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OFFICIAL REPORT
(HANSARD)

Wednesday, October 21, 1998

Speaker: The Honourable Gilbert Parent

CONTENTS

(Table of Contents appears at back of this issue.)

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HOUSE OF COMMONS

Wednesday, October 21, 1998

The House met at 2 p.m.

Prayers

• (1400)

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

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

STATEMENTS BY MEMBERS

[English]

NATIONAL SPACE DAY

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, the Canadian Space Agency has a walk-in type exhibit of the international space station on display on Parliament Hill until tomorrow.

It is part of Canada's ongoing celebration of National Space Day, held on October 16, which allows us to voice pride in our nation's achievements in space, as well as being a source of inspiration for our youth.

In 1996 the space industry employed 5,000 across Canada, contributed \$1 billion in annual revenues and enjoyed a 30% export ratio, the highest in the world.

The Canadian space program provides countless opportunities for academic, economic and social growth. In fact this industry is both directly and indirectly responsible for many high paying jobs in my riding of Bramalea—Gore—Malton—Springdale.

I encourage all of my colleagues to visit NASA's educational and interactive display.

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ROYAL CANADIAN MOUNTED POLICE

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, last Wednesday I rode along with an RCMP officer of the Kelowna

detachment. First there was a security alarm at the superstore. Next he investigated a complaint from a woman who was being harassed by her ex-boyfriend. Then there was a domestic dispute. "Oh no, but let's go", the officer said.

With gentle language yet firm authority and command of the situation the officers—we had backup—separated the disputing parties and restored peace at least for that night.

Next we picked up a man who was off his medication. Earlier that night he had tried to enter a stranger's house. We took him to the hospital.

We investigated a break and enter.

This was but a small sample of what our police officers do every night. Our streets are safe because of the dedication and actions of these men and women.

It is too bad that the government has cut funding for the RCMP. Instead the government is wasting money on a useless gun registration program.

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THE LATE FRANK DOWLING

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, on September 29, at the age of 84, Frank Dowling died at Credit Valley Hospital of complications from heart disease and cancer.

Mr. Dowling was the first mayor of the town of Streetsville, a distinct community within my riding and the city of Mississauga. He lived in Streetsville all his life and served the community as an elected official and volunteer.

First elected to the village council in 1948, he became the first deputy reeve in 1956 and then reeve in 1958. When Streetsville became a town in 1962, Mr. Dowling was elected mayor. His efforts ensured that Streetsville maintained its unique character despite being amalgamated into the city of Mississauga in 1974.

Always the community activist, he served as president of the Streetsville Lion's Club and director of the Peel Children's Aid Society.

Mr. Dowling was a compassionate and dedicated person. He was an honest man who truly cared about others and his community. He will be missed by many.

S. O. 31

NATIONAL CO-OPERATIVES

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, last week was National Co-op Week.

In recognition of this event I invite members of the House and all Canadians to celebrate the contributions of the men and women who have chosen co-operative enterprise as their way of promoting the social and economic well-being of Canadian communities.

Some 10,000 Canadian co-operatives are a powerful social and economic force in Canada today.

Co-operatives have proven themselves to be a major job creator. In 1996 they employed more than 151,000 Canadians and generated a combined business volume of \$36.3 billion.

I wish to congratulate all those in the co-operative movement for their considerable achievements over the past year and I invite all Canadians to join in the celebration of co-ops in Canada.

* * *

[*Translation*]

CANADIAN ECONOMY

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, yesterday I announced some good news for the economy, and I will again today. This morning, Statistics Canada reported a 0.2% decrease in the consumer lending index for August-September, the biggest monthly drop in the past year.

Last Wednesday, the Minister of Finance announced that the Canadian Government had succeeded in having its first budget surplus in 28 years. Our government is managing public funds cautiously and efficiently. Solutions like the ones certain opposition parties are calling for are out of the question. They would put us all back into debt. We have no right to betray the trust of the Canadian people.

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[*English*]

FOREIGN FISHING

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, what is it about dealing with foreign fishing issues that makes our minister of oceans fold up like a deck of cards?

Whether foreigners are grabbing fish bound for Canadian waters on the west coast or engaging in a scorched earth policy on the east coast, the minister continues to put other fisheries ahead of our own.

Now we find that the minister has given the Makah natives a licence to hunt grey whale in Canada with an illegal high-powered 50 calibre weapon. In effect he is helping to destroy the internation-

al ban on whaling, licensing the use of an illegal 50 calibre weapon in Canada and putting Canadian lives in danger. Even the Humane Society is complaining.

• (1405)

Rather than extending a welcoming hand to Americans involved in this hunt the minister should be filing a formal protest to make sure the hunt never happens.

The minister has changed his mind four times on this hunt. Change it again, Mr. Minister. Do the right thing. Stop the hunting of grey whales.

* * *

WOMEN'S HISTORY MONTH

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, in honour of Women's History Month in Canada I would like to add my voice to those who support the initiative. I believe that it is important to the young women of our country. They need role models and mentors to meet the challenges of their adult lives with confidence. What better way to learn than through the stories of their foremothers?

As mathematicians, firefighters and astronauts, as lab technicians, architects and farmers, women are increasingly defying the stereotypes about what constitutes women's work.

These women are following in the footsteps of trailblazers like Harriet Brooks, Canada's first woman nuclear physicist.

By uncovering the often overlooked stories of women's diverse contributions to society we acknowledge women's role in history. We support a better understanding of what women do today. We open up the future for young women. More important than that, we change not only who but what goes into Canadian history books.

* * *

THE LATE KENNETH K. CARROLL

Mr. Joe Fontana (London North Centre, Lib.): Mr. Speaker, with the death of Kenneth K. Carroll on October 3, 1998, London, Ontario, Canada lost its premier nutrition biochemist.

Dr. Carroll was born in New Brunswick and came to the University of Western Ontario as a student. He received the first Ph.D. ever at the UWO.

Dr. Carroll performed a lifetime of pioneering work on the links between dietary components and disease and disease prevention, specifically with relation to breast cancer. He was the founding director of the Centre for Human Nutrition at the university. He trained numerous graduate students, postdoctoral fellows, technologists, research associates and visiting professors. His lab was an

international training centre. He worked energetically every day, right up until shortly before his death.

Dr. Carroll was a fellow of the Royal Society of Canada and received the lifetime achievement award of the American Oil Chemists Society in 1995.

Plans have been developed to establish the Ken Carroll chair in human nutrition at the UWO.

Dr. Carroll was a highly respected and internationally sought Canadian scientist who brought honour—

The Speaker: The hon. member for Selkirk—Interlake.

* * *

AGRICULTURE

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, many Canadian farmers are worried that they will not be able to feed their families or keep their farms. Farm commodity prices have collapsed and many farmers' 1998 income will only be 25% of what it was two years ago. Yet the Minister of Agriculture and Agri-Food and this government continue to say "Don't worry".

This government refuses to acknowledge that there is a problem. The Minister of Agriculture and Agri-Food continues to state that the net income stabilization account will be sufficient to address producers' concerns. The minister must know that NISA accounts will not even cover farm expenses. We must begin to discuss solutions to this emergency today. We cannot afford to wait until producers are forced off the land.

I call on the Minister of Agriculture and Agri-Food to admit the problem and admit that his safety net program is inadequate to deal with this crisis. I call on this minister to sit down and discuss real solutions to the emergency. The minister can start tomorrow when we start considering international trade issues at the agriculture committee.

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[Translation]

MADELEINE GAGNON

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, Madeleine Gagnon was elected to the Académie canadienne-française in 1987. She has been the recipient of numerous literary awards, including the Governor General's, the Arthur-Buies, and those given out by the *Journal de Montréal* and *Aquimédia*.

This prolific writer, teacher and speaker has frequently been invited as a keynote lecturer at a variety of Canadian and European universities.

A native of Amqui, Madeleine Gagnon returned there for the inspiration of her literary works. A superb role model, she is a

S. O. 31

source of great pride to the people of her birth place, which she has always depicted so masterfully in her books.

For all of these reasons, her excellent literary reputation in particular, Madeleine Gagnon is the ideal person to ensure that the Amqui municipal library develops to its full cultural potential.

Congratulations, Madeleine.

* * *

[English]

COM DEV INTERNATIONAL

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, last week COM DEV International of my riding of Cambridge and National Defence signed an \$8.6 million R and D contract to provide Canada's armed forces its own cutting edge military satellite communications system.

• (1410)

With its new Beam*Link processor technology, COM DEV Space Group's military satellite payload subsystem will be 30% more efficient and will boost the commercial export success of Canadian industry.

This is one of several projects DND and COM DEV have collaborated on since the early 1980s and will help to position COM DEV to secure future American military satellite contracts.

I applaud COM DEV, the Minister of National Defence and R and D for their activities.

* * *

VOLVO

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, at 5.30 this morning Volvo employees in my riding took over the plant. It should never have happened.

This Liberal government planted the bomb, lit the fuse and walked away. This government planted the bomb when it decided in the last round of world trade talks to lower auto tariffs. It lit the fuse by fostering NAFTA and now Volvo says "Goodbye Canada, hello Mexico".

This government walked away, making no contingency plans for what happens next. These workers are afraid for their future and their families' future.

Volvo told the workers that if they uttered a bad word about the plant closing they would lose their severance.

Now I understand Volvo plans to deny severance to compensate for years of work if an employee is lucky enough to find another job.

Now we have an occupied plant and police involvement.

In September I asked the industry minister to get involved in finding solutions to the Volvo mess. I and the people involved in this crisis are still waiting.

Oral Questions

[Translation]

WOMEN'S HISTORY MONTH

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, October being Women's History Month and this year's theme "The Business of Women: An Evolving Story", I would like to acknowledge the courage and imagination of all the women who made it into our history books, these repositories of our collective memory, as well as the many other women who did not.

Longueuil has a rich tradition of women who made their mark, including Simone Monet-Chartrand in the fields of human rights and literature, Jeanine Lavoix-Picard, the first woman elected municipal councillor, and the famous hat maker Yvette Brillon in the entrepreneurship category, to name but a few.

Women in business are nothing new, but today we can say they have become leaders in terms of job creation and economic growth. The "business of women" means entrepreneurship, of course, but also all the work done by women in their own homes and communities.

October is the month to remember all the women who have contributed to our evolution.

The Speaker: It is not often that one of our members has a baby. Congratulations, Caroline.

Some hon. members: Hear, hear.

* * *

YOUTH CENTRES

Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.): Mr. Speaker, on Monday, October 19, I attended the opening of a new workshop run by the Montreal youth centres, in my beautiful riding of Verdun—Saint-Henri, at Pointe-Saint-Charles to be precise. These youth centres have decided to work together to help young people who are not properly prepared for the labour market.

Indeed, young people between the ages of 18 and 24 living in low-income neighbourhoods have one of the highest unemployment rates on the island of Montreal. According to Statistics Canada, it was close to 21.2% in 1996. From March 1998 to March 1999, Human Resources Development will be funding the project to the tune of \$147,156, or 58% of the project cost.

Our young people must be well prepared because, the youth unemployment rate being what it is, they are facing a major challenge—

The Speaker: The hon. member for Shefford.

* * *

CHILD POVERTY

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, November 24, 1989 saw this House unite in a rare gesture of solidarity around

a matter of national urgency and unanimously pass a resolution expressing its common desire to eliminate child poverty by the year 2000.

Despite this clear and, I repeat, unanimous resolution, Canada now has 500,000 more poor children than it did in 1989. In fact, the child poverty rate has increased from 14.5% to 21%, meaning that one child in five now lives in a poor family.

I find these statistics alarming and once again urge the Minister of Finance to give priority to children in the next federal budget by indexing the national child benefit, among other things.

* * *

● (1415)

ACCUEIL BONNEAU

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, there are some occasions where agreement among all political parties is readily forthcoming, one example being the rebuilding of Accueil Bonneau.

Every year, the extraordinary team of volunteers at Accueil Bonneau serves 250,000 meals and snacks. Accueil Bonneau is a wonderful example of people working together in the fight against poverty right here in our community.

The solidarity and almost superhuman effort of those who rolled up their sleeves last June and have now rebuilt this welcoming shelter deserves our admiration.

Bravo to the many volunteers and to all politicians in Montreal. We thank them, and mention in passing that our government was also involved in this profoundly humane gesture of solidarity.

ORAL QUESTION PERIOD

[English]

APEC INQUIRY

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, 60% of Canadians think that the APEC clamp down is a matter worth investigating because it deals with the issue of human rights and a potential cover up in the Prime Minister's Office. However he responds with jokes and attacks on students, the media, the opposition and anyone else who even dares question him.

Since he refuses to voluntarily appear before the inquiry, how will Canadians ever know the extent of the Prime Minister's involvement in the APEC deal?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there is an inquiry going on under the laws of parliament. It is in process at this moment. We want the commission to do its work. It

Oral Questions

has started to hear witnesses. It has asked to have documents from my office and everything that was available.

Everything has been made available, and my chief of staff and other persons are available to the commission. Let the commission do its work. It is the way that we will get at the truth for the benefit of all Canadians.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, it is fine to talk about the conduct of the RCMP and what is going on at the investigation, but the Prime Minister's involvement is what Canadians want to know about.

The Prime Minister is not going to be able to just "little guy" his way out of this. Canadians want to know about his conduct and his involvement.

Will the Prime Minister stand and talk about his conduct in the affair? How is the big guy going to talk his way out of this one?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is very simple; we are not afraid of the truth at all. On the contrary, we want Canadians to know exactly what happened there. That is why we want the commission to do its work.

I know when opposition members see the commission making progress they are afraid to know the truth. We are not afraid of the truth at all because we know that if the police have done something wrong we will be informed.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, if the Prime Minister is not afraid of the truth, he should get himself on an airplane and get out to that inquiry and tell it exactly what the story was. That is the problem.

It seems to me that the government and the solicitor general have already determined what the truth is. We want to know about the Prime Minister's actions, not the RCMP. We know they are being investigated.

I ask the Prime Minister right here, right now, what was the level of his own involvement in this, or is the Shawinigan schemer just going to say "It is none of your business?"

Some hon. members: Oh, oh.

• (1420)

The Speaker: It is Wednesday and we know it. I urge all members to try to keep their words a little more reserved.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was there as Prime Minister of Canada hosting the heads of government of all members of APEC. It was one of the most important international meetings held in Canada.

I was the host of all heads of government, including the President of the United States, the President of China and the

Prime Minister of Japan. I wanted to make sure they had a good meeting, that they would have a peaceful discussion—

Some hon. members: Oh, oh.

The Speaker: The Prime Minister, if he so wants, has more time.

Right Hon. Jean Chrétien: Mr. Speaker, all these nations were at this international meeting to discuss the extremely important problem of the crisis in the Pacific at that time. My role was to chair that meeting. Everybody said that it was a very good meeting.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the RCMP was asked to release all relevant documents and tapes on the APEC affair, but a majority of the audio tapes of the RCMP radio transmissions around the affair is not available.

According to a source within the RCMP "Jean Carle wants this" and "Jean Carle wants that" are all over these tapes. Jean Carle was the director of operations for the Prime Minister. Is that why these tapes are missing?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the counsel to the commissioners said that they are very satisfied with the co-operation they are getting from the government. They are having access to all kinds of information. There have been no problems in that regard at all.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, all the officers who were on duty that day heard the name Jean Carle this and Jean Carle that. Yet surprisingly any of the documentation, tapes or transcripts that have been revealed by the commission to this point do not include his name.

My question is very straightforward. If Jean Carle was giving direction to the RCMP about the operation, who was giving Jean Carle his direction?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said, the counsel has said that there has been no problem in that regard. I understand the gentleman in question is appearing before the counsel himself.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, after the Prime Minister and the Solicitor General found themselves in hot water over the "Peppergate" affair, the president of the Liberal caucus is now blaming the young victims' lawyers. This is crazy.

Not only should the students be grateful not to have been hit over the head with baseball bats, but their lawyers should apologize for not working for free. Where will the government's arrogance stop?

*Oral Questions**[English]*

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as a matter of fact the complainants in this case were the people who requested this hearing.

The public complaints commission was established to deal with these kinds of issues and that is exactly what it is doing.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, during the Somalia inquiry, the government took aim at Justice Létourneau. During the tainted blood inquiry, the government took aim at Justice Krever. Now, in the “Peppergate” inquiry, the government is taking aim at the young victims.

Is it not sad to see that, whenever its actions are called into question, this government’s only defence is to blame others, without ever admitting that it was wrong?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I can assure the Bloc Québécois leader that we never targeted Justice Létourneau and Justice Krever. We took their recommendations into consideration.

- (1425)

In this case, the students are represented by the commission’s lawyer. The commission was set up to allow any citizen to file a complaint against the police without having to hire lawyers to represent him or her.

The court officer is there to serve the students, and he stated that he would provide them with all the services they—

The Speaker: The hon. member for Charlesbourg.

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, the RCMP has lawyers paid with public funds, the Government of Canada has lawyers paid with public funds and even the CBC cameraman has a lawyer paid with public funds. In the end, the only ones without lawyers are the students who got beaten up in Vancouver.

Why does the Prime Minister not realize that his position is untenable?

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the complainants in this case have the public complaints commission.

[Translation]

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, we are going to talk about that very thing.

The Solicitor General said yesterday that the commission’s funds could not be used to pay a lawyer for the students.

How can the Prime Minister let people think that the commission can look after representation for the students, when his Solicitor General has said the very opposite?

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said yesterday, we have increased the amount of money available to the public complaints commission by some \$650,000 to facilitate the process in the way that parliament originally intended.

* * *

EMPLOYMENT

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Minister of Finance.

Yesterday we had the very disturbing announcement by CN of a permanent layoff of 3,000 workers. This was on top of another recent announcement by Volvo in Halifax of closure. All these were done only in the name of preserving shareholder value.

The Minister of Finance often lectures Canadians on their responsibility to seek work. Does he not feel that corporations have a responsibility to maintain employment in this country and not lay off people permanently or otherwise simply to increase their shareholder value? Is there not such a thing as corporate responsibility in this country?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the decisions that are taken by private corporations are decisions which reside within the capacity of those corporations.

That being said, I have said on numerous occasions that the downsizing which has taken place over the last two or three years in many cases is the equivalent of dumbsizing. In fact, it leads to lack of employee loyalty. It leads to absenteeism. I do not think it makes a lot of sense.

This is not to deal with this particular issue, but it certainly deals with a movement that we have seen throughout North America.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the reason CN is a private company is that the treachery of the Liberal Party sold off the CNR and made it for all intents and purposes an American owned company that now operates without giving two hoots about Canada.

Does the Minister of Finance not see that this was a mistake? Will he be speaking to CN about operating in the interests of Canada and not in the interests of its 60% American shareholders thanks to the Liberal Party of Canada?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I am quite affronted. The hon. member talks about treachery when he knows he is talking about a decision democratically taken by members of the House of Commons to privatize

Oral Questions

Canadian National Railways. I think he should withdraw that slight of CN and members of the House.

As the Minister of Finance has said recently there are some troubled waters. There are ups and downs in the economy and what CN is doing is reflecting a downturn in revenues.

Let us hope that this will only be temporary and that those people will be rehired at a later date.

* * *

IMMIGRATION AND REFUGEE BOARD

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the Prime Minister must be aware that one of his patronage appointments committed a most repugnant act.

John Frecker, deputy chair of the Immigration and Refugee Board, has admitted to giving a nazi salute and a sieg heil comment to another board member who is a Holocaust survivor. Such behaviour is disgraceful and should not be tolerated.

The Prime Minister appointed Mr. Frecker. We know the Prime Minister likes shaking hands with dictators who abuse human rights, but will he do the right thing here and will he replace John Frecker immediately?

• (1430)

The Speaker: I am going to let the minister of immigration answer the question if she wants to.

[*Translation*]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, an unfortunate incident occurred on the Immigration and Refugee Board. The commission chair—and I would remind the House that this commission is a quasi-judicial tribunal—requested an outside inquiry, which was carried out revealing no general problem within the commission. The individual in question offered an apology to the entire staff of the commission. Accordingly, as far as I, the minister responsible, am concerned the matter is closed.

[*English*]

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, we are aware of the apology but that is not enough. The Immigration Act allows for a public judicial inquiry to investigate the need for disciplinary action against members of the refugee board. Instead of a public inquiry the same lawyer who is representing the government on APEC affairs was hired to do a report on the Frecker case. The refugee board hears the cases of people fleeing genocide, murder and torture and so on.

Why was there no public inquiry into Frecker's actions. Is this another cover-up like APEC?

[*Translation*]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the leader of the Progressive Conservative Party is blowing the situation out of proportion. It was handled well by the chair of the Immigration and Refugee Board. The people involved in the incident accepted the individual's apologies and, as far as the commission is concerned, the matter is closed.

* * *

[*English*]

APEC INQUIRY

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, according to RCMP tapes Jean Carle was the man giving the orders to the RCMP at APEC.

My question is to the Prime Minister and it is very simple. Did he give Jean Carle the green light and order the clamp down at APEC, yes or no?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as everyone in this House knows, there is an inquiry going on in Vancouver. It is being done in the way that parliament feels these kinds of issues should be dealt with. The commission counsel has access to \$650,000 additional dollars to make sure everyone has the assistance they need to ensure this is done fairly.

I wish hon. members would let us get to the truth.

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, my question is to the Prime Minister. The only thing we want to hear the solicitor general say when he stands up is "I resign".

The Prime Minister is the only man in Canada who can clarify this issue. Let us try it again. Was Jean Carle acting on the orders of the Prime Minister, yes or no?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Mr. Carle will be a witness. He volunteered to be a witness. Let him appear in front of the commission. The commission will hear him. Mr. Carle was responsible for the operation because it was a summit receiving 18 other leaders of the world. Mr. Carle had to be communicating with everyone. He is a witness. He volunteered to be a witness and he gave all the documents the commission asked him for.

* * *

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the Minister of Human Resources Development used to tell us to wait for his study if we wanted to know the changes to be made to his program. Now he is

Oral Questions

using that study to disguise reality and to cover his colleague in finance, who wants to get his hands on the EI surplus.

Does the minister admit that the reality presented in his study is that, out of 100 unemployed workers who have paid into the fund, only 43 drew benefits?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is wrong, and he knows it. The hon. member is mistaken, and he has understood nothing in the study. Let us be clear, and I will make it clear for once and for all: 78% of those who contribute to employment insurance draw benefits from our system.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I invite the minister to have a look at the table on page 47 of his study, and then he will make no more ridiculous statements like that one.

The minister should tailor the employment insurance program to the new needs of the labour market. When we see that only 43% of unemployed workers who contributed to the plan received benefits in 1997, does the minister acknowledge that his program has been tailored to fit the Minister of Finance's need of funds far more than to fit the needs of the labour market?

• (1435)

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it blows me away to see how incapable the Bloc Québécois members are of doing their homework and reading the most elementary of studies.

The contributor-recipient ratio is not a good tool for measuring the efficiency of the system. The 58% of unemployed they refer to are people who never contributed to the employment insurance system. They are young people who are coming on the labour market but have not yet taken part in the labour market. They are self-employed workers, who are not covered, and for whom employment insurance was never intended. They are people who have been out of work for more than a year and have not contributed—

The Speaker: The hon. member for Lakeland.

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[English]

IMMIGRATION

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, international drug cartels have targeted our refugee system as an easy mark to get their dealers on to our streets.

Last week Vancouver police arrested 72 drug dealers, most of whom were refugee claimants. Rather than taking action to fix the situation our immigration minister says it is not her problem, it is a police problem.

I would like the minister to stop passing the buck and to admit this problem is her responsibility and not that of the police.

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, our department is very aware of the present state of affairs in Vancouver and is concerned about drug trafficking.

Despite what the opposition member just said, it was my department that created a committee last May to co-ordinate the efforts of all agencies involved, including the police, in order to find out exactly what is going on.

The Immigration Act provides us with all the tools we need, and if foreign nationals are found guilty of crimes in Canada, we will be able to deport them.

[English]

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, I will tell the minister what is going on because I was on the streets of Vancouver and I saw what was happening.

Refugees are abusing this system and dealing drugs on our streets. The police are calling for action. Officials in her own department are calling for action. She sits by and pushes papers. Why does she not push these pushers out of the country?

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I trust that, as Canadians, Reform Party members subscribe to our justice system and its presumption of innocence.

Someone charged with a crime is not immediately presumed to be a criminal. The judicial process must be allowed to take its course. But the moment people are sentenced, it is very clear that the Department of Citizenship and Immigration will take action.

* * *

EMPLOYMENT INSURANCE

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, the Minister of Human Resources Development has already told us that young people will no longer have access to benefits as the result of his reform, because, and I quote "Every time we give young people ready access to the employment insurance system, we do them no favour".

Is the minister not ashamed at having all the young people pay contributions, when, for their own good, they are essentially denied access to benefits?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, as the Minister of Human Resources Development in a responsible government, I consider it

Oral Questions

vital to not help young people gain easy access to a precarious life where they move from one little job to another. That is what I said.

As for those who have contributed, most of them get their contributions back at the end of the year when they are not covered.

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, I understand from the minister is that he is looking out for the welfare of the young people, but in exchange he wants to take money from their pockets to give to the Minister of Finance. That is unacceptable.

Let us take as an example a young person who has worked ten hours a week at McDonald's. Will the minister acknowledge that this young person had not been contributing before and now he is, except that he no longer qualifies for EI.

• (1440)

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it is vital that the system be fair and help young people get somewhere in life.

We are being criticized for having set up an hour based system. We did change from a system based on weeks to one based on hours and I think this arrangement has helped women in particular, because they work in part time jobs, which are now covered, whereas they were not in the past. This is a much more interesting situation.

* * *

[English]

AGRICULTURE

Mr. Garry Breitreuz (Yorkton—Melville, Ref.): Mr. Speaker, I met with many farmers in the last while and they have a message for the minister of agriculture. There is a farm income crisis on the prairies. Average net farm income in Canada dropped 55% last year and will drop 50% this year. Farmers also told me that NISA and crop insurance do not cut it anymore.

Will the minister admit there is a farm income crisis on the prairies, yes or no?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we have for a number of months been having discussions with the farm leaders and the provinces to discuss the unfortunate situation as far as farm income is concerned.

What the farmers are fortunate for is the fact that the Reform Party is not the government because in the last election it said it would cut funding to departments like agriculture, fisheries and natural resources by \$640 million and then it would take away from the departments another \$690 million. Aren't farmers fortunate that Reform is not the government.

Mr. Garry Breitreuz (Yorkton—Melville, Ref.): Mr. Speaker, this minister knows that the bureaucrats would have been the ones who lost the funding, not the farmers.

I cannot understand why this minister is not listening. The Saskatchewan legislature had an emergency debate yesterday. All parties passed a resolution. This minister ought to be listening to what is happening on the prairies. It is about time he got his head out of the stubble field.

The average NISA account is not even enough to pay for the fertilizer and the fuel next spring. Does the minister not recognize that there is a serious farm crisis in incomes that needs to be addressed now and not talked about?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member knows that I have had discussions with my colleague in Saskatchewan and all my colleagues and farm leaders across the country. As recently as last week the safety net review committee met all day long in Ottawa. We have had discussions with those people and I am calling other meetings in the very near future to act on this in a very proactive way in partnership with the producers, the provincial governments and all those involved.

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[Translation]

EMPLOYMENT INSURANCE

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Let us take a look at how women fare in his employment insurance system. This woman is a waitress in the Lower St. Lawrence region; she is pregnant and under preventive withdrawal from work. She worked enough hours to qualify for regular benefits, but not for maternity leave.

How can the minister defend a system that penalizes pregnant women? Is this not a shameful and scandalous situation that should be changed?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, moving to an hour-based system benefits women in particular.

Until recently, women who worked part time were not even eligible for maternity leave, as 15 hours of work were required to qualify.

* * *

• (1445)

CENTRES OF EXCELLENCE

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, my question is for the Secretary of State for Science, Research and Development.

Oral Questions

Last week, an important announcement was made regarding the networks of centres of excellence. Could the secretary of state tell this House what economic spin-offs this investment will have?

Hon. Ronald J. Duhamel (Secretary of State (Science, Research and Development) (Western Economic Diversification), Lib.): Mr. Speaker, there are now 14 centres of excellence across Canada. As a result of the announcement I made in Quebec City last week, three new centres were added, representing a \$41 million investment: one for mathematics, another for arthritis and finally, one called a geoid, with its administrative centre in Laval.

These centres stand for state-of-the-art research. They stand for partnership, as universities work together with industry and the private sector, across the country. The centre of excellence for arthritis will address the needs of 8 million affected Canadians. This is good news.

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[English]

ABORIGINAL AFFAIRS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I suggest you turn all their lights on so they do not miss their turn.

According to access to information, the government granted \$22,000 in media expenses after the shooting of Connie and Ty Jacobs on the Tsuu T'ina reserve. I am wondering if this money could not have been put to better use, like counselling for families.

Could the minister explain what specifically was this \$22,000 intended for?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I have said many times in the past, we are working together with both the province of Alberta and the AFN to get to the bottom of what happened on the Tsuu T'ina reserve. We look forward to working through this over the course of the fall at the request of the community.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, after more than six months of investigation into the shooting of Connie and Ty Jacobs on the Tsuu T'ina reserve it is finally coming to an end at noon today Alberta time.

And I thought the solicitor general was going to resign the next time he stood up.

Regardless of the outcome, the families have demanded from the very beginning that there be an independent investigation into the entire social and economic problems that this reserve faces and which led to this tragedy.

Will the minister find the money, \$22,000 or whatever it takes, and recognize the family's concerns and—

The Speaker: The hon. solicitor general.

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, we have been working on this for quite some time. We are simply waiting for the other legal actions to play themselves out. Consequently, when this happens we will be able to move on with a broader inquiry.

* * *

APEC INQUIRY

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

Two months before the APEC summit, Robert Van Derloo, the executive director of the federal APEC office, wrote "PMO has expressed concerns about the security perimeter at UBC, not so much from a security point of view but to avoid embarrassment for APEC leaders".

My question is for the Prime Minister, not his cover the solicitor general. Is this statement true?

• (1450)

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I have said many times, there is a process in place. It is called the public complaints commission. It is what parliament established to get to the truth in matters like this. It is doing its job even as we speak and I look forward to finding out the results.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I will try again with the Prime Minister.

On November 25 of last year, the same day as a TV cameraman and UBC students were pepper sprayed, the Prime Minister said "I do not think APEC will ever have human rights on its agenda".

In view of the brutal arrests, beatings and water cannon attacks on demonstrators in Malaysia, does the Prime Minister believe that human rights should be on the agenda of the upcoming Malaysia APEC summit? Yes or no?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said and I repeat that it will not be on the agenda.

I will have the occasion to speak with the prime minister of Malaysia. I will express the concerns that have been expressed here in the House of Commons by the Minister of Finance, the Minister of Foreign Affairs and myself. We think they should respect human rights, particularly in the case of the minister of finance for that country.

* * *

TRANSPORT

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, my question is for the Minister of Transport.

Smoke in the cockpits of airplanes continues to be a problem. The FAA just produced a study in the U.S. called "Aging Transport Non-Structural Systems Plan". It says that a more complete description of undesirable wiring system conditions is needed and that observations for chafing, broken clamps, sagging, interference, contamination, cracking and splitting need to be addressed.

I ask the Minister of Transport what actions have been taken to address these FAA concerns.

Hon. David M. Collett (Minister of Transport, Lib.): Mr. Speaker, this is an issue that is concerning a lot of people in the wake of the Swissair accident.

The FAA last week made some comments and quoted some proposals about better quality of insulation in the interior of planes.

Transport Canada as a regulator in Canada is working with the FAA in developing new standards. That work is not yet completed. It would be premature to enact new standards or put new standards in place until we are absolutely satisfied that we have all of the information available.

We hope to be able to have some recognition of this work in the coming months.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, the FAA report goes on to say that current maintenance practices do not adequately address wiring components and there is currently no systematic process to identify and address potential catastrophic failures caused by electrical faults in the wiring systems.

Considering that the FAA has determined that inspections do not address the wiring failures adequately, will the minister now appoint a group or committee to focus on this very issue of aging wires?

Hon. David M. Collett (Minister of Transport, Lib.): Mr. Speaker, we do not have to appoint a committee to deal specifically with this. We have working committees at Transport Canada engaged in all facets of airline safety, every day, every week of the year.

Safety is the number one priority for Transport Canada. We are trying to ensure that all the planes that fly meet the safety standards. We believe that they do. That does not mean to say there cannot be new methods of insulation, or new wiring that would be better in newer aircraft.

All the commercial aircraft that are flying in Canada today have been certified by Transport Canada, the FAA or other regulatory agencies. They are certainly safe to fly in.

Oral Questions

ENVIRONMENT

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

The Canada-wide acid rain strategy signed on Monday has been criticized for lacking specific solutions. What is the federal government doing to reduce acid rain and its devastating effects on our lakes and forests in Canada?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, acid rain continues to be a very serious issue in Canada and the continent. It has a very serious impact on our natural resources, our forests, our fisheries and our human health.

At a meeting this week with ministers of the environment and energy, we agreed to develop a strategy for further reductions of acid rain in the post 2000 period. I look forward to working with my colleagues to set targets and timelines.

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HEPATITIS C

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, on the hepatitis C compensation the health minister used the figure of 22,000 victims in the period 1986 to 1990. Through access to information we found out that that is not correct. The very maximum is 11,700 and it could be as low as 6,600.

● (1455)

Could the health minister explain to all Canadians why he used these numbers that were absolutely false?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, while the member was looking through access to information, there were public documents published this summer for all the epidemiologists representing all the interested parties. It went through a public process to estimate all those infected through the blood system.

All those numbers are published through newspapers. Perhaps the member ought to look up the local newspaper instead of worrying about the access to information.

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[Translation]

EMPLOYMENT INSURANCE

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister claims that his reforms sought to adapt the employment insurance program to the new realities of the labour market.

Oral Questions

How can the minister make such a claim, considering that he is forcing parents who have decided to stay at home to raise their children to work 30% to 117% more hours to qualify for EI benefits, when they go back to work? What are we to think of a program that penalizes women in particular?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, on the contrary, women were at the core of our reform, and we are helping them more by using a system based on the number of hours worked.

Earlier, someone alluded to maternity leave, but forgot to point out that access to active measures and training was extended to five years for women on maternity leave.

We made all kinds of improvements for women, and we are absolutely confident that our system will continue to serve Canadians well. We will continue to monitor its implementation, and we will report in January, as—

The Speaker: The hon. member for Winnipeg North Centre.

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[English]

HEALTH

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, my question is for the finance minister.

Last week in Toronto, 17 of 19 emergency rooms were turning patients away. Today in Ottawa paramedics warned that overloaded hospitals are putting patients at risk. One nurse said the emergency department is like the canary in the mine, the first place you see the problems from funding cuts.

The finance minister would not commit to health care funds at the finance committee last week. Will the minister put \$2.5 billion in transfers for health care in the coming budget before any more lives are put at risk?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we have made clear that health care is one of the central priorities of the government.

The Prime Minister has said plainly that health care will be the focus of our next major reinvestment, and that is a commitment on which we intend to follow through.

* * *

[Translation]

CHILD POVERTY

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, my question is for the Minister of Finance.

Today, the Canadian public education movement known as Campaign 2000 met with the national caucuses of all parties in this House, in order to raise awareness of the alarming rise in child poverty in Canada.

What measures does the minister plan to take in order to reverse this extremely alarming trend with its disastrous effects on the most vulnerable members of our society?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, our government is well aware of the problem of poverty in Canada.

Later this afternoon, I myself will be meeting with the Campaign 2000 representatives, who are doing an excellent job of raising Canadian awareness of the importance of poverty, child poverty in particular, which is a priority for our government.

This is why we, in conjunction with the Minister of Finance, have designed a new national child benefit which will, over the next two years, mean an additional \$1.7 billion investment in the battle against child poverty.

* * *

[English]

ENVIRONMENT

Mr. Carmen Provenzano (Sault Ste. Marie, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

Federal, provincial and territorial ministers of energy and the environment have just finished two days of meetings in Halifax.

Would the minister tell the House what progress has been made to enable Canada to meet its Kyoto commitments to reduce greenhouse gas emissions?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, it was a very positive, cordial and productive meeting.

Ministers reviewed the progress being made by 15 analytical groups that involve 450 Canadian experts representing every province and every sector of the Canadian economy. They are all working on every aspect of the climate change challenge.

We also worked on credits for early action, on international negotiations and on public outreach and engagement. We also announced the details of Canada's climate change action fund. That fund brings our federal investment toward climate change solutions to more than \$200 million annually.

* * *

● (1500)

GREENPEACE

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, Greenpeace activists boarded a freighter in California carrying

newsprint from British Columbia, chained themselves to the cranes and prevented the freighter from docking and unloading.

Last week we had a very similar incident in Connecticut. It was handled with dispatch by U.S. authorities without much fanfare. But this is all part of the Greenpeace \$1 million boycott campaign aimed at British Columbia forest products.

How is the government going to ensure that Canadian ships have continued access to U.S. ports with these activities going on?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, this is an issue that involves a number of departments and agencies within the Government of Canada and obviously within the U.S. government.

Our thrust will be twofold: first of all to ensure that buyers around the world understand the true story about Canadian forestry practices so that they can understand that forestry in Canada is conducted in a sustainable manner; and second, we will insist that our trading partners, like the United States, live up to their obligations and allow Canadian ships to land when they are supposed to.

ROUTINE PROCEEDINGS

[Translation]

STANDING ORDERS OF THE HOUSE OF COMMONS

The Speaker: I have the honour to table a copy of the Standing Orders of the House of Commons reprinted in September 1998, including all the amendments since June 1997 and an amended index.

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[English]

COMMITTEE OF THE HOUSE

TRANSPORT

Mr. Stan Dromisky (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, in accordance with the provisions of Standing Order 109, I have the honour to table, in both official languages, copies of the government's response to the fourth report of the Standing Committee on Transport entitled "The Renaissance of Passenger Rail in Canada".

* * *

[Translation]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am

Routine Proceedings

pleased to table in both official languages a number of order in council appointments which were recently made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

• (1505)

[English]

INTERPARLIAMENTARY DELEGATIONS

Hon. Sheila Finestone (Mount Royal, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the delegation of the Canadian interparliamentary union group which participated at the 19th working committee and general assembly of the ASEAN Interparliamentary Organization which was held in Kuala Lumpur, Malaysia from August 24 to August 28, 1998.

I have the distinct privilege to present, in both official languages, the report of the delegation of the Canadian interparliamentary union group which travelled to Bangkok, Vientiane, Laos and Cambodia from August 28 to September 3 in support of Canadian action on anti-personnel land mines.

I take this opportunity on behalf of all parliamentarians to congratulate the Minister of Foreign Affairs who will receive later this week in Lisbon the north-south prize of the Council of Europe in recognition of his strong commitment to this struggle for democracy, global interdependence, solidarity and human rights. It is a well-deserved award. I recommend this report for reading to all members.

Pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the 100th interparliamentary conference which was held in Moscow, Russia from September 7 to September 13. I commend all delegates who worked so hard to move on international issues which are so important to all of us.

The Speaker: I have a report from the member for Toronto Centre—Rosedale. I will make an exception to our rules that you must be on your feet. The hon. member will be able to deliver his report sitting down.

[Translation]

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House of Commons, in both official languages, the report of the Canada-Europe Parliamentary Association to the seventh annual meeting of the Parliamentary Assembly of the Organization on Security and Cooperation in Europe, held in Copenhagen, Denmark, from July 7 to 10, 1998.

Routine Proceedings

[English]

This report contains resolutions concerning Kosovo, the economic charter of the OSCE and the support of OSCE missions in various unstable or emerging democracies. After active debate and the participation of many members of our delegation, many of whom are in the House today, we can say that this meeting provided an opportunity for Canadian parliamentarians to meet representatives from European and Eastern European countries, to make important contacts and exchange views that will be of value to all Canadians, and to contribute to the development of human rights in an important part of the world.

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND HUMAN RIGHTS

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 12th report of the Standing Committee on Justice and Human Rights. Pursuant to the order of reference of Tuesday, April 21, 1998, your committee has considered private member's Bill C-208, an act to amend the Access to Information Act. Your committee has agreed to report that bill with an amendment.

The committee greatly appreciates the very hard work and professionalism of the member who presented the bill, the hon. member for Brampton West—Mississauga. The committee also greatly appreciates the work of the parliamentary secretary and the justice department, which bent over backwards to accommodate the wishes of parliament and the work of this private member.

● (1510)

PUBLIC ACCOUNTS

Mr. Ivan Grose (Oshawa, Lib.): Mr. Speaker, I have the honour to present the 17th and 18th reports of the Standing Committee on Public Accounts respecting chapters 3, 4 and 7 of the April 1998 report of the Auditor General.

I might say that any constituents who are interested in the armed forces should read chapters 3 and 4 which are involved with equipping and modernizing the Canadian forces and buying major capital equipment. I would invite them to call either my office or the office of their member of parliament.

Pursuant to Standing Order 109 of the House of Commons, the committee requests the government to table comprehensive responses to these reports.

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Bob Kilger (Stormont—Dundas, Lib.) moved for leave to introduce Bill C-445, an act to change the name of the electoral district of Stormont—Dundas.

He said: Mr. Speaker, I am pleased to present this bill which is an act to change the name of my electoral district of Stormont—Dundas.

Under redistribution, an area formerly known as Charlottenburg township was added to my riding. With the support of my constituents, I would like the riding to be renamed to Stormont—Dundas—Charlottenburg.

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

* * *

INCOME TAX ACT

Mr. Monte Solberg (Medicine Hat, Ref.) moved for leave to introduce Bill C-446, an act to amend the Income Tax Act (removal of foreign investment limit for registered retirement savings plans and registered retirement income funds).

He said: Mr. Speaker, I think this is an important private member's bill that I am putting forward. The intent of it is, first of all, to protect, preserve and enhance the ability of Canadians to save for their retirement.

If we believe that truly is the purpose of the registered retirement savings plan and the RRIF, then I think we should support this bill. It would give Canadians who have access to about 2% of capital markets in their own country a chance to spread their investment portfolios around.

Second, I point to a Conference Board of Canada study which says that Canadians would be far richer in their retirement savings if they had access to other markets around the world.

Finally, I simply want to say that ultimately all of this money would come back into Canada when people dispose of their RRSPs. It would leave the Canadian treasury and Canadians, in general, better off. Therefore, I seek the support of my colleagues in putting this forward.

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

Mr. Bryon Wilfert: Mr. Speaker, I rise today to seek the unanimous consent of the House to withdraw Bill C-370, which is No. 5 on the order paper.

The Speaker: Does the hon. member have permission to put the motion?

Some hon. members: Agreed.

Routine Proceedings

The Speaker: The House has heard the terms of the motion. Is it agreed?

An hon. member: No.

The Speaker: Perhaps I did not explain it correctly. This is a motion, with unanimous consent, to withdraw a private member's bill. Is there unanimous consent?

An hon. member: No.

* * *

• (1515)

PETITIONS

GASOLINE

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am honoured to present a petition organized by Norm Tufts and signed by residents of Grand Band, Parkhill, Thedford and London.

The petitioners note that the use of MMT in gasoline has been proven to foul within emission control devices and adversely affects engines performance resulting in higher smog levels. The petitioners call on parliament to set new national clean fuel standards for gasoline with zero MMT and lower sulphur content.

BILL C-68

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, I have two petitions to present today. The first one deals with Bill C-68. It has 100 signatures from the citizens of my riding of Lethbridge.

The petitioners are concerned with Bill C-68 for the following reasons. Bill C-68 will do nothing to stop the criminal use of guns, it is not a cost effective way to control crime, it puts thousands of jobs in jeopardy and is opposed by police on the streets in Alberta, Manitoba, Ontario, Saskatchewan and Yukon.

The petitioners call on parliament to repeal Bill C-68 and redirect the money to proven methods of gun and crime control and it is my pleasure to join them.

MARRIAGE

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present the following petition on behalf of the citizens of Lethbridge. There are 1,750 signatures on this petition.

My constituents believe that some of the greatest problems in our society are the problems surrounding marriage and family life. As family life goes, so does the rest of society. Troubled families produce a troubled society which is what we see happening in our nation today.

In order to protect the nucleus of society the petitioners call on parliament to enact Bill C-225, an act to amend the marriages act

so as to define a statute that a marriage can only be entered into by a single male and a single female. It is my pleasure to support this petition.

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present petitions signed by over 1,000 residents of Alberta and British Columbia who express serious concern about rampant human rights abuses in Indonesia and in particular about serious looting, rioting and the death of more than 1,300 people last May.

The petitioners note that hundreds of ethnic Chinese women were raped and they point out that there is a long history of discrimination against ethnic Chinese living in Indonesia.

The petitioners call on Canada as a human rights leader to speak out on this and they urge parliament to appeal to the president of Indonesia to enact and enforce laws so as to protect the safety and rights of the ethnic Chinese, to bring those responsible for these atrocities to justice, to apologize and compensate the victims and to form an autonomous committee promoting racial harmony.

The petitioners call on Canada to modify our current immigration regulations to help respond to this humanitarian crisis. I certainly echo their call.

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present a second petition which is signed by residents of my constituency of Burnaby—Douglas noting the concerns around the multilateral agreement on investment.

The petitioners point out that through this agreement the rights of Canadian citizens and the power of the Canadian government will be greatly suspended and superseded by those of foreign investors and multinational corporations.

The petitioners therefore call on parliament to consider the enormous implications to Canada by the signing of the MAI and put it to open debate in the House and place it for a national referendum for the people of Canada to decide.

I note that today it appears the MAI is dead at the OECD but nevertheless I believe this petition is important to register the ongoing concerns.

BILL C-68

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I rise today to present a petition signed by the residents of South Shore. These constituents believe that this government should repeal Bill C-68 on the grounds that it does nothing to deter violent crimes and that the money would be better spent on putting more police on the street.

Routine Proceedings

BILL C-225

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I have a second petition signed also by residents of South Shore. These constituents believe that this parliament should enact Bill C-225.

MARRIAGE

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I rise to present a petition from constituents from the town of Brooks and the town of Tilley calling on parliament to define in statute that a marriage can only be entered into between a single male and a single female.

TOBACCO SPONSORSHIP

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, my second petition is from constituents of Medicine Hat calling on parliament to reject any bill that would weaken the sponsorship provisions in the Tobacco Act. The petitioners point out that tobacco sponsorship advertising is a way for tobacco companies to associate a positive lifestyle image with a deadly product.

• (1520)

There are some 30 names on that petition.

ABORTION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I have another petition from the constituents in the towns of Taber and Grassy Lake calling on parliament to hold a referendum on the issue of medically unnecessary abortions.

They point out that there were 106,000 unborn children who lost their lives in abortions in 1995 and they expressed their concern over that.

I also have two petitions from constituents—

The Speaker: It's like baseball. Three strikes and you're out. The hon. member for Yukon.

IRAN

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, I have a petition of over 80 pages of signatures. The petition states that Canada should declare Iran as an unsafe country and that government stop all deportations to Iran immediately.

The petitioners ask this because in the last 20 years the Islamic republic of Iran has executed over 100,000 women, men and children in Iran and has assassinated hundreds of its opposition members abroad as well.

They ask this since no one is allowed to openly express political positions in Iran without danger of execution.

MARRIAGE

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, according to Standing Order 36 I would like to present two petitions. The first one asks the government to support Bill C-225, an act to amend the marriage and interpretation acts so as to define in statute that a marriage can only be entered into between a single male and a single female.

JUSTICE

Mr. Werner Schmidt (Kelowna, Ref.): The next petition, Mr. Speaker, is signed by hundreds of petitioners and it asks that the government change the Young Offenders Act to reflect the concerns of the citizens of Canada by lowering the age limit and transfer those accused of crimes of violence to adult court and publishing the identity of violent crime offenders. I am pleased and honoured to support both these petitions.

The Speaker: Of course, my colleagues, it is not necessary to either support or not support petitions.

PAY EQUITY

Mr. Mark Muike (West Nova, PC): Mr. Speaker, pursuant to Standing Order 36, I would like on behalf of well over 100 constituents from the riding of West Nova, to present a petition calling on this government to respect the Canadian human rights tribunal decision on pay equity that would see mostly low income female federal public servants be compensated for years of discrimination they endured in the workforce.

They call on the government to immediately comply with the orders of the Canadian human rights tribunal in the matter of pay equity.

BANK MERGERS

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition signed by many constituents calling on parliament and the Minister of Finance to stop the mega bank mergers.

The constituents are very concerned that if these mergers proceed they will adversely affect the jobs and social well being of our communities and small businesses across Canada and that they will change drastically the financial landscape of our country in a very negative way.

BILL C-68

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I am pleased to present 705 more pages of petitions with 16,486 more signatures of concerned citizens from seven different provinces.

About half these petitions are from the province of Quebec and the petitioners find it regrettable that they cannot find an MP in Quebec to present these petitions calling for the repeal of Bill C-68.

My constituents have asked me to keep a running total of the repeal Bill C-68 petitions I have introduced. This year I have introduced 1,509 pages with 35,321 signatures.

These petitioners request parliament to repeal Bill C-68, the Firearms Act, and redirect the hundreds of millions of tax dollars being wasted on licensing 8 million law abiding, responsible firearms owners and registering 21 million legally owned guns to real crime fighting measures. These 35,000 petitioners also provide the government with a list of higher priority criminal justice programs where these billion dollars of public money could be

Routine Proceedings

much better spent such as putting more police on the street and fighting organized crime and biker gangs. Many people are appalled that the RCMP is cutting back on essential services while the government has wasted \$200 million more on gun registration.

(Order discharged and bill withdrawn)

* * *

• (1525)

[Translation]

PROPERTY RIGHTS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the second petition I am pleased to present has 311 pages of petitions with signatures of 7,644 concerned Canadians from Quebec, Ontario, Alberta, Manitoba and my home province of Saskatchewan.

QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following question will be answered today: No. 117

[Text]

For those who are keeping track that is a total of 11,918 signatures of people who are demanding better protection of property rights in federal law. These Canadians are concerned that there is no provision in the charter of rights and freedoms that prevents government from taking anything they own without compensation. They are concerned that there is nothing in the charter which restricts the government in any way from passing laws which prohibit the ownership, use and enjoyment of their private property or reduces the value of their property.

Question No. 117—**Mr. John Duncan:**

In the last five years, on the west coast of Canada, how many licences have been applied for, have been issued, have been denied, and have been revoked by the minister under the regulations to the Coastal Fisheries Protection Act allowing foreign fishing boats into Canadian waters, broken down by year and by foreign country and by reasons that the licences were applied for and by reasons that the licences were issued?

These petitioners request parliament to support my private member's bill which would strengthen the protection of property rights in federal law and which died after only one hour debate in the House.

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): The attached tables list the licences issued under the coastal fisheries protection regulations allowing foreign vessels into Canadian waters and ports on the west coast of Canada:

The Liberals opposed the motion to even study the concerns of these thousands of people and it is not a lost cause as I will be reintroducing the bill.

1. Table I—Foreign vessels licences issued by the Department of Fisheries and Oceans, DFO, Pacific region, during the period 1993 to 1997. The licences issued to joint venture processing and transport vessels for participation in the Pacific hake over-the-side fishery were under section 5(1)(a) of the coastal fisheries protection regulations. The licences issued for port privileges were under section 5(1)(a) of the coastal fisheries protection regulations primarily to obtain fuel and supplies. The three licences issued to New Zealand in 1997 were under force majeure.

The Speaker: My colleagues, of course I give you as much room as I can, but I wish we would not editorialize. These are after all petitions and should be presented as such.

2. Table II—Import landing licences issued to U.S. fishing vessels during the period 1996 to 1998. These licences are issued under section 5(1.5)(a) of the coastal fisheries protection regulations.

Mr. Bryon Wilfert: Mr. Speaker, I rise on a point of order. I seek the support of the House to return to motions in order to seek the unanimous consent of the House to withdraw Bill C-370.

DFO Pacific region maintains records only of the licences issued. None of these were revoked. Records of telephone inquiries by agents of non-qualified countries under the coastal fisheries protection regulations are not kept; most of these were on behalf of U.S. fishing vessels seeking entry into Canadian waters for the Pacific hake fishery or to deliver groundfish to Canadian ports; callers were informed that formal requests for entry would be denied.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

HOLIDAYS ACT

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, I seek the unanimous consent of the House to withdraw Bill C-370 which is No. 5 on the order paper.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Table I

Foreign Vessel Licences Issued*

1997

Joint Venture Processing Vessels

Poland 7

Joint Venture Transport Vessels

Poland 3

Russia 4

Latvia 3

Bahamas 1

Routine Proceedings

Port Privileges

Russia	2
Poland	2
New Zealand	3

Nil

* 1998 statistics not yet available

Table II

Import Landing Licenses to U.S. Fishing Vessels
1996-98*

	1996	Years	Number of Licenses	Species Landed
Joint Venture Processing Vessels				
Poland	10	1996	61	48 Salmon
Joint Venture Transport Vessels				5 Halibut
Poland	5			5 Halibut/Sablefish
Russia	6			1 Salmon/Halibut Sablefish/Herring
Cyprus	1			1 Crab
Ukraine	1			1 Sea Cucumber
Port Privileges				
Russia	1	Total		61
	1995			
Joint Venture Processing Vessels		Year	Number of Licenses	Species Landed
Nil		1997	48	21 Herring
Joint Venture Transport Vessels				17 Salmon
Nil				6 Herring/Salmon
Port Privileges				5 Halibut
Nil				3 Halibut/Cod
	1994			1 Halibut/Rockfish
Joint Venture Processing Vessels		Total		53**
Poland	7			
Chinese	7			
Joint Venture Transport Vessels		Year	Number of Licenses	Species Landed
Poland	4	1998	50	14 Salmon/Halibut/Herring
Latvia	2			13 Herring
Japanese	1			11 Salmon/Herring
Port Privileges				6 Salmon
Nil				4 Halibut/Cod/Salmon
	1993			1 Halibut
Joint Venture Processing Vessels				1 Halibut/Cod
Poland	6	Total		50**
Joint Venture Transport Vessels				
Poland	4			
Japanese	2			
Bahamas	1			
Russia	2			
Port Privileges				

* While statistics were requested for the past five years, DFO Pacific Region, Prince Rupert office advised that its records only go back to 1996.

** Some import licences covered landings at more than one Canadian plant.

Government Orders

[Translation]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[English]

MOTIONS FOR PAPERS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that Notice of Motion for the Production of Papers No. P-38 in the name of the hon. member for Skeena be called.

Motion P-38

That an order of the House do issue for a copy of all documents, reports, minutes of meetings, notes, memos, correspondence and briefings related to the aboriginal endowment fund.

• (1530)

Mr. Peter Adams: Mr. Speaker, with respect to Motion P-38, I ask that it be transferred for debate.

The Speaker: The motion is transferred for debate pursuant to Standing Order 97(1).

Mr. Peter Adams: Mr. Speaker, I ask that the remaining Notices of Motions for the Production of Papers be allowed to stand.

The Speaker: Shall the remaining Notices of Motions for the Production of Papers be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

CANADA CUSTOMS AND REVENUE AGENCY ACT

The House resumed from October 1 consideration of the motion that Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other acts as a consequence, be read the second time and referred to a committee; and of the amendment.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, it is a pleasure to talk about Bill C-43, the Canada customs and revenue agency. I want to talk a bit about revenues and how they are applied and a bit about the agency. I also want to give a good example of application of revenues.

The government collects a lot of money and what it does with the money is important. I want to make a point about the difference between collecting money and spending it wisely.

I recently wrote a letter to the solicitor general about how the government spends those revenues. I want to relate a bit of that to

the House. My concern was that the government has actually been cutting back on the services of the RCMP in British Columbia by way of budget cuts amounting to about \$8.5 million. That does not seem like a lot of money, I suppose, in that the government takes in revenues of billions upon billions, \$120 billion a year approximately, but it is a lot of money in British Columbia and it is a lot of money for the policing services.

Just recently members of the RCMP were advised that they had to eliminate their overtime and their training. They had to ground their airplanes. They had to stop running their boats. These are pretty basic functions for the RCMP in British Columbia.

The result of all this is that criminals have a free-for-all in some cases because the RCMP is not even available during the evening, after hours, to look at situations involving investigations of criminal activities in drugs. British Columbia has a serious drug problem.

With that in mind I wrote to the solicitor general and said that it was rather ironic that the government had to cut back \$8.5 million in those operations but had a \$3.5 billion surplus. Let us put this \$3.5 billion into perspective. That is a three and a half thousand million dollar surplus, yet the RCMP has to cutback on its operations.

I said we should look at it again to see if there is anything the government is spending money on that is unnecessary and could have possibly been applied to the RCMP to help it continue to be efficient in its operations. It took me about 10 minutes. I want to relate how some of our revenues are being applied. For instance, we have a little bit of a debt of about \$580 billion.

• (1535)

Mr. Paul Forseth: A little bit.

Mr. Randy White: Yes, a little bit. That should be challenged because it is a significant amount of money. Around the world people would say Canada's debt ratio is the highest next to Italy's.

What has the government done? While we wallow in debt the federal government forgave some of the debt owed to it. For instance, it forgave Colombia's debt of \$2.8 million, El Salvador's debt of \$2.7 million and Honduras debt of \$3.3 million. It is ironic that we are forgiving the debt of some of these places. It also forgave Nicaragua's debt of \$900,000, Costa Rica's of \$2.3 million and Egypt's of \$9.6 million. That is \$21.5 million.

Yet the RCMP, which is fighting crime in British Columbia, has to cut out overtime and ground its planes because it has an \$8.5 million problem. I wonder what it is that makes those folks on the other side think like that. There must be some other perspective. That must be wrong.

The government has given out a bit of money this year. It gave \$120,000 to the Prisoners Support Action Network; \$54,000 to the United Steelworkers of America; \$49,000 to the Prison Art Foundation; \$46,000 to the Canadian Atlantic Lobster Association; and \$51,000 to the BCTF, the British Columbia Teachers Federation. This amounted to \$320,000. Yet at the same time the

Government Orders

government cut back on RCMP overtime, ground its planes and ditched its boats. In a province rife with drugs we do not even have some drug investigations going on after hours. Must be something wrong with that.

I looked a little further to see how the government spent a little more money. It has given close to \$1.3 million for the development of a more diseased resistant banana in the Honduras. Is it any wonder the average person including the police get quite appalled with a government that says "You have \$8.5 million problem so we are cutting back on all our services that protect the people in British Columbia, but we are going to give \$1.3 million to find a better banana in the Honduras?" Is it any wonder the average cop on the street sees the whole exercise as darn futile?

Let me give members some other ideas. The police know this because I have told them. I mailed a letter to them. Members ought to see the responses. They are appalled that this kind of money is being spent, this revenue taken in from the taxpayer is being spent this way, and much less small amounts are being taken from the RCMP to protect our citizens.

Did the government fund any conferences? It took about two minutes to look it up. Sure, it did. It gave the International Conference on Visual Poetry, \$10,000; the annual meeting of the Renaissance Society of America, \$10,000; Ukraine and the New World Order, \$9,000; Canadian Association of Irish Studies, \$8,700; Canadian Society for the Study of Names, \$3,900; and the Society for Socialist Studies, \$12,000.

When I showed this to the police they asked who were the rocket science people across the way who thought this stuff up and cut us back. Who are these people?

• (1540)

There must be something else. Maybe I should look at publications. I say to the RCMP that the government spent \$90,000 on the Canadian Business Economics publication, \$37,000 on the Canadian Journal of Law and Society, \$28,000 on the Dalhousie Law Journal, \$57,000 on the Osgoode Hall Law Journal and \$45,000 on the Professional Regulation of Accountants.

Let us put this in perspective. These amounts of money are being spent but it is cutting back all overtime of the RCMP. It is grounding the RCMP's planes, boats and all its training. The RCMP cannot investigate drug investigations after hours. We have a 9 to 5 police force in British Columbia. Is there no perspective here?

I looked a little further. The Department of Agriculture developed an information kit for the 300 MPs in the House. I do not even know where it is, but it spent \$200,000 developing it. Yet the government has the unmitigated gall to cut back on the services of the RCMP.

We must be getting close to the end. However the government likes to poll and find out attitudes about matters, perhaps APEC and the country's attitude toward pepper spraying students. The

government spent \$622,000 for one company to poll. The Angus Reid group received \$688,000 and Ekos Research \$1.3 million for a total of \$2.6 million, which is more than 25% of what it took away from the RCMP which fights crime in British Columbia.

It gave \$1.4 million to professional and technical support for municipal authorities in Czechoslovakia. It gave \$473,000 for a grant to reintegrate Malayan soldiers back into their society for a total of \$14 million, which is more than the whole problem in British Columbia. It gave a grant to provide Canadian built locomotives to Senegal. It gave \$2 million in a grant to promote the use of electrical energy in Brazil and \$450,000 in a grant to establish the Lebanese parliamentary institute. The Minister of Canadian Heritage gave \$15 million for free flag handouts.

Let us put this into perspective. I come from a province which depends on the services of the RCMP, not a 9 to 5 operation. When the government cuts back on that money to spend on these projects, there is something seriously wrong in the House of Commons. There is something seriously wrong with the government putting things into perspective.

How much time do I have, Mr. Speaker? I am splitting my time.

The Speaker: You are splitting your time. There are eight and a half minutes left. Perhaps you would like to wrap up and we could go to your colleague.

Mr. Randy White: I would like my colleague to participate. I guess it is time. I wish it was election time because I know the RCMP is damn sick of what is going on.

The Speaker: Maybe darn sick.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, in speaking to Bill C-43 one of the things that I have a deep concern about is the present power of Revenue Canada. I do not see anything in the bill that would do anything to restrain the power of Revenue Canada.

I would like to refer to tax cases where in my judgment Revenue Canada has been excessive and has been punitive toward people in my constituency. In January of this year I asked for a meeting with the revenue minister. It took until April 30 to arrange that meeting with him unfortunately. What is even more unfortunate is that since April 30 I have not been directly contacted by the minister on this issue.

• (1545)

I find it very difficult as a member of parliament to truly represent the people of Kootenay—Columbia. I should be able to have access to the revenue minister, particularly on important issues for my constituents. I have a meeting and he does not respond to me.

What is this case? In my constituency there are many people who have ranches, farms and rural property. On those ranches, farms and rural properties there are trees which in many cases can be selectively harvested. In 1993, 1994, 1995 and through to 1996 there was a demand for timber, softwood lumber. Manufacturers have been looking for a source of timber. They have come to these ranchers, farmers and rural property owners and have made deals with them.

These people all independent of each other went to their professional accountants, whether they be CAs, CGAs, CPAs or whatever the professional designation. Their accountants either checked directly with Revenue Canada or went on the standing practice of Revenue Canada that these logs, because they do not form part of the normal income of the ranches, farms or rural property, would be treated as capital gains. After they had received the revenue from the softwood lumber manufacturers, these people went to their accountants, received professional advice, and paid their taxes.

What appears to have happened is that the tax department in Kelowna looked at these returns and said that there were enough of these things happening, that this was something new and it was going to reassess on the basis of those trees and the income from those trees as being part of those people's ordinary income. It is not part of their ordinary income. In fact, this is just found income on the part of my constituents.

My point is that tax practices cannot be changed retroactively. If Revenue Canada in 1996 when it woke up to the amount of money that in its judgment was being left on the table, had sent a bulletin to all of the accountants and affected people not only in my constituency but indeed throughout the interior of the province of British Columbia that this was going to be the practice from now on on their future income, I could accept that within reason.

The difficulty is that all of these people, and I have at least a dozen cases in my office and more are coming in every day, at least a dozen of my constituents in good faith went to a professional accountant, received advice and paid their taxes. When Revenue Canada realized that this was something new that was happening within my constituency and within the interior of the province of British Columbia, it decided retroactively that it was going to go after these people.

What is involved here? In some instances my constituents are retired people. This was a portion of money. To quantify this, their income could have ranged anywhere from \$10,000 to \$400,000 from the sale of these logs from their property. In many cases these are retired people who then took that income, paid their taxes and then made other investment decisions. In fact, in the case of a couple of my constituents, they actually gave their money away to their families. In other words, the money is gone.

Now all of a sudden Revenue Canada, with a retroactive tax grab, is coming around and saying "Oh well, now we will just bill

Government Orders

you another \$8,000, \$9,000, \$50,000, \$80,000 in taxes because we have decided that we are going to change our way of assessing".

The real injustice is that these people cannot even deduct their farming expenses, if they have expenses, against this income, because it is not a standard form of their income. Yet Revenue Canada is calling it a form of their income.

• (1550)

What has happened? One of my constituents took it to a tax court for review and he won hands down. There was absolutely no question about it. Revenue Canada has in turn taken it one ratchet up with the tax money from our pockets and these people's pockets. It is going after these people in tax court. In the very vague possibility that this higher court rules in favour of Revenue Canada, Revenue Canada will reap the benefit of all of the interest or penalty accrued on the money it says these people owe.

My specific concern is that I do not see anything in this legislation that gives me any feeling of comfort that we are going to end up with a fairer jurisdiction. I realize that to a certain extent the United States IRS has been mythologized. The problem is the agency has the probability of becoming a fierce tiger, as fierce a tiger as the United States Internal Revenue Service which is one of the most feared bureaucracies in the country south of the 49th parallel.

This legislation is seriously flawed if it does not stop Revenue Canada from retroactively grabbing money out of the hands of people like my constituents, honest, law-abiding, taxpaying Canadian citizens who pay what is rightfully and justly owed to Revenue Canada. It is my responsibility to speak on behalf of my constituents. I do so. The people in the constituency of Kootenay—Columbia have to know that as their member of parliament I am going to continue to push this issue as hard as I possibly can.

I have one little story which has been bubbling along for a short period of time, perhaps a year to 18 months. In that period of time I or my office assistant have asked some of these taxpayers if they would permit us to publicize this matter so that we could expose what Revenue Canada and the revenue minister are doing. They were scared. They were afraid that if they permitted this matter to be publicized, that if their names became part of this whole process, Revenue Canada would come down on them on other issues in future years. That is shameful.

We understand the necessity of collecting revenue. We understand the necessity of collecting taxes. When the people of Canada are scared of Revenue Canada and the potential for the auditors to come down on them, I say shame on Revenue Canada, shame on this minister, shame on this government for not doing what is right. Give a proper balance to the rights of Canadian taxpayers. Change this legislation so it does that and then perhaps we can support the legislation.

Government Orders

The Speaker: Just as the hon. member was running out of time, I knew he would come back to the bill and to the body of it. I knew he was going to get there.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, as I speak to this legislation, to my colleagues, parliament and the people of Canada, I will briefly outline an initiative I took awhile ago. As I describe it I will relate it to the legislation.

A couple of years ago I asked an independent lawyer for an analysis of the bills that were before the House of Commons. I requested an examination of the bills before the House to determine which pieces of legislation were taking power away from the people of Canada through their elected representatives and giving it to the bureaucracy. What bills before parliament were enhancing or reducing accountability to the people of Canada?

• (1555)

Members may find this very, very interesting because it relates directly to what we are doing in parliament this afternoon and the member's speech which just took place.

I put the question forward because many people were coming to me expressing concern that the government was out of control, that it was growing bigger and bigger and becoming less accountable.

As was mentioned previously, Canadians are afraid of the tax department. They are afraid of Revenue Canada. Why? Because the bureaucracy wields great power and the ordinary citizen feels quite helpless before it. It appears to extract the maximum amount of money from them without informing them of their rights or the minimum amount that would be payable. The Income Tax Act is overly complex, as we know, and it is intimidating. The key point is that Canadians would rather have a thief break into their house than deal with the tax department. People have told me that.

My point is that this bill will only make things worse. There will be less accountability. I can only support this initiative if there is a built-in structure. I would like to ask for the member's comments with regard to the proposal I am putting forward. There should be a built-in structure that protects taxpayers and those importing goods into Canada or exporting goods out of Canada.

We have to look at what happened with harmonization in eastern Canada. Has it improved efficiency? Not that I am aware of. In fact, I understand there are provinces that want to pull out of it, like Nova Scotia.

We need an agency to protect taxpayers, one that will make sure they are treated fairly and justly and not in an arbitrary manner. We need an agency that will help resolve disputes or problems with

Revenue Canada. I think before we can support this bill, we have to have that agency in place. I would like to know if my colleague has any comments in that regard.

Mr. Jim Abbott: Mr. Speaker, yes I agree completely with the comments of my colleague. As the House may know, the Reform Party has the objective of protecting the rights of Canadians. With that, we desire to put forward an office for taxpayer protection.

Clearly, part of this legislation must be the protection of the taxpayer. We cannot allow ourselves to slip into the Internal Revenue Service model that there is in the United States.

This legislation is grossly inadequate in that respect. Therefore there is no way we could possibly support it in its present form.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I have a quick question for the member for Kootenay—Columbia.

I was listening to his comments about cutting the timber on the ranches and the very real fear among constituents straight across this country from coast to coast of capital gains. There is a misunderstanding of the whole problem of dealing with capital gains and income within a family for future generations. The understanding is that all this capital gains has already been taxed, that we have paid tax on everything we have acquired throughout a life.

Very quickly, I think part of the problem especially in forestry issues is that there is no way the Income Tax Act can accommodate the growth of capital in forest land prior to the 40, 50 or 60 years it takes to produce that fibre. All of a sudden there is a windfall profit and it cannot be claimed in the ensuing 10, 20 or 40-year period after it has been acquired.

Mr. Jim Abbott: Mr. Speaker, I understand there is current legislation that applies to official woodlot operations. Those are commercial woodlot operations that will probably have some kind of a sustainable cycle within the production of wood.

I think what the member is referring to and certainly what I am referring to is where there is timber available and a desirability on the part of the lumber producers to buy that timber, how is taxing the revenue from that timber handled?

• (1600)

The decision that was a standing decision by Revenue Canada was that log would be valued on the basis of capital gain as opposed to income because we could not write off expenses against that log.

That was the way these people paid their taxes and I submit that because there was so much revenue left on the table according to Revenue Canada when it looked at all these returns, Revenue

Government Orders

Canada simply retroactively said it is not going to do it that way, has gone back to them and is trying to extract money after the fact by retroactively changing the law.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I listened carefully to my colleague and I realize that, when there is a real problem, the government comes up with an agency or committees. It always puts the problem off.

In my opinion, governing means having the courage to introduce effective things and not to try to double or triple certain organizations.

On the subject of the agency. I would ask my colleague how it could do better and how it should be set up so that it will be really effective, not for the government, but for our fellow citizens.

[*English*]

Mr. Jim Abbott: Mr. Speaker, I suggest within the legislation as it is presently written there is the possibility for improvements on what is presently going on with respect to the fact that we have such a giant bureaucracy and it comes under the public service rules and so on and so forth.

We see some light in this legislation. The legislation is not all dark. But the difficulty is that if we are going to go ahead and proceed to pass this legislation, as I am sure the government will, we have not done away with the threat, and I use that word advisedly, to ordinary citizens and ordinary law abiding taxpayers who feel threatened by Revenue Canada. These citizens are going to feel equally if not more threatened by this agency because the government has not corrected the problem.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to rise to speak to Bill C-43 at second reading. This bill creates the Canada customs and revenue agency. What is this bill all about?

The Minister of Revenue is proposing to change the existing structure of the Department of Revenue and make Revenue Canada an agency that is quasi independent of the government. It would have the job of collecting taxes, and not only for the federal government. The government is also proposing that this new customs and revenue agency negotiate agreements to collect taxes of all sorts, including sales and real estate taxes, with the provinces and even the municipalities, which, it must be pointed out, come under the provincial governments.

The government wants to create—Revenue Canada is already an imposing structure—a bureaucratic monster whose tentacles will extend as far as municipalities. It does not, first of all, make any sense to create this sort of bureaucratic world. It is worthy of the fertile imagination of senior Revenue Canada officials, who want to keep, and not only keep, but increase their power at the expense

of a minister, who is malleable and weak and who allows senior officials to do his job and make his decisions for him.

The creation of this agency is also an act against the unions and the workers of Revenue Canada. The transfer of Revenue Canada's responsibilities to a quasi independent agency would displace 40,000 workers, or some 20% of the public service. These workers would no longer be protected by the Public Service Employment Act. And so, within two years, these workers could be the victims of the senior officials.

• (1605)

These senior government officials have already been awarded wage increases of 19% while public service employees had their salaries frozen for several years. Wage cuts were even imposed in some cases.

With this agency, 14,000 workers are excluded from the Public Service Employment Act, while Revenue Canada tycoons—that is the senior officials, as the minister has hardly any say left in the matter—are given the power to treat these workers as they see fit.

Do you have any idea of the huge amount of confidential information that will be processed by this agency operating almost at arm's length from the government if such a bureaucratic monster is established to collect all the taxes it wants from the provinces and municipalities? Knowing that the confidentiality of information, an issue to which Canadians are very sensitive, is jeopardized by the fact that various databanks change hands to accommodate the changing needs of companies, one can wonder what will become of data confidentiality with an agency like this one, which will be less accountable to Parliament and to the minister than Revenue Canada currently is.

The Canada Customs and Revenue Agency is a flagrant example of senior officials' thirst for power. As I recall, less than three years ago, the auditor general revealed a scandal that we in the Bloc Québécois had denounced in the 1993 election campaign: the family trust scandal.

About three years ago, the auditor general indicated that, on December 23, 1991, around midnight, without consulting their ministers or even being accountable—no need to establish an agency for that purpose—senior officials from Revenue Canada, Finance Canada and Justice Canada decided to transfer \$2 billion in family trusts to the United States without collecting a penny in tax.

If the senior bureaucrats at Revenue Canada, at the Department of Finance and at the Department of Justice were able to do that under the existing framework, you can imagine what would happen with this Canada customs and revenue agency, with a quasi-independent body that would not be accountable to parliament. Members should ask how many such cases would go unnoticed, without parliament being informed of these scandals and of these decisions by senior bureaucrats, who would then control the collection of taxes and all the data bases containing confidential information on

Government Orders

Quebeckers and Canadians. It makes no sense at all to delegate so much power to bureaucrats.

Where is the support for this agency? The government should table, along with the bill, the agreements signed with provinces and municipalities. No such agreements have yet been signed. The government is creating a bureaucratic monster. There are no agreements to implement, but hundreds of public servants have already been assigned to work on the new agency and design the new system that the Minister of Revenue wants to impose on us.

This legislation has no support. Quebec and Ontario have opposed the bill. Even the western provinces which, at first, seemed lukewarm to the idea, are now opposed to the establishment of the agency. Where is the support?

It is the same thing in the private sector. The Canadian Federation of Independent Business opposed the creation of a quasi-independent Canada customs and revenue agency. The Canadian Federation of Independent Business indicated that 40% of the businesses that participated in a study sponsored by Revenue Canada and conducted by the Public Policy Forum see no point in having this agency, while over two thirds of these businesses feel that, with such an agency, the costs relating to their dealings with the department would be higher than they are under the existing structure, or similar. In other words, things would not change, except perhaps for the worse. The bill also provides for the establishment of a board of management.

• (1610)

It would be in addition to the existing structure of Revenue Canada. It would be transferred to the agency. An additional level of administration is thus being created. It also gives the Revenue Canada mandarins the freedom to pay themselves salaries comparable to those in the private sector.

They are given this latitude by clause 30.(1), which reads as follows:

30. (1) The Agency has authority over all matters relating to:
- (a) general administrative policy in the Agency;
 - (b) the organization of the Agency;
 - (c) Agency real property [—]
 - (d) personnel management, including the determination of the terms and conditions of employment of persons employed by the Agency.

Without consulting the Minister of Revenue, they will be free to determine the terms and conditions of employment of the 40,000 workers who will be exempted from the Public Service Employment Act. They will also be able to pay themselves astronomical salaries comparable to those in the private sector. What fun they will have, our mandarins. They will increase their powers for the

personal satisfaction of having complete control. Clause 30.(1) also leaves them free to give themselves salary increases. This is ridiculous.

In addition, by creating a quasi-independent agency, the government is increasing the chances of fraud and the risk that confidential information will be sold. There is a lucrative market for such information right now in the private sector.

There are no benefits to creating such an agency. We do not understand why the Minister of Revenue and the Liberal government are so bent on going ahead with this plan.

In conclusion, we will continue to oppose the creation of this agency, because it makes no sense. It offers nothing, but may well carry a very high cost for taxpayers, especially when it deprives them of their democratic right to have a minister accountable to Parliament.

When there are problems, as there often are in our ridings—my Bloc Québécois colleagues have encountered them, as have I in my own riding—problems having to do with the administration of taxes, or incorrect rulings on the part of Revenue Canada, we will no longer be able to question the minister. He will reply that the agency is calling the shots, that it is quasi-independent. He will no longer have any say, and democracy will suffer.

Service to Quebeckers and Canadians will be weakened by a puppet minister, one with no powers and no backbone, trying to stand up to the Revenue Canada mandarins. They want the power, the money and the power that that money brings.

[*English*]

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I am glad to have the opportunity to speak to Bill C-43, a bill which I believe will have profound effects of my community of Dartmouth.

This bill will convert Revenue Canada, a government department accountable to parliament through a minister, to a separate agency with authority which for most other departments and agencies is vested in Treasury Board and the Public Service Commission.

This to me is another example of this government's determination to privatize public services. We have seen the Department of Transport privatize airport services, we have seen the privatization of ports, of services in our military, of training, of postal services. The government now wants to privatize the collection of our taxes.

Generally speaking I reject the notion that the private sector is somehow better than the public sector. There is no proof to that contention and it just does not make much sense to me.

Government Orders

Recently I had the opportunity to meet with representatives of the workers currently in Revenue Canada who represent the union of taxation workers. They were in my office in Dartmouth last week. They presented me with some material which was quite disturbing and very educating on this issue. I am a firm believer that many of my best ideas I hear from my constituents and I would like to put some of this background material on the record:

When the notion of the Canada customs and revenue agency was first mentioned in the 1996 Speech from the Throne, it was presented as a cost effective, more efficient vehicle for improving service to the public. With the primary mandate to assume tax administration and collection functions from provincial and municipal governments, it was also touted as a means of strengthening the Canadian federation and contributing to national unity.

We submit that the events have overtaken the agency concept to the point that it fails to meet its stated objectives. The agency cannot now be justified on the basis of either bureaucratic efficiency or cost effectiveness. Its original business plan is in tatters. Its supporting arguments are riddled with contradictions, misstatements of fact and flimsy rationalization. The concept of the Canada customs and revenue agency is bad policy and should be stopped before it starts.

• (1615)

Their document continues to discuss how the original idea for the agency was to implement the HST across Canada.

I know about the public attitude to the HST, which people in Dartmouth still call the BST with a heavy emphasis on the BS. The size of the 1998 Nova Scotia Liberal caucus shows strongly how Nova Scotians feel about this tax.

However, the fact that there is no mood for expansion of this tax in this country, nor is there a single agreement with any other province for the implementation of this mother of all taxation agencies, shows how far the government has misread the country on the question surrounding Bill C-43.

Why is the government doing it? I think it just likes to privatize. It thinks it pleases its business friends. However, in this case even that call seems to be the wrong one.

Going back to the same document, I quote:

The business community was supposed to be the biggest beneficiary of the new Agency. However, doubtless to the dismay of the Agency's bureaucratic backers, the response has been ambivalent. Small business organizations—such as the Canadian Federation of Independent Business—are particularly leery of the massive, centralized power the Agency would possess.

A full 40 per cent of business respondents to a Public Policy Forum study, commissioned by Revenue Canada, saw no advantage to the Agency. More than two-thirds thought it would either increase or maintain their costs of dealing with the Department as currently structured!

The administration of tax, an ancient right which has historically led to events such as the Magna Carta and the American revolution, will be hidden away in a separate agency which a minister will be responsible for sort of. After all, he does not run the agency and

does not manage it on a day to day basis, so his accountability will be indirect.

It is bad enough to have witnessed the solicitor general recently covering for the Prime Minister about APEC, but if Bill C-43 passes we will see the Minister of National Revenue covering for an agency which is run by a board of directors that he does not even select.

Parliamentary democracy is based on ministerial accountability to parliament. However, with the Liberals' obsession to grab more power another principle is expendable. If this bill is passed it will be five years before this House will look at it again. A lot can go wrong in five years.

The people of Nova Scotia rejected the government in a rather absolute fashion in the last election and one of their main concerns was the HST. The fact that the government would bring in this bill, partly based on the theory that the HST will become a reality in all provinces, suggests that this bill is fatally flawed from its conception.

There are other very sneaky parts to this bill which must be mentioned and must be put into context with other power-grabbing Liberal policies.

This new agency will have the power—in fact one could see this as a responsibility—to impose user fees on Canadians who use tax services. They could start charging us a user fee to obey the law and pay our taxes. This is a ridiculous notion. It is also a mean notion.

This Liberal government did away with our universal safety net when it abolished the Canada assistance act. As a result of this action and the deliberate underfunding of health, post-secondary education and social assistance transfers to the provincial governments, means testing has become an increasing fact of life for the increasing multitude of poor in our country. To be eligible for many provincial programs, catastrophic prescription drug programs, student bursaries and some welfare services, the applicant must produce their tax records from the previous year.

It may come as a shock to the cabinet, which seems to see the world through corporate eyes, but poor people do not have accountants. One of the few things Canadians can still get from their federal government without charge is their tax assessment from the previous year. They just go into the office, show their SIN card and great public service employees give them great service. They then can go to their underfunded provincial programs to receive basic services.

I believe that under the new agency proposed in Bill C-43 poor Canadians will be asked to pay for their tax records, a charge some will be unable to pay. This will place their access to other programs at risk and make life even more difficult for them and their families.

Government Orders

The reality of the Liberal government is that it believes Canadians are best served by quiet cabinet orders, by a contracted out public service with no regard to actual service to the public. That is what Bill C-43 is all about.

• (1620)

The overall power grab is further seen by yanking the chain on independent and well-loved agencies like the CBC and the NFB, placing them under direct cabinet control as proposed in Bill C-44.

I will candidly say that Bill C-43 is flawed, as the overall thrust of this government is flawed. On behalf of the thousands of citizens and their families in my riding who work for Revenue Canada I will oppose this bill. I believe it is a wrong-headed bill. I would like to see it defeated.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, it is a pleasure today to speak in the House not necessarily about some of the provisions that are in in Bill C-43, but rather the lack of provisions.

Bill C-43 would establish the Canada Customs and Revenue Agency and would amend and repeal other acts as a consequence.

There is a myriad of things that could be done to improve the taxation system in Canada. Every member has a list of grievances from constituents as long as their arm. They stretch from some of the more mundane things, such as HST taxation in Nova Scotia, which is very important to those constituents, or the GST, all the way over to tax free electronic transmissions which amount to trillions of dollars per day throughout the world.

Perhaps this bill should not be thrown out entirely, but there are huge pieces that should be rejected because of what it does not do. I am not proposing that we throw the baby out with the bathwater; I am proposing that we take a look at really doing something with taxation in this country that would benefit individuals, the men and the women who elect us to represent them in this House of Parliament of Canada.

I would like to speak directly to one issue mentioned earlier by the hon. member for Kootenay—Columbia. That issue brought a little relevance to this discussion. It is the issue of capital gains.

I rose earlier in this House and reported to members that capital gains is a very unfair tax because we are taxed on income that we have worked all our lives for and we have already paid tax on. I find capital gains to be despicable. That is the only word I can use to fully explain it.

There is a lack of direction. We have put questions in the House to the Minister of Finance on capital gains taxation on private woodlots in Canada. Those questions were simply put aside as if

they were of no importance. They are of importance to the more than 450,000 private woodlot owners in Canada.

Private woodlot taxation has never been looked at as any type of issue in Canada. It has never been looked at in a realistic way to, first, improve revenue on woodlots for the people who own them and, second, to actually generate, in the long term, more revenue by producing more jobs, thus producing more revenue for the Government of Canada.

We have a real problem with capital gains taxation on private woodlots which take 40, 50 or 60 years to grow. It is beyond the realm of this government and many governments before it to imagine the scope of it. Unfortunately, most politicians think from election to election and do not look at the future. We try to encompass that once in awhile. Sometimes we are partially successful in doing it. But we do not do a good enough job at it. Capital gains taxation on private woodlots is one way we could come to grips with some of the issues.

If it takes 40, 50 or 60 years to grow a woodlot in this country, in many instances there is no income derived from that woodlot for 40 years.

• (1625)

All of a sudden the woodlot owner finds himself or herself with a windfall gain against which they do not have the opportunity to claim any, or very little expense.

Unless they are a farmer they do not have the option of taking the \$500,000 capital gains exemption. They have the same capital gains exemption of \$100,000 that every ordinary citizen in Canada has. It is inadequate. It does not cover the cost of fibre on the woodlot today, which has increased dramatically.

A private woodlot of approximately 125 acres, or 50 hectares, 20 years ago might have generated \$80,000 or \$90,000 worth of stumpage. Today that might generate \$500,000 worth of stumpage. There is no comparison. The government may as well wake up now and find a way to accommodate that in our taxation laws.

There should be a method, there should be some utilization of that income, where it can be put back into the ground, the forest, the farm, the woodlot and the expenses that will be incurred over a period of perhaps 20 years after harvest will be incorporated into that tax gain over time.

That has not been approached. I have certainly discussed it directly with the minister. There has been no attempt to accommodate anything like that. The Canadian Private Woodlot Owners Association and certainly the private woodlot owners association in the Atlantic provinces have lobbied the minister very diligently to do something positive about it.

Government Orders

We are facing all kinds of crises in our forests. We have WTO obligations that we have to live up to. We have unfair trade practices going on in the U.S. and discrimination against softwood lumber products. We have ISO 14000 certification. We have the stewardship of forests in Canada certification.

All of these things are being put on the shoulders of private woodlot owners and forest companies in Canada and the government is refusing to allow any kind of a tax break to deal with them. It is refusing to back down on its capital gains for private woodlot owners.

In order to certify a property and have sustainable forest management, how can that be done as a woodlot owner in any province of Canada? If the woodlot was inherited or purchased 30, 40 or 50 years ago and now has a harvest of timber that will probably be valued in the hundreds of thousands of dollars, there is no way to claim that. There is no incentive for the owner to put anything back into the forest. That man or woman is facing a discriminatory tax regime against progressive forest management.

It is like a cat or a dog chasing its tail. It goes around and around and around. Somehow, some way, we have to get the message through to the government that it needs to deal with the issues of the day, the issues that are important to all Canadians, the issues that create jobs in the country and not simply go off on some tangent and revise the entire financial act or the entire Revenue Canada act. There are other ways to do it.

I am not proposing for a moment that the system we have is the best system we could have, but these changes do not incorporate the very real changes that are needed in order to produce income, especially for private woodlot families, farm families and individual investors in this country, so that they could put money back into their woodlots and have a sustainable forest to meet the ISO 14000 guidelines, to meet the forest stewardship of Canada guidelines and to continue to export lumber as we have done for 500 years.

I wish for just a brief moment that the government would look at some of the possibilities that are in front of it instead of going off and trying to write the map from scratch. It is not dealing with the issues.

• (1630)

[*Translation*]

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, the Canada Customs and Revenue Agency is not the first agency the federal government has set up to take over its responsibilities. There have been a number of others, and we end up wondering why exactly Ottawa created these agencies.

To get to the bottom of the matter, I would like to cite a number of other recently created organizations Ottawa has delegated its

responsibilities to, and by trying to find out what these creations have in common we may perhaps discover the profound reasons for the government's creating them.

One of them is Aéroports de Montréal. ADM, we will recall, decided to move international flights from Mirabel to Dorval, thus shelving a public investment of \$2 billion and throwing the regional economy into chaos. The status of ADM is such that it has never had to publicly justify its decision.

I asked the minister about this, and he said, in substance, although not in these terms, naturally, "I wash my hands of the matter". This is the Pontius Pilate type response so perfectly offered by the Prime Minister when he said "We can drop one of the two airports, this is not going to cause me to lose any sleep". Obviously, had ADM not been created, the Minister of Transport would not have been able to treat the matter so offhandedly.

Nav Canada, another creation by Ottawa, is another private organization, which manages aids to navigation. Nav Canada does not have to justify its decisions either. If, some day, Nav Canada decided to remove the control tower at an airport, it would not have to justify its decision, even though public interest would be involved.

Again, in that particular case, if the federal government had retained its powers, it would not be so flippant in its answers and it would have to justify its decision.

Another good example is the millennium scholarship fund. As we all know, the federal government reduced its transfers to the provinces, including those for education, and it used the money saved to establish this millennium scholarship fund, obviously for political visibility. Here again, the body that will manage the \$2 billion in public money will not have to justify any of its decisions.

These three initiatives are similar in that the federal government can act like Pontius Pilate, not provide any explanations and avoid the obligations it had in the past.

The customs agency seems to be structured along the same lines. It will not be accountable, even though we are told the minister will remain in charge, or that he will at least have the right to question its management.

The fact is that, by creating this agency, the federal government is avoiding responsibilities that it would otherwise have, as evidenced by clause 8 of the bill. Under this provision, public servants will not be governed by framework legislation such as the Public Service Employment Act. This means that 40,000 public servants, or 20% of the federal public service, will be at the mercy of the agency's board of management. The directors of the agency will certainly earn more than the department's senior bureaucrats currently do, but who will pay for this? It is the support staff, the record processing workers and others, in fact the majority of

Government Orders

employees. The government is privatizing part of the public service.

• (1635)

When the minister is asked about this, he will say “I wash my hands of this. It’s the agency, not me”. It is all very well for the minister to say he will retain a degree of control over the agency, but the same bill also states that the minister may authorize the commissioner or any other person employed or engaged by the agency to exercise or perform on the minister’s behalf any power, duty or function of the minister under any act of parliament, with the exception of making regulations. In other words, this is an agency within the hands of a super-bureaucrat who is neither elected nor accountable.

We cannot really see what the public stands to gain from the creation of this agency. We do, however, see what those in power hope to gain from it. Once again, an opportunity to wash their hands of something. Once again, an opportunity to slough off any obligations for transparency they would have otherwise.

Once again, as well, an opportunity to play their favourite game of finding jobs for cronies, because clauses 15, 22 and 25 create a 15-member board of management. These, with the exception of the chair, the commissioner, a deputy commissioner, are appointed for three years from a list of recommendations. The chair, commissioner and deputy commissioner are appointed by the governor in council for a term of five years. Great jobs for political staff.

There are no longer any limits to the Liberals’ arrogance. They are side-stepping obligations which any normal government assumes and preserves, since they are almost royal in nature. This federal government, however, is side-stepping them for the reasons I have given.

To be objective, however, I must state that there is one advantage to this bill. That advantage is that it will be even more help than ever in convincing Quebeckers that the only solution for getting out of such a rotten regime is sovereignty.

[*English*]

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, I am pleased to rise this afternoon to speak on Bill C-43, an act to establish the Canada customs and revenue agency and to amend and repeal other acts as a consequence.

Just to set the tone for my remarks, I want to read from a letter which was sent to me by one of my constituents:

“Dear Mr. Earle:

I am a public servant with Revenue Canada. I am writing to you to voice my concern with the proposed Canada customs revenue

agency. As an employee of Revenue Canada, I have a vested interest in the department as it exists today and may be greatly affected if the intended changes to the agency status are implemented.

“If Bill C-43 is passed, I feel that the new agency will be less efficient than the status quo. The agency would also threaten the personal privacy of taxpayers. Finally, I feel that the agency would not deliver promised cost savings and may even lend to the imposition of user fees by both business and the general public for the privilege of paying taxes.

“In closing I ask that you review in depth the proposal for the Canada customs revenue agency. I do not feel the changes will be in the best interests of myself, the provinces and the people”.

That is one letter of many that I received from people in my constituency. All the letters I received had the same kinds of concerns expressed. Some have gone even further to indicate: “The fact that my position will be guaranteed for only two years after the agency commences as well as a threat to my negotiated benefits greatly disturbs me. I also find it difficult to trust an employer who has allowed our collective agreement to expire over a year ago”.

Although I have many points that I could speak on, I want to speak briefly on a few that have been raised by people within my constituency, concerns that have been expressed about this new creation that will take place.

The first is that the agency will become a mega taxman, and the term mega is being used a lot nowadays. We hear about it in terms of the proposed bank mergers, megabanks, and for some reason people, the government in particular, seem to feel bigger is better. But I am reminded of an expression that my mother taught me many years ago which was that good things come in small packages. We all must appreciate that small things are very important and have their place. For example, a big vehicle can come to a stop because of a very small micro computer chip or a very small part in its engine. So bigger is not always better.

• (1640)

There is concern that this new agency will become a very large agency. We realize there are over 40,000 employees with Revenue Canada and \$2.2 billion in revenue will be transferred to this agency. It proposes to administer everything from provincial sales taxes to gasoline taxes to liquor taxes. The vision would see a mega taxman who would offer even services to the municipalities. Do we really want Ottawa involved in our property taxes and things like that? Do we really want to put this much power in the hands of a government agency?

A second concern that has been expressed is that the agency will reduce accountability to the public and to parliament. This has been expressed by my colleague who spoke earlier and by others. We know that Revenue Canada as it presently exists is accountable

Government Orders

through a minister, but with the creation of a new kind of arm's length agency there will be less and less accountability. As envisaged, this agency's enabling legislation will permit a full parliamentary review only five years after it has begun operation. We know a lot can happen in five years. That has been stated already. A lot can go wrong in that period of time. We do need to be concerned about the accountability function that will be sorely lacking if this new bill is passed.

Another important concern is the agency could jeopardize personal privacy. The aspect of personal privacy was one of the themes that rang throughout the many letters that came to my office in the constituency. We know we live in an electronic world today where there is more and more information about ourselves and our families being quite often sold by various companies, by private sector organizations all the way from credit card companies to charities to consumer goods and companies. We realize that our personal privacy is a very important feature today. We can see what is happening when we look at the APEC inquiry and the concern that is coming forth as we see documents being tabled which show that there have been security investigations and for whatever reason people's names being placed on lists without their knowledge.

This is the kind of society we live in today. There is a great concern about this new agency becoming a big brother where there will be a great deal of financial and other information about citizens available through this agency.

Even internal memos in Revenue Canada have acknowledged: "There are privacy concerns among some stakeholders related to the creation of a big brother. Everyone should share these concerns".

I will mention another concern that was raised which was spoken of earlier. It is the effect of harmonization of the GST and the provincial sales tax beyond the maritimes. This was something as we know that started out with the government's intention of doing this right across the country. Originally this idea was to make sure that all provinces had a harmonized tax system but it only went as far as the maritimes. People in the maritimes have spoken loud and clear about how displeased they are with that effort in their area.

Some people might say there is an advantage to a combined administration. You will not have to deal with two taxes. You will have to deal with only one. But we know that one tax extends further and further into the lives of ordinary citizens causing them to pay tax on things they normally would not have to pay tax on and creating a great deal of hardship for lower and middle income people.

This concept of the blended sales tax is something we should be very careful of and the intent of this new agency will probably carry it beyond what we see even today.

Rather than go on at some length about the many disadvantages of this new agency that will be created, I conclude with a few remarks in a letter from another constituent. These remarks hit the nail on the head about the kinds of things we should be concerned about with respect to this bill: "How will the agency be accountable to us? By our MPs at present, when the organization is no longer a government department? If the government is looking for something to spend millions of dollars on, here is an idea, our health care system".

• (1645)

That constituent makes a very real and important point that we should get our priorities straight and in order. She says "As a voter and taxpayer I am taking this moment to let you, my representative in parliament, know that I want this tax monster stopped and that we the taxpayers are tired of the government wasting tax dollars on things that are redundant and not necessary".

I think that says it all. With those remarks I would say that we are opposed to the bill. We trust the people of Canada will express their concern and that members of the House will express the same concern and not support the bill.

[*Translation*]

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, it is a pleasure to rise today to speak on Bill C-43, to establish the Canada customs and revenue agency.

The purpose of the agency is, first, to provide programs and services in a more efficient and cost-effective manner, through greater autonomy and flexibility; second, to improve services and reduce the cost of administering revenues and enforcement by working with the provinces to eliminate duplication and overlap; third, to strengthen the effectiveness of the Canadian federation and foster national unity by making the agency responsible for providing federal, provincial and even municipal services to Canadians.

The third objective mysteriously disappeared when the second progress report was tabled. None of the provinces has agreed to enter into an agreement. The provinces, with the exception of Manitoba, remain unenthusiastic about the establishment of such an agency.

In the face of this opposition, Revenue Canada's spokesperson, Michel Cléroux, explained that the provinces had not said no. That is not a very good explanation.

The agency will not produce the promised savings. Its promoters recognized from the start that the greatest savings would come from harmonizing taxation.

Government Orders

However, we all know that the extension of the harmonized or blended sales tax flew like a lead balloon. In addition, the proposed agency will not require the provinces to pay for tax collection and treatment when the provincial program is fully harmonized with a federal taxation program. This free service does not represent a cost reduction but a cost increase for the agency.

The agency's status will also enable its executives to pay themselves salaries comparable to those of business leaders in the private sector.

Regardless of the position one adopts on this matter, one must recognize that it constitutes a new item of expenditure.

Coming at a time when the morale of public servants who are not in executive positions is suffering seriously after a six-year freeze, it must not be lost sight of that, since April 1, the present government has awarded its executives raises of up to 19%.

The agency has already cost the taxpayer rather dearly. Thousands of departmental employees have been involved in design teams and other internal exercises aimed at turning the dream of senior management into reality. A good part of the focus of Revenue Canada has been turned away from more important and more pressing matters.

I will give an example. You will recall a CBC program which reported that, according to Department of National Revenue documents, over 500 of the 1,500 auditor positions in the Toronto region were vacant. This situation would mean a shortfall for the federal treasury in this region of over \$500 million in 1997. We estimate the loss would be over \$2 billion for all of Canada.

The agency would be a less effective solution than the status quo. The myth surrounding the agency is that it could provide tax services more cheaply and more effectively. However, the structure proposed for the new agency adds another level of bureaucracy in the form of an appointed board of management, which would have nothing more than a supervisory role. Nevertheless, time, money and staff must be provided for the board and its staff.

At the same time, the Canada Customs and Revenue Agency would report to Treasury Board on administrative matters, such as its activity and human resources plans.

• (1650)

The agency would upset the balance between tax policy and tax collection. There is, at the present time, a healthy balance between the structure and tax policy, which should be left up to the department and the Minister of Finance, and enforcement of this policy, which is the responsibility of the Minister of Revenue and his department, the Department of National Revenue.

The agency's status would upset this balance. The agency's bureaucrats would inevitably launch into a turf war with their

Department of Finance counterparts. This would be a costly and unproductive exercise that would serve the interests of no one but the mandarins.

The agency would open the door to bureaucratic patronage and the abuse of power. In practice, the agency would have *carte blanche* with respect to contracts, and with respect to the management of property, materiel, information and technology. With limited outside scrutiny, the risk of favouritism and abuse of power by bureaucrats is very, very high.

The agency would pose a threat to taxpayers' privacy. If the agency were actually to achieve its objectives, personal information would be concentrated in a large organization not directly overseen directly by Parliament.

Moreover, internal departmental documents indicate that the creation of a "big brother" raises concerns among some of those involved with privacy issues. We share those concerns.

What do the experts and the business sector have to say about this agency? Nothing good. In his report of December 1997, the Auditor General of Canada voiced concerns about the accountability of the proposed agency by asking: "What assurance will the people of Canada and parliamentarians have that the public interest is protected?"

As well, a Public Policy Forum, or PPF, study commissioned by Revenue Canada reported that Canadian business had serious reservations about the creation of this agency. The PPF report referred to the agency's objective of rationalizing and simplifying tax collection.

However, 40% of the businesses the PPF surveyed saw no advantage to a single national collection agency and 68% felt that such an agency would add to their compliance costs, or have no effect whatsoever.

As we have seen, then, the promise of a single tax collection agency did nothing to bring about the harmonization of taxes in all provinces. For all these reasons, the Bloc Quebecois and I will be voting against the bill.

[English]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I am pleased to take part in the debate this afternoon and to remind viewers that we are dealing with Bill C-43, which is an attempt by the government to repeal the Department of National Revenue Act to convert Revenue Canada from a fully accountable government department to an autonomous arm's length business oriented agency with broad management authority over national revenue.

We in this caucus will oppose the bill on principle. We are aware that some 40,000 employees in Revenue Canada now make up about 20% of the federal public service. The move would involve

Government Orders

the transfer of more than \$2 billion in annual parliamentary estimates.

The government is glorifying the role of private sector appointees and seems to think that the public sector can only run on private sector principles. What is at stake here is a move toward an independent agency without the support of major provinces. Nor does it seem to have the support of the majority of workers.

There are at least three provinces firmly opposed. Two other provinces have not endorsed the concept. I think it is fair to say that all provinces generally see the agency as an intrusion into provincial jurisdiction. Not only the provinces and the workers but Canadian businesses have major reservations about the proposed agency.

The public policy forum study commissioned by Revenue Canada found that among the businesses surveyed some 68% believed a single tax collection agency would either increase their compliance cost or have absolutely no impact whatsoever.

• (1655)

The commissioner of customs and revenue instead of a deputy minister would become the chief executive officer of the agency responsible for its day to day operations. According to the proposed bill, the governor in council would appoint the chair of the board, the commissioner and the deputy commissioner for a term of five years. The agency will still be subject to the access to information and privacy acts.

The government is claiming that the agency will provide better, more cost effective service to the public, to business, to the provinces and territories by bringing about tax harmonization with the provinces and therefore huge tax savings resulting from the elimination of such things as duplication and overlaps in tax administration among various levels of government.

A second point it advocates is that it promotes a stronger partnership with the provinces and territories which, the government believes, may then hire directly this new agency for the delivery of programs according to service levels and performance targets specified in the contract.

As an aside, I suggest that the government should consider how the Atlantic provinces of Nova Scotia, New Brunswick and Newfoundland have fared under the ill fated and loathed HST to see whether they think it is something that should be transposed on the rest of Canada.

Another point the government argues is that it creates a leaner and more efficient delivery of tax services to be achieved through

the agency's enhanced operational flexibility and autonomy inspired by the business culture.

The government believes the agency will combine the best of both worlds. It will make the organization more accountable to its clients and partners and set high private sector standards while ensuring that the current powers of the Minister of National Revenue and accountability to parliament will be protected.

We oppose the bill, as I indicated, on a number of different grounds. First we oppose it for some philosophical reasons. I have talked about the 40,000 employees, the \$2 billion transfer and annual parliamentary estimates that would be at stake. The government glorifies the role of private sector appointees and seems to think the public sector can only run on private sector principles. The government would certainly take credit for slashing expenditures by \$2.2 billion.

It is frankly appalling that the control of tax collection, which is a historical prerogative of the state, is about to be abandoned, if the government has its way, almost by stealth to the private sector.

There is a whole history of economists over the last 200 or 300 years who may have been absolutely firm in terms of free enterprise and the like. They firmly believed, nevertheless, that the collection and control of taxes was a prerogative solely of the state, so important that it should remain completely in the hands of the state.

We can think in our own time that even such advocates of free enterprise and the market as the former prime minister of Great Britain, Margaret Thatcher, and the recently deposed chancellor of Germany, Helmut Kohl, never went so far in their drive to privatize as to contract out, in effect, the collection of taxes.

Second, we oppose it for political reasons. We believe the government in its move toward an independent agency is doing so without the support of the provinces. The major stakeholders simply are not buying. They have run this one up the flag pole but few, if any, are saluting.

I have mentioned that the provinces are opposed, specifically Ontario, Quebec and Prince Edward Island. B.C. and Saskatchewan refuse to endorse the concept. Alberta supported the concept probably for ideological reasons but pointed out that members needed to be reminded that Alberta does not have a sales tax and administers its own program. There is fading possibility that it might sign over any day soon the administration of its provincial income tax to this federal agency. I have also mentioned the reservation of Canadian businesses and the study that public policy forum conducted with those businesses.

We think for ethical reasons we should look at what happened in the United States, specifically with the Internal Revenue Service. In the evolution and development of the IRS there are dangers for us in a non-controlled agency.

Government Orders

• (1700)

The IRS is a government department and not a fully independent agency. It has extensive powers and operates under stringent private sector performance standards similar to those that would be entrusted to the agency by Bill C-43.

Historically the powers conferred to the IRS resulted from pressures from the Federal Bureau of Investigation on Congress for the creation of an independent agency to fight corruption and organized crime back in the Al Capone days of the twenties and thirties. These powers were then used to arrest some of the most dangerous leaders at that time, including Mr. Capone.

On one hand the Liberal government affirms that the controls of the agency will be the same as the controls over any other government department. On the other hand, it would then turn around and stress the need for independence. If the controls of the agency will be the same as the controls over Revenue Canada or any other government department why bother? Why transform a government department into an agency which is not independent?

The agency will have more power because it will be more at arm's length from parliament. Using corporate performance standards will undoubtedly lead the agency to set up a system of tax assessment quotas, performance and pay bonuses. These standards have precisely led the aforementioned IRS to abuse its power over taxpayers and at times use harsh and excessive collection methods. The likely misuse of new powers and standards would therefore turn the agency into a taxpayer predator.

According to the auditor general, the Liberal government lost a potential \$2.5 billion and \$3 billion in revenues since 1995 simply because it refused to pay adequate salaries to attract highly trained professionals required to perform complex audits. These auditors are necessary to ensure compliance by foreign multinational corporations operating in this country.

I think the problem the auditor general has been flagging is that Revenue Canada acknowledges that it has been unable to hire staff up to the limits authorized by parliament simply because qualified auditors working in the private sector are not interested in taking a 50% pay cut for Revenue Canada.

I think those are the types of things this government should clean up and hire the number of auditors necessary to do the proper job rather than contracting out this agency.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I am pleased to rise in this House today. Since this is my first speech here, I would like to thank the residents of Sherbrooke for the

confidence they put in me on September 14, when they elected me to represent their riding.

I wish to reiterate my firm resolve to represent all the citizens of the riding of Sherbrooke in my daily work, whether in Sherbrooke or in Ottawa. I intend to work hard, along with my staff, to improve the situation regarding employment, community life, the employment insurance program, older workers and pay equity.

I read Bill C-43 carefully, and also the speech made by the Minister of Revenue on October 1, 1998.

I was struck by this urgency to take action, so as to achieve certain objectives, namely to ensure quality services at a lower cost, fair administration, confidential service, modern and effective management and, above all, parliamentary accountability.

I was also struck by how easily the minister is prepared to abdicate his political responsibility and let an independent agency assume all the responsibilities that a government has. I realize the minister must redefine methods and procedures in order to achieve the objectives that I just mentioned.

• (1705)

The minister reminds me of someone who is having mechanical problems with his car and thinks that changing driver or doing some bodywork on the car will make it run better. Well, it will not. What the car needs is a good tune-up.

Quebeckers and Canadians have the right to expect the minister to put his head under the hood, to replace defective parts and to make the necessary adjustments so he can get back on the road safely and reach the efficiency goals that the public expects in terms of service delivery.

On September 29, the auditor general tabled his report. As a member of the public accounts committee, I had the opportunity to read Chapter 15, which deals with integrity at Revenue Canada and where it is revealed that 285 incidents of theft, fraud, abuse of power and conflict of interest were reported over a period of 18 months. The auditor general said, and I quote:

Bearing in mind that Revenue Canada has approximately 40,000 employees, 285 incidents in 18 months may not seem like a particularly high number. At the same time, academic studies of other segments of society strongly suggest that the number of incidents of misconduct that are reported is much lower than the number of incidents that actually occur. The nature of Revenue Canada's operations makes it more vulnerable than many other departments.

Because Revenue Canada is vulnerable, as proven by the incidents that occurred in 1997, the department must remain vigilant. One of the minister's five principles is that people want the government to be accountable to them. In that regard, he said, and I quote:

Government Orders

Questions are often asked in the House of the minister. The power of the minister to inquire into these matters and respond to the House will be maintained under the new agency.

Members will recall that, on September 30, I did ask a question of the minister in this House. This was the question:

The auditor general reports that the government is already having a hard time assuring security and integrity within the department of revenue, with all the bribes, leaks, abuses of power and everything else.

What should we think about a government that is now contemplating giving tax collection over to an independent agency, which would have even less accountability than Revenue Canada?

Hon. members will remember the answer I was given; it was sheer nonsense. The minister told me that if I really wanted to look at problems in revenue, I should look at Revenue Quebec, where the real problems were.

In order to hide from the public his inability to get his house in order and hide the real reasons why he wanted to set up this independent agency, he referred to the mote in his Quebec neighbour's eye, but did not say a word about the beam in his own.

The minister thinks that setting up an independent agency will make it easier for him to reach the goals I have already mentioned. I do not believe it, and several people agree with me. But there is more.

For more than two years now, the minister has been working on this agency. Instead, he should have worked on the restructuring and the re-engineering of his own department. We would already have better services, a fairer administration, modern and efficient management practices, but mostly a structure more accountable to parliament and taxpayers through a modern and efficient department of revenue.

However, that has nothing to do with the real reasons why this independent agency is being established. The real reason is because the minister does not want to be held accountable. It will act as a bulwark against having to account for tax collection.

• (1710)

Through its centralizing vision, the government wants to stretch its influence and control to provincial, municipal and local governments. It wants to have 15 extra positions to which friends and defeated candidates can be appointed. It also wants to exclude more than 20% of its officials from the application of the Public Service Employment Act.

In this whole enactment, there is one important objective I support, and that is to avoid duplication, and I agree with the need to improve and simplify the administration of tax legislation.

Quebec collects all provincial income and sales taxes. It would be no problem to consolidate all provincial and federal tax collection activities in Quebec. In fact, Quebec is prepared to do it.

To conclude, the Bloc Quebecois is opposed to the establishment of the Canada customs and revenue agency and urges the members of this House to support the motion moved on October 1 and seconded by me.

Another perhaps less obvious reason to oppose the establishment of the agency is what I consider to be some kind of plan B. It is well known that the government is trying to stretch its tentacles to the municipal and local level. Luckily for municipalities, they fall under provincial jurisdiction, and I do not think the federal government will be able to get them to do business with the agency, even with the lure of substantial savings.

There would be a problem. The same way that a private business partitions services within its operations and contracts out, there are cities in Quebec considering partitioning, and a tax relationship could be established between municipalities and the federal government through the agency. I view this whole tax agency business as part of a plan B.

The Bloc Quebecois and I are against the agency.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am pleased to rise in this House to speak to Bill C-43, introduced by the Minister of Revenue, which aims at nothing less than the creation of a coast to coast Canada customs and revenue agency.

Although the Bloc Quebecois recognizes the need to improve the administration of tax laws and to simplify their application, we find fault with four points of the government's vision in trying to have this legislation passed.

First, we find fault with the bill's centralizing vision in creating this agency. We also criticize the delegation of the minister's responsibilities, which are his under the terms of Revenue Canada measures. We must also criticize his weakness with respect to senior Revenue Canada officials and the anti union attitude taken in creating this agency.

First off, we should explain to our viewers what the Canada customs and revenue agency constitutes.

On June 4, 1998, a week before the long summer recess, the Minister of Revenue tabled Bill C-43 in this House. It concerned the establishment of a Canada customs and revenue agency. When we look more closely at it, we see the bill was mentioned in the February 1996 speech from the throne, when the Liberal government announced its intention to set up a national revenue recovery agency.

In reality, this monster will be nothing less than the transformation of the present Department of Revenue into an agency independent of the government, which will have a mandate to negotiate an

Government Orders

arrangement with the provinces and the municipalities so interested for the collection of taxes in Canada. According to the minister, the creation of this agency will change absolutely nothing, but we are not so sure about that.

• (1715)

According to the minister, departmental responsibility and parliamentary control will be maintained in their entirety and the Minister of Revenue will remain entirely responsible for administering legislation relating to taxes, customs tariffs and trade exchanges. He also says that the Public Service Staff Relations Act, the Access to Information Act and so on and so forth, will still continue to apply.

What the minister says is that nothing will be any different after this agency is created. The Auditor General of Canada will continue to examine the agency's operations and report on them to parliament.

We say that this is wrong. It is a sneaky manoeuvre, and nothing could be further from reality than the minister's predictions that this nothing will change.

We have to be realistic. If the minister were being truthful, one would have to wonder why he was putting so much effort into converting an entire department which employs one-fifth of the employees in the public service into an agency. Why, when it comes down to it, expend so much effort if nothing is changed? Why not leave things as they are?

The answer is clear, and comes right from the mouth of the President of Treasury Board: "Creation of the Canada Customs and Revenue Agency is an essential component of the government's commitment to modernize the federal public service".

Now we can see, the cat is out of the bag. While claiming its purpose is to modernize the public service, the government's real intent is to privatize it. The Liberal government is claiming to promote a modern public service, but it is in fact trying to have public servants excluded from the scope of framework laws such as the Public Service Employment Act. Such is the minister's objective, such is the goal being pursued in creating this agency.

The Canada customs and revenue agency will hire 40,000 public servants. This means that 20% of the federal public service will then be at the mercy of the agency's board of management. The agency's directors will certainly earn more than the department's senior officials currently do, but it will be at the expense of support staff, file processing clerks, and in fact most of the employees, because they will not be protected.

The concerns that we just raised are based on a number of reasons. Let me point out some of the numerous inconsistencies found in Bill C-43.

The agency is under the authority of the Minister of Revenue. However, under clause 8, the minister may authorize the commissioner or any other person employed or engaged by the agency to exercise or perform on the minister's behalf any power, duty or function of the minister under any act of parliament.

In short, this means that the agency will be in the hands of a super-bureaucrat who will be neither elected nor accountable to parliament.

I want to make a comparison with the millennium scholarship foundation. As members know, Bell Canada's chief executive officer, Mr. Monty, was appointed as head of the foundation. He will manage a budget of \$2.5 billion, to be distributed to students in the form of scholarships and loans, and he will not be accountable to the House as to how the money will be managed. The government is trying to pull the same stunt again by creating this agency.

The agency has authority with respect to general administrative policy, organization, real property and determination of the terms and conditions of employment. It is clear where the problem arises and this is where money will be saved; on the backs of front line workers in order to pay the higher ups.

The agency must develop a program governing staffing, including the appointment of, and recourse for, employees, but no collective agreement may deal with matters governed by the staffing program.

This is the fate the federal government has in mind for one fifth of its current employees. Obviously the agency is nothing more than an attempt to crush unions.

• (1720)

I am having trouble making myself heard and I hope that those listening at home can hear me.

While it is true that the bill promises a certain flexibility in subsequent clauses, once the harm is done and duly done, the government will wash its hands of the whole affair. Who will be responsible?

We are looking at a government that refuses to assume its responsibilities. We are also looking at a minister whose complacency is equalled only by his government's lack of responsibility. We are looking at a government that is striking an unprecedented blow to unions. We are dealing with a government driven and blinded by a centralizing vision which has not been seen since the worst years of the intellectual mentor of the current prime minister, namely Pierre Elliott Trudeau.

For all the reasons I mentioned, the Bloc Quebecois will not support Bill C-43. We have no amendment to suggest. Rather we demand that the bill be withdrawn or that every clause be struck out. Quebec has always opposed the federal government's desire to

centralize all activities linked to tax collection within one Canadian agency.

We have our own revenue ministry which collects all provincial taxes in the province, on top of looking after the federal GST since 1992.

Therefore we suggest that all activities related to tax collection in Quebec, either federal or provincial, be transferred to the Quebec Ministry of Revenue.

I remember our first electoral campaign. We were fighting against overlap, duplication and federal centralization and we won.

We say no to this bill.

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, first of all, we must excuse the members who may have been a little bit too loud during the good speech made by my colleague from Quebec. Maybe it was because they found that speech most inspiring. We know how it is to work in this House. Sometimes members do get carried away.

I would like to add my voice to that of my colleague from Quebec who concluded her speech by reminding everyone that, since it came to this House, the Bloc Québécois has worked to help Canada move forward. It has worked to send the message that duplication must be avoided.

My colleague from Quebec mentioned that we worked hard in the area of manpower training. We were the first provincial government—I say we because I come from Quebec and I have a lot of sympathy and affection for the Quebec government, the Parti Québécois government. It was a sovereignist government in Quebec that succeeded in concluding a historic agreement with the federal government to harmonize the collection of the GST, the infamous tax that forced the former deputy prime minister to seek re-election.

I say all that because the new Liberal leader in Quebec, Mr. Jean Charest, is claiming that Quebec would be better protected and would be able to reach all kinds of agreements if he were at the helm. There are still three areas where it is the Bloc Québécois in Ottawa that helped things move forward, which allowed for a certain degree of harmonization.

Let us come back to the bill before us, Bill C-43, which creates a super agency that will allow Revenue Canada and customs services, whose staff represents about 20% of the entire Canadian public service, not to be governed by the rules of the public service.

• (1725)

When I reread the bill, when I try to understand what it is all about, I see that this is one of its only functions, one of the only things that this agency will achieve, besides being able to create cozy, well paid jobs, to which the minister will be able to appoint friends of the government, of the members opposite.

Government Orders

It is interesting that each time the government tries to hide or to avoid answering questions from the public, it creates a commission, a super agency. This happens frequently right now.

When it does not want to answer questions from people who want to express themselves publicly—which is the right to free speech—I am talking about the infamous “peppergate”, what happens? It refers the issue to a commission. Yes, we are told the commission has been in existence for a long time, at least 10 years. However, it forgets to give some tools to people who must use this commission to get information. It forgets to give them some tools, for example, lawyers who also are well paid to defend them.

I say well paid. I will not argue about the definition of well paid or about who should be and who should not. I am in favour of people being paid for the fair value of their work. The government should at least give these students the means to defend themselves against the big machine.

A small group of students were sprayed with pepper, while the minister is trying to establish—

Mr. Bob Kilger: Mr. Speaker, I rise on a point of order.

I hesitate to interrupt my colleague, but I would ask we keep to the business of Bill C-43. I am wondering about the relevance of his remarks. I expected he would ultimately bring his speech around to the subject of Bill C-43. But, it is a question of relevance.

The Acting Speaker (Mr. McClelland): The government whip is right. Perhaps the member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok could address the bill currently before the House.

Mr. Yvan Bernier: Mr. Speaker, excuse my outburst, but when one is trying to get the government’s attention, one has to spice it up a little.

Some hon. members: Hear, hear.

Mr. Yvan Loubier: With salt and pepper, like your hair.

Mr. Yvan Bernier: Quite right, but I notice that the hairline of the gentleman who made the remark starts a little further back than mine.

I was trying to draw a comparison between Peppergate and the creation of a super agency; in the opinion of the Bloc Québécois, the agency will break the direct link between what the public is entitled to know and Parliament’s oversight of government. This link will be broken.

How will the public be able to control this new super agency? I want to get the attention of the public and of the government so that a second monster is not created and we are not pepper-sprayed again.

If the agency’s purpose is truly to generate savings, to avoid duplication, there is no need to create a monster agency with 15 mega-commissioners at the helm. It is a simple matter of getting 10

Private Members' Business

premiers around a table and making a proposal. Quebec will be able to administer its share of federal taxes within its jurisdiction.

[English]

The Acting Speaker (Mr. McClelland): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

• (1730)

[English]

CANADIAN WHEAT BOARD ACT

Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.) moved that Bill C-283, an act to amend the Canadian Wheat Board Act (audit), be read the second time and referred to a committee.

He said: Mr. Speaker, it is pleasure to rise in the House on my private member's Bill C-283, an act to amend the Canadian Wheat Board Act. It would allow the auditor general to audit the books of the Canadian Wheat Board.

We will have a new board of directors of the Canadian Wheat Board. It would be a tremendous asset if these directors had some guidelines to follow to know that the CEO of the board was performing his job properly or whether amendments could be made.

To have an independent audit of a board that is a monopoly is a tremendous asset. Up to now private auditors have done the audit. They probably have done a good job, but no one really knows because there has not been an independent look at the books to see whether they are in order.

Over the past couple of months the auditor general has come out vividly in favour of having some auditing done. He agrees that it is time because the government guarantees that he should have a look at the board's books to see whether there are good internal operations of the board.

Deloitte & Touche did an independent assessment of the board in 1992. That internal audit was never released to the public or to farmers. We do not have an idea of how critical the report was. The facts released after the audit were critical of how the board operated. They did not criticize the way the board marketed grain, but they criticized its business plan, how it operated and other mechanics of the board.

I became interested in how the Canadian Wheat Board operates when farmers came to me with concerns in 1994, shortly after I was

elected. In 1992 Saskatchewan farmers suffered from the effects of a huge frost. In 1993 Manitoba farmers suffered from the fusarium outbreak because of excess moisture in wheat. Because the board in 1993-94 put out a notice that it would not be purchasing any of the fusarium wheat that had more than 5% fusarium it was unmarketable. Some farmers burnt their crops because there was no market for them.

The majority of farmers felt that if they harvested their crop they could somehow clean it up and use it as feed or in some other way. Some farmers were using it as fuel in their furnaces. Then some innovative farmers found a market in the United States for it. They had found a way of cleaning up that grain and were quite willing to accept it.

Some farmers along the border started exporting this grain and found out they needed an export licence. They went through legal procedures to get export licences for grain that was not marketable, which was not a big concern to farmers. They thought they should have had the right to sell the grain at the price they could get and keep the money in their own pockets.

The board created a buy-back program so the farmers had to pay the board first. They had to sell the grain to the board, buy it back at a higher price, and then market it themselves. Farmers were not even opposed to that idea because they had a pooling system. If everybody was treated equally the moneys they were charged would go into the pooling system and they would then share in those funds.

• (1735)

Lo and behold, about six months after the crop year ended and the pooling price had been paid out, some of the farmers started getting bills for storage of grain that had sat in their bins until they exported it to the U.S. This grain had never entered an elevator. Because they had signed a contract to export it and the U.S. elevators were full, it could not be delivered at the time and they were charged storage for having the grain in their bins.

When they came to me with these documents I discovered they had been charged storage, freight, elevation and cleaning to Thunder Bay, and the wheat had been in their bins all the time. I then started to investigate further and found out when they bought the grain back the grain companies or the wheat board charged the farmers as much as \$1 a bushel more than they sold it to the grain companies that exported the grain. They were getting hammered double and that is where the M-Jay Farms class action suit started.

The board had no way out. It could not defend itself. Its only defence was to say that it had no mandate to sell their grain for the best price possible. The only mandate the board had was to sell the grain in an orderly fashion.

We have sold grain in an orderly fashion for 45 years. In western Canada today we see that the orderly fashion is fast disappearing because farmers cannot survive any longer. This is why I have been

Private Members' Business

pushing for the last three or four years to get an accountable board that will work for the farmers, not for the corporation itself.

To show why it is so important, Mr. Beswick, one of the chief commissioners of the board, resigned in 1994-95 over the issue of feed barley being sold below cost price or below what the price should be. He came out in public and said "We have cost farmers this last year probably \$180 million by underselling that feed grain".

In western Canada \$180 million is a lot of bucks to farmers. Not only is it a lot of bucks to western Canadian farmers, but they are lost tax dollars to the government or to the taxpayer. Whatever the loss is in terms of the taxes farmers would have paid on the grain, it has to be picked up by the ordinary taxpayer and somebody loses. It is important that we have a wheat board which extracts the maximum amount of grain, not just for the benefit of farmers but for the economy and taxpayers.

I will give just a few examples because I want to share as much time as I can with my colleagues on this issue. In March 1993-94 when the first farmers started shipping some of their 1992 crop year grain which had been impacted by frost in some areas, U.S. No. 1 wheat sold for \$3.99 a bushel. The Canadian export price for No. 1 feed wheat was \$109 a tonne. During the summer the prices of wheat in the United States increased by \$1 a bushel. By September the wheat was worth \$4.93 cash at Minneapolis.

The wheat board raised the export price of No. 1 feed wheat to \$116, a difference of \$9 or 25 cents a bushel when the wheat was worth at least \$1 U.S. more in the United States. That meant farmers were losing at least \$1 a bushel because of the failure of the wheat board to raise the export price.

• (1740)

That was not the end of the story. By December the price of wheat increased another \$1 a bushel and we had American milling wheat selling in Minneapolis for \$5.73. Does anyone know what the Canadian Wheat Board did? It lowered the export price for No. 1 wheat to \$104 a tonne from \$116 a tonne. Did that make any sense? We knew that because of the fusarium our feed wheat that year had protein of 14.5% to 15%, some of the highest protein wheat that we had ever grown, and the Americans cleaned it up and used it for milling wheat. The loss to our farmers was huge.

From the research I have done, on the 2.2 million tonnes that went into the U.S. as feed wheat, not durum or milling wheat, farmers lost at least \$150 million. The spread between feed wheat in 1992-93 was \$60 a tonne. The spread between feed wheat and milling wheat in the U.S. in 1993 was \$130 a tonne. That is about a \$4 a bushel spread. It did not make any sense. The wheat board refused to look into the issue when farmers phoned them and told them what the wheat was worth.

This is why it is important for the Canadian government to insist that the auditor general takes over the books, not just audit them to see if the prices are right but to see whether the board is running efficiently and for the benefit of the country and not just for the benefit of the board itself.

Another thing I would like to raise may be just as important as what I was saying on feed wheat. In 1995-96 when American grain prices were the highest in history wheat sold for \$7.25 American a bushel. Corn sold for \$5.25 to \$5.50 a bushel. Our wheat board refused to sell grain into that market. Instead of selling the 1.5 million tonnes allowed by the Americans into their market, it only sold 750,000 tonnes. It cut the sales by half. The board would not allow farmers to export their own grain because it set the buy-back price at \$9 and something a bushel just to eliminate the competition. I call that robbery. It was devastating to our farmers in western Canada.

Not only that, the following winter was one of the toughest in western Canada. There were transportation problems. An extra million tonnes of grain was carried over. It was more than in previous years. We refused to sell because of the board policy. It does not make sense. Now when we see we are to get an elected board of directors maybe we will have some changes. That is why it is so important for the auditor general to have control of the books.

We had 11 elected advisory board members for the last 10 to 12 years who were supposed to guide the board along. These advisory board members had the right to look into every portion of the audit and into every detail. They never once told farmers what was happening to their grain.

Six months before the commissioner of the board, Bill Smith, accidentally passed away he told a group of farmers "If I could walk out of this place today and tell you what is happening to your wheat or your grain it would be astounding, but I have two more years to serve before my term has ended and I can retire. I have to follow secrecy. I cannot divulge what is happening in the board".

• (1745)

When we talked of human rights issues today, when we look at the APEC issue, people do not have the right to protest with signs. People do not have the right in western Canada to sell their grain for the best price.

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, it is my pleasure to speak today on private member's Bill C-283, a bill that would require the accounts and records of the Canadian Wheat Board to be audited annually by the Auditor General of Canada.

As the hon. member is no doubt aware, Bill C-4, an act to amend the Canadian Wheat Board, received royal assent in June of this

Private Members' Business

year. One of the amendments to that legislation, passed by the other place, relates to the financial accountability of the Canadian Wheat Board to the farmers it serves. That amendment, endorsed by the government, the BQ and the Progressive Conservatives in a vote of 197 to 60, allows for the Auditor General of Canada to conduct a one time audit of the accounts and financial transactions of the Canadian Wheat Board and report the findings to the producer controlled board of directors and the minister responsible.

A major thrust of Bill C-4 is to give farmers control of their marketing agency by establishing a 15 member board of directors with 10 of those positions, a full two-thirds majority, to be filled by producer elected directors. The board of directors will be in charge of overseeing Canadian Wheat Board operations. These directors will have access to all information and facts and figures regarding Canadian Wheat Board operations, including selling prices for grain. In other words, Bill C-4 has put producers in the driver's seat.

The legislation the member for Portage—Lisgar is proposing would take the keys away from farmers and give control back to the government. The government believes that with the full knowledge of the inner workings of the Canadian Wheat Board the directors are in the best position to assess what information should be made public and what, for commercial reasons, should remain confidential. They will be in the best position to assess Canadian Wheat Board operations. The recent changes to the Canadian Wheat Board Act will give the producer controlled board of directors the power to make changes to these operations.

The government recognizes that producers are entitled to know how their marketing agency is working for them. The Canadian Wheat Board works for them, not the other way around. Therefore how it conducts its business is their business.

Hon. members must bear in mind, however, that the Canadian Wheat Board is a major competitor in international grain trade. With \$6 billion a year in sales, it is Canada's fifth largest exporter. It markets wheat and barley on behalf of western Canadian grain producers to more than 70 countries around the world. In other words, the Canadian Wheat Board is a big player in international markets. Grain trading on this scale is a highly competitive business where information is king and confidentiality is paramount to ensure the highest possible returns to farmers.

Who is selling to whom and for how much is highly guarded commercial intelligence that in the hands of its competitors could jeopardize the wheat board's ability to extract premiums from the marketplace. That in turn would affect the bottom lines of more than 110,000 prairie grain farmers.

Obviously then a balance is needed between transparency and accountability to producers and ensuring that Canadian Wheat Board operations and records are not subject to significantly

greater levels of public access and scrutiny than the private sector grain companies it competes against.

• (1750)

That is very important and it is important to understand that.

With that in mind and to enhance the transparency and accountability of the wheat board the government supported the amendment to the legislation to allow a one time audit of the accounts and financial transactions of the Canadian Wheat Board by the auditor general.

Therefore, and this is important to understand, the general intent of this private member's bill is already incorporated in the new law.

[Translation]

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, as I did in previous discussions on Bill C-4, I have to admit from the outset that, as a Quebecker, it is hard for me to feel deeply concerned about Bill C-283, An Act to amend the Canadian Wheat Board Act (audit), because those affected are mainly the grain producers in western Canada. I will be brief, and all the more so because the remarks of my Reform colleague have set the tone of the debate on his bill.

As my party's critic for agriculture, my concern should be to examine whether most farmers or the agricultural industry as a whole can benefit from the bill before the House. In my humble opinion, the amendments in this bill deserve a good discussion.

The proposed amendment to subsection 8.1 (1) on auditing reads as follows:

8.1 (1) The accounts and records of the Board shall be audited annually by the Auditor General of Canada and a report of the audit shall be made to the Board and the Minister.

This clause modifies an amendment, made by the Senate and passed by the House last June, which is included in Bill C-4. This bill, which has been enacted, provides that "Within two years after the day this section comes into force, the Auditor General of Canada may commence an audit of the accounts and financial transactions of the Corporation for such fiscal years as the Auditor General considers appropriate and a report of the audit shall be made to the Corporation and the Minister."

There is no need to amend this clause, since such an audit is already being carried out, and the best time to undertake an audit should be left to the discretion of the auditor general. Also, the accounts are audited every year by a well-known independent accounting firm.

Private Members' Business

Subsection (2) reads as follows:

(2) The Minister shall cause the report made under subsection (1) to be laid before each House of Parliament on any of the first fifteen days on which that House is sitting after the report is received by the Minister.

This is a common procedure for when such a report is made to the Minister.

The other amendments put forward by the hon. member are well-intentioned. Some people might find it normal for a board financed by farmers and whose initial price and line of credit are guaranteed by the government, to report to the minister responsible.

This ensures transparency. It would look bad if the Liberals in this House were to disagree with that. The proposed amendment would replace paragraph 9(1)(c) and allow the minister to follow up each month on the board's:

—purchases and sales of all grain during the month and the quantities of grain then held by it, the contracts to take delivery of grain to which it is then a party, all securities then held by it and the financial result of the Board's operations.

However, these good intentions pose a great risk to the Canadian Wheat Board. To provide this information in a written report would be to tell competitors all there is to know about the board, including its sales engineering and contracts.

In today's competitive world, this might condemn to a slow death an institution that should be considered as a business or company that ought to be profitable for its investors, that is the producers and the government, basically everyone in the country. It is likely to take the wind out of its sails during future negotiations. We must bear in mind that the grain market is not an easy market and it is an extremely competitive one.

As for the proposed amendment to paragraph 9(1)(e), it would allow the minister to get an annual report on the Canadian Wheat Board's activities.

• (1755)

My previous comment still holds. There is risk of disclosing the methods used for the purchase, movement and marketing of grain.

In addition, when it was introduced in November 1997, the auditor general review clause had not yet been added to Bill C-4. The legislation now in force contains this safeguard.

In closing, the Bloc Québécois agrees, but only in principle, with this bill, as it forces the Canadian Wheat Board to be transparent in reporting its activities to the minister responsible. However, inherent to these amendments are risks that must not be overlooked.

[English]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I too am pleased to speak to Bill C-283, an act to amend the Canadian Wheat Board Act. I listened with interest to the member for Portage—Lisgar as he spoke on the differentiation in prices between American and Canadian grains over the last number of years.

I do not challenge the numbers at all but I wonder if another interpretation can be made rather than one that condemns the Canadian Wheat Board for the apparently lower prices. I wonder if it is not higher subsidies in the United States. Higher subsidies, whether in the U.S. or anywhere else, tend to depress the international market. I say with some regret and a lot of concern that we are seeing more of it in this country. We are seeing more disparity with the Americans having recently passed a huge farm aid package. Yet we seem to be saying that we have NISA and crop insurance and that we are well served. Everybody who lives in western Canada these days knows that is just not correct.

In Bill C-283 the hon. member for Portage—Lisgar is asking that the accounts and records of the Canadian Wheat Board be audited each year by the Auditor General of Canada. He is further requesting that the auditor general make this audit available to the wheat board minister and that the minister table the report in the House of Commons within 15 sitting days of receiving it. These are the main provisions in Bill C-283 although the hon. member makes several other requests as well.

I will not be supporting this bill. I will outline some of the reasons why. I believe the hon. member's requests in Bill C-283 have largely been overtaken by events over the past year. It seems that what he is requesting is already in the process of occurring under the terms of Bill C-4. This bill was first introduced in November 1997, almost a year ago, when the debate on Bill C-4 was perhaps at its highest flashpoint in and around this Chamber. That legislation was subsequently passed last June which means, as has been pointed out, that there will be significant changes in the way the wheat board will operate in the future.

Bill C-4 as amended and proclaimed allows the auditor general to scrutinize the books of the CWB. The wheat board legislation received intense scrutiny. It was referred to the agriculture committee in the first week of the 36th parliament. It was debated fully in this House and the Senate agriculture committee held public hearings across western Canada last spring. Following those public hearings the Senate agriculture committee recommended that the board's books be opened to the auditor general on request. The wheat board minister accepted this recommendation word for word and it has become section 8.1 of the amended bill.

The Senate committee's report took note of the fact that the wheat board would be holding elections for a board of directors. Those elections are occurring through a mail preferential ballot as we speak and will be finishing next month. It is worth noting what the committee actually said about its recommendations regarding

Private Members' Business

the auditor general's reviewing the books of the Canadian Wheat Board. I quote briefly from that report of last May:

• (1800)

"All directors of the proposed board would have access to all Canadian Wheat Board facts and figures, including the fully audited financial statements. The minister has suggested that, with this full knowledge of the CWB and its competition, the directors would be in the best position to assess which information should be made public and which should remain confidential for commercial reasons".

As has been pointed out by the member for Charleswood St. James—Assiniboia, international grain trade is a very competitive business. The wheat board is a \$6 billion a year operation with customers around the globe. Not surprisingly, the board's clients are sensitive about the release of information that might apply to them.

I believe fully that the board has to strike a balance between openness and confidentiality in the commercial information that it releases and I believe that, by and large, it has been successful in striking that balance.

In any event, my first point is that much of what the member is requesting will become reality when the new board of directors is in place in 1999.

I am sure the amended Bill C-4 which contains the recommendations referred to regarding the auditor general will not be enough to appease the hon. member or his party. We know that the Reform Party and the National Citizens' Coalition have been unremittingly hostile to the existence of the Canadian Wheat Board. Their allegation, which is repeated regularly and constantly, is that the board is a dark, dank and secretive organization.

We talked a lot about that in committee. We spoke about it during the debate on Bill C-4. I think it is important that we separate the wheat from the chaff on this issue. I believe that the board is, by and large, a remarkably transparent organization compared with its competitors in the international grain trade.

As has been acknowledged even by the member for Portage—Lisgar, the board's books have been audited for years by the well known Canadian firm of Deloitte & Touche. The most salient points of the audit are included in the wheat board's annual report which is public information and available to anyone who wants to read it.

In addition, there is a synopsis for those who prefer to read the short version as opposed to the full report. As well, the board regularly holds public meetings throughout the countryside to discuss its operations with Canadian grain farmers. This kind of openness and information sharing is hardly the trademark of a secretive, dark organization.

I would suggest that the Canadian Wheat Board probably provides at least as much, and likely more, information as other Canadian grain companies involved in the grain trade, including the United Grain Growers and the various prairie pools.

The wheat board's international competitors, companies like Cargill, which are privately held, do not provide nearly as much information as the wheat board.

Let us lay to rest, once and for all, this mantra because there is no foundation to say that the Canadian Wheat Board is not an open organization.

In conclusion, for the reasons outlined, I will be voting against Bill C-283.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I rise today to speak on behalf of the Progressive Conservative Party and our wheat board critic, the hon. member for Brandon—Souris, in support of private member's Bill C-283.

I must begin by saying that the bill put forward by the member for Portage—Lisgar addresses some of the most paramount concerns farmers have with the Canadian Wheat Board, which are transparency and accountability. As in any crown corporation or mixed corporation Canadians expect no less.

The Canadian Wheat Board was incorporated by the Canadian Wheat Board Act in 1935 to market interprovincially and to export Canadian wheat and barley for producers.

The wheat board is a monopoly system. If a producer wants to sell wheat or barley outside the CWB he must apply for an export permit. This means he sells his product back to the CWB, obtains the permit, buys the wheat back from the CWB and then sells it on the open export market.

He has to go through the wheat board. He cannot market his wheat without going through the wheat board, a wheat board that generates sales of wheat and barley in excess of approximately \$6 billion annually.

The point I am getting at is that farmers do not have a choice but to market through the wheat board and there is a lot of money at stake for the producers. Therefore, why should the Canadian Wheat Board not be accountable and transparent to those very producers?

• (1805)

There have been a lot of changes to the Canadian Wheat Board over the years. It was originally intended by the Right Hon. R. B. Bennett's Progressive Conservative government that the Canadian Wheat Board be a voluntary institution with a mandate to operate in the best interests of producers.

It is unfortunate that the wheat board no longer operates in the way it was originally intended. It eventually became a monopoly

and a means of controlling wheat prices for the federal government during World War II.

Its main aim was to limit grain price increases so as to safeguard the government's wage and price controls and control the cost of mutual aid to the allies during the war.

In 1967 the Liberal government of the day made the Canadian Wheat Board's monopoly permanent, a truly sad day for the majority of farmers who today want a voluntary wheat board. Furthermore, when Bill C-4 was passed last June further changes were made.

For the first time in history 10 out of the 15 board of directors were going to be elected by producers. The elections are being held this fall. Hopefully the newly elected board of directors will have some say in the future of the Canadian Wheat Board and will be able to make the necessary changes to ensure that the board truly evolves in the 21st century.

That being said, somewhere along the way the farmers started to distrust the agency that was supposed to represent their best interests. They started to question its monopoly and their returns compared to a fair market value, and rightly so. They saw farmers south of the border getting more per bushel of wheat than they were receiving for the same grade through the wheat board. In some cases the farmers' suspicions were not unfounded.

That being said, most farmers in western Canada do not want to eliminate the wheat board, they just want the wheat board to be more accountable.

It is no different than the constituents that each individual member of parliament in this House represents. Canadians expect accountability. The last time I checked they expected a lot of accountability and I would suggest that members on the other side of the House take a long hard look at accountability.

I can tell members on the other side of the House who want to enter this debate that accountability will stick to them like scum on a pond and it will not be easy to get off. Canadians expect accountability.

I firmly believe that the bill before us today will only add to the accountability through the transparency of an annual audit by the auditor general.

I must also say that this is an issue that is not new to farmers in western Canada or to this House. During the debates and the committee hearings on the bill previously known as Bill C-4, which eventually passed last June, members of this House questioned the government as to why it was not willing to put forward legislation that would make the Canadian Wheat Board more open and more transparent. In fact, my colleague, the member for Brandon—Souris, put forward similar amendments at the committee level during

Private Members' Business

the study of Bill C-4 that would have given the auditor general the power to audit the Canadian Wheat Board. Unfortunately the Liberal majority of the committee did not recognize these concerns and the amendments were subsequently voted down.

However, the member for Brandon—Souris did not stop there. He pushed for more amendments with his Senate colleagues and eventually the Senate put forward several reasonable amendments, one of which allowed the auditor general to audit the Canadian Wheat Board's books within the first two years after the bill takes effect.

The audit is provided to the board of directors and to the minister. This amendment, along with other Senate amendments, including the elimination of the contentious inclusion clause, were eventually passed when the bill received royal assent June 11, 1998.

This adds further transparency to the Canadian Wheat Board, but there is still an opportunity for more transparency, and I believe we have that opportunity with Bill C-283.

Members on the government side will argue that due to international market sensitivities the government should not reveal the wheat board's secrets. My gracious. That is quite a statement.

The government will also say that there is an annual audit. When the Canadian Wheat Board releases its annual audit, if members opposite actually look at the annual report, they will realize that it has as much depth as the government's vision of Canada.

• (1810)

The government will also say that the professional accounting team of Deloitte & Touche currently audits the wheat board. Yet when my colleague, the hon. member for Brandon—Souris, requested a 1992 managerial audit by the same company he was told it could not be released. He was told it was confidential. That answer is just not good enough for Canadians. They want transparency in their publicly funded institutions and they expect no less.

That being said, the U.S. government formally requested an audit of the wheat board over six months ago. In fact, the *Toronto Star* reported on January 14, 1998 the federal agriculture minister warning "The U.S. government is poised to demand an audit of the Canadian Wheat Board because American grain growers fear they are victims of unfair trade practices".

If other foreign governments can request audits of the wheat board it would only make sense that the people of Canada, the farmers whom the wheat board is supposed to represent, are afforded the same rights. The unfortunate thing is that common sense does not always prevail in the benches opposite.

It was probably put best in a January 1998 *Globe and Mail* article that said "Farmers have no way of knowing whether the wheat board is doing its job, because it operates in secret. And they

Private Members' Business

have no other recourse, such as a mediator or an ombudsman, against apparently incompetent, abusive and fraudulent actions”.

Once again it would only stand to reason that the Canadian Wheat Board be accountable to the farmers it is supposed to represent. It would only stand to reason that an annual audit be allowed to ensure that the Canadian Wheat Board is indeed accountable and transparent to the farmers it is supposed to represent.

The Progressive Conservative Party will support this bill and looks forward to reviewing it when it is sent to the Standing Committee on Agriculture and Agri-Food.

The Acting Speaker (Mr. McClelland): As hon. members know, the last five minutes of the debate goes back to the mover of the bill. But we have three members in the House who have advised the Chair that they would like to speak. That would give each member about four minutes.

Is there a consensus to divide the remaining time between the three members: the member for Selkirk—Interlake, the Parliamentary Secretary to the Minister of Fisheries and Oceans, and the member for Yorkton—Melville?

Some hon. members: Agreed.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I support the member for Portage—Lisgar in putting forward Bill C-283.

I would like to clarify the position of the Reform Party and myself with regard to the Canadian Wheat Board. We support the Canadian Wheat Board in its operation as a voluntary marketing agency. That should clarify NDP and Liberal statements which say that we are dead against it.

The member for Charleswood St. James—Assiniboia said that the Canadian Wheat Board is a competitor on the world stage. This competitor has to have the trust of the producers who supply it with product. That is where the current Canadian Wheat Board, with its single desk selling, falls down: basic trust.

The position of the Canadian Wheat Board, which is in essence the position of the current government due to the fact that it appoints so many people to the Canadian Wheat Board, is that it needs to keep prices, contracts and other assorted information secret. That may very well be true. Certainly Cargill, ADM, Sask Pool and the other big grain companies would also want to keep some of the information secret. The wheat board says that if it did not keep it secret it would not be able to extract premiums from the marketplace.

This is where the distrust comes in. How does the farmer know that in fact the premium is being extracted? This is where the socialist-type politicians represented by the NDP and the Liberals

differ from myself and the Reform Party. We say that if the farmer wants to determine where the best price is, he goes to Cargill, he goes to the Canadian Wheat Board, he goes to UGG, he goes to Sask Pool and AgriCorp and they start giving him prices. “I will give you \$4 for your wheat. I will give you \$4.50. I will give you \$4.75” and so on.

• (1815)

The farmer is no dummy. He is going to take the highest price. He does not need to know that the premium was extracted in Korea for instance. The point we have to make here is the information this bill would bring out would be a first step in attempting to get information so that farmers would trust the Canadian Wheat Board.

In the little time I have remaining I would like to comment on the Canadian Wheat Board elections that are coming up in a very short time. In the latest information we see that 33 of the 65 candidates are running on a voluntary wheat board platform. We will see that the vote will also reflect in an unofficial way a referendum on the support for a voluntary marketing board for Canadian wheat and barley. At the present time a price of 86 cents a bushel is being received in the west. That is clearly not good enough. Farmers need a choice.

With that I await the day when we have a voluntary wheat board and farmers can market their grain where they want.

Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I take great pleasure in speaking to the bill proposed by the member for Portage—Lisgar.

The member went to great length in his remarks about cash prices in the United States, price spreads and so on. However he failed to mention the times over the whole year that the Canadian Wheat Board returns to producers, to farmers, more dollars in their pockets than the American system returns to the pockets of its farmers. That is a fact. It has been shown over the history of the Canadian Wheat Board. All studies have shown that.

The 1995-96 annual report of the Canadian Wheat Board states “A performance evaluation conducted during the 1995-96 crop year showed Canada ranks highly with its customers in such areas as quality of product, customer service, technical support and dependability of supply”. The most important point is that another study conducted by three economists showed that the Canadian wheat board single desk system generates an additional \$265 million per year in wheat revenue for farmers. That is what the Canadian Wheat Board does. It enhances Canada’s competitiveness. The study also showed that the Canadian Wheat Board provides a low cost marketing service to farmers. That is performance.

Anyone who watches the market knows that at any given time we can pick a higher price here and a lower price there, but when

Private Members' Business

we really do a study we find the facts are there. The Canadian Wheat Board with its single desk selling system returns more money to primary producers than what that dog eat dog system in the United States does for its primary producers. One of the reasons the United States Congress is having to pump subsidies into the farm community in the United States is that the Americans do not have a Canadian Wheat Board which can maximize returns to producers in the marketplace.

I do not want to be misinterpreted. Given the world situation and the way the United States and Europe are undermining prices in the world, our producers are finding it very tough. Thank goodness they have the Canadian Wheat Board to maximize the returns that are in fact in that marketplace.

I know the intent of the member for Portage—Lisgar is to try to assist producers. In the very short time I have left I will deal with the bill.

When we were in hearings in western Canada the producers indicated that they wanted the wheat board to have accountability and transparency. And of course we on the government side listened. We did provide that accountability within the board's structure.

• (1820)

When they are elected, the board of directors will have access to all Canadian Wheat Board operating data, including the prices at which grain was sold, the price premiums realized and the operating costs. They will be in a position to review the wheat board's operations. They will have the power to make changes that are in the best interests of farmers. In other words, the directors will be able to ensure that farmers are getting fair value for their money from that system.

This government made those changes and we stand by them. The board is there for farmers and we want to see it remain a single desk selling agency. We do not need this bill.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I cannot believe what we have just heard from the Parliamentary Secretary for the Minister of Fisheries and Oceans. He lives in Prince Edward Island. He knows that the Canadian Wheat Board applies only to the provinces of Alberta, Saskatchewan and Manitoba and does not allow the people in those provinces to market their grain freely. He knows that he does not have to comply with the wheat board yet he sits there defending it.

He probably does not even know what the initial price of wheat is right now that the wheat board is handing out. That is why we have a farm income crisis on the prairies. It is about time this government started to listen because it is a very serious problem. It is because grain prices are so low and farmers do not have the choice.

As I sit here and listen to the debate in the House in Private Members' Business, one thing occurs to me. Probably what is being debated after hours in the House of Commons is more important to the people of Canada than the bills that are being introduced by this government all day long. Private Members' Business probably addresses some of the key concerns that Canadians have. This is one of those concerns. There are major concerns out there with regard to the Canadian Wheat Board.

Why do we need to have more transparency? A free, open and democratic society needs to have transparency in its institutions, especially if an institution is a monopoly. If we have a government granted monopoly and we expect people to comply with it willingly, that monopoly, that organization, the Canadian Wheat Board, needs to have the confidence of the people who must comply with the monopoly powers of that agency. That is why this whole discussion is so important.

There are many reports that the Canadian Wheat Board is dumping grain on the international market into the U.S., that it is selling grain below its competitors on the Minneapolis Stock Exchange. We have no way of knowing if those reports are true. That is why we need someone who can go into the books and report to the farmers who must comply with that agency as to whether or not that accusation is true.

Whether we like the agency or not, we still need to have that transparency. Without that, it is going to have serious problems.

I took the amendments to Bill C-4, the Canadian Wheat Board Act brought forth by this government to the farmers in my riding. I took a survey and used several different instruments to find out what farmers thought. One of the things I found was that over 80% of the farmers in my riding, and this is probably representative of farmers in the three prairie provinces, supported the idea that is being proposed here, that the auditor general be allowed to look at the books. Yet that government over there is defending this abhorrent situation.

It is time the people of Canada came to the rescue of farmers and helped them out in this situation. If over 80% of farmers want transparency and they want the auditor general to look at the books and report as to whether they are doing a good job, it is time we listened because they are forced by this government to comply.

• (1825)

Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.): Mr. Speaker, it is always a pleasure entering a debate on the Canadian Wheat Board.

I suggest the auditor general should not audit books just of government agencies but also the common sense of the Liberal government. The auditor general would have a very small job. It would not take him very long.

Private Members' Business

When I hear members on the government side saying look at what the wheat board is doing, let the members opposite tell me why every farmer is growing more canola than the previous year. The farmer is growing more lentils, more navy beans and more hemp. The Liberal government supported the growing of hemp. If the wheat board is doing such a good job with their grains why do we need all these other crops? Why can these crops work on an open market?

We sold our canola at an average of 30 bushels an acre for an average of better than \$8 a bushel. My neighbour is selling barley for 11 cents. Good lord, how is my neighbour supposed to grow the bloody stuff? He cannot even drive it to the fields to sow it for that price. This is the job the wheat board is doing for us?

A commodity broker phoned me about two weeks ago and asked why he cannot buy durum from Canada. He said he bid \$20 a tonne over asking price at Thunder Bay for a unit train of durum and he cannot buy it, but on the world market they are selling the same bloody durum for \$20 under the asking price. He says every trader on the floor knows this.

Why are the Americans upset over the Canadian Wheat Board dumping grain? Why is this government putting at risk \$1.73 billion worth of livestock going into the U.S. because it will not have a transparent wheat board? This government will not allow people to look at what it is dumping into the U.S.

We are setting the stage for a depression in western Canada if we do not get transparency. The American farmer is quite willing to compete with the Canadian farmer but he is not willing to do it at the risk of having Canadian products dumped into their market at half price. The Americans cannot subsidize their farmers enough. The Europeans cannot subsidize their farmers enough to keep up that kind of marketing system.

We need co-operation between Americans and Canadians to fight the Europeans who are our enemy but common sense on that side of the House tells us no, let us play politics with this issue. Let us do exactly what we have been doing for the last 45 years. Do the politicking on the backs of Canadian farmers. Let them suffer. The farmers cannot put food on their own tables and this government

does not have enough common sense to have the books audited by the auditor general, the most accountable, the most respected person in this government.

If that is anything less than a little common sense what do we expect of our government? What will we expect of it next? Protest signs coming down and pepper spray. What are we going to do to the farmers so they keep selling grain through the wheat board, water cannons, pepper spray or what?

At this rate farmers cannot afford to grow this grain anymore. When we get 11 cents for barley, \$2 for number one high protein milling wheat it does not work to pay for a \$250,000 combine. It does not pay to pay our property taxes on the land. We cannot do it.

If this government does not smarten up and get realistic and put some the money into wheat board grains we are not going to have farmers left. All we are going to have is some hobby farmers who are working for the government or some other agency to put enough money up so they can afford to truck their grain to the field, sow it and then truck it off and give it to the wheat board.

We cannot afford to live without a profit. The only profit in the Canadian farm scene today is special crops and this government knows it. This government has been supporting the industry of special crops or it would not have put the motion on the floor to grow hemp. These people have been smoking something and I do not know what it is. We cannot get it through their thick heads that competition sets the price in the world today, competition drives the markets, competition will be there and it will make farmers profitable.

• (1830)

The Acting Speaker (Mr. McClelland): The time provided for the consideration of Private Members' Business has now expired and the order is dropped from the order paper.

[*Translation*]

It being 6.30 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

CONTENTS

Wednesday, October 21, 1998

STATEMENTS BY MEMBERS

National Space Day	
Mr. Malhi	9217
Royal Canadian Mounted Police	
Mr. Schmidt	9217
The Late Frank Dowling	
Mr. Mahoney	9217
National Co-operatives	
Mr. Calder	9218
Canadian Economy	
Mr. St-Julien	9218
Foreign Fishing	
Mr. Martin (Esquimalt—Juan de Fuca)	9218
Women's History Month	
Mr. Harvard	9218
The Late Kenneth K. Carroll	
Mr. Fontana	9218
Agriculture	
Mr. Hilstrom	9219
Madeleine Gagnon	
Mr. Canuel	9219
COM DEV International	
Mr. Perić	9219
Volvo	
Mr. Earle	9219
Women's History Month	
Ms. St-Hilaire	9220
Youth Centres	
Mr. Lavigne	9220
Child Poverty	
Ms. St-Jacques	9220
Accueil Bonneau	
Mrs. Jennings	9220

ORAL QUESTION PERIOD

APEC Inquiry	
Miss Grey	9220
Mr. Chrétien (Saint-Maurice)	9220
Miss Grey	9221
Mr. Chrétien (Saint-Maurice)	9221
Miss Grey	9221
Mr. Chrétien (Saint-Maurice)	9221
Mr. Chrétien (Saint-Maurice)	9221
Mr. Abbott	9221
Mr. Scott (Fredericton)	9221
Mr. Abbott	9221
Mr. Scott (Fredericton)	9221
Mr. Duceppe	9221
Mr. Scott (Fredericton)	9222

Mr. Duceppe	9222
Mr. Chrétien (Saint-Maurice)	9222
Mr. Marceau	9222
Mr. Scott (Fredericton)	9222
Mr. Marceau	9222
Mr. Scott (Fredericton)	9222
Employment	
Mr. Blaikie	9222
Mr. Martin (LaSalle—Émard)	9222
Mr. Blaikie	9222
Mr. Collenette	9222
Immigration and Refugee Board	
Mrs. Wayne	9223
Ms. Robillard	9223
Mrs. Wayne	9223
Ms. Robillard	9223
APEC Inquiry	
Mr. Casson	9223
Mr. Scott (Fredericton)	9223
Mr. Casson	9223
Mr. Chrétien (Saint-Maurice)	9223
Employment Insurance	
Mr. Crête	9223
Mr. Pettigrew	9224
Mr. Crête	9224
Mr. Pettigrew	9224
Immigration	
Mr. Benoit	9224
Ms. Robillard	9224
Mr. McNally	9224
Ms. Robillard	9224
Employment Insurance	
Mr. Bigras	9224
Mr. Pettigrew	9224
Mr. Bigras	9225
Mr. Pettigrew	9225
Agriculture	
Mr. Breitzkreuz (Yorkton—Melville)	9225
Mr. Vanclief	9225
Mr. Breitzkreuz (Yorkton—Melville)	9225
Mr. Vanclief	9225
Employment Insurance	
Ms. St-Hilaire	9225
Mr. Pettigrew	9225
Centres of Excellence	
Mr. Bellemare	9225
Mr. Duhamel	9226
Aboriginal Affairs	
Mr. Thompson (Wild Rose)	9226
Mr. Scott (Fredericton)	9226
Mr. Thompson (Wild Rose)	9226
Mr. Scott (Fredericton)	9226
APEC Inquiry	
Mr. Robinson	9226

Mr. Scott (Fredericton)	9226
Mr. Robinson	9226
Mr. Chrétien (Saint-Maurice)	9226
Transport	
Mr. Casey	9226
Mr. Collenette	9227
Mr. Casey	9227
Mr. Collenette	9227
Environment	
Mr. Assadourian	9227
Mrs. Stewart (Northumberland)	9227
Hepatitis C	
Mr. Hill (MacLeod)	9227
Mr. Rock	9227
Employment Insurance	
Mrs. Gagnon	9227
Mr. Pettigrew	9228
Health	
Ms. Wasylycia-Leis	9228
Mr. Rock	9228
Child Poverty	
Ms. St-Jacques	9228
Mr. Pettigrew	9228
Environment	
Mr. Provenzano	9228
Mr. Goodale	9228
Greenpeace	
Mr. Duncan	9228
Mr. Goodale	9229

ROUTINE PROCEEDINGS

Standing Orders of the House of Commons	
The Speaker	9229
Standing Committee on Transport	
Mr. Dromisky	9229
Order in Council Appointments	
Mr. Adams	9229
Interparliamentary Delegations	
Mrs. Finestone	9229
Mr. Graham	9229
Committees of the House	
Justice and Human Rights	
Ms. Cohen	9230
Public Accounts	
Mr. Grose	9230
Electoral Boundaries Readjustment Act	
Bill C-445. Introduction and first reading	9230
Mr. Kilger	9230
(Motions deemed adopted, bill read the first time and printed)	9230
Income Tax Act	
Bill C-446. Introduction and first reading	9230
Mr. Solberg	9230
(Motions deemed adopted, bill read the first time and printed)	9230
Mr. Wilfert	9230

Petitions	
Gasoline	
Mrs. Ur	9231
Bill C-68	
Mr. Casson	9231
Marriage	
Mr. Casson	9231
Human Rights	
Mr. Robinson	9231
Multilateral Agreement on Investment	
Mr. Robinson	9231
Bill C-68	
Mr. Keddy	9231
Bill C-225	
Mr. Keddy	9232
Marriage	
Mr. Solberg	9232
Tobacco Sponsorship	
Mr. Solberg	9232
Abortion	
Mr. Solberg	9232
Iran	
Ms. Hardy	9232
Marriage	
Mr. Schmidt	9232
Justice	
Mr. Schmidt	9232
Pay Equity	
Mr. Muise	9232
Bank Mergers	
Mr. Earle	9232
Bill C-68	
Mr. Breitzkreuz (Yorkton—Melville)	9232
Property Rights	
Mr. Breitzkreuz (Yorkton—Melville)	9233
Mr. Wilfert	9233
Holidays Act	
Bill C-370	9233
Mr. Wilfert	9233
(Order discharged and bill withdrawn)	9233
Questions on the Order Paper	
Mr. Adams	9233
Motions for Papers	
Mr. Adams	9235
Transferred for debate	9235

GOVERNMENT ORDERS

Canada Customs and Revenue Agency Act	
Bill C-43. Second reading	9235
Mr. White (Langley—Abbotsford)	9235
Mr. Forseth	9235
Mr. White (Langley—Abbotsford)	9235
Mr. White (Langley—Abbotsford)	9236
Mr. Abbott	9236
Mr. Breitzkreuz (Yorkton—Melville)	9238
Mr. Abbott	9238
Mr. Keddy	9238
Mr. Abbott	9238
Mr. Canuel	9239
Mr. Abbott	9239
Mr. Loubier	9239
Ms. Lill	9240

Mr. Keddy	9242
Mr. Mercier	9243
Mr. Earle	9244
Mr. Lefebvre	9245
Mr. Proctor	9246
Mr. Cardin	9248
Mrs. Gagnon	9249
Mr. Bernier	9251
Mr. Kilger	9251
Mr. Bernier	9251
Mr. Loubier	9251
Mr. Bernier	9251

PRIVATE MEMBERS' BUSINESS

Canadian Wheat Board Act

Bill C-283. Second reading	9252
Mr. Hoepfner	9252
Mr. Harvard	9253
Ms. Alarie	9254
Mr. Proctor	9255
Mr. Keddy	9256
Mr. Hilstrom	9258
Mr. Easter	9258
Mr. Breitzkreuz (Yorkton—Melville)	9259
Mr. Hoepfner	9259

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