJECT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to present a petition from approximately 500 people who support a bioartificial kidney project in Canada. They believe that such a project would eventually eliminate the need for dialysis or transplantation for those suffering from kidney disease.

These signatures were collected in such places as the Rosemount Memorial Gardens, Comstock Funeral Home, Three in One Management Services, Black Belt Family Fitness, Peterborough District Association for Community Living, Cheers Coffee and Donuts, Amicus Ministries International, Paget Denture Clinic and the Morrow Building Farmers Market.

The Deputy Speaker: I think the hon. member knows that it is permissible to give a brief summary of the petition and the names of the petitioners possibly, but to go into who collected the petition sounds perhaps a little beyond the bounds. I know the parliamentary secretary is a stickler for the rules and would want to follow them very closely.

REFUGEES

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, this petition that I am presenting concerns undocumented convention refugees and has over 800 signatures.

The petitioners would like the government to implement the December 1996 recommendation from the Standing Committee on

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Citizenship and Immigration so that undocumented convention refugees would get their status not later than two years after being accepted as a convention refugee. What has been happening is that they have been left in limbo. Many refugees have been left marginalized without landed status.

* * *

[Translation]

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. 83 will be answered today.

[Text]

Question No. 83—**Mr. Bill Blaikie:**

What steps has the Government of Canada taken to encourage Mexican Government compliance with the law on dialogue and peace on Chiapas and the San Andres accords following the Acteal massacre in December 1997?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): The December 22, 1997 massacre in Acteal, Chiapas dismayed all Canadians, and the Government of Canada has condemned it in the strongest terms. The day after the massacre, the Minister of Foreign Affairs discussed Chiapas with the Mexican foreign minister by telephone. During Team Canada's January 11-14, 1998 visit to Mexico, Chiapas was raised directly with President Zedillo in a meeting with the Minister for International Trade, the Secretary of State for Latin America and Africa and the premiers. The Canadian government has since raised and will continue to raise the issue of Chiapas with Mexican officials.

In mid-March, the Mexican government proposed constitutional amendments on indigenous rights and culture. These amendments, according to the Mexican government, fulfill its obligations under the San Andres accords. The amendments will be debated in the Mexican congress.

[Translation]

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

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, as has already been done on numerous occasions, I rise today to ask the parliamentary secretary once again for an answer to Question No. 21, which is still on the order paper.

I am certain that the parliamentary secretary is doing everything he can to comply with the request, but the government does not seem to want to answer this question. Could the parliamentary secretary tell us when we might expect an answer?

[English]

Mr. Peter Adams: Mr. Speaker, the member is quite correct. He has asked about Question No. 21 on previous occasions. I would point out to him that in dealing with well over 100 such questions we are batting about 75% at the present time. We are working as hard as we can on these matters.

I assure him that I have been following up his concerns on Question No. 21 with great diligence.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS 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.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT, 1998

Hon. Lucienne Robillard (for the Minister of Finance) moved that Bill C-36, an act to implement certain provisions of the budget tabled in parliament on February 24, 1998, be read the third time and passed.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, Bill C-36 is a comprehensive bill incorporating a diverse number of measures that relate to the 1997 and 1998 budgets. Each however is important to building a strong economy and a secure society, two goals our government has pursued since coming to office in 1993.

For example, the government believes there is no better investment in the future than investments in education, knowledge and innovation. The establishment of the Canada millennium scholarship foundation in Bill C-36 is proof of this commitment. This is the single largest investment ever made by a federal government to support access to post-secondary education for all Canadians.

● (1535)

Elements of the Canadian opportunities strategy, which is designed to provide Canadians with greater access to the knowledge and skills needed for jobs and opportunities in the 21st century, are included in this bill.

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The government also believes that equality of opportunity means a good start in life. This is why the national child benefit system, which was developed to provide better support for low income families with children, is also part of this bill.

Other measures in Bill C-36 include changes to old age security, increased excise taxes on tobacco products, air transportation tax reductions, tax arrangements with aboriginal governments, and measures dealing with Canada's international obligations and the Hibernia oil project.

Since debate has already taken place at second reading and in committee, I will limit my remarks to a brief overview of this bill.

I will begin with the Canadian opportunities strategy. The aim of the strategy is to help ensure that all Canadians, especially those with low and middle incomes, have equal opportunity to participate in the changing labour market. This means reducing the financial barriers and other obstacles to acquiring skills and knowledge. I will take a moment to talk about some of the specific measures of the Canadian opportunities strategy.

Bill C-36 establishes the Canada millennium scholarship foundation which will provide scholarships to students in financial need and who demonstrate merit. The scholarships will improve access to post-secondary education for low and middle income students. The foundation will operate at arm's length from government and, in consultation with provincial governments and the post-secondary education community, will decide how the scholarships are designed and delivered.

The government's initial endowment of \$2.5 billion will provide more than 100,000 scholarships annually for 10 years to both full and part time students, beginning in the year 2000. Full time students will be eligible for an average of \$3,000 a year with individuals potentially receiving up to \$15,000 over four years. This could reduce student debt load by over half. On a related issue, Bill C-36 amends the Canada Student Financial Assistance Act, the Canada Student Loans Act and the Bankruptcy and Insolvency Act.

Agreement was reached last December at the first ministers meeting that the 1998 budget had to include measures to reduce the financial burden on students. The 1998 budget followed up on this commitment and several of those measures are contained in Bill C-36.

First, interest relief will be extended to more graduates. Second, the repayment period will be extended for those who need it. Third, for borrowers who remain in financial difficulty, there will be an extended interest relief period. Fourth, for individuals still in financial difficulty after these relief measures, the loan principal will be reduced. These measures together will help up to 100,000 additional borrowers.

Bill C-36 also legislates the Canada education savings grant, another important component of the Canadian opportunities strategy. This grant will make registered education savings plans one of the most attractive savings vehicles for parents to save for their children's education. It will provide for a 20% grant on the first \$2,000 in annual RESP contributions made after 1997. It will provide that grant for children up to the age of 17.

Bill C-36 addresses the problem of youth unemployment by giving an EI premium holiday to employers who hire additional young Canadians between the ages of 18 and 24 in the years 1999 and 2000. This measure will increase youth employment opportunities and reduce payroll costs for employers by about \$100 million a year in 1999 and 2000.

Bill C-36 also deals with a new Canada child tax benefit. Hon. members will recall the government's commitment to the national child benefit system which was announced in the 1997 budget. Under the new system, the federal government provides an enriched Canada child tax benefit while the provinces and territories redirect some money into better services and benefits for low income families, especially the working poor.

The government proposed a two step process in the 1997 budget whereby the current \$5.1 billion child tax benefit would be enriched by \$850 million to create a new Canada child tax benefit by July of this year.

• (1540)

Beginning last July the working income supplement was increased by \$195 million. Working income supplement benefits are now provided per child instead of per family. This coming July over 1.4 million Canadian families with 2.5 million children will see an increase in their child benefits. Families earning up to about \$21,000 will receive Canada child tax benefits of \$1,625 for the first child and \$1,425 for each additional child.

Once discussions have taken place with the provinces, territories and Canadians, the Canada child tax benefit will be enriched by an additional \$850 million, a commitment made in the 1998 budget.

I would like to turn now to some changes in this legislation which relate to seniors. The government remains committed to providing a secure retirement income for its senior citizens. Starting in 1999 the payment year for both the guaranteed income supplement and the spouse's allowance will move to July from April. This will give GIS recipients three additional months to file their income statements with the government and reduce the possibility of underpayments. The payment period for war veterans allowance will also change from July in one year to June of the next. These changes will improve services to low income seniors, eliminate government duplication and increase fairness.

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Another component of Bill C-36 addresses the issue of First Nations taxation. The Kamloops Indian band will now have the authority to levy a 7% value added tax on all fuel, alcoholic beverages and tobacco products sold on its reserves. The Westbank First Nation will be able to impose a similar 7% tax on all alcoholic beverage sales on its reserves. It already has the authority to tax tobacco products.

In addition, with the approval of the governor in council, the Minister of Finance or the Minister of National Revenue will be able to enter into tax administration agreements with aboriginal governments that want to tax.

I want to mention the two amendments to the Excise Tax Act contained in this legislation.

First Bill C-36 increases federal excise taxes on tobacco products which will add an extra \$70 million annually to federal revenues and will help to discourage Canadians, particularly youth, from smoking.

The second amendment reduces the air transportation tax and clarifies the rules relating to the elimination of the tax later this year. This measure is part of the government's program to commercialize air navigation services in Canada.

On the international front, the recent Asian crisis reinforced how crucial it is that the International Monetary Fund be able to support a stable international financial system. It also reinforced the importance of our government having the ability to participate in internationally co-ordinated efforts to resolve short term liquidity crises.

As a result this legislation amends the Bretton Woods act to ensure adequate resources for the IMF to fulfil its mandate of preserving monetary stability. The amendments also give the government additional means to participate in co-operative financing arrangements with other countries to supplement IMF led assistance packages.

At the same time consultations between the Minister of Foreign Affairs and the Minister of Finance will be mandatory prior to Canada providing any financial assistance to institutions covered under the International Development Assistance Act. Consultation with the Minister of Finance will improve control over the growth of contingent liabilities associated with Canada's participation in these institutions.

Action taken through international institutions is critical if we are to benefit from a stable global financial system. That is why in addition to the action we can take at home, such as that found in Bill C-36, our government is working in concert with other governments around the world to address economic stability issues.

Sparked by lessons from the financial crisis in Asia, the Minister of Finance has proposed that a global banking supervisory body be

set up to monitor the stability of financial institutions around the world. This idea has received considerable interest and support with the latest endorsement coming from last weekend's meeting of the APEC finance ministers in Kananaskis, Alberta. Turning to other aspects found within Bill C-36, there are provisions to allow the Canada Development Investment Corporation to sell the government 8.5% interest in the Hibernia oil project when market conditions are favourable.

• (1545)

In addition, the bill provides the authority to wind up CDIC following the sale of its remaining principal asset, the Canadian Hibernia Holding Corporation.

These are highlights of Bill C-36. As I stated at the beginning, each is key to help build a strong economy and a secure society, goals the government has pursued since 1993. These are goals the government will continue to pursue as we complete this mandate.

Many Canadians are waiting to benefit from these measures. I urge my hon. colleagues to pass the legislation without delay.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I begin by seeking unanimous consent to split my time with the member for Calgary Southeast.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Mr. Monte Solberg: Mr. Speaker, I appreciate that. Now that my colleagues across the way have agreed to that I am afraid I am going to have to be less than charitable about why we need to do that.

Bill C-36 is about a number of things. It is the budget implementation act. It is about things like the millennium fund and all kinds of measures the government discussed in the budget.

The first issue I want to talk about is that the government has moved closure on this bill. Therefore my colleagues and I are forced to split our time so that we can speak at least twice on the third reading of Bill C-36. Otherwise we simply would not have the chance to do that.

When these government members were in opposition they routinely chided the Conservative government of the day for the times it moved closure. But now the Liberal government has actually exceeded the former Mulroney government in the number of times it has moved closure. I think it is 41 times since it came to power just over four years ago.

The hon. House leader for the government said when he was in opposition "I am shocked. This is just terrible. This time we are talking about a major piece of legislation. Shame on those Tories across the way".

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A member from Kingston said "What we have here is an absolute scandal in terms of the government's unwillingness to listen to the representatives of the people in the House. Never before have we had a government so reluctant to engage in public discussion on the bills brought before the House".

We throw that back at the government and say when in opposition this was completely unacceptable. As members pointed out, on major pieces of legislation there should never be closure. We should be allowed to debate these things.

We are now talking about the budget. We believe that citizens, through their representatives, should have the ability to call the government to account for some of the things it has decided. We are talking about decisions to spend hundreds of billions of dollars. To move closure so that we have a scant two hours to debate the budget implementation act at third reading is unbelievable and completely anti-democratic. The government should be ashamed.

In order to talk about the millennium fund, I am afraid I have to go back in history a few years. When the government was running to be the government in the 1993 election, the current Prime Minister, then the leader of the Liberal Party, said in the leaders debate that he would not cut transfers to the provinces for health care and higher education. He told the leader of the Reform Party that if it were up to him he would raise the transfers to the provinces.

• (1550)

History shows that not only did the government not raise transfers to the provinces, it cut them by \$7.5 billion, a 40% cut for health care and higher education. The impact of that was devastating. We saw people in the provinces rebel. They were extraordinarily upset. We saw people picketing and marching on provincial legislatures.

I think the people were misguided. They should have been on the lawn of Parliament Hill because when the provinces are faced with cuts of \$7.5 billion they have no choice but to make cuts themselves in health care and higher education.

Unfortunately the government blatantly broke a major election promise and now it has chosen to introduce the millennium scholarship fund in the vain attempt to convince people across the country that it somehow cares about higher education.

When Canadians start to look at the details of the millennium scholarship fund they will be extraordinarily disappointed. They will find it helps precisely 7% of all students today trying to upgrade their skills so they can get a job in the modern workforce. But the government has carried on as though this is going to help everybody.

It could have helped everybody if it allowed the provinces to keep these transfers and the provinces could have given them to everybody in the form of lower tuition costs, and that truly would have helped everybody.

Now we have the government saying it is going to help 7% of the students who return to school. Granted, a lot of those students are part time but nevertheless they need skills upgrading to get a better job.

The government's argument is that this will help 100,000 people through scholarships to individuals. That is only 25% of the full time students, leaving 75% to be completely excluded.

This huge memorial fund to the Prime Minister is really going to help very few of the people who should be helped and could have been helped had the government allowed the money to stay in the pockets of the provinces and be used to reduce overall tuition costs.

The Reform Party and colleagues in the Conservative Party, the Bloc and the NDP brought forward a number of serious proposals to hold the government accountable on how the millennium scholarship fund would be used. Unfortunately when we brought these forward at report stage the government moved closure, cut off debate and these very serious helpful proposals never had a chance to be discussed.

Unfortunately again the democratic will of parliament was thwarted. I believe the democratic rights of Canadians to have these things discussed by their representatives were thwarted. We are in situation now where the government will completely ignore all the suggestions that came forward from the various opposition parties via the witnesses who will be most affected by changes brought about by the millennium scholarship fund. They will never find their way into legislation.

The moves to hold the fund more accountable will not be discussed. They will not be looked at by the government. The suggestion that the auditor general be the auditor in charge of the fund may not ever be accepted by the government. The suggestion that the millennium fund be subject to access to information will be completely ignored by the government.

That is what happens when a government moves closure on an important piece of legislation like a budget. It is absolutely ridiculous and it is an affront to people who believe in the idea of democracy. We are extraordinarily disappointed in how the government has dealt with this whole issue. But it even goes beyond that. Not only did the provinces take the heat when the government cut transfers back in 1995, all the heat for what the federal government had done, now the government is going to end up letting down all Canadians once again. I would argue it is going to let down many of the very students it proposes to help.

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• (1555)

What students are going to find out when they graduate from universities, after having taken advantage of the millennium scholarship fund, is that many of the jobs they have been trained for simply do not exist in Canada, which is why we have a massive problem with brain drain today.

My colleagues in the Reform Party have spoken on this issue many times in the past. I know my colleague from Calgary Southeast has talked on this before. Many of their own family members have had to go across the border to the United States most often, also around the world, to apply the skills they have received because of the generosity of taxpayers in this country. These students take this subsidized education and go across the border. One of the best examples is the university class at the University of Western Ontario where I think it was one-third of the entire graduating class in computer sciences was scooped up by Microsoft.

Canadian taxpayers via the millennium scholarship fund end up subsidizing the richest man in the world, Bill Gates, because he is the one who benefits by all these people who earn their education at taxpayer expense. How much sense does that make? What point is there in putting together a millennium scholarship fund if we are only going to graduate students to send them south of the border and never have the ability to take advantage of all those skills within Canada and all the benefits that would bring to the economy? What is the point of that? I do not think it makes any sense.

The government has failed utterly and completely to deal with the demand side of the equation. It is taking faulty steps in dealing with the supply side by providing these funds, but it has done absolutely nothing on the demand side. These highly skilled people, doctors, lawyers, computer scientists, nurses, engineers, technicians, our brightest and best, are being driven out of this country by an economic regime and a tax regime that is simply too difficult to live with. Why would they try?

I received an E-mail from a young man, 23 years old. He has a wife and child. He at the age of 19 went to the United States to apply his tremendous skills as a computer technician at various companies. He worked in silicone valley in California, got tired of that and wanted to come home. He ended up taking a job for less money than he was making in the U.S. He was making \$75,000 U.S. in silicone valley. He came to Toronto to accept a position for \$65,000 Canadian.

He sent me the E-mail when he received his first paycheque and had a look at the government tax bite. That is the problem this government has consistently failed to address. Now this young man with his tremendous skills is considering whether he really does have a future in Canada after all. He is considering taking his family and his tremendous skills and all the benefits that will reap for the economy and moving back to the United States. I think that

is a terrible indictment of this government and this government's failure to deal with the huge economic problems that people in this country have to face every day.

That young man is extraordinarily lucky. He has these abilities and these skills and he has I gather a tremendous natural talent. He is able to parlay that into all kinds of job offers. But not everybody has that. So we have a different set of problems for people who do not have those skills and do not have those abilities, who have not had the chance perhaps to get an education. Those people are in a situation that is far worse than my friend the computer programmer.

• (1600)

They are in a situation where they are competing with hundreds of thousands of other people who do not have very many skills for jobs.

We have an unemployment rate of 8.4%. Today in question period I heard the finance minister boasting about the 8.4% unemployment rate. I would not boast if I were him because we simply need to look across the border to the United States to see that it has an unemployment rate about half what ours is, 4.3%. Here we are, economies that share a tremendous amount of trade, very similar economies, except its economy is far more efficient than ours. It puts hundreds of thousands of people to work whereas hundreds of thousands of our people have to sit on unemployment insurance and welfare. That is a human tragedy of tremendous scope.

When a budget is brought down, one of the first things to be done should be to address issues like unemployment and high taxes that cause unemployment. I know what my friends opposite will say. They will say they did bring in tax relief. They will point to the cuts they made to the surtaxes.

What they fail to point out is that according to their own budget papers, the cut in income taxes through the reduction of surtaxes in this budget year will be more than erased by the phenomenon of bracket creep.

Right away taxpayers are still worse off this year. In other words, taxes are still going up this year compared to last year. That does not even take into account the whole issue of Canada pension plan premiums which are marching inexorably upwards 73% over the next six years, the largest tax hike in Canadian history. Where does that leave workers? It leaves them looking for jobs on the unemployment line. That simply is not acceptable.

I turn now to the issue raised today not only by members of the opposition but by the premier of Ontario and by Statistics Canada, the EI surplus.

I point out to my friends opposite that the employment insurance fund is there to ensure that in the event of a downturn there are adequate funds set aside so that the fund can provide benefits to unemployed workers. That fund is now at about \$15 billion, way

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more than is necessary to take workers through even the toughest recession. In the next several months that fund will continue to grow.

The government does not actually have that money sitting in an account. It has essentially spent it, so there is an IOU. In other words, if there is a downturn in the economy they will have to borrow \$15 billion. We should be very clear about that. This is another example of the government's so-called prudence.

The government is now using the overage, the extra premiums, coming in not for unemployment insurance, not for benefits, not to give back to the workers who are supplying it, including the small business people, the very people who create jobs. It is keeping it. What will it do with it? It is putting it away to use it for its election slush fund down the road. I think that is completely unacceptable. That is a breach of the deal that was made implicitly between governments and workers.

The deal was that money should be returned to them in the form of lower premiums so that they can keep it in their pockets, so they can use that money for the things they want to use it for, things like providing for their education, providing for their retirement. Unfortunately the government thinks it knows better.

We are in a situation today where the finance minister could not bring himself to say that we are going to start to reduce payroll premiums in a serious way so that workers are not so heavily burdened.

I also point out the impact that high payroll taxes have on business. The Canadian Federation of Independent Business points out regularly that payroll premiums are a job killer. It points to the government's finance department economists who say that payroll taxes like EI premiums are a job killer. Joe Italiano is one of the people I will point to. We quote him in our document which we have made widely available to the public. My friends across the way laugh when I say that but it is a fact. When we have 8.4% unemployment we should have the government taking steps to deal with those sorts of issues.

• (1605)

This government has failed completely to deal with the issues that are the most important to Canadians. It has failed to deal with the issue of taxes and debt. It has done nothing about the debt issue. Instead it has tried to blind people and mislead them with all this talk about the millennium scholarship fund. I do not think Canadians are buying it. I encourage my friends around the House to vote against Bill C-36.

Mr. Jason Kenney (Calgary Southeast, Ref.): Madam Speaker, I thank my hon. colleagues for allowing me to split the time with my colleague for Medicine Hat.

I begin by condemning this government for allowing itself to trample on democracy and democratic deliberation by invoking closure and time allocation on Bill C-36. This evening we will be gathered in this place to vote on a bill that is not just any normal bill. It is not some kind of housekeeping amendment. It is not some kind of technical legislation. This is legislation that authorizes the expenditure of billions and billions of dollars earned not by the government, not by the members opposite, but by Canadians.

We are authorizing the government in this bill this evening to use the coercive power of the state to take away the fruits of those people's labours. If there is one founding principle of liberal democracy, it is the principle of no taxation without representation. That is what they said when the entire concept of liberal democracy came about in the late 18th century.

But this government has a different idea of what liberal democracy is. Now that it is Liberal democracy, they think democracy means the government will authorize, without adequate debate, without proper procedure of deliberation in parliament, the taking and spending of billions and billions of dollars from taxpayers who now come home with less than they did 15 years ago because of the tax burden imposed by this and previous governments.

Do not take my word for it or our word for it when we inveigh against the undemocratic invocation of closure 41 times since this government took power. I ask my colleagues opposite to reference what their caucus colleague said when they were in opposition. They were principled when they were in opposition. They spoke out against the invocation of closure and time allocation.

My hon. colleague quoted from certain statements made by the current government House leader when he was in opposition and by the hon. member for Kingston and the Islands. The member for Kingston and the Islands said in debate in this place on February 19, 1993: "I suggest that the government's approach to legislating through closure is frankly a disgrace. It cuts back the time that the House is available to sit and then it applies closure to cut off the debate". He called it a disgrace. He was right then and we are right now by using the same word. He also said on April 23, 1993: "This is not the way to run a parliament. This is an abuse of the process of the House". That was a Liberal then, a Liberal today.

• (1610)

The current minister of external affairs said in 1993 that the government's invocation of closure displays the utter disdain with which the government treats the Canadian people. I stand here and echo the words of the minister of external affairs six years ago. It does demonstrate a disdain for the Canadian people.

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On Monday night of this week we voted on dozens of amendments that had been rushed through the report stage of debate in this place, serious, substantive amendments that elected representatives of taxpayers had spent time constructing to try to hold the government more accountable and to make the operation of government more efficient. Only one member of each party had an opportunity to speak on dozens of amendments. They were not allowed to address each amendment but just groupings of those amendments. That is not the democratic process properly conceived or executed.

Not only is the government invoking closure undemocratically, it is invoking closure on a bill which gets a failing grade from the auditor general of this parliament. I am not talking about a member of the opposition or about some columnist or critic. I am talking about the man charged by all members and all parties of this place to monitor the books of the government to ensure they comply with generally accepted public sector accounting principles. The auditor general, a man of integrity, has said the section of Bill C-36 authorizing the creation of the millennium scholarship fund does not comply with but rather contravenes the most basic principles of public accounting.

Some will say who cares about how you account for the numbers, which year you put it in, where it appears in the public accounts. Some people will say it is a technical argument, that the opposition does not have anything else to talk about.

There is a very important principle here. Parliament is an institution which goes back hundreds of years in history and essentially is an institution which was created as part of an effort by the commoners to have a real check and balance on the executive power, the power of the crown, to expend public funds without public scrutiny. Our job is to ensure that the bills we authorize are conducted with proper accounting principles, with full transparency so the public can see and know how its money is being spent with confidence. The auditor general has said we cannot have confidence in how Bill C-36 and the budget of this year construe the millennium scholarship fund.

He said: "I believe believe that the accounting change for the millennium scholarship fund will open the door for governments to influence reported results by simply announcing intentions in their budgets and then deciding what to include in the deficit or surplus after the end of the year once preliminary numbers are known". What he was saying was that by authorizing the expenditure now and booking it in the current fiscal year 1998-99 but not expending it until the fiscal year 2000, we are playing a shell game with the public finances. That too is a disgrace.

Without even getting to the substance of the bill, which is bad enough, the government is closing down debate to rush through a

bill the auditor general will not permit. I dare say that if the previous government, the Mulroney government, had made a similar effort the Liberal Party and all Canadians would have risen up in contempt.

My hon. colleague from Medicine Hat discussed at some length the provisions of the bill as they relate to payroll taxes, so I will not reiterate his eloquent remarks. However, let me focus on another part of this bill and the budget which it implements.

The debt projected for the current fiscal year by this enormously fiscally responsible government is \$583.2 billion. The finance minister talks a great deal about how we are going into debt reduction. However, when I look at the budget I see that in the next fiscal year, 1999-2000, the debt is \$583.2 billion. Then I look in his budget at fiscal year 2000 and guess what? He has brought the debt all the way down to \$583.2 billion.

• (1615)

It is amazing that this man of fiscal rectitude, this champion of debt reduction has scheduled in the fourth fiscal year through his projections that the debt will come plummeting down to \$583.2 billion. What does that mean? It means we will continue to spend \$45 billion a year in debt interest costs, money that comes from taxpayers that does not finance one single worthy social program or contribute to education, training or infrastructure investment. The \$45 billion which this budget and this bill authorize for the current fiscal year does the following.

Madam Speaker, I believe you will find consent for the following motion:

That for the remainder of this session motions pursuant to Standing Orders 57 and 78(3) shall not be receivable by the Chair.

The Acting Speaker (Ms. Thibeault): Is there unanimous consent to present the motion?

An hon. member: No.

The Acting Speaker (Ms. Thibeault): There is not consent.

Mr. Jason Kenney: Madam Speaker, I am delighted now that we have made a motion that at least one Liberal has decided to appear and to listen to the rest of the debate on the budget.

As I was saying before I was so rudely interrupted by the absence of members opposite, those debt interest costs will be \$45 billion in tax dollars for this year, next year, the year after, and the year after that. That amounts to two full years of CPP benefits for every pension beneficiary in the country. Just the interest this year amounts to two and half years of GST revenues.

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Seventy-one per cent of all personal income tax revenues paid this year will go just to finance the interest on the debt. All that we spend in benefits for old age security, the Canada health and social transfer for education and health care and employment insurance, the three big social programs administered by the federal government, are the amount equivalent to what we will spend on debt interest because of this budget and this bill.

The debt interest costs are equivalent to the entire annual budgets of British Columbia, Alberta, Saskatchewan and Manitoba. The debt interest this year alone is equivalent to the entire net debts of all provinces, except for the three largest provinces.

The \$45 billion interest bill is enough to pay for all Canadian hospitals, all physician charges and all drug and pharmaceutical costs for an entire year.

That is how much this government has chosen to spend on debt interest because it has not made the right and difficult choice to reduce the debt and to prioritize spending.

What we spend on debt interest through this budget would be enough to cut taxes on an average of \$3,200 a year per taxpayer, not per household. It is closer to \$6,000 a year per household. It is enough to provide for a \$30,000 a year endowment for every poor child in Canada.

The Liberals talk about their millennium prime ministerial endowment fund, heritage fund, or I do not know what spin name they have given it. If they had started earlier in the 1980s when they were in power to make the difficult choices and if they had continued on today, we would not be spending \$45 billion a year in interest. Then families could keep \$6,000 a year in their pockets, or we could set up an endowment of \$30,000 for every poor child in the country.

• (1620)

If we were to convert the annual interest bill into \$100 bills and we stacked them up one on one, the pile would be 118 kilometres high. The pile would be 214 times higher than the CN Tower.

That is the status quo which we are going to let sit there, that huge debt which is festering. This government and its spin machine talk at great length about prosperity in the Canadian economy and growth of jobs and so on but they have fallen prey to the very same fatal hubris of the Mulroney government. The Liberals believe arrogantly that they have managed to defeat something called the business cycle, the notion that in a market economy or any economy there are ups and downs.

Unfortunately there will be a downturn sometime in this economy. The finance minister speaks as though he is a Pollyanna. He speaks about a new golden age where this country will have 20 or 30 years of uninterrupted growth. I am an optimist and I wish the

minister were right but any rational, objective reading of economic history in this or any modern country will indicate that it simply will not happen.

There will be a downturn in our economy at some point, a recession at some point. Government revenues will drop at some point and social expenditures will increase at some point. Should that happen while we are still sitting on a \$583.2 billion debt with \$45 billion in interest payments and the highest income tax burden in the G-7, it will be too late.

We have not solved the problem, the problem that Reformers came here to solve in 1993, the problem of overspending, the problem of overtaxation and the problem of too much debt.

We say here today as this government rams this bill through this parliament that it is time to stop and get our heads out of the sand. We have to realize the Mulroney government made precisely the same mistake in 1988 when it thought it was facing a decade of future growth. That government decided to let it go easy on the spending side. It decided to let up on the fiscal reins as this government is doing in this bill and this budget today. We are paying the price today with a \$600 billion debt and \$45 billion in interest payments.

It is time for us to remember the fundamental principle of the terrible lesson we have learned with the fiscal history of this country in the past two decades. We have not yet solved the problem. That problem is still very much the \$583 billion debt which the government leaves completely untouched, an act of fiscal irresponsibility which is almost unparalleled in the history of this country.

What have the Liberals done on the tax side? They talk about tax relief. Whenever we ask the finance minister he stands up and blathers about how he has given the child tax credit and all this stuff but most of what they call tax cuts are in fact tax expenditures. They are government cheques that are being cut. That is the Liberal accounting.

If we account for the \$10 billion annual increase in CPP premiums and the enormous effect of bracket creep which sucks up \$2 billion to \$3 billion a year out of the pockets of taxpayers just through inflation, what we find is that this is actually a tax increase budget. When we calculate the total net effect of the CPP payroll tax, the EI tax, the bracket creep higher income tax revenues and everything else and what they call their tax cuts, when we add it all up what we end up with is this budget being a tax increase budget. It is the fifth consecutive tax increase budget from a government that promised in the 1993 and 1997 elections not to raise taxes. Another promise broken. Another trust betrayed.

Since 1993 the government has taken a cumulative \$49.1 billion from the pockets of taxpayers amounting to an average of \$3,500 per taxpayer. That is more than was being taken. That is an increase

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over the enormously high tax burden of this government's predecessor.

When we take into account this budget and the future years projected in the budget documents, the government, when it closes its books in the fiscal year after the next one, will have raised taxes by a cumulative total of nearly \$80 billion. That is \$80 billion, or \$5,700 per year for the average taxpayer. Compare that to what we have proposed in the official opposition which is to cut personal income taxes by \$12 billion a year, or \$2,000 for the average family by the year 2000.

• (1625)

Another little feature, or technical flaw as we might say, in the budget bill is the change being made to what is called the child care tax deduction. The government has decided to raise by \$2,000 the amount parents can deduct in the cost of paying a third party to care for their children. That is fine. We respect the choices of people who decide to do that.

There are millions of Canadian families and parents who make the sacrifice to stay at home and raise their children to do what they believe in their conscience is best for their children. Do they get the benefit of the \$2,000 additional deduction or even the \$5,000 deduction that is there now? They do not get one red cent of it. They are told if they give up the second income they get no consideration under the tax code. It is a two tier tax code, one for the daycare choices the government supports and the other for families who want to make choices for themselves.

This bill is a disgrace. Closure is a disgrace. The lack of disclosure is a disgrace. The public accounting principles that are manipulated here are a disgrace. The unfairness for families is a disgrace. The \$583 billion the government is passing on to future generations is a disgrace. That is why I and my colleagues will be voting against it.

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 Huron—Bruce, Fisheries; the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Employment insurance; the hon. member for Waterloo—Wellington, Nuclear waste.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Ms. Thibeault): I have the honour to inform the House that a message has been received from the Senate

informing this House that the Senate has passed a bill to which the concurrence of this House is desired:

* * *

BUDGET IMPLEMENTATION ACT, 1998

The House resumed consideration of the motion that Bill C-36, an act to implement certain provisions of the budget tabled in parliament on February 24, 1998, be read the third time and passed.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, I was in a good mood when I got up this morning, but this is a sad day, almost a day of mourning, for Quebec in this parliament today. Anger is brewing.

We are at third reading of a bill that will violate Quebec's jurisdiction over education. To make its centralizing vision clear and show how it totally disregards Quebec's provincial jurisdiction in this area, the government has decided to wrap up third reading in two hours. In practical terms, this means walking over the consensus, which is unanimous in Quebec.

Representatives of every student federation, deans of universities, people involved in all the various areas of education, came to tell us the same thing about this bill.

I will attempt to demonstrate to this House today why this is such a sad day for Quebec. In so doing, I will be sharing my time with the member for Saint-Hyacinthe—Bagot. I seek the unanimous consent of the House to do so.

• (1630)

The Acting Speaker (Ms. Thibeault): Does the hon. member have the unanimous consent of the House to share his time?

Some hon. members: Agreed.

Mr. Paul Crête: Madam Speaker, I would like to use certain facts and certain references to illustrate the importance of what the federal government is doing today.

At the 1964 federal-provincial conference, Quebec's position with respect to the federal student loan and bursary program was made known. According to the Premier of Quebec of the day, Jean Lesage, "Under the circumstances, in order to resolve the problem posed by the federal student loan policy, Quebec demands that the Government of Canada hand over to it, in the form of tax equivalencies, those amounts it would have reimbursed in interest payments on loans to Quebec students. We would accept as the basis for determining this equivalent amount the relative proportion of the population of Quebec".

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On leaving the conference, Premier Lesage declared "We most certainly cannot accept that the federal administration would err, regardless of whether or not it was in good faith, by invading an area that is indisputably under our jurisdiction and one which, what is more, we have been handling for the past three years. There is only one solution which would avoid the conflict which both sides most certainly wish to avoid, and that is tax compensation according to the Diefenbaker-Sauvé formula, which was used not long ago to resolve a similar problem to the real advantage of both governments. This is a solution that can be applied immediately, to spare us the complications and even serious disputes which would otherwise inevitably arise".

This warning by Mr. Lesage, as he left the federal-provincial conference, was heard by the Canadian Prime Minister Lester B. Pearson.

In a telegram, Mr. Pearson said to Mr. Lesage "The federal government hopes to introduce shortly legislation to extend family allowance benefits to children aged 16 and 17 who are dependent either because they are unable to work for physical reasons or because they are still in school. In addition, the federal government intends to propose arrangements to permit university students in each province to obtain guaranteed bank loans up to the amount approved for a given student by the authorized provincial body". The key sentence in the telegram reads "Any province preferring to confine itself to its own loans program may receive equivalent compensation".

Since 1964, Quebec has developed the best student financial aid program. This has been confirmed by all those involved, from both inside the province and from the other provinces in Canada: "We want a loans and bursaries program. We want scholarships because our students have an average debt of \$25,000 when they finish their studies, whereas in Quebec, the average debt is \$11,000".

They reported a succession of debates in Quebec. Students have demonstrated several times to make sure that the plan they end up with will suit their needs. Over the past 35 years, we have developed a plan that is based on students' financial needs. In Quebec, no one ever tried to include the notion of merit in it.

Today, the federal government wants us to pass a bill that will create the millennium scholarship foundation. These scholarships will include the notion of merit and will be distributed by a foundation that will reach agreement with certain provinces.

Why do you think the government chose this course of action rather than simply changing its student loan program into a loan and scholarship program and allowing Quebec to continue to exercise its right to opt out with full compensation? Why did it take this approach? Because the government wanted to be visible. The only valid reason was to ensure its visibility.

• (1635)

The Quebec government decided to show magnanimity. It said "we will give you that visibility". During the negotiations, Mr. Bouchard told the Prime Minister "we will appoint negotiators if this is what you want. They will look at how this can be achieved and then we will propose concrete solutions to meet your visibility criterion".

During the negotiations, Quebec said "if it means putting the Canadian flag on a cheque, so be it". But this was still not good enough. Why? Because throughout the negotiation process, the Minister of Human Resources Development had no mandate to amend the act in any way, shape or form.

During clause by clause review of the bill, we debated for a whole day and said "Before reviewing this bill, should we not wait for the outcome of the negotiations with Quebec, to see what amendments may be made to the legislation?" The Liberals did not propose any amendments.

This is a perfect bill, one that requires no amendment at all. Yet, the members of the majority who sat with us in committee did see that there was indeed unanimity, but on the Quebec side. We are fully aware that this bill is designed to prevent Quebec from opting out with full compensation, and that Ottawa wants to achieve visibility at the expense of the needs everyone in Quebec agrees on.

Moreover, this will really hurt students, because it will again create dissension. We will end up with a dual system. Students are going to be applying for \$3,000 federal government scholarships on the basis of financial need, but also on the basis of their marks and their merit. We do not know how merit will be defined. When these people apply for the \$3,000 in Quebec, how will they be treated?

The situation is unacceptable. The government is not thinking about changing a program that does not work; it is thinking about changing, replacing and upsetting the best system in Canada. This is completely unacceptable.

The proof is that, this afternoon, I received a release from the Fédération étudiante universitaire et collégiale du Québec, signed by its president, Nikolas Ducharme. It reads as follows:

In its handling of the millennium scholarships issue, just as in its handling of the hepatitis C affair, the federal government must be the envy of certain authoritarian regimes. We are deeply disappointed with the attitude of the Prime Minister of Canada. Quebec students view democracy as coming from the people. When the people make a request, when citizens speak, when those they represent are critical, elected officials must listen.

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The Fédération étudiante universitaire du Québec, the Fédération étudiante collégiale du Québec, the Coalition de l'éducation, the business community, the Parti Québécois, the Liberal Party of Quebec, Action démocratique du Québec, and the National Assembly of Quebec have all spoken out against Bill C-36, and the Prime Minister has not listened.

And here is what students are asking the Prime Minister:

How can the Prime Minister of Canada have so little respect for democracy?

When we see the anger of students, we realize that it is because they are the ones, ultimately, who will have to apply for these scholarships. They will be in the situation of having to apply to two different governments for the same thing. I do not know whether all members have seen what a loan and scholarship application looks like. Each educational institution has to have someone to help the students. There are student loans and financial assistance advisors performing this function in cegeps and universities.

They are now going to have the pleasure of dealing with two forms, rather than just one, with two governments, and wondering whether they have the right to forward personal information to this private foundation. How are they going to deal with all this?

The situation is completely unacceptable. It is too bad that the government has taken this attitude, because we would have liked the negotiations to have produced essentially the same results as in 1964, when the federal government finally listened to what Quebec wanted. It took the same kind of pressure.

• (1640)

I quoted Mr. Lesage's statement a few moments ago. He even mentioned the possibility of legal proceedings. Well, this time, the Premier of Quebec opened the door to the Prime Minister of Canada, on May 15, 1998, by sending him a letter in which he explained to him exactly what was going on. He even proposed an amendment that would allow Quebec to withdraw with full compensation and to assume its responsibilities in this area.

As I was saying earlier, Quebec's position is not only that of the provincial government, but also that of the National Assembly. Here is the motion passed by the National Assembly:

That, for the benefit of Quebec students, the National Assembly urgently ask the Federal Government and the Quebec Government to resume the negotiations regarding the millennium scholarship in order that an agreement on legislative amendments respecting the following principles may be reached:

- (a) The part granted each year to Quebec students is determined by means of a formula based on demographic parameters;
- (b) Quebec selects the students who shall receive a scholarship;
- (c) The scholarships are forwarded to the recipients in such manner so as to avoid all duplication and to ensure the necessary visibility to the Federal Government.

Furthermore, the National Assembly acknowledges the Quebec Government's intention to allocate the amounts thus saved in its scholarship programme to the funding of colleges and universities.

I think the message is very clear. There is a consensus. I could make an interesting comparison and point out to the Liberal majority that this consensus is even stronger than the one that existed regarding school boards. There are no opponents in Quebec in this case. The Liberal majority could not find a single witness that would come and tell the committee that this is a good idea.

A few years ago, after the referendum, this House adopted a motion on distinct society. If the federal government really wanted to show its good faith regarding the distinct society issue, it would not go any further with this bill. It would say "We have to resume negotiations with Quebec. We have to accept the amendment with the right to compensation. It would be the first time in several years that we can show our willingness to use a different approach with Quebec".

I think it would be important for the Liberals to think about that. They may wonder why they have so much trouble getting members elected. It might be because they are losing touch with the grassroots. It is hard to get the whole picture from only part of the National Assembly, from the other side or from a party with only a handful of members, but in this case we have a unanimous motion passed by the National Assembly, a unanimous position taken by the Quebec education coalition, led by the president of McGill University.

This is not a debate between the sovereignists and the federalists, but between those who want the current Constitution to be respected and those who want it to be violated. This is the situation we find ourselves in.

English Canada does not understand that, when Quebec joined Confederation, jurisdiction over education was something to be cherished, something nobody could touch, then or in the future, as it is directly linked to the notion of a people. No nation in this world would entrust the education of its people to some entity other than the government in which it has a majority. Quebecers will never accept that.

Now, the federal government had decided to bulldoze the Quebec government and the people of Quebec. It wants to impose its will, but it is actually shooting in its own net. I pledge to systematically remind everybody in Quebec that the federal government, in this debate, chose to ignore the unanimous consensus reached by all Quebecers.

It took 35 years to build that consensus. It was not built in the last year, or over the past five years. It has been building since 1964, since Quebec and Canada reached a consensus on the advisability for Quebec to have an independent financial assistance system. That was 34 years ago.

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● (1645)

Today, this consensus is being cast aside. This is it. Through the Liberal majority, the Canadian government has decided to impose its approach on Quebec in the area of education. This action will have far-reaching consequences. This is a historic moment, a grave moment that Quebecers are not about to forget.

In the years to come, we will be able to tell all Quebecers “This government in which you do not even have a majority voice has decided to step into what you felt is the most important area and, while this fundamental jurisdiction is covered by the Confederation pact, to disregard this pact”.

This is turning out to be a money issue. The federal government has the power to spend and it spends whichever way it pleases. We have seen what this attitude has led to in recent years.

The millennium scholarship foundation may be a suitable concept for the other provinces of Canada, but it is not for Quebec, where it has been unanimously rejected. That is why I move the following amendment:

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

“Bill C-36, An Act to implement certain provisions of the budget tabled in Parliament on February 24, 1998, be not now read a third time but be referred back to the Standing Committee on Finance for the purpose of reconsidering Clauses 2 to 46 creating the Canada Millennium Scholarship Foundation.”

The Acting Speaker (Ms. Thibeault): The motion is taken under advisement and a decision will be announced as soon as possible.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I would like to take this opportunity to congratulate my colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for his excellent work on the issue of employment insurance for the benefit of the unemployed in Quebec and in the rest of Canada.

When a situation as dramatic as this one arises, it takes people like my esteemed colleague to document the issue fully, to ask pertinent questions of the minister responsible, and to demand equally pertinent replies.

Employment insurance is a very serious matter, and one that is well documented. I am sure that, some day, logic will win out and the minister will make decisions accordingly.

As my colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques said, we are starting another black chapter in the history of Canadian federalism.

● (1650)

It is rather surprising, when one thinks of the business of the millennium scholarships, that there is one man, and one man alone, who has been a character in all of these black chapters in the history of federalism: the present Prime Minister of Canada.

He was there for the night of the long knives, he was there when the Constitution was patriated to the detriment of Quebec. He was there, floating about in the back hallways and everywhere else with his cell phone and pager during the debate on Meech Lake, and he had a hand in its failure. The present Prime Minister was a presence throughout.

Today, with a major and fundamental intrusion into an area of jurisdiction that is exclusive to Quebec, once again we find the Prime Minister of Canada, the hon. member for Saint-Maurice, right in the middle of things, as the main booster of the millennium scholarships.

It is most unfortunate that a single man can do so much harm to the people of Quebec and to the history of the long battle by the people of Quebec to make the federal government mind its own business. It is, moreover, virtually unprecedented in the history of Canadian federalism for the very essence of the Constitution, the British North America Act which gave exclusive jurisdiction over education to the provinces, and to Quebec in particular, to be trampled underfoot with such arrogance and cynicism.

We have just finished a three week stint with the Standing Committee on Finance, during which we heard testimony from people speaking on behalf of others. The 14 Quebec witnesses represented no less than 1.2 million people in business and education. In fact they represented everything that moves and has an interest in education.

For three weeks, these 14 organizations and others from across Canada came to say that supporting a scheme such the millennium scholarships was out of the question. These organizations, including some Canadian ones and some illustrious Canadian university professors, came to say that if the millennium scholarships were good for Canada, they were bad for Quebec. Now, this is something.

Even after three weeks of such intense work, the Liberals did not even move one single amendment, even though there is unanimous opposition to this in Quebec. Every single witness told the federal government to mind its own business.

Essentially, the witnesses had four messages. First, the millennium scholarship scheme reveals a deep lack of understanding of Quebec reality. I would like to quote from the FTQ’s brief; it said that “as it stands now, Bill C-36 shows a lack of understanding on the part of the Canadian government of Quebec loans and grants system and Quebec’s priorities in education”.

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This is an understatement. Year in and year out, student loans in Quebec alone amount to approximately \$500 million. On top of that, the Quebec government pays out grants to students to the tune of \$253 million.

The system has been in place for over 30 years. And now we have a bill that ignores this reality, Quebec expertise and the extraordinary results, which in the opinion of the Canadians testifying before the Standing Committee on Finance, tops those of all the other provinces. The government is dismissing all that.

The second problem is the duplication. Quebec has had an administrative structure for loans and grants for over 30 years. There are educational and administrative experts in a whole network of loans and bursaries, who are among the world's most specialized. Now the system is being top loaded, as we say in good French. The federal government is introducing a new parallel structure, federal this time, to administer a \$2.5 billion fund.

Do you know what it will cost to administer this millennium fund? It will amount to 5%. Five per cent of the total budget of the fund will go to administer this new federal program in a sector that is Quebec's exclusive jurisdiction. That figure represents twice the cost of administering the Quebec system of loans and bursaries, and they talk about effective management of federal funds.

• (1655)

Another major problem haunted the deliberations of the finance committee, and it is that the millennium scholarships bear no relation to the needs of students in Quebec and even less to the needs of the education system.

If the Liberals really wanted to help students cope with their debt load and gain easier access to education generally, the intelligent approach would have been to limit cuts.

For the past four years and until 2003, the Minister of Finance, who continues shamelessly to collect a surplus of up to \$20 billion in the employment insurance fund, has been and will be stealing money from students and the entire Quebec and Canadian educational system, for by then he will have cut \$10 billion from higher education.

The best way to help students and ensure their access to education is for the government to return to the system what it took from the provinces. This would have been an intelligent way to intervene in the sector, while maintaining provincial jurisdiction in the educational sector.

There is another problem with this fund. In recent years, the Minister of Finance has got us used to figure juggling. He has us used to being given figures that have nothing to do with reality or

the government's annual financial statements. It is the third time that he cooks up figures in such a shameful way.

Each time, the auditor general gave him a stern warning, but cynicism and arrogance are contagious. Indeed, the cynicism and arrogance displayed by the Prime Minister have now spread to the Minister of Finance and the whole cabinet. The Minister of Finance ignores the criticisms of the Canadian Institute of Chartered Accountants and those made by the auditor general on three occasions for basically the same reasons.

The Minister of Finance posted to his 1997-98 budget—which ended on March 31—all the funds, a total of \$2.5 billion, earmarked for the millennium scholarships. He led us to believe that they would start spending this money immediately. The fact is that the foundation will only start awarding these scholarships in the year 2000. So, an expenditure that would be made only two and a half years later was charged to the 1997-98 federal budget.

This is not standard procedure. Financial statements no longer mean anything. We can read them, but we cannot really find out about the government's revenues and expenditures, because the minister cooks up the figures. This is the third time.

He did so when the maritime provinces harmonized the GST with their own sales taxes. The minister was to give \$800 million to the maritime provinces the following year, because they had agreed to harmonize the GST with their own sales taxes, but he had already charged the whole \$800 million to the budget of the previous fiscal year. He did the same thing with the innovation fund.

At some point, he will have to stop cooking the books. The truth will have to come out, because this is complete nonsense. Neither the financial statements nor the estimates make sense any longer. And I am not the only one to think so.

After the Minister of Finance brought down his last budget, all the editors said that it made no sense to forecast, year after year, no surplus in government operations, when we know the surplus will keep increasing, starting this year with a \$4 billion surplus in the federal budget. It does not make any sense to put "zero, zero, and zero" in the estimates for the next three years. Will he stop laughing at the taxpayers some day?

He does it again with the millennium scholarships; he cooks the books and hides the real budget surplus and all the drastic cuts to education. He keeps doing it and still maintains that he has to fight the deficit, when in fact, since the last fiscal year, we have a surplus that will increase in the future.

• (1700)

Not every day do we—

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Some hon. members: Oh, oh.

Mr. Yvan Loubier: Madam Speaker, maybe you could ask the members who want to have a meeting to hold it in the lobby. It would be better for everyone.

[*English*]

The Acting Speaker (Ms. Thibeault): I would ask hon. members to hold their meetings outside the House so we can hear the member who is speaking.

[*Translation*]

Mr. Yvan Loubier: Madam Speaker, I was saying that a new chapter has been written in the dark history of the federal system, as illustrated by all the arguments I and every other speaker from Quebec have submitted. They have also unanimously rejected the proposed millennium scholarship fund.

It is not every day that the Premier of Quebec and his education minister lead a delegation to come to meet with the Prime Minister of Canada here, in Ottawa, to see if they could agree on a mutually acceptable position, which would at the same time satisfy the federal government's need for visibility. That is all there is to it: the federal government wants to be visible in what it does for students in the hope of winning them over to the cause of Canadian federalism.

What are they taking students for? Students can see that behind this need for visibility there are measures which have been penalizing them big time for the past four years.

The premier and the minister of education of Quebec came here to meet with the Prime Minister of Canada. They tried to smooth things over and made several concessions. They also put on the table proposals that would respect Quebec's jurisdiction while giving the federal government the visibility it desired. That is all it is after. It does not care about efficiency or helping students. Just the same, a negotiating committee was set up. Week after week, the lead negotiator on this committee did not show any real desire to define a mutually acceptable position.

In the end, little fed up with all the fine talk, and a little fed up that things are not moving ahead, the minister of education has decided that enough is enough, that the federal Liberals do not really want to work out any new arrangements.

As my colleague mentioned just now, the National Assembly even passed a unanimous motion that allowed the federal government its visibility but that also ensured some respect for the Government of Quebec's jurisdiction, ensured that it was Quebec that was responsible for the administration, as well as providing the lists of millennium scholarship fund recipients. We also had a share, based on the demographic figures, of the \$2.5 billion that

would have gone to Quebec. This was passed unanimously by all parties present in the National Assembly.

Once again, this is an indication of the consensus that was clearly evident during the discussions of the Standing Committee on Finance, when witnesses from Quebec appeared before the committee.

There are even Canadian supporters, as I mentioned earlier. John Trent of the University of Ottawa, for instance, who is a vocal opponent of the sovereignists, who is certainly no friend of the Bloc Québécois, said, and I quote "The fund will inevitably lead to federal-provincial duplication and overlap with existing programs. It is in direct competition with Quebec's loans and scholarships program, which many consider superior".

When people like him speak in our favour, speak in favour of Quebec, and add their voices to the consensus in Quebec, that says it all. The government is demonstrating unprecedented arrogance and cynicism.

As my colleague mentioned earlier, there have been several attempts by the federal government in the past to interfere in the field of education, which comes under the exclusive jurisdiction of Quebec. Every time, the federal government understood. The federal leaders, who were less arrogant and less cynical than our leaders today, understood in the past that education was sacred to Quebec, that we would not allow the federal government to interfere in this sector.

● (1705)

One of the most important federal conferences in the history of Canadian federalism was held in Quebec City in 1964, on March 31 to be exact.

I remember that it was given front page coverage by the *Globe and Mail* on that date, because it considered this an historic event on a number of levels, including the fact that it marked the discussion of new arrangements between the federal government and the provinces, Quebec in particular, with respect to taxation, the establishment of a new order if you will, in federal-provincial relations and the respect of jurisdictions such as education.

At that time, Messrs. Pearson and Lesage, two intelligent men who were willing to talk to each other, exchanged views during this federal-provincial conference because, in 1964, the federal government wanted to inaugurate a federal program of student loans and bursaries.

I was surprised to find, in rereading the opening remarks by the Hon. Jean Lesage, the Premier of Quebec at the time, that they could have been made today.

Government Orders

If I may, I will quote a few passages from those opening remarks by Mr. Lesage.

The fact that the federal government offers only student loans, not bursaries and loans as seems to have been the case at one point, may at first appear to be an attempt to avoid the constitutional problem bursaries would have presented. In fact, because supply falls within its jurisdiction, the federal government can give the impression that it is remaining within its jurisdiction by giving loans rather than bursaries.

We do not believe this gets around the constitutional problem. The students themselves have felt this, because they have openly opposed the new federal policy.

The millennium scholarship project has also been opposed recently by students.

I will now continue.

The difficulty arises, not from the fact that there are loans, but that they are interest-free loans for students. These loans will be made by financial institutions—

For these two reasons, the Government of Quebec cannot accept application of the federal program as it is proposed at present.

We have, moreover, already set up a student aid service involving sizeable amounts of bursaries and loans to students every year. We are therefore already making a particularly significant effort in this area, not to mention the huge sums of money we devote to other sectors of education every year.

Under the circumstances, in order to resolve the problem posed by the federal student loan policy, Quebec demands that the Government of Canada hand over to it, in the form of tax equivalencies, those amounts it would have reimbursed in interest payments on loans to Quebec students. We would accept as the basis for determining this equivalent amount the relative proportion of the population of Quebec.

From that conference on, therefore—

The Acting Speaker (Ms. Thibeault): I would point out to the hon. member that he has only one minute remaining.

Mr. Yvan Loubier: Madam Speaker, at this conference the then Quebec premier was very reluctant as is the current Quebec premier.

But Mr. Pearson understood. As a result of their discussions, barely two weeks after the end of this important federal provincial conference, Mr. Pearson sent a telegram to Mr. Lesage allowing Quebec to withdraw, with full compensation, from a program in an area under provincial jurisdiction.

We are still hoping that the current Prime Minister will stop being so obtuse, cynical and arrogant and lend a favorable ear to the consensus in Quebec, to allow, as was the case at the Quebec conference when Mr. Pearson and Mr. Lesage—

The Acting Speaker (Ms. Thibeault): I must interrupt the hon. member but his time has expired.

I must also inform the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques that his amendment is in order.

• (1710)

[English]

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I want to say from the very start that I am so bloody mad I could spit at the moment. If we are very quiet we can hear the jackboots of the Liberals trampling over the democratic rights of the citizens of this country. We can hear them in the hallways. A dark fascist cloud hangs over this institution today as the Liberal government has brought in closure on this bill and the representatives of 30% of the voters of Canada will not be heard. They will be muzzled. The 30% of the people who voted Conservative and the 30% of the people who voted New Democrat will not be heard on this multibillion dollar budget bill. We say that is wrong. It is disgusting. It is anti-democratic. It is simply wrong and it is unparliamentary.

That is not where it ends. This is the final stage of an anti-democratic sweep by the government.

After the legislation was introduced, after post-budget considerations that were essentially ignored, we heard 88 representatives who came before the finance committee with a whole set of very positive recommendations for change. There were 88 interventions. Amendments were brought forward. Did government members listen to a single one of those 88 interveners who proposed changes? Not a single period was changed. Not a comma was changed in the legislation. It makes a mockery of the system. It is a slap in the face to all of those witnesses who appeared before the committee. I say that is wrong and undemocratic.

I have to be careful because I could get worked up. I have a whole speech that I am supposed to read on behalf of my caucus. The Conservatives had a representative who wanted to make a speech today, but we are unable to do that. We are not allowed to. There is something wrong with a system which says that 30% of the electorate is simply cut out of a discussion on this budget legislation. It is wrong and it is something the government has to change.

I thought the Tories were bad under Mulroney. We were up here day after day saying what a bunch of scumbags they were because they were introducing closure, introducing time allocation, cutting off democracy and making a mockery out of this place. The Liberals are actually worse. It is unbelievable.

I have a couple of comments about the legislation. To start with I want to talk about the millennium scholarship fund. Let us acknowledge that this millennium scholarship fund, at best, is going to help about 7% of students who need help today. As a matter of fact, it is a lot less than that. About 7% of college and university students may get assistance. Ninety-some per cent will never see the benefit of this.

Does the government take its commitment to education seriously by reinstating transfers to the provinces for education? No it does not. Does it take its position seriously by doing what every OECD country does by providing federal leadership on access to education? Does it do that? No, it does not. It brings in this little flashy millennium scholarship fund. I can see it now. All the cheques will be signed by the Prime Minister and sent out to all of the students as a good public relations gesture.

Yes, it will help a handful of people in need, but will it help provincial governments in terms of their tuition fees? No, it will not. Will it help the thousands and thousands of young people today who are indebted up to their eyeballs, the average debt load being \$25,000? Will it help them? No it will not.

Then it refers to the employment insurance fund. We find out today that the employment insurance fund will have a surplus this year of about \$16 billion or \$17 billion. By the end of the year it will be about \$19 billion. By next year there will be a surplus of about \$25 billion.

That is stealing money out of the hands and pockets of employees and employers across this country. No wonder we have the deficit under control. Money has been taken out of the pockets of the hardest working people in the country. It is wrong.

The government says that it is going to provide an incentive to encourage employers to hire young people. That is going to help 1% of the hundreds of thousands of young people who are out of work today. One per cent may benefit from this initiative. That is hypocrisy. By saying that they are going to do something, that they are going to help 1%, is like taking a slap in the face for every unemployed young person. That is wrong.

• (1715)

I could go on. I have a whole speech I could give, and I have not even started yet, but I cannot because the government has brought in closure and says that certain MPs—

The Acting Speaker (Ms. Thibeault): I am afraid that at this point I have to interrupt the hon. member.

[*Translation*]

It being 5:15 p.m., pursuant to order made Monday, May 25, 1998, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of third reading of the bill now before the House.

[*English*]

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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The Acting Speaker (Ms. Thibeault): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Ms. Thibeault): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Thibeault): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Ms. Thibeault): Call in the members.

• (1745)

(The House divided on the amendment, which was negated on the following division:)

(*Division No. 179*)

YEAS

Members

Alarie	Anders
Bachand (Richmond—Arthabaska)	Bachand (Saint-Jean)
Bailey	Bellehumeur
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bernier (Tobique—Mactaquac)
Bigras	Borotsik
Breitkreuz (Yorkton—Melville)	Brien
Brison	Cadman
Canuel	Casson
Chatters	Chrétien (Frontenac—Mégantic)
Crête	Cummins
Dalphond-Guiral	de Savoye
Debien	Desjarlais
Desrochers	Doyle
Dubé (Lévis)	Dubé (Madawaska—Restigouche)
Duceppe	Earle
Elley	Epp
Fournier	Gauthier
Girard-Bujold	Godin (Acadie—Bathurst)
Godin (Châteauguay)	Goldring
Grewal	Guay
Hanger	Hardy
Harris	Harvey
Herron	Hill (Prince George—Peace River)
Hilstrom	Johnston
Jones	Keddy (South Shore)
Kennedy (Calgary-Sud-Est)	Konrad
Laliberte	Lalonde
Laurin	Lefebvre
Lill	Loubier
Lunn	MacKay (Pictou—Antigonish—Guysborough)
Marceau	Marchand
Matthews	Mayfield
McNally	Ménard
Mercier	Meredith
Mills (Red Deer)	Morrison
Nystrom	Pankiw
Perron	Picard (Drummond)
Proctor	Ramsay
Reynolds	Riis
Ritz	Robinson
Rocheleau	Sauvageau
Schmidt	Solberg
Stinson	St-Jacques
Stoffer	Strahl
Thompson (Charlotte)	Thompson (Wild Rose)
Tremblay (Lac-Saint-Jean)	Tremblay (Rimouski—Mitis)
Vautour	Wayne —95

*Government Orders***NAYS**

Members

Adams	Alcock
Anderson	Assad
Assadourian	Augustine
Baker	Bakopanos
Barnes	Beaumier
Bélair	Bélangier
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Boudria
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carroll
Catterall	Cauchon
Chamberlain	Chan
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Comuzzi
Cullen	DeVillers
Dhaliwal	Dion
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finlay
Folco	Fontana
Fry	Gagliano
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harvard
Hubbard	Ianno
Iftody	Jackson
Jennings	Karetak-Lindell
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Myers
Nault	Normand
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Paradis	Patry
Peric	Peterson
Pettigrew	Phinney
Pickard (Kent—Essex)	Pillitteri
Pratt	Provenzano
Redman	Reed
Richardson	Robillard
Rock	Saada
Scott (Fredericton)	Sekora
Serré	Shepherd
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
St-Julien	Szabo
Telegdi	Thibeault
Torsney	Ur
Valeri	Vanclief
Völpe	Wappel
Whelan	Wilfert—142

PAIRED MEMBERS

Asselin	Axworthy (Winnipeg South Centre)
Collenette	Gagnon
Galloway	Guimond
Kilger (Stormont—Dundas)	Lebel
Parrish	Proud
St-Hilaire	Turp

The Speaker: I declare the amendment defeated.

The next question is on the main motion.

Ms. Marlene Catterall: Mr. Speaker, I believe you might find unanimous consent in the House to apply the results of the vote just taken to the motion now before the House in reverse order.

The Speaker: Is there agreement to proceed in this fashion?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 180)

YEAS

Members

Adams	Alcock
Anderson	Assad
Assadourian	Augustine
Baker	Bakopanos
Barnes	Beaumier
Bélair	Bélangier
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Boudria
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carroll
Catterall	Cauchon
Chamberlain	Chan
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Comuzzi
Cullen	DeVillers
Dhaliwal	Dion
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finlay
Folco	Fontana
Fry	Gagliano
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harvard
Hubbard	Ianno
Iftody	Jackson
Jennings	Karetak-Lindell
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell

Murray
Nault
O'Brien (Labrador)
O'Reilly
Paradis
Peric
Pettigrew
Pickard (Kent—Essex)
Pratt
Redman
Richardson
Rock
Scott (Fredericton)
Serré
St. Denis
Stewart (Brant)
St-Julien
Telegdi
Torsney
Valeri
Volpe
Whelan

Myers
Normand
O'Brien (London—Fanshawe)
Pagtakhan
Patry
Peterson
Phinney
Pillitteri
Provenzano
Reed
Robillard
Saada
Sekora
Shepherd
Steckle
Stewart (Northumberland)
Szabo
Thibeault
Ur
Vanclief
Wappel
Wilfert—142

Private Members' Business

PAIRED MEMBERS

Asselin
Collenette
Galloway
Kilger (Stormont—Dundas)
Parrish
St-Hilaire

Axworthy (Winnipeg South Centre)
Gagnon
Guimond
Lebel
Proud
Turp

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

• (1750)

[Translation]

The Acting Speaker (Ms. Thibeault): It being 5.50 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

NAYS

Members

Alarie
Bachand (Richmond—Arthabaska)
Bailey
Bergeron
Îles-de-la-Madeleine—Pabok)
Bigras
Breitkreuz (Yorkton—Melville)
Brison
Canuel
Chatters
Crête
Dalphond-Guiral
Debien
Desrochers
Dubé (Lévis)
Duceppe
Elley
Fournier
Girard-Bujold
Godin (Châteauguay)
Grewal
Hanger
Harris
Herron
Hilstrom
Jones
Kenney (Calgary-Sud-Est)
Laliberte
Laurin
Lill
Lunn
Marceau
Matthews
McNally
Mercier
Mills (Red Deer)
Nystrom
Perron
Proctor
Reynolds
Ritz
Rocheleau
Schmidt
Stinson
Stoffer
Thompson (Charlotte)
Tremblay (Lac-Saint-Jean)
Vautour

Anders
Bachand (Saint-Jean)
Bellehumeur
Bernier (Bonaventure—Gaspé—
Bernier (Tobique—Mactaquac)
Borotsik
Brien
Cadman
Casson
Chrétien (Frontenac—Mégantic)
Cummins
de Savoye
Desjarlais
Doyle
Dubé (Madawaska—Restigouche)
Earle
Epp
Gauthier
Godin (Acadie—Bathurst)
Goldring
Guay
Hardy
Harvey
Hill (Prince George—Peace River)
Johnston
Keddy (South Shore)
Konrad
Lalonde
Lefebvre
Loubier
MacKay (Pictou—Antigonish—Guysborough)
Marchand
Mayfield
Ménard
Meredith
Morrison
Pankiw
Picard (Drummond)
Ramsay
Riis
Robinson
Sauvageau
Solberg
St-Jacques
Strahl
Thompson (Wild Rose)
Tremblay (Rimouski—Mitis)
Wayne —95

PRIVATE MEMBERS' BUSINESS

[Translation]

COMPETITION ACT

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.) moved that Bill C-235, an act to amend the Competition Act (protection of those who purchase products from vertically integrated suppliers who compete with them at retail), be read the second time and referred to a committee.

He said: Madam Speaker, I am very pleased to be here to speak to this bill. The bill was initially introduced in the House of Commons last year but, because of the election and time constraints, we did not have an opportunity to get back to it. on the order paper, but Bill C-235 is from the 36th Parliament.

[English]

This bill becomes even more important when we consider the recent tactics by a number of industries but specifically the gas industry. We have witnessed across the country some very disturbing trends occurring with respect to retailing of gasoline products.

The problem is really something I think we can see occurring in other areas such as the travel industry with respect to reservations. A number of travel agents have spoken to members of parliament about the problems there. We have also heard rumours recently about the impending actions taken by the U.S. government perhaps at some point down the road with respect to Microsoft.

The problem that exists here is really one of predatory pricing and price discrimination. For the purpose of this bill we want to deal specifically with what it does. It would provide for the enforcement of fair pricing between a manufacturer who sells a product at retail, either directly or through an affiliate, and who also supplies product to a customer who competes with the

Private Members' Business

supplier at the retail level. This bill provides a supplier's customer with a fair opportunity to make a similar profit as the supplier at the retail level in a given market area.

Just last week in Toronto and in many regions across the country a number of independent gasoline retailers told me and expressed to other members of parliament how difficult it really is to stay in business when the supplier you are competing against is the very person who is determining the cost at which you are going to receive the supply. If that supplier deems it is important to increase market share at your expense, then it will not be very long before predictably you will be out of business.

• (1755)

The Liberal committee on gasoline pricing has crisscrossed the country. It has come up with a number of ideas that it will eventually bring forward.

The bill speaks for itself. In the view of many in this House, there is a very clear indication that there is a shortcoming in the act.

In 1986 the restrictive trade practices commission came to the conclusion that there was a need far from what the provinces are doing today to enforce and to strengthen legislation in the Competition Act as it relates to section 50.

We realize this is the first hour of debate and I am honoured we have had an opportunity to look at this. I am equally delighted that the Subcommittee on Private Members' Business had the fortitude and the quite common quite sense to deem this bill votable.

Current measures in the federal Competition Act dealing with predatory pricing and price discrimination clearly have proven to be insufficient in combating these activities and in providing adequate protection for those in the industry. It is fair to say that the cumulative effect of legislation is not to bring about restriction in price or governance of price. The idea is to ensure that legislation exists so that there are effective ground rules and more important, that legislation in this country ensures and fosters a free market and at the end of the day adequate supply and demand. When it comes to predatory pricing, it is clear to many that we need change and that change should happen as soon as possible.

Thousands of mom and pop type gas station owners across this country are watching this bill very intently. It is not because it is something that would allow them to line their pockets, not because it would allow them to make a profit at the expense of the consumer, but it is because their survival hinges on our ability here this evening to provide legislation that adequately protects them against the practice of below cost selling. This is occurring at an alarming rate. We only have to go to the major centres across the country to know that.

When we tear away at this country's small businesses, or through neglect of our obligation here in terms of legislation we allow these people to die on the vine by a thousand cuts, we effectively have surrendered our obligation to protect people who want nothing more than to be competitive and to be efficient and at the end of the day to provide a product that every consumer needs. This bill is designed to protect certain people who have to compete against their own suppliers, but at the end of the day this bill is designed to protect consumers.

It is very clear in regions of this country where there has been the ultimate demise of many independent retailers of gasoline product, where they have been eliminated, such as in Newfoundland or New Brunswick, there has been a corresponding trebling in the cost of gasoline. It has nothing to do with taxes. It has nothing to do with competition. It has to do with the fact that we are seeing in this industry the emergence of an oligopoly which is dangerous in its very essence and is certainly dangerous to the interests of consumers.

I encourage members of parliament to look at the legislation, to look at what the Competition Bureau said in 1986 in the Bertrand report.

I want to thank each and every colleague for making this a votable bill. Let us not fail small business in this country. Let us make sure we continue to make competition viable in Canada.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, I rise with a lot of interest in this bill. I think the hon. member when he first started on his crusade with regard to gasoline prices undertook something that had an awful lot of appeal. What has happened in the process of the bill is quite different from where the hon. member started. We would have to look at this from the point of view that I personally and the Reform Party that I represent in the House clearly support vigorous and open competition in the marketplace. We encourage that and we want to make sure there is competitive pricing, competitive promotion and that we enforce competition law as it exists at the present time.

• (1800)

We also recognize there is a perception on the part of certain independent gas retailers that the competition that exists is not fair and that there is a lack of competition in some cases and the very same thing exists in the minds of some customers and consumers.

I would like to advance to the hon. member that his intention was great but Bill C-235 fails to resolve that issue. It stops short of looking at the real issue behind the lack of competition in the marketplace. The issue is not the Competition Act as has been proposed because the Competition Act lays out very clearly provisions preventing predatory pricing, abuse of dominant position or unfair practices.

Private Members' Business

It is necessary for us to know to what the Competition Act says. Section 78 in part (a) refers specifically to what anti-competition really means. It includes any of the following acts. Part (a) says it is squeezing by a vertically integrated supplier which is exactly what Bill C-235 addresses: "squeezing of the margin available to an unintegrated customer" which in the example is the independent gasoline retailer "who competes with a supplier for the purpose of impeding or preventing the customers entry into or expansion in a particular market".

That is precisely the issue the hon. member is trying to address. He is suggesting the Competition Act does not cover this issue. I submit it does. Part (i) reads: "selling articles at a price lower than the acquisition cost for the purpose of disciplining or eliminating a competitor".

It does not take a genius to figure out what that really means. The intention of the hon. member is certainly commendable but the current legislation provides for exactly the kind of thing he wants to prevent. I agree that we should not have that and that is why section 78 exists.

Under section 50 of the Competition Act we have very serious consequences for a company or individual engaging in anti-competitive behaviour. The hon. member in his initial comments made the observation that the Competition Act needs to be enforced and must be efficient in its application. I could not agree with him more.

If the issue is one of enforcement it seems that is exactly what it is. The current provisions under sections 50 and 78 have comprehensive enough coverage that they can deal with all the things the hon. member wants to deal with in Bill C-235. The issue becomes one of the willingness to enforce that legislation, to actually say if this is done then there is a consequence. Part of the reason for the perception that competition does not exist is the act is not being enforced.

The member suggested this has nothing to do with taxation. It has a lot to do with taxation.

• (1805)

Before I go into the taxation part I would like to suggest one other issue. That has to do with the most recent article that columnist Diane Francis wrote for the May 26 issue of the *Financial Post*. She suggests that one of the reasons Canada has some of the difficulties it has with regard to the Competition Act is in Canada there is not the kind of anti-trust legislation that exists in the United States. I agree with that.

I believe the time has come for us to examine very seriously whether we ought to be looking at the issue of whether industries and certain players in the marketplace are becoming too large. If we allow an oligopoly to develop where an industry becomes so big, a player in a particular sector becomes so big that it virtually dominates the marketplace and dictates the prices of services and

product in that sector, we ought to look very seriously at whether that oligopoly ought to continue.

I alert the Minister of Finance in this connection when he considers later this year the proposed merger of the banks. It seems to me we ought to look at that as well.

I want to come back to the taxation issue. The hon. member told us very clearly that it has nothing to do with taxation. Let me suggest that the excise tax on gasoline can be blamed for higher prices at the pumps more effectively than anything else. I will cite some facts. More than 50% of the average price of gasoline at the pumps actually is excise tax. The residual effect is that the profit margin for suppliers and retailers is reduced. If we are looking for negative forces on the marketplace then we need look no further than on the effective of excessive taxes on industry, the business person and the consumer.

In the case of gasoline pricing and profit margins for both big and small players everyone is being hurt by excessive taxes. The only player who comes out unscathed in the entire process is the tax grabbing Liberal government.

That tax grabbing hurts the consumer by raising the prices at the pumps and by cutting into the profit margins of big and small business. That is the issue. The typical gasoline retailer realized an average gross profit margin of three and a half cents on the sale of a litre of regular gasoline in 1996. That amounts to 6% of the average pump price. The taxes meanwhile averaged 28.6 cents a litre more than 50% of the average pump price at that time. Both refiners and gasoline marketers have seen profit margins fall as a result of price competition despite rising crude oil prices since 1991.

There is a very practical issue here that we need to look at as well. Average consumers will ask how on long weekends and during vacation periods can prices go up.

Crude oil prices can rise and the lag between the rise in world prices and the price at the pump has a very short time span. But when the price drops on the world market it takes a long time before the price falls at the pumps. These are the issues we want to look at in a very serious way.

I commend what the hon. member is trying to do, but I submit that it is the wrong way to go at the issue. I encourage him first to suggest to his colleagues to reduce taxes and get the money back to the taxpayers so that they can afford to buy gasoline and that the margin for the businessman increases rather than decreases.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, I am pleased to tell the hon. member that, in principle, his bill is a step in the right direction.

• (1810)

Since debate on the proposed reform of the Competition Act appeared to be headed toward a weakening of the existing

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provisions of the act and not their strengthening, it is refreshing to see a member across the way introduce a bill to strengthen those provisions.

However, there are still a number of unresolved issues. For instance, clause 50.1(2)(a) of the bill states:

(a) the supplier's own retail price in the same market area as that in which the purchaser customarily sells the product or offers it for sale, less

(i) the supplier's own cost of marketing at retail, and

(ii) the supplier's reasonable return on the retail sale,

What is "reasonable"? What is the "cost of marketing at retail"? This remains vague. I do not know how to address this problem, but it is nonetheless important.

Incidentally, I would like to point out that this bill does not completely solve the retailers' problem. I think it is also the opinion of the Association of Independent Distributors of Petroleum Products that this bill does not completely solve the problem.

In Quebec, to address the overall problem, we have established the Régie de l'énergie, which, more than a year and a half ago already, set for gasoline in Quebec a floor price that takes into account the wholesale price in the Montreal area, transportation, taxes, and so on.

This way, to help independent retailers, oil companies cannot sell their gasoline for less than a set minimum price. I realize we can also discuss that principle, but the idea is to listen, each year, to the stakeholders and see how the market is evolving.

If we agree that we cannot allow a monopolistic or oligopolistic market, we must take measures so that independent retailers can thrive and not merely survive. Times are very hard for many of them right now. I know that a number of them are desperately trying to survive and are counting on a review of the floor price that will be conducted by Quebec's energy board. After all, we have to define a guaranteed margin of profit, otherwise independent distributors will not survive.

I did hear arguments such as "we have to think about consumers". It is true. But at the same time, let us not forget that consumers also include the producers who need revenues. If we only think about reducing prices, regardless of the impact on employment, economic development and small and medium size businesses, then we can have lower prices, but we will also have growing income gaps, as well as major social and economic problems.

Therefore, I support in principle the bill introduced by the hon. member for Pickering—Ajax—Uxbridge. I wish him luck. But I do want to discuss the issues raised by his bill. I congratulate him on his work, because—and I agree on this with the hon. member to my

right, no pun intended—we really need to look at how small and medium size businesses in the oil and other industries can survive.

• (1815)

[English]

Mr. Dick Proctor (Palliser, NDP): Madam Speaker, I congratulate the member for Pickering—Ajax—Uxbridge on this bill and for the opportunity to say a few words about the subject of gas pricing in Ottawa.

As the hon. member noted in his opening remarks, Bill C-235 is directed at ending predatory pricing practices of the oil companies which also own refineries and retail outlets, the so-called vertically integrated companies. We think particularly of near monopolistic practices such as the Irvings in the Atlantic region.

I note a recent letter from David Collins who is with the Wilson Fuel Company Limited to our caucus to support the upcoming introduction of this bill or amendments to the Competition Act. About these amendments he says in part:

—amendments provide some much-needed definition to the concept of predatory pricing. As local independent marketers of petroleum products, we have found ourselves singled out to face retail prices which are below those made available at wholesale. The result has been to discipline our company into retail price conformance. (This) bill would provide firms such as ours some form of legal recourse to remedy such a situation.

Mr. Collins goes on to say:

It is interesting to note that the U.S. market is far more "regulated" when it comes to the marketing of petroleum products than it is in Canada. The Americans also enjoy lower prices on average.

He concludes by saying:

(The) bill goes only part of the way toward bringing Canada's regulations in harmony with those afforded to the U.S. consumers.

I also recognize and applaud the work of some folk in Atlantic Canada who have been fighting this stranglehold on the market to which I referred a moment ago. I will particularly single out Elizabeth Weir, the leader of our party in the province of New Brunswick, and John Holm, the house leader in Nova Scotia, for the work they have done in the recent past on the whole matter of predatory pricing.

The bill that is before us would provide for the enforcement of fair pricing between a manufacturer that sells a product at retail either directly or through an affiliate and supplies a product to a customer that competes with the supplier at the retail level. This provides a supplier's customer with a fair opportunity to make a similar profit as the supplier at the retail level in a given market area.

I note in passing that we have a member in our caucus, the member for Regina—Lumsden—Lake Centre, who has also done a lot of work on the unfair pricing of gasoline in Canada generally but specifically in the province of Saskatchewan. He has been arguing for some time that what we need is a commission to regulate the wholesale and retail prices of gasoline, taking into

account both the public interest in having reasonable and consistent pricing and the need for manufacturers, distributors and wholesalers to have reasonable costs covered. The commission could also conduct hearings on competition in the oil industry referred to it by the competition tribunal.

In Canada we accept that some prices of goods or services which are central to our well-being and to the economy in general and often controlled by monopolies or near monopolies should be regulated in the public interest. I am thinking, for example, of telephone and cable television costs.

• (1820)

Naturally the oil companies do not agree. They recently launched an ad campaign, as I understand it, in Ontario and in eastern Canada to explain some of the things that drive Canadians crazy on an annual basis about the oil and pricing regime as it has existed ever since I can remember.

I will give three examples. Why do prices go up just before seeding season or the harvest season in my part of the world on the prairies? Why do they go up across the country just before summer long weekends? Why, when Saskatchewan is clearly a net exporter of oil products, do we end up paying a higher price than we do in Ottawa when the tax regime is exactly the same in both provinces? Today in Regina the price at the pump is 56.9 cents as compared with 49.9 cents in Ottawa.

It is interesting to note that these ads that are running in eastern Canada are not running in the west. I would offer it is because the oil companies simply cannot answer that last one, that Saskatchewan is a net exporter yet ends up paying 7 cents a litre higher than is currently being paid in Ottawa.

As the agriculture critic for our caucus one of the things that is a real bugaboo for people on the prairies, especially at this time of the year—and it is nice to see some of the other members of the standing committee on agriculture here tonight—is the high input costs being paid out as we speak, as farmers are out on the land putting their crops in the ground. Among the highest are the costs for fossil fuels.

We in this caucus believe that the bill introduced by the member for Pickering—Ajax—Uxbridge is a good bill. It is worthy of support. We commend him for the work he has done and for encouraging us as a parliament to continue to work on this very important issue.

Mr. Norman Doyle (St. John's East, PC): Madam Speaker, I am pleased to say a few words in this debate on behalf of my colleague, the member for Markham.

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I acknowledge as well the efforts of my colleague from Pickering—Ajax—Uxbridge in sponsoring the bill, an act to amend the Competition Act which is a protection for those who purchase products from vertically integrated suppliers that compete with them at the retail level.

As ominous as vertically integrated suppliers sounds, I think we owe it to all stakeholders to give every consideration to the intent of the bill. Beyond the intent we must also look at the bill's effectiveness.

Essentially Bill C-235 is attempting to accomplish fair pricing between a manufacturer that sells a product at retail either directly or through an affiliate and supplies product to a customer that competes with the supplier at the retail level. The bill's sponsor is also hoping to achieve an opportunity for a supplier's customer to make a similar profit as the supplier at the retail level in a given market.

Another major goal of the bill is to prevent anti-competitive acts such as predatory pricing and price discounting in industries where suppliers of products compete with their customers at the retail level.

Canada has not been oblivious to issues which are addressed by the bill. The Competition Act, implemented by the previous Conservative government to replace the Anti-Combines Act, deals with the inherent issues of Bill C-235 without making any amendments. The issues of price discrimination, price maintenance and abuse of dominance are already addressed by the act.

Let us deal with the issue of fair pricing first. The problem with the legislation is that it would create an artificial profit margin. By guaranteeing pricing to competitors based on any formula which includes retail pricing, the bill would be creating a floor price below which no one could go. The elimination of the ability to engage in discounting would be a peculiar approach to addressing fair pricing. The result would in fact be higher prices which certainly is not in the best interest of the Canadian consumer.

• (1825)

The Liberal government has already overburdened small and medium size businesses across the country with outrageous reporting requirements either in the area of sales tax, payroll taxes, Statistics Canada or any other number of government bureaus or agencies which enforce different degrees of compliance.

Legislators must begin searching for ways to ease the paperwork burden and let Canadian businesses get back to their core services, and this would not happen under Bill C-235. Quite the opposite would be the case.

Let us imagine how the government could possibly begin tackling the issue of what constitutes proper wholesale prices, profit margins and marketing expenses of firms. Quite simply it

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could not be done. We would be creating another level of bureaucracy, an extra burden of government and an enormous enforcement cost.

I realize the bill is generic in its wording but it is clear that it will have a great impact on the retail gas industry. The result would be to abandon market based forces as the proper determinant of gasoline prices and instead move to a cost based formula.

In effect we would be shackling the marketplace with a central command approach to economic questions. The reality is that the Competition Act must above all else focus on achieving desirable results for consumers. It should not be used to undermine the legitimate outcome of competition such as low prices. We believe this would be the result of Bill C-235.

The M. J. Ervin report, the Canadian retail petroleum marketing study, produced many issues of note on this subject. For instance, since 1994 Canada has enjoyed retail gasoline prices which on a pre-tax basis are among the lowest in the world. Between 1986 and 1995 gasoline jumped by 4 cents a litre and over the last six years operating margins have declined by 7 cents a litre.

All these outcomes are a result of having dynamic change and innovation in our gasoline industry, dynamic change which has benefited many Canadian consumers. The reality is that healthy competition exists in the industry.

One of the unique aspects is known as corner competition or the tub thumping effect where prices will get knocked down for a brief period of time but a correction will come about and prices will increase again.

If the House were to pass Bill C-235 we would in effect be tying the hands of suppliers from all affected industries. They would be unable to change prices in response to market forces. This could lead to vertically integrated suppliers making the decision that the burden of compliance is too great and therefore they would cease supplying competitors. This would result in less competition and higher prices.

For all these reasons we have to say that the Progressive Conservative Party will not be supporting the bill.

Mr. Walt Lastewka (St. Catharines, Lib.): Madam Speaker, today I am addressing the House on the subject of private members' Bill C-235, an act to amend the Competition Act. Unfortunately I cannot support the bill.

• (1830)

I wish to congratulate my colleague, the member for Pickering—Ajax—Uxbridge, for his work in preparing this bill and for his laudable efforts to find solutions to the problems facing many of our small and medium size businesses. While his efforts were well intentioned, the proposed means to resolve this issue will not bring

about the results he seeks and will most certainly have serious adverse consequences on the Canadian economy in general and on a number of specific industries which I will explain shortly.

Bill C-235 seeks to prohibit vertically integrated companies from selling their products to retailers competing against them in the same market at prices which would inhibit the retailer's ability to make a profit similar to that enjoyed by the vertically integrated supplier.

The bill also seeks to prohibit vertically integrated suppliers, by virtue of their dominant position, from coercing retailers into adopting a specific pricing policy.

According to the bill, both of these proposals would be effected by amending sections 50 and 78, respectively, of the Competition Act.

The bill as it is currently worded will potentially apply to every vertically integrated supplier no matter what industry it is in. My colleague across the way also explained that earlier.

While many of us are aware of our colleague's interest in providing assistance to independent gasoline retailers, we should ask ourselves if tying the hands of all integrated players in the Canadian economy is not unlike using a bomb instead of a fire cracker. Do we really wish to see our selection of tires, auto parts, jeans, electronics products, computers or green plants diminished by overbearing government regulation? Do we wish to push some firms out of the Canadian economy because they find our laws burdensome? I think not. Indeed, we wish to encourage Canadians to open and expand their businesses and create jobs. We wish to welcome foreign investment as a further stimulus to job creation and to the Canadian economy.

Furthermore, did we not adopt a policy of deregulation in the 1980s? We have been furthering that agenda for some time with the specific purpose of cutting down the costs of doing business in Canada in an attempt to provide Canadian businesses with an equal chance to compete in foreign markets and to meet import competition here at home. To be more specific, experience has shown us that in markets where similar legislation has been enacted prices for the products covered by the legislation have risen. Higher prices of inputs to major manufacturing in Canada would harm the overall competitiveness of the economy and inhibit Canadian firms from competing on a level playing field with foreign firms not subject to the same constraints.

Allegations that vertically integrated suppliers have retailed their product below cost have rarely, if ever, proven supportable upon close analysis. Forcing these suppliers to underwrite the return expected by competing retailers could easily lead to the supplier's legitimate refusal to sell their products through independent retailers. In a nutshell, there is little good to come out of these proposals.

In addition, these amendments would discourage price wars which can be of benefit to customers. The resulting price inflexibility would introduce price rigidities, impeding the ability of businesses to quickly react to changing market conditions—and we all know that market conditions change continuously—and set their prices accordingly.

The amendments would force companies to check with their accountants and financial controllers to determine whether a new price offering would cover all their market costs and mandated rate of return even if short term requirements to sell off product or meet competition in the marketplace was urgently needed.

Looking specifically at how regulators would administer such a law, I draw the attention of members to the following scenario.

The competition bureau would be expected to act upon any complaints arising from each and every price increase at the retail level of products covered by these proposed sections of the act. Just looking at price changes at the pump, which happen as often as three times a week, in the 20,000 markets across Canada, we can expect the annual administration costs of investigating and pursuing such complaints to be easily in the billions of dollars.

• (1835)

Add to that the price increases for tires, car batteries, computers or plants, or the myriad products sold at stores like Price Club, and the costs could soar. I doubt very much that this is what was intended by the proposal.

Furthermore, I have studied the sections of the Competition Act which relate to abuse of dominance and price maintenance. Sections 50(1)(c) and 78 on their own, without any amendments, are currently drafted in a manner which addresses the concerns of the hon. member for Pickering—Ajax—Uxbridge. Predatory pricing, which is defined as selling products at prices unreasonably low, having the effect of substantially lessening competition, or pricing which is aimed at eliminating or impeding the expansion of a competitor is a criminal offence under the act as it now stands.

In addition, abuse of dominance in situations where substantial lessening of competition results is a civil provision. One of the subsections of that provision deals specifically with the issue of dominant vertically integrated firms squeezing the margin available to non-integrated customers and competing with the suppliers for the purpose of impeding or preventing the customer's entry into or expansion in the market.

Since these provisions already respond to the issues raised in the proposed amendments, I ask why we need to add redundant provisions to an existing law.

Finally, the Competition Act already has a provision which deals with coercive pressure to resale a product at a price dictated by the

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supplier. This provision, known as price maintenance, is criminal in nature, allowing for greater use of the provision when warranted by the director of the competition bureau and the Attorney General of Canada to deal with competitive problems in gasoline markets.

As a matter of fact, on January 26, 1996, Mr. Justice David Dompsey imposed a fine of \$50,000 against Mr. Gas Limited, a local Ottawa gasoline retailer, for having influenced upwards, by use of a threat, the prices charged by one of its competitors in Ottawa, Caltex Petroleum Inc. Since this prosecution Ottawa has become a very competitive gasoline market which last year had the lowest average gasoline prices in Ontario. I give this example to show that there is already a very effective provision in the Competition Act to deal with gasoline suppliers attempting to coerce their competitors with respect to prices.

Historically the competition bureau has undertaken 11 prosecutions under the price maintenance provision in gasoline markets and has been successful in obtaining 9 convictions. This is obviously an effective provision in the Competition Act. Canadian business does not need new duplicate regulations.

The price maintenance provision has also been used successfully in literally hundreds of prosecutions. The business community, in general, knows its content and what conduct is expected of them to stay within the law. A new, similar provision to price maintenance, which one of these amendments contains, only complicates the life of business persons and adds no additional benefit for the economy, consumers or small gasoline retailers.

We are not here to determine for our citizens what a reasonable rate of profit is today. The market does that. Economies which have tried to establish so-called planned economies have recently lived through the utter failure of their efforts.

We need to find solutions that encourage innovation, new and efficient entrants, consumer choice, new jobs and economic growth. Let us work together toward that end and not adopt the proposals before us today.

In conclusion, I would like to again congratulate the member for Pickering—Ajax—Uxbridge for his hard work in studying gasoline prices. I am sure he will continue to do good work in that area.

Mr. Paul Steckle (Huron—Bruce, Lib.): Madam Speaker, I rise today to address a matter that has again and again been brought to the attention of the members of this place, a matter that seems to have induced public anger as only a few other issues have been able to do.

Perhaps it would be more appropriate for me to say that I am on my feet today as a result of the constant public and media attention afforded to this topic.

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• (1840)

The issue to which I refer is the matter of gasoline pricing and the factors that affect petroleum price setting in Canada.

I am pleased to lend my personal support to private member's Bill C-235 which is currently before us. On an historical note, this is not the first time this particular piece of legislation has been placed on the Order Paper. Bill C-235 was first introduced in the 35th Parliament in 1997 as Bill C-238. Unfortunately, the bill had not been fully considered when the House dissolved for last summer's election. As a continuation of that process, last October the member for Pickering—Ajax—Uxbridge reintroduced the aforementioned measures with the hope that we would now have the opportunity to fully debate them.

It would be inappropriate if I failed to acknowledge the tremendous initiative and leadership demonstrated on this matter by our colleague, the member for Pickering—Ajax—Uxbridge. Not only did this member commit to the establishment of the caucus committee on gasoline pricing, he also agreed to act as our chair.

As chair he was guaranteed long and irregular hours, a hectic travel schedule and an endless barrage of what was at times a hostile media assault. Without his determination and guidance I know that the so-called gas caucus would never have come to fruition.

Bill C-235 would establish a legislative basis for the enforcement of industry-wide fair pricing policies. I submit that the proposed measures would go a long way toward improving the industry's rapidly emerging anti-competitive atmosphere. However, these concrete and long overdue alterations also promise to have a profound trickle down effect at the pumps, a result that, especially with summer looming, I believe we can all applaud.

In an effort to promote fair pricing rather than just cheap pricing, Bill C-235 clearly establishes regulations for a manufacturer who sells a product at the retail level and one who sells either directly or through an affiliate while at the same time supplying the product to a customer who competes with the supplier at the retail level.

To simplify it, this bill would give the customer a fair opportunity to make a profit similar to that of the supplier, hence ending the practice known throughout the industry as predatory pricing.

In addition, this bill would also establish a policy of governance which would label any supplier who attempts to bully or coerce a customer in the establishment of retail marketing policy as one who has committed an anti-competitive act. That in a nutshell is what this bill aims to resolve.

Over the course of the past several months the Liberal caucus committee on gasoline pricing has extensively toured the country. During that time we conducted a comprehensive series of public hearings. Further to that, when in Ottawa we devoted a considerable portion of our efforts and time to direct consultations aimed at providing us with access to a wide cross-section of the opinions held by consumers, retailers, wholesalers and specialized interest groups.

Although the formal results of the aforementioned study will soon be put forward in a report, at this time I can say that one of the most common sentiments expressed to us was a sense of fear resulting from the rapidly depleting pool of competition within this industry.

The Department of Industry holds the primary responsibility for ensuring that the provisions of the Competition Act are enforced. Even though the department has in good faith conducted numerous investigations into specific case violations of the Competition Act, I fear that this would be similar to arming our currently active duty military personnel with only black powder muskets. In essence, the musket was at one time the most effective tool available to the police and military, however, that is no longer the case. It is not that the musket operates any differently today than it did 100 years ago, but because the situation around us has evolved so dramatically we need to develop new and innovative ways to deal with the new and innovative problems we are faced with today.

This analogy applies to the Competition Act more than most of us would care to admit. The Canadian oil industry looks very different today than it did only a few short years ago. This has occurred in part as a result of the aggressive tactics and the predatory pricing policies of the industry majors. The resulting instability has placed the smaller independently owned dealers in serious jeopardy of becoming a thing of the past.

One might wonder why parliament should concern itself with the loss of a private, small and independently owned business. The loss of one outlet, although not preferable, does not impact tremendously when viewed in the context of the grand scheme of things. However, when we start experiencing the loss of hundreds or even thousands of them, alarm bells should start ringing. The industry majors will freely admit that the little guy is their best single source of competition, the most effective method of keeping them honest. With that in mind would it not stand to reason that each time the market loses an independent that safeguard is weakened?

• (1845)

It is regretful that over the course of the last 20 years a disturbing trend has emerged within the industry. We are losing independently owned establishments left, right and centre. Some would argue this is a result of the reduced access to capital or any number of other factors that small businesses routinely face. I say the banks will

not lend money because of the increasing risks involved, risks that are skyrocketing because of unfair competition within the market. The point is if we do not act immediately to rectify the problem, we run the risk of missing the boat on this issue. When the independents are gone they will be gone forever.

My point is very basic. The Competition Act as it exists today is not properly equipped to deal with the complicated issues being generated by this sector of our economy.

The oil industry is unlike any other area of commerce. As such, it requires highly specialized rules of governance, rules such as those contained in Bill C-235. Bill C-235 is not a blanket solution for all the regulatory problems that face us as legislators. However, it is an important first step. Later this month the committee will be formally releasing a comprehensive report that will include a synopsis of the problems that exist within the oil industry along with a series of potential solutions. We need to take the initiative and move forward with this step now if we are to prove to the public that we are committed to resolving this matter.

I recall the gas prices of last summer and how my constituency office was flooded with angry calls demanding that I do something to deal with the exorbitant and rapidly fluctuating pump price of gasoline. I could unfortunately do little to ease the concerns of my constituents as the Competition Act applies only in instances where there is collusion. It is an act that represents only a very small part of a much larger problem.

Since that time I have taken an active role as a member of the committee. In January I hosted a well attended public consultation session in my riding with the gasoline pricing committee. Further to that I have been on my feet in the House on several occasions to present constituent petitions asking the government to enact legislation that would require the oil companies to justify in writing to the Minister of Natural Resources the reasons for any substantial fluctuation in the pump price per litre.

I have said it before and I will say it again. If we opt for inaction then we opt for a continuation of the unfair, anti-competitive and highly unjustifiable pricing policies of this country's major oil companies. That is totally unacceptable to me and it is totally unacceptable to the constituents I represent. I want to clarify that I am not attempting to paint the majors as evil villains. I want to ensure adequate statutes are in place to ensure they are accountable to individuals who rely on them and their products.

In rural Canada as in many other sectors of this nation, public transportation is simply not available. Services are miles apart and therefore personal transportation is a necessity rather than a luxury. We would not stand for unwarranted and unexplained vacillation in the price of food, home rental costs, medicine or other basic

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essentials. Why have we accepted it with gasoline? We need to establish accountability.

I urge each of my colleagues to support Bill C-235. It is a good bill deserving of our support. I understand that pump prices are low right now, as low as they have been in months, but that is not the point. This bill is not demanding bargain basement prices. It is calling for fair prices. High or low is not necessarily the issue. Often as a result of predatory pricing extremely low prices cause the most difficulty for the aforementioned independents. Selling at less than the rack price allows the majors to undercut their competition, hence eliminating any recognizable profit margin. We are all aware of what profit loss means to a business.

A continuation of predatory prices is a prime example of short term gain for long term pain. Right now parliament has the ability to prevent a looming disaster. If we wait for all the competition to be eliminated from the market then what we have remaining is an uncontrollable monopoly that has the ability to unilaterally dictate the price and availability of one of the country's most essential commodities.

I reiterate my support and gratitude for the actions taken and proposed by the member for Pickering—Ajax—Uxbridge. I will be supporting this bill. I sincerely hope that each of my colleagues will be doing likewise.

• (1850)

[*Translation*]

The Acting Speaker (Ms. Thibeault): It being 6.50 p.m., the time provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

FISHERIES

Mr. Paul Steckle (Huron—Bruce, Lib.): Madam Speaker, I rise to speak on the long term viability of the Canadian freshwater fishery.

I am delighted to see that this issue has started to attract real political and public attention. I am also pleased to declare that this new focus has started a dialogue between stakeholders and government, hence promoting constructive criticism of the effectiveness of the program, the public image and the spending habits of DFO.

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The Great Lakes commercial and recreational fisheries are among the world's finest. It is estimated that the Ontario sport fishery alone annually contributes over \$60 million in GST to the federal treasury alone, a figure that does not consider the millions of tourist dollars and other economic spinoffs that result from the fishing industry. In short, the Great Lakes offer Canadians much more than fish.

The standing committee recently completed a tour of the Great Lakes region endeavouring to examine the geographic locations that are most dependent on the fishery. To this end, we invited stakeholders to come forward with their ideas and comments. I would describe the trip as productive. However, what we witnessed and what we were told can only be described as troubling.

DFO's public image seems to be floating belly up. Power devolution and spending cuts have decimated DFO's Ontario operations and as a result we encountered the perception that DFO has only a minuscule impact on the daily lives of those involved in the industry, an impression that seems to grow with every dollar cut from DFO's Ontario budget.

I regret having to sound alarms. However, we must take note of the emerging trend in Ontario. I do not advocate casting away money. However, I do believe that strategic investment is needed.

The committee recently put forward reports on the failing status of the east and west coasts fisheries, fisheries that only a short time ago sustained millions. Those reports outline a bleak coastal situation. If one believes in foreshadowing, then these documents could have implications here. In essence, by opting for inaction we opt to continue along a path toward the end of this country's freshwater fishery.

In 1492 Columbus wrote that the fish in the Grand Banks were so plentiful that they slowed his ships. What a difference a few years can make.

I would be remiss if I failed to congratulate the current minister for his actions on this matter. This minister has taken a personal interest in the affairs of DFO in Ontario. The minister recently stated that the government remains committed to protecting the inland fisheries resources, particularly of the Great Lakes. To prove his sincerity, shortly thereafter he announced an increase to the sea lamprey control budget, a move applauded by stakeholders across all Ontario.

The aforementioned represents a first step. However, there is much yet to do. The committee will be presenting a report on the status of the Canadian freshwater fishery based on information provided by individuals and groups that understand the issues better than almost anyone here, the frontline stakeholders.

I recently presented a motion in committee calling for the long term adequate and priority funding of the sea lamprey control

program which was adopted unanimously by the committee. Members, including the parliamentary secretary, eagerly await the minister's response to this motion.

We must work to resolve the many potentially devastating issues facing our fishery. The Great Lakes are a substantial inland resource. With that in mind it is our duty to take a proactive leadership role in their management. By working co-operatively with stakeholders, with the U.S. through the international joint commission and by consulting the province of Ontario we will ensure the sustainability of this resource.

I have lived my entire life only a few miles from Lake Huron. As such, I am acutely aware of the pivotal role the lakes play in the socioeconomic development of their bordering communities. I urge members to realize this fact also. It is time to fish or cut bait.

If we do not have the infrastructure, personnel and funding in place to effectively manage the Great Lakes, we must make it available. Failure is not an option. We must learn from our past mistakes and move to ensure that the Great Lakes continue to be a valuable asset to the people and to the economy of central Canada.

Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Madam Speaker, I recognize the hard work of the member for Huron—Bruce on both the fisheries committee and on his trying to achieve and arguing for funding for the sea lamprey program in the lakes.

• (1855)

For members who may not be aware of this issue, sea lampreys are parasitic eel like fish that as adults attach themselves to other fish species and feed on their prey's body fluids. This is why they can cause great harm to fisheries resources and why the Great Lakes fisheries commission has worked over the years to control them. After spending four to seven years in a larva phase a sea lamprey lives one to one and a half years as an adult. It is during the adult phase that sea lampreys cause the most harm, killing up to 40 pounds of fish before they return to the rivers to spawn and die.

The main method used by the Great Lakes fisheries commission to control this parasite is to apply a lampricide in the rivers where the adult animals spawn. Although toxic to sea lamprey, the chemicals used have minimal effects on plants and other aquatic organisms.

As the Minister of Fisheries and Oceans announced on April 1 of this year, the federal government has renewed its support for the Great Lakes fisheries commission. The federal government will contribute \$6 million in fiscal year 1998-99 to continue the sea lamprey control program, an increase of over 14% over the last year. The Department of Fisheries and Oceans commitment to sea lamprey control is also not limited to funding for the Great Lakes

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fisheries commission. In addition to direct support for control of the parasite, the department carries out freshwater science programs that provide indirect support to the commission.

The hon. member would like a long term commitment with respect to funding for a sea lamprey control program in the Great Lakes. I am sure he would—

The Acting Speaker (Ms. Thibeault): I am afraid the time has expired.

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, I am delighted to rise this evening on this adjournment motion to ask the government for additional information on the entire question of unemployment insurance.

The Bloc Québécois has decided to make this week in parliament employment insurance week. We have poured our energies into drawing the government's attention to the experiences of the unemployed.

I think we have succeeded. We have pointed out totally unacceptable situations, such as the fact that only 41% of those unemployed are receiving benefits. Even worse, only 26% of young people paying premiums actually end up receiving benefits. This is totally unacceptable. And the government has not denied it.

The only reason offered by the Minister of Human Resources Development is that employment insurance requirements were tightened to keep students in school. I consider this an insult to our young people who have finished their studies and are entering the labour market. Is the minister unaware of what these people do as a job? When they enter the labour market they find precarious jobs, short term contracts for a few weeks or a few months.

In the first year they have to work 910 hours to be entitled to employment insurance, that is 26 weeks of 35 hours each. If it were possible, it would be 62 weeks of 15 hours, but there is no such thing as a 62 week year. There are only 52 weeks in a year.

In the end, with the new criteria, young people are systematically excluded, and three out of four unemployed young people do not receive benefits. That is totally unacceptable.

The week was encouraging because employment insurance and what the unemployed are going through drew public attention and because the Bloc hung on and made its point and got public support.

The sad part is that the minister talks about concentrating on active measures. They are important, but the federal government has delegated them to the provinces to a large extent under

manpower agreements. However, the federal government has not delegated what it calls passive measures.

Making sure someone has a decent income between jobs is not what I would call a passive measure. I think this kind of measure is essential to ensure that an unemployed person has a decent income and is able to meet his or her daily financial obligations.

• (1900)

Employment insurance is also an active measure because it keeps people off the welfare rolls. It is a known fact that, when people are forced to rely on welfare, when they receive welfare benefits over an extended period of time, it is much more difficult for them to re-enter the labour force. They lose touch with the existing networks. They are no longer used to compete for jobs. These are difficult situations.

The employment insurance program prevents people from having to rely on welfare. It is not a gift. Employment insurance is an acceptable social safety net that allows people to stay in the system.

For a long time, there was an agreement in Canada whereby resource based regions, such as the maritimes and certain parts of Quebec, would develop our natural resources in areas such as agriculture, forestry and tourism. On the other hand—and I will conclude my remarks on that note—central regions would have year round jobs. This agreement was broken by the employment insurance reform—

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the member but his time has expired.

[*English*]

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, in reply to my hon. colleague I would simply like to repeat what was told to him a short time ago. It is something which I think the hon. member understands very well.

Since March 1997 social assistance caseloads have declined in the provinces throughout Canada. The most recent figures from the Government of Quebec show that 436,200 households were on social assistance, which is the lowest number of cases since January 1993.

Some EI recipients eventually turn to social assistance, but a proportion of social assistance recipients have always been persons who either did not qualify for EI under the old rules or have exhausted their EI benefits. The vast majority of EI claimants, however, do not exhaust their benefits. They find other employment within 40 weeks of becoming unemployed.

As was told to the hon. member just on Monday, the government's employment insurance reform included bold new measures to help modernize the system and to better help Canadians to find and keep a job.

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First, we chose to invest more funds in active measures such as wage subsidies or self-employment assistance to help Canadians return to work as quickly as possible. These measures have a proven track record in helping people find jobs and get back to work.

Second, we have broadened the eligibility for these measures so that all Canadians who received EI or UI in the last three years can now benefit from these active measures as can people who collect maternity or paternal benefits during the last five years and then withdrew from the labour force to care for their child.

These are very important measures that I am sure the hon. member will appreciate. We have actively engaged the problem of unemployment, especially youth employment, and we are succeeding in the battle.

NUCLEAR WASTE

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, the people in my riding of Waterloo—Wellington and Canadians all across Canada are very concerned about our environment and what we as a society and as a country are doing to our environment both good and bad.

People know and understand that we need to do everything possible to protect and preserve our environment. People know and understand that we must not make decisions which will have harmful effects on our environment. People also know and understand that we need to pass on a clean and safe environment to future generations of Canadians. We owe this to our children and to our children's children.

The disposal of nuclear waste is a concern which is important to all Canadians. There is more than 1.2 million bundles of spent fuel, nearly 30,000 tonnes, in temporary above-ground storage at nuclear facilities across Canada. A lot of work has gone on to find a solution regarding proper and safe disposal of this kind of material.

I remind the House that the Atomic Energy Board of Canada Ltd. supported by Ontario Hydro has spent a considerable amount of time and resources on research to prove that creating enormous vaults inside the granite of the Canadian Shield is the best and safest method of disposal of nuclear waste.

The Atomic Energy of Canada Ltd. research showed that technology behind the proposed burial was safe. However Canadians remain sceptical and are not convinced that the solution was absolutely foolproof.

• (1905)

Accordingly a Canadian Environmental Assessment Agency panel decided it could not endorse disposal of nuclear waste in this manner. The panel is quoted as saying "While the safety of the

Atomic Energy of Canada Limited concept has been adequately demonstrated from a technical perspective, from a social perspective it has not". In addition the panel said "the Atomic Energy of Canada Limited concept in its current form for deep geologic disposal does not have broad public support and does not have the required level of acceptability to be adopted as Canada's approach for managing nuclear fuel waste".

As a federal government we need to make a decision on how to provide long term management of nuclear waste. It is important that we do so knowing that nuclear waste can remain harmful to the environment and health for up to 500 years and radioactive for as long as 10,000 years.

My question to the parliamentary secretary is straightforward. What does the government plan to do to dispose of nuclear waste in Canada?

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, I would like to thank the hon. member for Waterloo—Wellington for a very important and pertinent question. The member has raised the question on the floor of the House of Commons on several occasions. He has also met with the Minister of Natural Resources to discuss the matter in person. I think the House should show its appreciation and respect for the hon. member's very diligent interventions on this issue.

Let me be quite clear that the present practice of storing nuclear fuel waste at the reactor sites throughout Canada is done in a very safe, efficient and responsible manner. However the Government of Canada wants to be more sure that we have an appropriate long term solution for the waste that is created in our Atomic Energy of Canada Limited facilities as well as facilities throughout Canada.

We would like to develop the concept of deep geological disposal of nuclear waste in the granite rock of the Canadian Shield. This was a proposal which was investigated under a public review of this concept which was initiated in 1998 under the federal environmental assessment and review guidelines order.

An eight member Canadian environmental assessment panel chaired by Mr. Blair Seaborn held public hearings in five provinces which have a nuclear interest. On March 13, 1998 the Seaborn panel released its recommendations to the government regarding the safety and acceptability of the AECL concept.

The Seaborn panel report found that from a technical perspective, safety of the geological disposal concept had been adequately demonstrated from the conceptual stage of development. However the disposal concept in its current form did not enjoy broad public support.

The panel recommended that a nuclear waste management agency be established quickly. The panel also recommended that

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the first steps for such an agency would be to deal with the stated lack of broad public support necessary to ensure the acceptability—

The Acting Speaker (Ms. Thibeault): I am afraid the time has expired.

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 7.07 p.m.)

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