



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, November 4, 1998**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Wednesday, November 4, 1998

The House met at 2 p.m.

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*Prayers*

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• (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 Regina—Lumsden—Lake Centre.

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

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## STATEMENTS BY MEMBERS

*[English]*

### BREAST CANCER AWARENESS MONTH

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, as October was breast cancer awareness month, I wanted to join with a number of other colleagues in promoting the need for women to have regular breast examinations early to ensure early detection and treatment of this disease.

Breast cancer is the most common form of cancer threatening Canadian women today. This year alone 19,300 new cases of the disease will be diagnosed in Canada and 5,300 more Canadian women will die of it.

It is fitting then that the Minister of Health has recently announced the renewal of the Canadian breast cancer initiative which will now enjoy stable, ongoing funding of \$7 million per year.

Breast cancer awareness month is an initiative of the Canadian Cancer Society to inform Canadians, men and women alike, of the severity and the magnitude of this disease.

As breast cancer awareness month has drawn to a close, I know that all hon. colleagues will want to join me in congratulating the Canadian Cancer Society for its unrelenting efforts to educate all

Canadians about the tragedy of breast cancer and how we can reduce the risks this disease poses to all women.

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### RADIO STATION CJVR

**Mr. Derrek Konrad (Prince Albert, Ref.):** Mr. Speaker, there is an old joke that asks “What do you get when you play country and western music backward?” The answer is that you get your girl back, you get your dog back, you get your truck back, and, if it were not for this Liberal government, you would even get your guns back.

Mr. Speaker, do you know what you get if you play it forward, if you add interesting and insightful commentary, timely and informative news programs and combine it all with community service? The answer to that question is that you get radio station CJVR in Melfort, Saskatchewan which was just named country music station of the year.

Mr. Speaker, when you are in my riding of Prince Albert you will be royally entertained, amused and informed by tuning into 750 CJVR.

I know that members of this House will want to join me in extending personal congratulations to manager Gary Fitz and staff on winning this award not just once, not just twice, but for an unprecedented third time in a row.

\* \* \*

### MICHAEL HEINTZMAN

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Mr. Speaker, Michael Heintzman, a reporter with the North Shore *Sentinel* in Thessalon in my riding, has earned first prize two years in a row in the best historical story competition from the Canadian Community Newspapers Association.

The 1997 award was in recognition of his articles on Remembrance Day which appeared in a special section of the *Sentinel* that year. This beautifully produced section highlighted the tremendous contribution of local citizens, towns and villages of our region during the great wars.

Later today Mr. Heintzman will travel to Europe with our colleague, the Minister of Veterans Affairs, and a group of Canadian World War I veterans to participate in the commemorative ceremonies taking place to mark the 80th anniversary of the end of World War I.

*S. O. 31*

Mr. Heintzman will have an excellent opportunity to experience this momentous event with a group of highly respected and decorated Canadian veterans. I look forward to reading his observations when he returns.

I am very proud of his work and that of the North Shore *Sentinel* in my riding.

\* \* \*

**HONDURAN FIREFIGHTERS**

**Mrs. Claudette Bradshaw (Moncton—Riverview—Dieppe, Lib.):** Mr. Speaker, I rise in the House today to commend three Honduran firefighters who have been residing in my riding of Moncton—Riverview—Dieppe for the past three months.

They have been undergoing firefighting training so that they can return to Honduras to establish the first national firefighters school in their country. They were due to leave Friday when they heard of the disaster which killed thousands of people in their country, many of them friends and relatives, and left countless others homeless.

The building that was supposed to house the firefighting school is in pieces and many people are in desperate need of assistance.

Along with two constituents, Paul Jennings and Paul McFadden, they are returning to Honduras tomorrow to help their country. As well, all of the fire stations in the greater Moncton area have set up collection points to gather supplies.

[*Translation*]

I am extremely proud of the people of Moncton—Riverview—Dieppe for all they have done to assist the three Honduran firefighters and the victims of Hurricane Mitch.

\* \* \*

[*English*]

**REMEMBRANCE DAY**

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, Remembrance Day is a time for reflection.

My father served in the second world war with the Argyle and Sutherland Highlanders and he imparted a great appreciation for what people have done in wartime and the sacrifices that they made for their country and their loved ones.

A couple of months before he died in 1992 I asked him to tell me some of his wartime stories which I recorded. Some of his recollections were tragic, some heroic and some even humorous.

One such story dealt with the D-Day landings in 1944. Months before the D-Day landings thousands of allied troops had been gathering in the fields of southern England to the point that soldiers

use to say “It’s a wonder that the island hasn’t tipped leaving Scotland high and dry”.

Remembrance Day is a day that does not glorify war. It is a day that reminds us that there were many Canadians who believed in a better future. They were prepared to fight and even die in order that generations to come would have a better future.

Now it is up to us to continue the work for a better tomorrow. If we do, we will have remembered.

\* \* \*

**FRANKING PRIVILEGES**

**Mr. Deepak Obhrai (Calgary East, Ref.):** Mr. Speaker, yesterday the member for Oxford falsely accused one of my colleagues of misusing franking privileges.

Perhaps the member for Oxford should chat with his caucus colleagues before he feels the need to lecture the official opposition.

I have obtained copies of letters which apparently came from the office of the member for Mississauga Centre.

• (1405)

These letters solicited support for an Ontario provincial Liberal candidate named George Winter.

The member for Mississauga Centre even went so far as to include provincial Liberal membership booklets in the mail-out.

Both letters were written on House of Commons letterhead and used franking privileges.

We are all aware that members cannot use House resources for their own campaigns. Therefore, is it appropriate for members to use House resources for provincial campaigns? I would think not. The Liberals have got it wrong again.

\* \* \*

[*Translation*]

**FIFTEENTH ANNIVERSARY OF LA SOUPIÈRE IN ANJOU**

**Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.):** Mr. Speaker, today I would like to congratulate La Soupière, a community service program in Anjou, at the heart of my riding of Anjou—Rivière-des-Prairies, for its 15 years of service.

Weekly, for the past 15 years, the volunteers at La Soupière have been providing a nutritious meal to the isolated and disadvantaged residents of Anjou. In 1997-98, 40 volunteers served close to 3,400 meals. This represents 2,300 volunteer hours. Imagine how many meals and volunteer hours that adds up to over its 15 years.

I would also like to draw attention to the excellent co-operation between La Soupière, the city of Anjou, local merchants, Moisson Montréal, the various funding bodies, and the local community organizations.

Bravo to all those responsible for this wonderful effort. It helps those of us who are elected to office keep in mind that, above and beyond economic growth and competition, we must be sure that the resulting wealth is better shared.

\* \* \*

### HURRICANE MITCH VICTIMS

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, Hurricane Mitch has hit Honduras, El Salvador, Nicaragua and Guatemala, countries that were already struggling for some degree of economic prosperity. While the death toll is still being added up, thought must be given to the danger of epidemic and to preparations for putting the country back on its feet.

Jean-Paul Pélouquin, a priest from Laval who has been working in the capital of Honduras for the past 31 years, wrote to his relatives that "the entire country, every square inch of it, has been at least 70% destroyed". Yesterday, the governments of Quebec and Canada announced plans to provide emergency humanitarian aid to the countries hit by this disaster.

The people of Quebec are very familiar with the value of human solidarity, having reaped its benefits after the Saguenay flooding and the ice storm. I am therefore encouraging them to support the victim assistance programs of such organizations as the Red Cross, CUSO, Development and Peace, Oxfam Quebec and the Endeavours of Cardinal Léger.

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[English]

### CORRECTIONS AND CONDITIONAL RELEASE ACT

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I rise today to raise awareness of an issue important to the people of Saint John, New Brunswick and to Canadians all across this country.

The issue revolves around section 17 of the Corrections and Conditional Release Act.

This past summer Willis Walter Wright, a man who was sentenced to two life terms in prison, was released on an ETA, an escorted temporary absence.

This move was of great concern to Violet Cooke and her family. Willis Wright was convicted of murdering Violet Cooke's sister Janice and a friend after Janice asked him for a divorce.

### S. O. 31

On Monday, November 9 this convicted murderer will be granted a second ETA. This is the second in a matter of five months and it comes after he has served only seven and a half years of his sentence.

After question period I intend to present the solicitor general with a petition of over 10,000 names opposed to the ETA program.

Janice Cooke was the mother of two and now her family once again is living in fear because of the ETA program.

\* \* \*

[Translation]

### ELECTION CAMPAIGN IN QUEBEC

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, Quebecers are facing a bleak reality. The separatist government clearly indicated that a vote for the PQ is a vote for another referendum.

This was also confirmed by the Bloc Québécois leader at the beginning of the election campaign. However, Quebecers can change this reality on November 30. They can vote for real change, for a stronger Quebec, a Quebec that knows where it is headed, a Quebec that wants to be part of Canada.

On November 30, Quebecers can change this reality by voting for the Liberal Party, by voting for economic growth, for a better quality of life and for the assurance that there will not be another referendum on Quebec's separation.

\* \* \*

[English]

### VETERANS

**Mr. Leon E. Benoit (Lakeland, Ref.):** Mr. Speaker, on Remembrance Day we think of our veterans from past wars. That is important. But how many Canadians remember our men and women who are currently serving and thank them for their courage and service?

Here today we have five soldiers who served in the former Yugoslavia. All were injured in separate actions.

• (1410)

How many of us are even aware that Tom Martineau was shot by a sniper while serving in Bosnia, that Matt Stopford was a platoon commander during the 1993 battle of Medak pocket, a four-day firefight in which Canadians held off a Croatian attack, that Sergeant Tom Hoppy has earned the honour of being the most decorated Canadian soldier since the Korean War, that Reservist Peter Vallee saw frontline action on three tours of duty for his country in the former Yugoslavia, or that Reservist Jordie Yeo was badly wounded in an ambush while his unit defended Srebrenica?

*S. O. 31*

Canadians should know those things and this government should make sure they do. Sitting today in the opposition gallery we have these soldiers. They and their comrades deserve our thanks and our respect.

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

\* \* \*

[*Translation*]

### ELECTION CAMPAIGN IN QUEBEC

**Mr. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, on November 30, Quebecers will be asked to form a broad coalition and vote against holding a future referendum in Quebec.

The Liberal Party is their insurance policy against yet another referendum on Quebec's separation from the rest of Canada.

The Liberals' priority is clear: to harness everyone's energy to create jobs and invest in such critical areas as health, education and regional development.

On November 30, Quebecers will have a golden opportunity to say no to Quebec's separation from the rest of Canada. They will finally have an opportunity to say yes to economic growth and to the implementation of projects designed to improve their quality of life.

\* \* \*

[*English*]

### CANADIAN FARMERS

**Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):** Mr. Speaker, farmers and their families are in crisis. Why? For many reasons beyond their control. The Liberal government chopped the Crow transportation benefit while European and American governments backed their farmers by retaining and increasing agricultural supports.

American farmers receive \$2.68 per bushel in wheat support, more than it sells for right now. European farmers receive \$5.58 per bushel. Canadian farmers receive less than 40 cents per bushel.

Input costs have increased. Fertilizer costs are up 57%. Farm chemicals are up 63%. Pork prices have dropped 60% over the last five months alone. Net farm income has dropped 80% over the last two years.

Today the ministers of agriculture are meeting to discuss this crisis.

When the east coast fishery collapsed, emergency aid was provided. When the ice storm happened, emergency aid was provided. When the Manitoba flood occurred, emergency aid was provided.

Farming is in crisis. Now is the time to provide our farm families with emergency aid.

[*Translation*]

### POLLS

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, inspired by a poll of the sexual habits of sovereignists and federalists, I offer the following fable entitled "The Fable of the Voyeur and the Envid":

All summer long the federalists  
Kept up their endless drivel,  
But now that an election looms,  
We're seeing quite a swivel.  
They hang their heads in sad regret,  
Their ship begins to sink,  
Of arguments they have not one  
To change the way we think.  
What shall we do, they moan and groan,  
Please tell us how to play.  
But do not use a bat, good sirs  
For that is not our way,  
We must know how you get your kicks,  
What do you do for fun?  
A poll will have the answer, right?  
We'll find out in the *Sun*.  
The sovereignists want out, it's clear  
Their secrets we must know.  
What turns their cranks, what makes their day  
What keeps them grinning so?  
The answer is that virtue pays  
And thirty years of work  
Should have some pay-off after all  
So take a hike, you jerk.

\* \* \*

### EXHIBITION OF MILITARY ART

**Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.):** Mr. Speaker, in order to commemorate the 80th anniversary of the end of World War I, the Canadian War Museum, in co-operation with the Senate and the House of Commons, is presenting an exhibition of Canadian military art in the Hall of Honour in the Centre Block.

The 19 works by Canadian and foreign artists feature various themes from the two world wars, and depict such things as the actual fighting or the war effort in Canada.

It is entirely appropriate that these treasures from the Canadian War Museum grace the walls in the Hall of Honour, which is itself a tribute to the courageous men and women who gave their lives for peace and freedom.

The Minister of Canadian Heritage invites all members to visit the exhibit, which was officially opened today in the Hall of Honour.

*Oral Questions*

[English]

**JC AT THE BAT****Mr. Chuck Strahl (Fraser Valley, Ref.):** Mr. Speaker,

It looked extremely rocky for the Liberals that day  
 Their game plan had been tossed out in a prime ministerial way  
 Though once they had been way ahead, their spirits now seemed flat  
 Perhaps it would be turned around, with JC at the bat

The crowd was getting restless, discontent was in the air  
 There hadn't been a bunt, or hit or action anywhere  
 So on that stricken multitude a death-like silence sat  
 For JC mighty JC was advancing to the bat

Canadians were shivering as he taxed away their shirts  
 And crouched dumbfounded as he rubbed their noses in the dirt  
 Then when a poor Canadian lobbed one from the hip  
 Defiance glanced in JC's eye, a sneer on JC's lip

"Resign, please resign", we heard someone from the back  
 And JC would have throttled him, but the Whip stopped the attack  
 He couldn't really care less where Canadians were at  
 Though all the things that worried them were there for JC's bat

Oh somewhere in this favoured world the sun is shining bright  
 The band is playing somewhere, and somewhere hearts are light  
 And somewhere men are laughing, and somewhere children shout  
 But there is no joy in Canada, mighty JC has struck out.

• (1415)

**The Speaker:** I hope that Jean Charest is listening.**ORAL QUESTION PERIOD**

[English]

**FOREIGN AFFAIRS**

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, CTV is reporting an allegation made by a former Canadian now living in Israel. Leslie Lewis claims he was approached last year to give his Canadian passport to an Israeli agent. Lewis also claims his daughter was approached for the same reason.

The Israeli government has denied the allegation and says it no longer uses Canadian passports in its fight against terrorism. Would the foreign affairs minister tell us what he knows about this allegation?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I make the point that we consider the integrity of the

Canadian passport to be a primary responsibility, and we have taken a number of efforts to ensure that.

On the particular incident, the matter was reported to our embassy. It was thoroughly investigated by passport people, consular people, CSIS people. They could find no corroboration for the allegations that were made.

The fact is that we continue to monitor the situation, but there is no evidence that would require us or give us the basis for raising the matter with Israelis at this point.

If there is new evidence that can be produced, we would be very happy to receive it and to further investigate it.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, Canadians have strong feelings on this issue. On the one hand, we believe in the security of the state of Israel and its fight against terrorism. On the other hand, as the minister said, we are concerned about allegations that our passports are being used illegally. Our passports are well respected around the world.

It is being reported that the minister was informed of this allegation some time ago. When did he first learn about this allegation and what did he do about it at the time?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I just explained that when the first representation was made the matter was investigated. Last February, March and April it was investigated by several agencies. Certain parts of the gentleman's story did not corroborate in any way, shape or form. They could not provide any supporting evidence.

At that point in time we continued to monitor the situation, but it did not warrant any direct representation to the Israeli government without the kind of basic support and evidence that would be required to support the kind of charges he made.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, in September 1997 Canadian passports were illegally used by Israeli agents in an anti-terrorist operation. At that time the minister gave the House solemn assurances that this would never happen again.

Now we have allegations that it did happen again, allegations that the minister apparently knew about but kept to himself. Are there any other allegations of this nature which the minister is aware of and yet has not disclosed to the House?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the operative word is allegations. Allegations are things we check out. That is exactly what we did. We checked them out. There were no grounds to them.

Therefore we have continued to monitor them. The only other allegation that was made was by Mr. Lewis about another individual who had been approached, and he totally denied it.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, simply following up on those allegations, I checked that out today. Basically the

*Oral Questions*

foreign affairs people, your own people, are saying exactly what you say, that they have looked at this—

• (1420)

**The Speaker:** I would ask the hon. member to address the Chair.

**Mr. Bob Mills:** Mr. Speaker, CTV also stands behind its story. What Canadians want to know is whom should they believe. Should they believe—

**The Speaker:** The hon. Minister of Foreign Affairs.

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, let me first clarify that I sent officials over to the hon. member to brief him. He did not check it out. We made sure that he was fully informed of what went on. That is exactly how we deal with it because we want to make sure people have full available information.

The point of the matter is CTV said allegations were made. Yes, they were. We checked out those allegations to the best information we could ascertain. By the way, one of the handicaps of ascertaining it is that the individual in question would not allow us to use his name when we went around to check out the sources and the basis for that. He is now clearly going public.

The fact of the matter is that if there is any new evidence, if there is any new—

**The Speaker:** The hon. member for Red Deer.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I asked for a briefing at 6 o'clock last night and again at 10 o'clock. A briefing was set up at 9 o'clock this morning which was cancelled. Finally I got a briefing at 1.15 this afternoon.

Canadians need to feel confident in their passports. We also are against terrorism but not with the Canadian passport. Let us get it straight. The minister is saying that the allegations made by W5 last night are untrue. Yes or no.

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, what I have said four times in a row is that the allegations were made. We checked them out to the best of our ability. There were a variety of agencies talking to a number of other agencies involved in the business. We could not find any corroborating evidence to support the allegations that were made.

In fact as much as we could ascertain was that the event he was talking about happened last fall before the assurances were given. That is as much as we have been able to know.

If the hon. member has more information we will look into it, but I want to make the point that we have in place a system where every five years we review the passport system. We are presently bringing in a new system. I believe it is the most secure passport in the world.

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the government has long been looking for a way to raid the employment insurance fund surplus, which it believes it has now found. The solution is all very simple: do away with the separate employment insurance fund and bury it in the government's general accounts. Out of sight, out of mind.

With this sort of sleight of hand, how can the Prime Minister look the unemployed in the eye, when he has both hands in their pockets digging out the employment insurance surplus?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, if the hon. member were to look at the facts, he would see that, in 1986, employment insurance was included in the consolidated fund of the government of the day. This is not new, this is how it has always been done.

Sometimes accounting revealed that the employment insurance fund was in a deficit position, and the government absorbed the deficit. Now, because the economy is in better shape, accounting procedures reveal a surplus because there is less unemployment. The figures are as they have been for the past 12 years in the government's consolidated fund, as required by the auditor general—

**The Speaker:** I am sorry to interrupt the Right Hon. Prime Minister. The leader of the Bloc Québécois.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, any surplus is due to the fact that only 42% of those who pay premiums are eligible for benefits when they are unemployed. That is the reality.

This is why the Prime Minister is at a crossroads. Either he returns the employment insurance to workers, the unemployed and businesses or he tries to hide the reality to avoid the risk of illegality or immorality. What will he do?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, our friend from the Bloc Québécois wants to continue befuddling everyone and causing Canadians anxiety over the employment insurance system.

• (1425)

Seventy-eight per cent of Canadian workers who lose their job or who leave it for a valid reason are covered by the employment insurance system. That is the reality, and not what the Bloc is peddling on the other side in order to cause Canadians concern.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, at the risk of offending our friend across the way, the figure appears on page 47 of his report. If he checked the reports, he would find the same figure.

*Oral Questions*

The government would rather use the EI surplus from employer and employee overcontributions to reduce income taxes for everybody.

Does the Prime Minister not realize that this choice does not make sense when he as Prime Minister could benefit from a tax reduction at the expense of the unemployed even though he pays no EI premiums?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am subject to the same payroll deductions as the leader of the Bloc Québécois. I think that I pay EI premiums just as he does. I think that all members—

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

**Right Hon. Jean Chrétien:** At any rate, if we are not contributing, if I am not covered, it does not bother me personally. Still, I am not treated any differently from the leader of the Bloc Québécois.

Why is the hon. member engaging in demagoguery when he is in the same boat? He is trying to blame the Prime Minister for a situation that also applies to himself and to all members of this House.

**Mr. Michel Gauthier (Roberval, BQ):** Let us be clear, Mr. Speaker. I do not begrudge the Prime Minister his salary, far from it. I am simply saying that, in our society, there are many people who, like us parliamentarians, do not pay EI premiums.

Why should he or I benefit from a tax reduction at the expense of the less fortunate? That is unacceptable.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I welcome the great opportunity the hon. member is giving me.

Over the past five years, we in this House have steadily reduced contributions to the unemployment insurance fund, which is now known as the employment insurance fund. Instead of rising to \$3.30 on January 1, 1994, as planned, the contribution rate dropped to \$2.70 last year. There have been four consecutive reductions in employee premiums.

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**HEALTH CARE**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, my question is for the Prime Minister.

The best way to protect Canada is to reinvest now in the health sector. Canadians across the country are saying it. All the premiers are saying it. But the federal government does not listen.

If the Prime Minister cares about the health of Canadians, if he cares about Canada, what is he waiting for to reinvest \$2.5 billion in health?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, this is precisely why, in the last budget, we raised the level of cash contributions to provincial governments from \$11 billion to \$12.5 billion.

We also said that we intend to invest in health in the next budget, in February.

We do care about Canadians' health, but we are not like the leader of the New Democratic Party who cares about Lucien Bouchard's health.

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

[English]

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, Canadians are starving for cash contributions from the government and as a result our health care system is in a deep crisis.

The single most important thing that the government could do for the health of Canadians and for the health of the federation is to reinvest \$2.5 billion now in our health care system. What is the government waiting for?

• (1430)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we said that last year the budget was an investment in education and training for the young people of Canada and innovation, and we said the next investment the government will make will be in health care. I said that long before the member got up. I said that in September in a speech in Saint John, New Brunswick. She is a bit late.

We made that commitment months ago and we will have a budget in February, as we have every year.

\* \* \*

**EMPLOYMENT INSURANCE**

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, a C.D. Howe Institute report states that high payroll taxes hurt Canadian workers and the economy. The report also suggests that the increase in CPP premiums should be offset with an EI premium cut.

The finance minister once told Canadians "payroll taxes are a barrier to jobs".

Will the finance minister tell us why he now insists on killing jobs by keeping EI premiums high, much higher than they need to be?

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, when we looked at this issue together with the provinces we did not agree with the short term impacts cited by the hon. member.

One thing we did agree with in terms of the report was that had we not taken steps together with the provinces we would not have been able to secure the Canada pension plan for our retirees today and for future generations of Canadians. We acted and we are very proud we did.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, the effect of the CPP premium hike will be to take away a week's wages from a person earning less than \$35,000 a year.

*Oral Questions*

The finance minister could lower the tax burden on these Canadians by offsetting the CPP hikes with a more substantial EI premium cut than he has been willing to make to date.

Even the government's watchdog states EI premiums should be much lower than they are.

Why does the finance minister insist on taxing Canadians who can least afford it?

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, I find it passing strange coming from the Tory party a call for EI cuts which under its regime went from \$1.95 up to \$3.30. I find it passing strange it is criticizing us for having acted to secure the Canada pension plan for all Canadians when it ignored it totally for nine years and stuck its head in the sand.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, enough rhetoric from the minister. The C.D. Howe Institute is saying that the government's CPP tax hike will cost 200,000 jobs. He can offset the impact of those hikes by cutting EI premiums by the \$7 billion recommended by the actuary.

Will the minister obey the law, cut the EI tax hike by \$7 billion and preserve 200,000 jobs?

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, for the last four years the sole obsession of the Reform Party has been to get us out of deficit. Now that we are out of it, it wants to put us back into deficit by irresponsible tax reductions.

We refuse to follow these irresponsible policies. We will act in a balanced and sane way for the benefit of all Canadians.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, the government is already \$4 billion over budget this year. That is where it can find some savings.

The government will do anything to stay in power. We have the finance minister who is saying payroll taxes are a cancer on job creation. Yet the government raises payroll taxes. He said this spring that the EI fund belongs to workers and employers. Now he is setting out to raid it.

When will the minister quit this cynical, political manipulation of the government's finances and put jobs ahead of his own political ambitions?

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, in terms of EI cuts, let us be very clear about what Reform is advocating.

In its fresh start document, its election platform, it said cut the premiums 28% but for employers only. Last January it told us we

could use the surplus in the EI to help pay down the deficit and the debt.

We intend to act responsibly and take a balanced approach. We will continue our program of cutting EI taxes. We will continue our program of reducing personal income taxes. We will pay down the debt and we will invest in health care.

• (1435)

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, with all the cuts his government has made to employment insurance, the Prime Minister knows full well that the gap between the premiums and the benefits is such that the fund will never again show a deficit.

Will the Prime Minister acknowledge that the employment insurance plan has become a real cash cow for his government and that he is trying desperately to get his hands on it?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I note that the Bloc Québécois members are having a hard time living with a surplus. They are much happier when there are deficits, and the fund is in difficulty.

Our government takes a balanced approach, because we are careful and realistic managers and had the courage to reform employment insurance, something that has been helpful to many workers. The Bloc Québécois claims to be defending the unemployed, because they like it when they are suffering and are unemployed for a long time, whereas our government aims at returning them to the labour market. That is what we want.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the minister would like to have us think that he is putting thought into what he wants to do with the employment insurance surplus, which is not his.

Why will the Prime Minister not admit that the decisions have already been made and that his thoughts at the moment are about ways to get hold of the fund surplus at as low a political cost as possible?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I can assure the House that this government will continue to work for the workers in this country and to invest in helping them return to the labour market, including in the regions where unemployment is too high.

We will continue to help the young gain work experience in business, which will enable them to integrate into the labour market, because this is what they lack. Our government will continue to do its job to help young people remain longer in school by investing in the education strategy. That is what we want to do.

*Oral Questions**[English]*

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, the social insurance number system is, according to Canada's auditor general, rife with errors, fraud and abuse.

I ask the minister responsible for cleaning up this mess to stand up and tell us when he intends to get this system overhauled.

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, my department has the responsibility for the SIN cards with some of the departments, but we are the lead department on it.

From what I understand, my official's comments in the article reported this morning were taken out of context completely.

We agree that there are important administrative improvements to be made and we have begun to take action. Today we have a meeting in Montreal held by a number of officials precisely looking into this file. We need to clean up the register. We will do it in collaboration with the provinces.

I have asked our standing committee of the House to look into it. I hope it will find the time to do what the auditor general asked it to.

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, the Liberals have been asleep at the switch on this for over five years.

About one million deceased Canadians still have active social insurance numbers. When can living Canadians expect this do nothing government to restore integrity to the SIN system?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, they must have been sleeping at the switch too because they never asked any questions on this subject.

My department has set up five working groups to fix the problem. We want to clean up the register and that will require working with the provinces because they are responsible for part of it. We want to improve the security features of the cards.

We have another working group on increasing our investigations, on examining penalties for fraud and on improving proof of identity. These are things already underway.

\* \* \*

*[Translation]***HEALTH**

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, we have learned that the federal government is toying with the idea of making any of its future investments in health contingent on its

public servants' approval of any projects the provinces might wish to carry out.

• (1440)

When the government tells us that health is one of its priorities, are we to understand that what it is primarily interested in is maximum control and maximum visibility, with a minimum outlay of funds?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, the Prime Minister and the Minister of Health have had occasion to state a number of times that we will be working with the provinces in the health field.

However, if the Bloc Québécois really wants some examples of interference and centralization, here is a quotation from Michel Boucher, professor of economics at the École nationale d'administration publique:

Rather than following the North American trend, which is strongly pro-decentralization, the Parti Québécois government is ignoring the municipalities' pressures for greater independence and continues to meddle in their operations.

Now that is centralization.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, that has nothing to do with this.

On what moral principle are these people in federal government, who have never looked after a single patient, now setting themselves up as judges and telling the provinces what to do and how to do it with the health funding to which they are entitled?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, on what moral principle did the PQ government cut funding to health, post-secondary education and social assistance between 1994 and 1998, to the tune of 3.2%, when the other provinces in the country were adding 3%?

\* \* \*

*[English]***NATIONAL DEFENCE**

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, when warrant officer Matt Stopford joined the Canadian forces he made a deal. He promised to put his life on the line to protect his country. In return he expected his country, if he was hurt, to look after him and his family.

Now Matt Stopford is seriously ill as a result of radiation exposure on his last tour to Yugoslavia. This government broke the deal and is not looking after him.

My question is to the defence minister. When will he provide treatment and compensation to Matt Stopford as he promised?

*Oral Questions*

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, the problem of that individual was brought to our attention. It is being thoroughly investigated. The matter will be dealt with accordingly.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, a deal is a deal. Matt Stopford is sitting in the House right now. He is listening to and watching this defence minister. He represents over 1,000 soldiers who have been injured by the same radiation exposure.

I urge the defence minister to be cautious in his reply. When will he uphold his part of the deal, provide compensation and treatment to this soldier and to all the others who were injured?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, this government cares very much about the men and women who serve in the Canadian forces.

We recently commissioned a report that deals with the injured in our services. We provided that to the Standing Committee on National Defence. It has formed part of the many recommendations the committee has made on how we can improve the quality of life for our service people past and present.

They should be ashamed of themselves for trying to exploit this difficulty that many people find themselves in. We are trying to deal with the matter properly.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development.

We know how big the EI surplus is because there are two separate accounts.

Are we to understand that the government—and I want a clear answer—is considering changes and that this will no longer be the case?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, our government has a very clear answer. No decision has been taken. That strikes me as a perfectly and absolutely clear answer.

The Prime Minister explained that, in 1986, the auditor general asked the government to combine the two accounts and simply include an accounting line to explain the situation. However, it was the auditor general who asked, in 1986, that the two accounts be combined.

• (1445)

**FOREST INDUSTRY**

**Mr. Claude Drouin (Beauce, Lib.):** Mr. Speaker, during last January's ice storm, 30,000 woodlot owners in Quebec sustained heavy losses.

Yesterday, the president of the Fédération des producteurs de bois du Québec, Jean-Claude Nadeau, asked the governments of Canada and Quebec to come to an agreement as soon as possible on a joint program to help these people, with each level of government providing 50% of the funding.

Is the government prepared to provide adequate assistance to affected producers, as it managed to do for small businesses and farm producers in Quebec?

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, we welcome the woodlot owners' request.

We agree that the best way to deal with this situation is for both levels of government to sit down together as soon as possible and work out a plan, with costs being shared 50:50, to solve the problems experienced by woodlot owners and compensate them.

Now, this means that the provincial government has to agree to sit down with all interested parties in the next few weeks and to ensure that the program will be funded according to a 50:50 formula.

\* \* \*

[English]

**AGRICULTURE**

**Mr. Roy Bailey (Souris—Moose Mountain, Ref.):** Mr. Speaker, yesterday the minister of agriculture suggested that farmers should get another job off the farm in order to survive. Is this the answer to the farm income crisis? A survey in my constituency showed that up to 76% of the farmers were working off the farm in order to survive.

My question is for the Prime Minister. Do you agree with the minister of agriculture that farmers should have—

**The Speaker:** The hon. member should address his questions through the Speaker.

**Mr. Roy Bailey:** Mr. Speaker, does the right hon. Prime Minister agree with the minister of agriculture that farmers should have to work off the farm in order to survive?

**Mr. Joe McGuire (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the minister of agriculture said no such thing yesterday. He said that this government is putting in \$1 billion a year along with the provincial

counterparts to help out the farming industry in Canada. This is year after year after year. That is in addition to crop insurance and Farm Credit Corporation policies. The questioner is way out of line with his question.

**Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.):** Mr. Speaker, the justice department has a double standard when it comes to punishing farmers for selling their wheat outside the Canadian Wheat Board. Dozens of poor farmers who cannot afford high priced lawyers have been prosecuted relentlessly by this Liberal government, but one wealthy farmer who disputed a huge fine has been left alone completely for three years. Is this the justice minister's policy, to only prosecute poor farmers who cannot hire top notch lawyers?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the hon. member's question is disgraceful.

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

**The Speaker:** The hon. Minister of Justice.

**Hon. Anne McLellan:** Mr. Speaker, I apologize for that description of the hon. member's question. The prosecutions that are taking place are taking place on the basis of due process of law. They are taking place and moving forward as any other prosecution would. At this point because there are prosecutions before the court, I have no intention of commenting on any particular case.

\* \* \*

#### BANKS

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, my question is for the Secretary of State for International Financial Institutions.

The Canadian Imperial bank of Commerce is now selling postage stamps through 23 automatic teller machines in southern Ontario. If this becomes a common practice for the banks throughout all of Canada, some 1,700 small retailers that rely on stamps will find their businesses at risk.

Can the minister explain to the House why the government allowed the banks to get into this business when it is clearly not in the charter?

• (1450)

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, this issue came to my attention two days ago. I have asked our officials to look into it. I will be pleased to report back to the House as soon as I have an answer.

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, I have with me a copy of the Bank Act. I can assure the minister there is nothing here that allows them to sell postage stamps. The post office is now collaborating with the banks to

allow the banks to do this. It is 75 cents a pop. There is a service charge.

Will the minister stand in the House today and make a commitment that he will not allow the banks in Canada to get into yet another market, namely selling postage stamps through their ATMs, in other words becoming a vending machine for this product and God knows what other products in the future?

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, concerning the question of the Bank Act, the legalities are not quite as clear cut as the member might let on. There is a question of whether it is the sale of goods or of services. Having said that, we have asked our officials to look into it. I will be very pleased to hear from the House and Senate committees looking into this to see what their suggestions are as to any potential expansion of the powers of banks. I look forward to the members' suggestions.

\* \* \*

[Translation]

#### APEC

**Mr. André Bachand (Richmond—Arthabaska, PC):** Mr. Speaker, my question is for the Prime Minister.

In light of what is going on in Malaysia, the members of the foreign affairs committee asked that Canada's participation in the APEC summit be discussed.

However, since the Prime Minister has made his decision and is about to leave with his entourage to travel to Malaysia, can he tell us what message he will deliver to his Malaysian counterpart regarding human rights and more specifically the fate of Anwar Ibrahim, who is imprisoned in Malaysia?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I thank the hon. member for his question.

This issue was raised before in the House by the Minister of Foreign Affairs and the Minister of Finance, who have both protested, on behalf of the government, against the treatment reserved to the former Minister of Finance and Deputy Prime Minister. I also made similar remarks here in the House.

I can assure the hon. member that I will raise this issue when I am in Kuala Lumpur, next week.

**Mr. André Bachand (Richmond—Arthabaska, PC):** Mr. Speaker, this is the first step in the right direction. The government must now take the second step.

The Minister of Finance, as the Prime Minister pointed out, personally phoned Mr. Ibrahim's wife to assure her of his support.

If the Prime Minister of Malaysia refuses to improve the human rights situation in his country, if he refuses to free Mr. Ibrahim, what will be Canada's official position and will the Prime Minister—

*Oral Questions*

**The Speaker:** The question as worded is hypothetical. I would ask the hon. member to quickly rephrase it.

**Mr. André Bachand:** Mr. Speaker, I do hope that Mr. Ibrahim's liberation will not be hypothetical.

If Mr. Ibrahim is not freed, can the Prime Minister tell us what Canada's official position will be, and whether he is prepared to cut short his participation in the summit, so as to send a clear message on human rights in that country?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, a trial is currently going on in Malaysia and, as a rule, foreign governments do not get involved in a country's internal procedures.

However, we clearly indicated to the Malaysian government that we find totally unacceptable what was done to the former Minister of Finance of that country.

I intend to raise the issue. I have had contacts with the other governments that will be present in Kuala Lumpur, and I am convinced that several of my counterparts also intend to make representations to the Prime Minister of Malaysia when we are in Kuala Lumpur, in a week from now.

[English]

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

In November Canada will be attending an APEC meeting in Malaysia. What is our government doing to support the participation of citizens and NGOs in the Asia Pacific people's assembly during the APEC meeting?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the government will give \$50,000 to the people who will participate in the people's summit that will be held in Kuala Lumpur. We did it last year in Canada. We invested even more money to have the parallel summit held in Vancouver and we are helping the one that will be held in Kuala Lumpur next week.

\* \* \*

• (1455)

**NATIONAL DEFENCE**

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, Louise Richard served in the military in the gulf war. She and many others in our military have suffered permanently from gulf war syndrome. This government discharged those people and refused to give compensation.

I would like to ask the minister what loving, caring excuse does he have today as to why these people have been shafted by this military and have not been looked after?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, all of these cases have been examined very thoroughly. We have provided medical services to look at all these individual cases and to deal with them fairly. We will continue to do that.

\* \* \*

[Translation]

**CANADA MORTGAGE AND HOUSING CORPORATION**

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, yesterday afternoon the Minister of Public Works and Government Services told this House that the \$235 appraisal fee imposed on anyone securing a loan with the Canada Mortgage and Housing Corporation was an average cost, so to speak, and that, if CMHC were to appraise every property individually, the cost would be much higher.

Since an appraisal is done on only one out of every twenty properties in Quebec, where is the truth in the minister's remarks: each appraisal costs \$4,700 on average or the CMHC is filling its pockets at the expense of borrowers?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I would like to make the hon. member understand that, first of all, with this new appraisal and qualification system, every buyer gets an immediate response. So, our priority is to serve the buyer so that he can have a secured loan to buy a property.

Second, we are not the lenders and we make sure that, when financial institutions grant a loan for an appraised property, and building projects in general, there is premium to pay, a rather small one, in my view. And with modern technology—

**The Speaker:** I am sorry to interrupt the minister. The hon. member for Halifax West has the floor.

\* \* \*

[English]

**NATIONAL DEFENCE**

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, our troops face wretched decaying conditions.

Will the minister respond quickly to improve pay and living conditions for Canada's military and, as a partial means to find funds, provide Canadians with a complete listing of all big ticket, high tech military equipment currently mothballed in warehouses across this country?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, we want to respond just as quickly as possible to the report of the Standing Committee on National Defence and Veterans Affairs on quality of life issues.

*Points of Order*

A high priority for this government is to make sure that the men and women in uniform are properly looked after. We are going through an analysis of the 89 recommendations of that report just as quickly as we can, costing of the various recommendations and as soon as possible we will bring our report forward.

\* \* \*

**FISHERIES**

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Nova Scotia and Bay of Fundy lobster conservation measures are not being applied evenly across the board. If the minister wants these new regulations to work, then adjacent lobster fishing areas must have the same conservation measures. For instance, lobsters that are illegal to catch in district 33 are legal to catch in adjoining district 34. How is the minister going to prevent smuggling and illegal sales between these two adjacent districts?

**Hon. David Anderson (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, uniformity of measurement for legal lobsters is an important objective. We have put in place a number of measures in many different lobster harvesting areas of maritime Canada to achieve that. Nevertheless for historic reasons and sometimes because of the requests of the fishermen themselves, it has not been possible to reach a single uniform size across the entire board.

I certainly appreciate the hon. member's interest in making sure we arrive at that situation just as soon as we can.

\* \* \*

**FOREIGN AID**

**Mr. Sarkis Assadourian (Brampton Centre, Lib.):** Mr. Speaker, my question is for the Minister for International Co-operation.

Officials in Central America have estimated that more than 12,000 people have died in floods and mudslides triggered by hurricane Mitch. Tens of thousands are injured and tens of thousands more have been left homeless.

● (1500)

What efforts has the Canadian government made to provide relief to the victims of this natural disaster?

**Mrs. Claudette Bradshaw (Parliamentary Secretary to Minister for International Cooperation, Lib.):** Mr. Speaker, I believe that all Canadians share the hon. member's concern.

Yesterday CIDA made an initial contribution of \$1 million in emergency assistance through the Red Cross, the Pan American

Health Organization and our embassy. A strategic reconnaissance team, including members of the Canadian forces disaster assistance response team, will be deployed today to Central America to determine what further assistance is needed.

I can assure all Canadians that the minister is monitoring the situation very closely.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I draw the attention of hon. members to the presence in the public gallery of a group of teachers who come from all over Canada.

These teachers are the participants of the third annual Teachers' Institute on Canadian Parliamentary Democracy. The objective of this forum is to recognize teaching excellence and foster a greater understanding of parliament.

[Translation]

Please welcome these teachers who are preparing future generations of Canadian citizens.

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

[English]

**The Speaker:** Colleagues, today there was a Standing Order 31 statement in which one of our member's used the initials JC in his comments. In my zeal to be overly funny, as I sometimes do, I made a mistake.

● (1505)

I referred to a former member of this House whose initials are JC, Jean Charest. I apologize to you, my colleagues, for having done that. It will not be done again.

\* \* \*

**POINTS OF ORDER**

MEMBER FOR MISSISSAUGA CENTRE

**Ms. Carolyn Parrish (Mississauga Centre, Lib.):** Mr. Speaker, this seems to be a day for apologies.

Unknown to me, on May 19 there appears to have been some misuse of letterhead and possibly envelopes from my riding office.

Immediate repayment will be made for any costs incurred and I thank the member opposite for bringing it to my attention.

**The Speaker:** I consider this matter closed.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***COMMITTEES OF THE HOUSE**

## PUBLIC ACCOUNTS

**Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, pursuant to Standing Order 109, I am pleased to table, in both official languages, the government's response to the 14th report of the Standing Committee on Public Accounts.

\* \* \*

**GOVERNMENT RESPONSE TO PETITIONS**

**Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to seven petitions.

\* \* \*

*[Translation]***COMMITTEES OF THE HOUSE**

## FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. Bill Graham (Toronto Centre—Rosedale, Lib.):** Mr. Speaker, I have the honour to present in both official languages the sixth report of the Standing Committee on Foreign Affairs and International Trade on Bill C-35, an act to amend the Special Import Measures Act and the Canadian International Trade Tribunal Act.

*[English]*

Your committee has considered this bill and agreed to report it without amendment. In September 1996 a subcommittee of each of the standing committees on foreign affairs and international trade and finance initiated at the request of the Minister of Finance a joint study on the Special Import Measures Act. Their report, presented in December of that year, concluded that while the SIMA responded adequately to the Canadian business community's expectations, some improvements could be made. Their recommendations were received by the government favourably and virtually all were incorporated into this bill.

I take the opportunity to thank the many witnesses who participated in the SIMA review, the members of the subcommittees for their contribution to these amendments and the minister and his officials for their careful consideration of the subcommittee representations.

## HEALTH

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I too have the honour to present, in both official languages, the second report of the Standing Committee on Health entitled "Natural Health Products: A New Vision".

*[Translation]*

Pursuant to Standing Order 109 of the House of Commons, the committee requests the government table a comprehensive response to this report within 150 days.

*[English]*

About one year ago the Minister of Health asked the Standing Committee on Health to examine the issues related to natural health products, herbal medicines and alternative therapies. The committee took the mandate and listened to more than 300 live presentations and received over 1,000 written depositions on the matter.

The committee sat over the course of about eight months and through careful deliberation has come forward with a series of recommendations that it is confident the department and the minister will accept with great receptivity.

I take this opportunity to thank all members of the committee, past and present, for their diligent work, their thoughtful and energetic exercise in this matter, all the witnesses who wrote and who appeared before the committee, and all those government officials who made themselves available during the course of our deliberations as well as the committee staff for being so ready and willing to listen to our every little intervention.

● (1510)

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I have the honour to present the 41st report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items in accordance with Standing Order 92. This report is deemed adopted on presentation.

Furthermore, I have the honour to present the 42nd report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Public Accounts. If the House gives consent I intend to move concurrence in the 42nd report this day.

**Mr. Chuck Strahl (Fraser Valley, Ref.):** Mr. Speaker, I rise on a point of order. As the official opposition representative, I would like to make a brief dissenting opinion on the 41st presentation of the Standing Committee on Procedure and House Affairs.

I bring to the attention of the House the displeasure of not just the official opposition but the rest of the opposition parties to the fact that although there were seven private members' bills selected from members of the House of Commons and there were three vacancies so that private members' business could have been

debated and voted on in the House, instead the committee chose to select a Senate bill as the one and only votable private members' business.

The official opposition is very unhappy with that. We are very discouraged with the fact that Senate bills take priority over private members' bills from members of the House of Commons. I must say it has soured the committee considerably and it has made for very unhappy members of parliament on all sides of the House.

#### HEALTH

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Health in accordance with its order of reference of Tuesday, October 20, 1998. Your committee has considered Bill C-42, an act to amend the Tobacco Act. The committee has agreed to report it with amendments.

Again, I thank all committee members for the energy they put into its deliberation.

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#### NATIONAL HORSE OF CANADA ACT

**Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.)** moved for leave to introduce Bill C-454, an act to provide for the recognition of the Canadian horse as the national horse of Canada.

He said: Mr. Speaker, I thank the hon. member for Haliburton—Victoria—Brock for seconding my private member's bill, an act to provide for the recognition of the Canadian horse as the national horse of Canada.

This bill is designed to pay tribute to an animal that has played an important part in our national history and has helped to build Canada as we know it today.

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

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#### COMMITTEES OF THE HOUSE

##### PROCEDURE AND HOUSE AFFAIRS

**Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I would like to move concurrence in the 42nd report of the Standing Committee on Procedure and House Affairs tabled earlier today.

(Motion agreed to)

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#### PETITIONS

##### TRADE

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Mr. Speaker, I appreciate the opportunity to present three petitions pursuant to Standing Order 36.

#### Routine Proceedings

• (1515)

The first one deals with Canada's signing of a number of international trade agreements. The petitioners from Kamloops are particularly concerned about the fact that this restricts the ability of the federal government as well as other governments to promote economic growth and pass legislation to protect the health and well-being of Canadians.

They feel that we should be careful in terms of signing any further agreements, particularly some form of the MAI.

##### TAXATION

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Mr. Speaker, I have a petition on another matter from a number of Canadians, namely Cam Murray and Robina McLaren.

They are concerned about the unfair tax system of Canada and point out a number of reasons why they feel our tax system is biased and unfair. They are calling for a complete remaking of our tax system with a reminder of the Carter commission as a guideline.

##### CRUELTY TO ANIMALS

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Mr. Speaker, on another matter the petitioners are concerned about the lack of any serious sentences regarding individuals who inflict pain upon animals or carry out some cruelty against animals. I know this is an issue of concern for yourself as well, Mr. Speaker.

The petitioners are calling upon the government to educate judges more about this area and to impose more appropriate sentences for those who carry out these terrible crimes against animals.

##### GASOLINE

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I am honoured to present a petition signed by residents of Grand Bend, Park Hill, Sebringville and London.

They note that the use of MMT in gasoline has been proven to foul emission control devices and adversely affect engine performance, resulting in higher smog levels.

They call upon parliament to set new national clean fuel standards for gasoline with zero MMT.

##### CANADA POST

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, the second petition signed by residents of Petrolia and Oil Springs requests that parliament repeal section 13.(5) of the Canada Post Corporation Act to allow rural mail carriers collective bargaining rights.

*Government Orders*

LEYLA ZANA

**Mr. Svend J. Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, I have the honour to present a petition signed by hundreds of residents of the Edmonton, Alberta, area.

It notes that Mrs. Leyla Zana, a duly elected member of the Turkish parliament, is serving a 15 year prison sentence in that country solely for her peaceful efforts to resolve the Kurdish issue. This is a violation of the universal declaration of human rights and she has been declared a prisoner of conscience by Amnesty International.

Therefore the petitioners urgently request the Parliament of Canada to endorse the nomination of Mrs. Leyla Zana for the Nobel Peace Prize this year by a formal resolution of the House and to exert all reasonable efforts to secure the release of Mrs. Zana and all other prisoners of conscience from incarceration in Turkey.

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**QUESTIONS ON THE ORDER PAPER**

**Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I ask that all questions be allowed to stand.

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

**Some hon. members:** Agreed.

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**MOTION FOR PAPERS**

**Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

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

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS***[Translation]***CRIMINAL CODE**

The House proceeded to the consideration of Bill C-51, an act to amend the Criminal Code, the Controlled Drugs and Substances Act and the Corrections and Conditional Release Act, as reported (with amendment) from the committee.

**Hon. David Anderson (for of the Minister of Justice):** moved that the bill, as amended, be concurred in at report stage.

**The Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

**Some hon. members:** On division.

**The Deputy Speaker:** I declare the motion carried.

(Motion agreed to.)

• (1520)

*[English]*

**The Deputy Speaker:** When shall the bill be read the third time? By leave, now?

**Some hon. members:** Agreed.

**Hon. David Anderson (for the Minister of Justice)** moved that the bill be read the third time and passed.

**Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, Bill C-51 contains a number of changes that the government has identified as requiring fairly quick action, and we have acted. These changes would have normally been dealt with in the next major Criminal Code omnibus amendments, but the government wanted to deal with them sooner.

The Department of Justice also tracks technical problems with the Criminal Code. It produced a list of other amendments correcting legislative oversights and other minor problems to complete the package. Since this is an omnibus bill there is no common policy theme which connects the changes.

*[Translation]*

Parliament has the responsibility and the constitutional authority to pass laws on criminal matters, but the application of these laws is under provincial jurisdiction. We must therefore take into consideration what works and does not work, according to the provinces.

We meet regularly with the provinces and we take their expectations into account when we develop strategies in criminal law. Many of the proposed amendments to the law come out of this process. When these changes are considered, we must bear in mind that they arise from requests and proposals by the provinces, which play an important role in the application of criminal law in Canada.

*[English]*

A number of amendments are a direct product of provincial requests. For example, the changes to the gambling provisions originate from Quebec and Ontario. The changes to the child prostitution provisions originate from British Columbia and

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Alberta. The repeal of the year and a day rule responds to concerns from a number of sources, most recently from Manitoba.

Several provinces also asked to expand the ambit of non-communication orders to prevent persons charged with domestic violence offences from contacting victims or witnesses both before and after their bail hearing. The proposed legislation authorizes the first judge or justice before whom the accused appears to make such orders.

One of the cornerstones of the bill is the repeal of the year and a day rule in section 227 of the Criminal Code. Cases where it will apply are relatively rare but have been increasing in recent years because medical advances make it more likely that victims of assault will survive for extended periods. Forensic advances also make it possible to prove the causation of death in cases involving disease or environmental pollution where it would not have been possible a few years ago. I was pleased to note that members of all sides of the House support this amendment.

Another change which was a priority was the provision linking the new deceptive telemarketing offences proposed by the Minister of Industry in Bill C-20 with the Criminal Code proceeds of crime provisions.

When Bill C-20 was drafted and introduced it was not apparent that this was an important link. Competition Act offences are regulatory criminal law and the competition bureau would not usually consider it necessary to target proceeds from the other offences it enforces such as misleading advertising.

This is not the case with deceptive telemarketing. As we have seen both from our own examination of the problem and recent media coverage, telemarketing fraud and deceptive telemarketing are capable of generating large proceeds. They involve the use of telephone boiler rooms to contact large numbers of victims. Individual losses may be large or small, but if many victims are targeted the overall proceeds are often very large, marking confiscation a major deterrent and an important step toward compensating victims.

The proceeds are so large in some cases that this sort of crime has attracted the attention of more traditional organized crime groups in Canada, making the targeting of proceeds even more important.

• (1525)

Both the Minister of Justice and the Minister of Industry take this matter very seriously. As soon as the need for this link was identified it was included in the bill. The offence of fraud already falls within the proceeds of crime scheme. The inclusion of deceptive telemarketing will help to ensure that criminals cannot

hide their own considerable profits from forfeiture and restitution to their victims.

Another organized crime priority for both Quebec and the solicitor general was the exclusion of those convicted of organized crime offences from accelerated parole review. This proved to be a fairly straightforward amendment. It was proceeded with but concerns have been voiced that it does not go far enough.

As proposed, organized crime offenders would be excluded as long as the organized crime element is proven either on conviction or sentence. To go further than this and catch everything at conviction might require the restructuring of the money laundering offence. This would go beyond what is reasonable to attempt to do in an omnibus bill.

The solicitor general and the justice minister were anxious to proceed with this change quickly. The criminal organization offence was added to the Criminal Code less than two years ago by the government. Fairly quick action was needed on this issue before a significant number of cases arose.

Another important organized crime issue is the potential use of rough diamonds produced in Canada as a medium of exchange by organized crime. As members of the House will know, the first ever Canadian diamond mine began production in the Northwest Territories earlier this month. This represents an important and welcome source of economic development for Canada's north, but there are concerns that the high value of rough diamonds will attract thieves and organized crime interests.

For this reason the Minister of Justice wanted to move quickly to expand the Criminal Code offences dealing with precious metals to include valuable minerals other than gold, silver or platinum. This would ensure the law covers rough diamonds and any other gemstones or other similar minerals that might be discovered in Canada in the future.

[*Translation*]

In the case of international cruise ships, the amendments would allow Canadian registered cruise ships, which fall under Canadian law regardless of where they are, and foreign registered cruise ships in Canadian waters to offer gambling to passengers.

The changes will also allow cruise ships entering Canadian waters to import gambling equipment in their casinos without charge.

This is expected to provide direct benefits to the cruise industry itself and indirect benefits to tourism and other business in the ports where cruise ships call. Canadian registered cruise ships will be competitive while abroad and foreign registered ships will not be deterred from calling on Canadian ports.

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The cruise industry is an important and rapidly growing part of regional economies, particularly in the St. Lawrence valley of Quebec and the coastal waters of British Columbia.

I am happy that we have proposed amendments that will address the concerns and interests of these provinces and their populations. I am convinced that the proposed amendments will not lead to a significant increase in overall gambling and will not conflict with provincially regulated gambling.

In Canadian waters, gambling will only be allowed on genuine international cruise ships during actual international cruises. No gambling will be permitted when ships stop over. I want to make this very clear.

[*English*]

The bill also contains a series of sentencing reforms. As with other amendments, the purpose is not to make fundamental changes to sentencing policy but to address certain specific concerns that have arisen with the sentencing reform bill, Bill C-41, which took effect in late 1996.

• (1530)

Bill C-41 created a number of general rules dealing with fines, conditional sentences and other measures. The application of the new general rules to specific provisions of the Criminal Code and other acts have had to be reconciled or adjusted in some cases as we begin to see how the various provisions are being applied by the courts. It is too early to consider any fundamental changes to the sentencing provisions but there are a number of areas that warrant refinement in our opinion.

For example the legislation will clarify the relationship between the new general rules governing fines and other specific punishments in the Criminal Code and other statutes. There has been some question about whether the fine provisions would have priority over punishment rules for specific offences. The proposed amendments will ensure that a specific fine imposed pursuant to a specific offence provision has priority over the general rules. They will also clarify that if there is a minimum jail or prison term, the fine options are not available as an alternative to it. In other words, the offender may be sentenced to a fine in addition to custody but not instead of it.

The most important sentencing changes deal with the enforcement of conditional sentences. They are designed to ensure that the enforcement of conditional sentence orders is effective and that offenders face appropriate consequences for breaches of their conditions. Offenders who breach the conditions of their sentences will no longer get credit for time spent while they were in breach.

The running of their sentence will be held in abeyance until a court concludes an inquiry into the breach no matter how long that takes.

In light of the House standing committee's plan to study the whole issue of conditional sentencing as was requested by the Minister of Justice, we believe fundamental changes should not pre-empt its work. Furthermore a number of cases have been dealt with by appeal courts and several are pending before the Supreme Court of Canada. We believe we should allow the supreme court to render its decisions in these cases so that any further changes are predicated upon a solid legal foundation.

This bill consists of changes that will not revolutionize Canada's criminal justice system. They are not for the most part glamorous and they will not generate newspaper headlines, but they are important. They are important to the police community which seeks powers to target proceeds of crime. They are important to victims who are intimidated by assailants even when they are in custody. And they are important to our prosecutors and our courts that are charged with the weighty task of ensuring justice is both done and seen to be done on a daily basis.

I therefore ask that all members join the Minister of Justice, this government and me in supporting these amendments.

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.):** Mr. Speaker, I understand there have been some discussions and that there would be unanimous consent for me to share my time with the member for Esquimalt—Juan de Fuca. I would ask for that unanimous consent.

**The Deputy Speaker:** Is there unanimous consent that the hon. members share the time as indicated?

**Some hon. members:** Agreed.

**Mr. John Reynolds:** Mr. Speaker, I will cover a few fundamental flaws in Bill C-51.

I listened to the eloquent remarks of the parliamentary secretary. If the millions of people who make up the vast audience watching the parliamentary channel were to listen to her, they might think it sounds pretty good, that we should get this in really quick. The parliamentary secretary said that it is important to police, victims, prosecutors and the courts. In Reform's opinion a lot of changes could have been made in this bill that really would have made it important to police, victims, prosecutors and the courts, especially to victims and the Canadian public.

The Reform Party has raised a lot of concerns. We raised them during second reading when we had a good full debate in the House. We raised them in committee and had full discussion on some of our concerns about this bill. We also put amendments in committee which the government did not consider.

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• (1535)

The minister had a great opportunity in this legislation to make a clear statement to criminals that the country has had enough with this cat and mouse game. Instead the minister continues the course of inaction in getting tough and sending a message that Canadians have had enough of weak sentences, conditional release for violent offenders, child prostitution and those living off the avails of child prostitution, and organized crime figures spending so little of their sentences in prison for major drug offences and other very violent crimes.

Let me say a few words about the subject of conditional release. I read a litany of concerns expressed by judges and others in the judicial system during my speech at second reading. It obviously was not enough proof for the minister that conditional release is not meeting the expectations of the judges or the public.

We could debate this bill for months just reading the comments made by judges on conditional sentencing. Judges ask why parliament did not put right in the bill originally exactly what they wanted with conditional releases. That is what the Reform Party tried to do in committee. We tried to make it so Canadians and judges would understand what conditional sentencing meant.

The parliamentary secretary tells us there are cases before the supreme court right now and that the government wants to hear what it says before looking at conditional sentencing again. I say to the parliamentary secretary and the minister, is it not time this House of Commons started making the laws and not wait for judges who are appointed by the government to make the laws? It is our job to look at legislation and to look at how it is working.

We believe, as do many Canadians, that the issue is very simple. Conditional sentencing should not be used in the case of a violent offence. Yet it is happening more and more.

By simply amending section 742(1) of the Criminal Code to exempt convictions for serious personal injury offences as defined in section 752 of the code could prevent such travesties as the one involving two gentlemen—and I use that term very loosely—who raped and tortured a Montreal woman last year. Thanks to conditional sentencing they were let out, free to do it again. Is there no sense of compassion with this government or just plain common sense?

I do not know one member of this House who in looking at that case would think that it was ever meant for two men convicted of rape, not only rape but a violent rape. Yet a judge in her wisdom—and I really question that and hope that when this gets through the supreme court we will see some major changes in that—let this happen.

One of the main reasons we will vote against this bill is because the government refuses to look at conditional sentencing. It continues to let this type of sentence take place for violent rape

offences and violent murders. It is unfortunate that this government is just not listening.

Being the official opposition, we could be accused of being political in trying to find a weakness in the government. Heaven knows, we would not do that.

Let me just say what a judge said because we all know judges are not political. They may have been at one time but they are not political in their jobs and we all know that. As one judge put it, “conditional sentencing for these types of heinous crimes undermines respect for the law”. That is what the Reform Party is talking about, the undermining of respect for the law.

People who commit these kinds of violent crimes are allowed to get out on a conditional sentence, serving no time in jail, with no training to put them back into society so they will not do these things again. That is why the judge said it undermined respect for the law. That is why we put these amendments in committee, why we are debating this bill in the House of Commons right now and why we will vote against this legislation.

I have quote from another judge who said “Some judges fall on the other side and have been applying conditional sentences far beyond what parliament had originally intended”. We made it easy for them to try to interpret something the way they wanted to hear it. Judges have asked publicly “Why do members of parliament not vote in the legislation and tell us what they want and what is meant by conditional sentencing?”

• (1540)

That is what we tried to get this minister to do at committee. We tried at second reading and we are trying again at third reading. I am hoping there are enough people out there listening and paying attention, enough police officers, prosecutors and victims looking at this and they will write the Minister of Justice and tell her that this bill should not pass without something being done about conditional sentencing.

Let us look at some surveys. The government does surveys. The opposition does surveys. Survey after survey of police officers, lawyers, probation officers and corrections staff indicate that over 90% of the experts in the business felt that sentences imposed by the courts were not respected. Upwards of 69% of this same group felt that the amount of time served should be the same as the sentence imposed. That is a shocking thing.

When somebody has committed a very serious crime and is sentenced to 20 years in jail, the public thinks he will serve 20 years with a little time off for good behaviour. In this country the judge can give them a conditional sentence. They can serve no time in jail at all. That is wrong.

The message the government is sending in Bill C-51 is that a life of crime pays, and the public remain the victims of the cruel hoax

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that Canada has a system of justice that respects them and not the criminal. Right now the average person out there in the public believes that the system respects the criminal and not the victim. Members on the other side know that. They know about the motion on victims by our House leader and which was worked on very hard by the deputy justice critic from Surrey North. It was put forward in the committee this week. This party is concerned about victims. This bill does very little for victims.

On another note, the Reform Party feels strongly that traffickers and importers of drugs spend at least two-thirds of their sentence behind bars. These people in most cases are members of organized crime and are a blight on society.

There must be a message sent to organized crime. If we could have it our way, we would like the entire section on accelerated parole repealed. Organized crime figures are serious criminals by the Criminal Code's own definition. Why does the government continue to deal with them as if they are petty criminals?

Automatic parole for these types of criminals is abhorrent no matter what the standard. They are not rehabilitated after one-sixth of the sentence. The government is going to go to one-third, but I guess it is the best we can expect from this government.

Think about people who are involved in organized crime. Organized crime by definition means being part of an organization of more than a certain number of people, and those people have made a decision in their way of life to become involved in crime. Crime is their business.

If someone launders a couple of million dollars and gets six years in jail and after two we let him go, is that anything that will stop a lot of people from getting into organized crime and a life of crime? If they know they will spend two-thirds of the sentence in jail no matter how good they are when they get there, they might think twice about getting involved in a life of organized crime.

Bill C-51 deals with the issue of child prostitution. The Criminal Code now provides a minimum of five years for anyone who uses violence or intimidation to get or keep a minor in prostitution. The Reform Party feels that anyone who lives off a minor should receive a minimum one year sentence, and I and the public look at that and think one year is not even enough. Number one, they will not serve a year and number two, they are not getting any time at all on a first offence. The government does not share our view but in fact it seems not too harsh to us at all.

• (1545 )

I ask members of this House to look at child prostitution, what this government is saying and what we have asked for. It is very much a minimum.

Just about every member in this House has children. If one of their children was to be lured into child prostitution or lured into the drug areas they would be incensed.

I am sure a lot of members have constituents who have children who have been drawn into the field of child prostitution. How many street children have we in the cities of Toronto, Montreal, Edmonton and Vancouver?

In this bill we tried to make some changes. We could not get the amendments before the committee. The minister said she was aware that it was a problem and she would like the committee to look at it a little further.

Is it not time we told the courts, from the bottom right up to the supreme court, that anybody who messes with our children, who starts to peddle drugs to them or who tries to lure them into prostitution is going to get minimum sentences?

The sentence for prostitution might be one year, but the sentence for drugs has to be heavier. There cannot be any early parole to return these people to the streets. That is not radical. That is what the average Canadian thinks.

It is becoming a bigger and bigger issue in our country. I know that in Vancouver and Toronto drugs are a very serious problem. We do not find that in the polls with taxes, income and health care. That is a day to day thing at home and not something we tell the pollsters when they call. We may not want to talk about the fact that our children are involved in drugs.

It is a shock to many parents. I know this from talking with people in my own constituency who have had the unfortunate situation happen where their children were involved with drugs.

The expense to our country, the expense of getting these people off drugs and back to a normal life, is minute in comparison to what it would cost to keep that person in jail who tried to lure a child into drugs or prostitution in this country.

The Reform Party would have liked the government to send a message to those parasites who live off juvenile prostitutes. Society abhors their behaviour. We have to start somewhere.

On the one hand the government allows the police to use wiretaps to deal with the problem. The government then allows a judge to give the criminal a slap on the wrist for his bad behaviour. This is not good enough. Give on one hand; take away with the other. This is feel good legislation for the Liberals, but it is not taking the problem seriously enough.

We have talked as much as we can on this side of the House on these areas. We hope that the government listens once in a while, looks at this issue and realizes that it has to speed up.

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We will have to take the minister at her word. She has said that the issue of conditional sentencing with respect to child prostitution will go back to the committee for consideration. The sooner the minister gets it there the sooner it will be dealt with.

This is a serious problem in our country. It is not a partisan political problem. It is something that members from all sides of this House want to get to work on. I think it is time we told the lawyers working in the justice department and the judges that it is the people in this House who make the laws. We are going to bring in some tough laws to solve the drug problems and the child prostitution problems in this country because they are going to affect more and more people and it will not be very pleasant.

The other side of the child prostitution sector is the government's lack of interest in dealing with johns. Bill C-51 does indicate something about this by making the communication with anyone for the purpose of obtaining an under-age prostitute an offence. This may help police to catch a few johns, but they will probably only get a slap on the wrist.

The Reform Party attempted through amendment in committee to impose a minimum penalty for johns of 30 days for a first offence and 90 days for a subsequent offence. We believe this would reduce the demand for prostitutes as it would not be possible to get a discharge or a conditional sentence or otherwise avoid jail time as one can now. It would have sent a message to these perverted people that society is getting fed up with their behaviour. Again our amendment fell on deaf ears.

Until we get serious with these issues they are not going to go away.

• (1550)

We ask the government to seriously think about what it is doing in these areas.

In summation, Bill C-51 was a golden opportunity to begin a process of equity and fairness in sentencing to deal with organized crime figures who live off million dollar drug deals and to deal with child prostitution and those who prey on those individuals. Instead, the government continues in an inch deep and a mile wide manner of tackling crime in Canada. By the very nature of this omnibus bill we are reminded that this government likes to wait around before it moves on specific problems and then it deals with them by omnibus legislation because it hopes no one will notice or no one will care.

We are going to vote against this bill on those three issues. Other members of my party, including the member for Esquimalt—Juan de Fuca, will talk about other reasons and perhaps the same ones I am talking about.

This is serious legislation. It deals with some of the major issues of our young people in Canada today. I hope that Liberal members on the other side are paying attention and that they will convince their minister that she should speed up the process. The government is going to push this bill through even if it has to bring in closure, which will not be the first time in this parliament.

We are going to do what we can to let the Canadian public know that this bill is not good for Canadians. We hope they will get their messages to this Liberal minister so there can be some changes made.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, I thank our justice critic, the member for West Vancouver—Sunshine Coast, for sharing his time and other members for allowing me to speak to this bill.

Ray Canuel, the chief of the Vancouver city police, once said that the justice system is not working, that the Canadian public does not think it is working and that we need to fix it and we need to fix it now.

Bill C-51 was an ideal opportunity to do just that. Instead what we see is another effort to nibble around the edges of serious problems, problems that range from child prostitution, as my colleague has mentioned, to issues relating to sentencing. The opportunity existed and, once again, the government let it slip through its fingers.

I will go through a number of points to provide some constructive solutions that have been around for a long time, solutions that the government would be wise to adopt as they are solutions that have been adopted and pushed forth by members from Surrey North to Moncton and members from all political parties. The government would find widespread agreement if it was to take these constructive solutions and adopt them tomorrow.

We have to look at crime in the context of resources. We have a certain amount of money. The money is limited and the demands on that money are rather extreme.

These are some examples of resources not being available to fit the demand. Many criminals, as my colleague mentioned, are being let out of jail early. Criminals have been sentenced but are not doing any time. The RCMP had to close down its training facility. The public is not served well by this.

If justice is going to serve the public well we have to implement cost effective programs. Perhaps the first thing that we can do is address the issue of crime prevention. Nowhere in this bill is that mentioned, yet the statistics and the data conclusively demonstrate that crime prevention is not only effective if done well, it is also cost effective. For every dollar that is invested there is a \$7 saving.

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In our country today the cost of crime is roughly \$46 billion, yet we spend a little over \$15 million on crime prevention each year. Contrast that with countries like Belgium, which spends \$130 million on crime prevention, and Great Britain, which spends a few million dollars and the result has been a 35% drop in crime.

The cost to incarcerate a young offender is between \$80,000 and \$90,000. The cost for an adult can be anywhere from \$50,000 to \$70,000 per year. Experiments from Ypsilanti, Michigan to the Hawaii head start program to the Moncton head start program have shown that one dollar invested saves \$7 per person.

• (1555)

We can no longer afford to give mere lip service to this issue. We must act.

We could take the best of the three programs. If we took the best of the program in Moncton, the best of the program in Ypsilanti, Michigan, which is the prairie preschool program, and the best of the Hawaii head start program, in front of us would lie a plan.

Then we could bring together the medical community. All women have to go through the medical system before they give birth. We could use the nurses and the physicians to identify families at risk. If we did that we could address important things such as fetal alcohol syndrome which is the single leading cause of preventable birth defects in this country.

If we look at those who are in prison, there is an extraordinarily high number of individuals in jails who have been debilitated by fetal alcohol syndrome. This irreversibly damages a person's brain. They do not have the ability to integrate, learn and communicate with other people. It impairs their ability to act in an integrated way with society. It causes extreme frustration for children and can manifest later on in criminal behaviour, conduct disorders or worse. It is preventable, but we have to start at time zero. Head start provides that.

The Hawaiian head start program used trained volunteers. This is important because we could use women who have had their children, who are responsible parents and who can provide their expertise. It is an extremely important way in which a community could build ties. They could use this pool of experienced individuals to support people who need help.

What was the outcome of the Hawaii program? There was a 99% reduction in child abuse rates because of the trained volunteers who worked with families at risk. There is no other program that I am aware of which provided this extraordinary benefit to children and families.

The emphasis is on working with parents. The emphasis is on teaching parents the basics of appropriate discipline, setting boundaries, proper nutrition, love, care and compassion, the effects of abuse on children and how to prevent that within the context of the family. These may seem very basic and simple, but they are essential if children are to be psychologically stable children, adolescents and eventually productive adults in our society.

The Moncton program started with children early on. The key was that it used parents in conjunction with the school. The bottom line was that it turned parents who were having difficulties into good parents.

The outcome was extraordinary. It has been shown that there was roughly a \$30,000 saving for every child. These programs showed a 50% reduction in teen pregnancies. There was a 60% reduction in criminal behaviour and incarceration.

Not only do these programs make sense economically, they make sense from a humanitarian perspective and they have been proven to work.

The cost of justice in our country today is roughly \$46 billion per year. The amount we spend on crime prevention is approximately \$15 million. We need a national program. We need to use it within the context of the resources that we have today.

The Minister of Justice can take a leadership role. She can work with her counterparts in human resources development and in health to convene a meeting as soon as possible in Ottawa with her provincial counterparts. They could determine and assess what works in the provinces. They could keep what works and remove what does not. They could take poorly used resources and put them into something that works. If we use the existing resources of the medical community, trained volunteers, and a similar program to the Moncton head start program we would save this country millions of dollars.

• (1600)

More important, it would save a lot of people's lives both in victims and in potential perpetrators. The stats are there. The facts are there. The government needs to show the leadership to do this.

In May I had a private member's bill calling for a national head start program that was adopted by the House. This program, based on work done by members across party lines and the National Crime Prevention Council which was brought to bear as a result of an edict from the House in 1994, shows very clearly that the House will support a national head start program using existing resources.

We just need the political will from the ministers to do this. I know the ministers will find support from across party lines to do this. Alone we managed to get four provinces on side to support the

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national head start program. All the minister has to do is call together the rest of them and half the work is already done for her. She can do it.

If there is one legacy that the government can leave that is positive right now it is to enact this program for the future of our country, in particular for the future of the children of today and tomorrow.

I will deal with some issues that have not perhaps been dealt with. We are talking about drugs. Again, this bill could have dealt with the issue of drugs. There are some important projects that have been done that can effectively reduce the serious drug problems we have. In Vancouver we have hundreds of people overdosing and dying every year as a result of the drug problem. Children are taking drugs.

We can look at existing programs that have worked. Let us look at the Geneva experiment. After the needle experiment that failed in Geneva in the late 1980s and early 1990s, it rethought what it could do. The Geneva experiment basically legalized drugs. It was an abysmal failure but now it has taken hard drugs, particularly narcotics such as heroine, and given hard core addicts a dosage of heroine a certain number of times every day at set times. The quid pro quo on this is that individual has to come in and participate in drug rehabilitation programs, skills training. The outcome has been remarkable.

There has been a 50% reduction in hard core drug abusers who have been off drugs for at least a year. This is a recent program and so therefore we do not have much beyond that to look at. The preliminary results are encouraging. No other program in the world has worked so effectively to reduce drug abuse among hard core drug addicts.

The savings were also remarkable because there was at least a 65% reduction in crime rates among this population of individuals. Imagine if the minister were to speak to her counterparts in British Columbia and other provinces to at least adopt this in a trial program in Canada. We know what we are doing now does not work.

On the other side of the coin with respect to those people who are pushing drugs, we need to have heavier penalties. Right now, as my colleague from West Vancouver—Sunshine Coast mentioned, individuals are serving a third or a sixth of their sentence and being paroled. That demonstrates to criminals that there is little or no penalty at all.

My colleague from Surrey North has worked long and hard on this and many other issues of justice. He needs to be listened to by members opposite because he has spoken so eloquently and from a great deal of personal experience.

We need to look at projects that have worked. We do not need to reinvent the wheel but we need to look at projects that have

worked, to adopt them at least on pilot projects here at home and look at the international experience on these. With respect to pushing and trafficking, these issues have to be dealt with with the full force of the law.

We also want to address the issue of child prostitution. The government has an opportunity to hit those people for abusing children in one of the most egregious fashions possible. This is not child prostitution. This is rape and pedophilia, pure and simple.

These individuals need to be hit with the full force of the law and this does not mean getting off with a third of their sentence. This means being sentenced hard and being sentenced with the full force of the law. Programs need to be put in place to help child prostitutes get out of that situation and move into a life where they are not subjected to abuse that we cannot possibly imagine.

• (1605)

On the issue of restorative justice and shaming procedures, members across the way and in this party have articulated experiments that have been done in some pilot projects across the country. This can be applied to take the financial and economic load off our justice system in a very important way. It can provide for effective penalties that have proven in certain non-violent populations, in particular for juveniles to ensure that they will not engage in recidivistic behaviour. They would benefit as, most important, the victims would benefit by getting some retribution for the crimes that have been meted out to them.

As the Vancouver city police chief mentioned in his speech, the victims do not find they are being supported by the system because the justice system, largely because of financial reasons, is unable to mete out the penalties that are required for individuals who are committing atrocious crime.

In effect what we are often doing is lumping the violent with the non-violent, the inveterate criminal with the first time offender all into the same bunch. Many are being tossed out together with little retribution as part of the justice system.

We need to divide up these two populations as and make sure those people who are the inveterate criminals, the violent offenders, the rapists, the murderers and the child abusers, are put behind bars and will receive the full force of the law and of course engage in the appropriate rehabilitation.

Those people who are non-violent or first time offenders, juveniles in particular, can engage in issues such as restorative justice which in British Columbia, for example, has proven to be highly effective not only by keeping people out of jail but, most important, by decreasing the recidivism rate and ensuring that victims receive some retribution for the crimes that have been meted out to them.

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On the issue of victims rights the government had another opportunity to pursue and adopt solutions that the Reform Party has been pushing for for a long time, to make sure victims have an important role to play in the justice system. Right now, although victims represent half the situation in crimes, they play a very small role in what happens.

It is a slap in the face to those who have been violated, sometimes in horrendous ways, that they are second class citizens within our justice system. They are not treated as the important persons they should be within the justice system which should first be seeking to protect them, provide retribution to them, provide restoration to them and provide help to them.

There are many cases where the perpetrator has been convicted and receives all kinds of help. Yet the victims are left dangling in the breeze to fend for themselves. What a sad situation if one knows those individuals or those families and the pain and suffering they have to endure.

There is much that can be done within our justice system. There is little that has been done with respect to Bill C-51. Instead of dealing with issues such as whether we should remove the prohibition on dice and gambling on cruise ships, whether we can use wiretaps in the case of certain crimes and whether we remove sentencing from one sixth to one third of a sentence, the justice system and the members responsible on the other side should have used existing solutions and adopted them.

We in the House have a responsibility to the people who elected us. We have a responsibility not to nibble around the edges of problems but to take those problems in both hands and find the best solutions we can, the most pragmatic solutions, solutions that have worked not only in Canada but around the world, solutions that are cost effective and do the job and adopt those solutions here if only in pilot projects. Why wait to dot the *is* and cross the *ts*? Why not implement those programs in Canada? Then we can see whether they will work.

• (1610)

We must have the courage to act. The continued failure of the House to act in a courageous manner, to deal with these problems in a substantive way rather than in a superficial way is one of the failings we as members from across party lines have seen over the last five years.

This is not rocket science. We can do it. We can improve the justice system. We can effect important constructive solutions to make the streets safer for all Canadians now and in the future. Above all, we can adopt programs to prevent crime.

**Hon. David Kilgour:** Mr. Speaker, I rise on a point of order. I seek unanimous consent for me to ask a short question of the member.

**The Acting Speaker (Mr. McClelland):** Is there unanimous consent?

**Some hon. members:** Agreed.

**An hon. member:** No.

[*Translation*]

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I did not concur with the hon. member's request, not because I am opposed to questions, but because the debate had already begun, the rules for had been laid down and there was not to have been any question period.

I am pleased to again speak to Bill C-51. As my colleagues have had the opportunity to examine this omnibus bill in the Standing Committee on Justice and Human Rights, I will devote the time allocated to me to raising certain aspects covered by the bill.

First of all, I would like to take a few moments to make a progress report on the work in committee.

In his speech at second reading, my Bloc Québécois colleague from Berthier—Montcalm placed heavy emphasis on the importance of committee work. He indicated that, when analysing an omnibus bill, parliamentary institutions needed to be efficient.

Too often, committees fall victim to obstruction by the party in power. I have some knowledge of this, for I sit on the Standing Committee on Human Resources Development. We are aware that the government and the Liberal MPs sitting on this committee do not want us, first of all, to address the impact of the Employment Insurance Act. In fact, the opposition parties have formed a strong coalition calling for an emergency debate on the impact of the Employment Insurance Act.

Along with my colleague, the hon. member for Berthier—Montcalm, I deplore the fact that there is systematic obstruction by the Liberal MPs who sit on the committee. When an omnibus bill is what is being studied, a bill as complex and detailed as this one, one may well wonder about the quality of work that is going into it.

I described this omnibus bill as a *tutti frutti* bill when I spoke on it for the first time. It contains a number of amendments to the Criminal Code. It is a bill that goes in a number of different directions and affects a number of different aspects of the Criminal Code.

Nevertheless, the sessions of the Standing Committee on Justice and Human Rights on Bill C-51 went off very well, according to what my colleague from Berthier—Montcalm says. Despite the committee members' rejection of the amendments proposed by the Bloc Québécois—I will return to this point later—we did enjoy some healthy discussions on the amendments proposed by the Minister of Justice.

The Liberal MPs must not have any illusions, however. As I have said, committee work is too often obstructed. We ought to reflect upon the necessity of calling meetings when the dice are inevitably

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loaded in advance, when there are foregone conclusions. Consensus in committee is a rarity.

There are discussions, of course, but the outcome is known in advance. The government rarely makes use of the recommendations made by the various parties, particularly when the opposition parties have reached a consensus.

• (1615)

It is very rare for the party in power to adopt suggested directions, although these would often be beneficial to the entire population.

The members of the opposition have to roll up their sleeves and jump back into the fray. I believe one has to have a hard head when one really believes in an amendment like the one we would like to see in this omnibus bill. One has to be determined.

It is not always easy to get across to the Liberal government that it is not on the right track. We are very much aware of the example the Prime Minister gives to his troops by his arrogant attitude and his refusal to ever go back on what he has said, even if it is something incomprehensible, as it often is, and not in the public interest.

I believe the Prime Minister often sets a poor example for his troops, and does not show them frankly and honestly how to carry on debate.

It is not always easy to get this government to listen to reason, this government we would describe as arrogant. One has to keep at it, sometimes even drawing a picture when that is what is needed.

This is the spirit in which the Bloc Québécois has carried out the mandate entrusted to it by Quebecers since it was first elected in 1993. We have confronted the House of Commons head on, in order to defend the interests of Quebecers. We worked exceedingly hard to move the heavy Liberal machine, which, as we say in Quebec, is too often asleep at the switch.

Propelled by this desire to change things, very early, along with the member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans and other members from the Quebec City area, we started a crusade to enable cruise ships to operate their casinos on the St. Lawrence.

It may seem banal, but this amendment will have a significant economic impact for the Quebec City area, as I will explain during the course of my speech.

The cruise industry represents several million dollars to our region. In fact, on average, tourists each spend about \$110 per visit. Given that each ship has between 1,000 and 1,500 passengers, it is not hard to imagine that a significant increase in the number of

calls by these ships in our ports will have a strong economic impact on our communities.

However, this increase will not be possible unless the needs of the passengers on these ships are taken into account. At the moment, many of these tourists enjoy casino cruises, and casinos are increasingly popular with people on cruises. In an effort to respond to the demand, ship owners provide casinos for their clients.

Up to now, Canadian law limited the expansion of the Quebec tourist industry that depended directly on the influx of cruise ships. Since the Criminal Code prohibited the operation of casinos from Anticosti Island on, a number of carriers did not call in Quebec City.

The legislation provided that the casinos had to be closed at Anticosti Island and before the port of Quebec City. This meant two or three days where the casinos were closed on the cruise ships. So their stay was considerably reduced in order to not upset passengers. The situation does not occur in international waters, because access to ports is direct.

The effect of this prohibition was to slow down the economic growth of the Quebec City region, a slowdown it did not need. Because of the Criminal Code provisions, the number of ships that stop over in Quebec City every year has dropped by about 25. This creates an economic shortfall of several millions of dollars.

It is for this reason that the members in the Quebec City region and the member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans have been waging such a battle on this important issue of being able to operate casinos on cruise ships. It represents \$2.5 million in lost tourism dollars every year in the Quebec City region. This is why the industry has been after the government for so long to amend the legislation.

• (1620)

The member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans introduced a bill in 1997 to remedy the situation. All the members for the Quebec City region supported his efforts, of course.

Faced with the government's apathy and its refusal to take action, the member introduced his bill again in 1998, hoping to bring about changes for the economic benefit of the Quebec City region. After much pressure from the industry and from Bloc Québécois members, the government finally woke up—it did not have much choice—and realized, after many years of listening to our arguments, that the situation could not go on and that something must be done. It had no choice but to act or look like it was dragging its heels.

That is why we have been hounding the government since we were elected in 1993, and we know that industry representatives

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have been doing the same for ten long years. The government had no choice but to introduce this amendment authorizing casinos on cruise ships sailing on the St. Lawrence River.

Although the government has finally decided to take action, it must not be forgotten that its lethargy has cost the Quebec City region dearly. Too many years went by before the Liberal machinery finally decided to do something. Today, we applaud this legislative change allowing gambling on international cruise ships.

There are many other areas where the federal government's lethargy is having a detrimental effect. Gambling on cruise ships is but one example, and consideration of Bill C-51 has helped us identify more examples of this government's lack of political resolve.

In introducing her bill, the justice minister was proud to announce she was out to control the activities of organized crime. And then she proceeded to introduce a change to the accelerated parole review process under the Corrections and Conditional Release Act.

First of all, let us make it clear that the Bloc Québécois has for some time been condemning the absurdity of the accelerated review process. My colleague from the Bloc Québécois, the hon. member for Berthier—Montcalm, repeatedly questioned the Minister of Justice, asking her whether she thinks it is right for a major drug dealer like Joseph Lagana, who laundered nearly \$47 million, to get paroled after serving only one sixth of his sentence.

The Bloc Québécois did not simply question the justice minister on this issue, it also proposed solutions. Indeed, my colleague, the hon. member for Charlesbourg, presented a bill to amend the Corrections and Conditional Release Act to deny high-profile drug dealers access to an accelerated parole review. The amendments proposed by the hon. member not only addressed organized crime, as the minister proposes in her bill, they also went beyond that to encompass conspiracy and money laundering.

The solutions of the hon. member for Charlesbourg were even submitted to the justice committee as an amendment to Bill C-51. We know what happened; the Liberal majority rallied around the minister and refused to pass them. This refusal is typical of the Liberal government's lack of courage as far as money laundering is concerned. If the minister really wanted to deal with this dangerous problem, she would follow up on the Bloc Québécois proposals.

Among the recommendations were the withdrawal of the \$1,000 bill. In our opinion, this is an extremely sensible proposal. What we are asking of the government is very simple: not to issue any more \$1,000 bills. That would have a direct effect on money laundering.

Obviously, it will take this government a few years to understand, just as in the case of amendment for the cruise ships, that

Canada is a money laundering centre. It will take the government even longer to realize that having \$1,000 bills in circulation helps the cause of money laundering.

The Liberal government cannot be pushed. It prefers a step by step approach. It does not appreciate our telling it what to do, even when what is needed is obvious.

• (1625)

The government, which we consider arrogant, wants to seem to be taking initiatives, although we have long been proposing solutions. Despite this strange situation, the Bloc Québécois has not given up. We will continue to ride this government to get it to act rather than remain complacent.

We have introduced private members' bills to get things moving.

I know something about this because I myself introduced two private member's bills. Both were rejected by the Minister of Justice, even after I had devoted a great deal of effort to raising awareness among stakeholders. There was a great deal of support for my bills, and several members here in the House were behind me.

Faced with this situation, the Liberal government had no choice but to proceed, but it took all the credit. It turned it into a government bill and made us wait two years for the amendments to the Criminal Code, instead of giving credit to members who have the public's interests at heart. One amendment involved sex tourism; it would have made it an offence to engage in sex with children in another country. The other had to do with genital mutilation of African girls who are now Canadian citizens.

I worked very hard on these two bills and they were rejected by the then Minister of Justice.

After much pressure from stakeholders and from members, the Liberal government finally caved in and agreed to amend the Criminal Code, because it had no choice.

We are not about to give up. After a careful review of a situation, we do everything we can to bring about the amendment of legislation that is outdated or contrary to the public's interests.

The Bloc Québécois has the interests of Quebeckers at heart.

[English]

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, I am pleased to speak to this bill today. I have many remarks, some of which will echo comments already made by other parliamentarians here today.

I will start by saying for those who are listening to this debate or who are reading *Hansard* that this is an omnibus bill. That means

this bill is a catch all, as has been commented on by other members in the House. The bill affects not just the Criminal Code but other statutes as well. It is a fairly large omnibus bill. Like all complex and large pieces of legislation, there are some good things in it and there are some things that cause me some concern. The government has gone some way to deal with crime issues in this bill but perhaps not far enough on others.

It is to me no coincidence that this bill comes before the House today at this particular hour. I was just speaking with the member for Pictou—Antigonish—Guysborough who comes from the same province as I come from. He is a member of the Conservative Party. He and I sit on the justice committee.

Yesterday this bill was not on the Order Paper but it is today. Ironically at this very hour the Minister of Justice is appearing before the justice committee to deal with the extradition bill and to answer questions from members of the justice committee who might have questions for her. I certainly have many questions but of course it is difficult to be in both places at the same time. Is it a coincidence that this bill comes before the House today so that I cannot question the minister? I do not know.

I will move on to talk about some of the aspects of the bill. I do not want to be hard on the Minister of Justice.

**Ms. Eleni Bakopanos:** There is no conspiracy, Peter.

**Mr. Peter Mancini:** I am told there is no conspiracy. I am told that by my colleague, the Parliamentary Secretary to the Minister of Justice. I agree with her because I am sure she would like to be at the justice committee today as well.

Let me talk about some of the good things in this legislation, and there are some good things. One is the year and a day rule that is changed in the Criminal Code.

• (1630)

The Parliamentary Secretary to Minister of Justice has talked about the history of this aspect of the legislation. It is an old anachronistic piece of legislation. It is time that it was changed. I think we in all parties can agree that the Minister of Justice by amending the Criminal Code to get rid of this section has done a good thing.

There are some other good things. Toughening the laws that deal with those who abuse children in the form of child prostitution is a good move. I have had many conversations with colleagues in my party from Winnipeg, Vancouver and Halifax who see the growing trade in child prostitution. We recognize that this has to be dealt with by tough measures in the Criminal Code. I think the bill, by amending those sections that deal with prostitution, goes some way to deal with that.

On the issue of telemarketing fraud, as technology invades all our lives, changes the way we work and changes the way we do

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business, it also unfortunately creates one of the enhanced opportunities which technology creates, the opportunity to commit crime in different ways. Telemarketing fraud is one of those ways.

Telemarketing scams are widespread. They cost North Americans billions of dollars yearly and do not know any borders. It is important that the changes cracking down on telemarketing fraud are a first step in dealing with that kind of crime.

Particularly susceptible to that crime are seniors and people who perhaps are not as sophisticated with the whole telemarketing system as younger people who have grown up with the technology. It is important that the government recognizes the people who are vulnerable and deals with that appropriately. I think the bill does that. I am somewhat congratulatory to the minister for dealing with that.

The counterfeiting proposal has been addressed by other members today. That too is a good measure. Money laundering is a serious problem. Last year I was contacted by a radio station in Montreal that wanted to know my opinion on the fact that Canada was named as a nation of primary concern by the United States because we were a source of money laundering. It is not something that makes Canadians proud. The government has taken some initiative to end money laundering and to deal with counterfeiting.

The hon. member from the Bloc Quebecois who spoke before me referred to her colleague from Charlevoix. The taking out of circulation \$1,000 bills is a good suggestion. I do not know why the government would not accept it. It is something that could go some way toward stopping money laundering. Unfortunately the government has not accepted it. It could have improved the legislation somewhat if it had done so.

The bill also deals with conditional sentencing. Conditional sentencing is a section in the sentencing provisions. It is an opportunity to deal in a particular way with those who commit crime. It ought not to be abused. When it is abused it harms all those who might take advantage of the program.

The government has made some necessary changes to the conditional sentencing provisions so that when an offender is alleged to have breached or violated his or her conditional sentence and is arrested, the conditional sentence will now be stopped from the time of the offender's arrest until the conclusion of the court hearing. That is a progressive move by the government.

There is, however, the downside of the bill. There are some things in this omnibus legislation that cause me concern. One of them that we have to balance—and I am not saying it is entirely wrong—is the section that amends the Criminal Code to allow for a non-contact clause at bail hearings.

Many people may know but some may not know what that means. At the time of arrest there is a delay between the time of arrest and the time the bail hearing is held to determine whether or

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not an offender is permitted to be released or whether he or she ought to be incarcerated.

At the time of the bail hearing the judge can impose all kinds of conditions. One may be that the offender have no contact with certain individuals. That is a necessary protection because with some offenders there may be a concern that they will threaten other witnesses or that they will interfere with the administration of justice.

• (1635)

In changing the legislation the government is saying that at the time of arrest before the bail hearing a non-contact clause can be imposed. The good side of that is that if the judge has concerns about witnesses being interfered with or the administration of justice being interfered with it gives the judge an opportunity to prevent that. On the other hand, if there is a presumption of innocence we have to ask very real questions about a judge being able to impose a non-contact clause.

There is also a particular area that causes me concern, that is the family law area. Although this is a Criminal Code change it spills over into the family law. In many cases when there are allegations of domestic violence or allegations of any kind of crime being committed, this will allow the judge to impose a non-contact clause which may interfere with family court orders that are currently in existence involving access to children, custody or whatever. It is one in which we have to find a balance. There are some good points to be made in favour of it but there are also some concerns.

The final item is the gaming provisions that have been addressed by other members who have spoken today. They cause me particular concern. I have to ask why gaming provisions, provisions that deal with people having the right to gamble on international cruise ships, have been lumped in with very serious changes to the Criminal Code. We are dealing with child prostitution, money laundering and conditional sentencing. Somewhere in between all these important changes are sections that deal with international cruise ships and the right to gamble.

It was my suggestion that those sections ought to be taken out of this omnibus bill and introduced on their own merit. The debate concerning those is different than the debate concerning amendments to the Criminal Code and the criminal element. Had the government done that, there may have been all party support for some of the very necessary changes to the Criminal Code to make our communities safe. The failure of the government to do that makes me wonder if there is not some sleight of hand here.

I have real concerns about the cruise ship provisions. The hon. member from the Bloc Québécois who spoke prior to me is in favour of them, at least I took that from her speech. I should put before the House, just to illustrate what we are dealing with, that I

come from a community where casinos were just introduced. That has resulted in a large casino in the downtown core that has siphoned off business from many local small businesses on the main street: the local restaurants, bars and entertainment venues. Many of those businesses have lost their revenue to the casino. The casino has hired many people. Some of those who were displaced in one section have found jobs in the other.

The legislation will allow tourists on cruise ships to gamble when they are in Canadian waters. This will have a direct impact on the community I represent. Tourism is being touted by many, especially on the government side, as the saviour of the economy of Cape Breton. We have managed to attract a large cruise ship industry. It has done some economic good. Many people on cruise ships come to the main street to buy souvenirs. They take part in activities, attend museums and purchase goods. They go to the restaurants. However there is only so much money to go around.

I have a real concern that by encouraging cruise ships to allow gambling when they are in Canadian waters—and I appreciate that within five nautical miles of the port they will not be able to do that—we are siphoning off some of the disposable income that might better be spent in the community where these tourists are destined.

Let us be absolutely frank. The reason for having a tourist industry is to invite people to spend money in our communities on goods and services local people can produce. I question the wisdom in terms of economics of allowing cruise ships to have onboard gambling. I questioned some justice department officials who appeared before the justice committee on this issue, as did other colleagues of mine, and I have not received satisfactory answers.

• (1640)

The other side of that gaming provision allows the provinces to introduce dice games. There are people who have real concerns about the influence of gambling in their communities. We know gambling can be an addictive form of behaviour. We all know the stories of people who have gambled away their life savings in some situations because they could not help it.

Those sections cause me concern. It would have been prudent and wise for the Minister of Justice to separate those sections of this omnibus legislation and introduce them separately in the House where they could be debated. We now have to accept the bill in its entirety. We can be supportive of cracking down on crime, making communities safer and preventing child prostitution. The minister is also asking us to accept provisions dealing with gaming. It would have been nobler, perhaps, had she separated those issues.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is a pleasure to debate Bill C-51, an act to amend the Criminal Code, the Controlled Drugs and Substances Act, and the Corrections and Conditional Release Act. It is an omnibus bill that we will not be

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able to address in its entirety in the short time we have allotted. However I will take a stab at a few aspects of the legislation.

Any bill that comes before the House respecting criminal justice should start from the premise that the most important thing the criminal justice system in Canada can do is set out a first principle, that the life and protection of law-abiding citizens and victims must be the highest priority of that system and of the government. Sadly and unfortunately often times we see a criminal justice system that seems to stand that principle on its head. I would argue that too often the rights of criminals come before the rights of law-abiding citizens. We need a complete philosophical change, which I will discuss later.

I will deal with the provisions in Bill C-51 to end the accelerated parole hearing after one-sixth of a sentence for anybody who has been convicted of a crime as a gang member. This raises a bigger issue, the whole idea of having automatic parole. As an Albertan I can say people back home feel very strongly that it is crazy to have a system with automatic parole. Why have sentences when people are released automatically after one-third or two-thirds at the most? It is crazy and unbelievable.

The criminal justice system is full of terms and language that mean absolutely nothing. If people are convicted of two or three crimes the judge might say on the first one that they get two years; on the second one, three years; on the third one, four years. However they will all be served concurrently and the effect is that they spend at most four years in jail. It is really two-thirds of them because people never serve their full sentences. They are out after two-thirds. We have a situation where none of the language we see in the Criminal Code or in any provision that lays out sentencing means anything. It is always a complete exaggeration of the time the person will actually have to serve.

• (1645)

As a fundamental of the justice system when we sit down and consider it, we should have some assurance that it is relatively close to what actually happens. If it says a sentence of five years and the judge metes out a sentence of five years, then there should be some possibility that the person will stay in prison for five years, but that is not the case in Canada today.

It is the same with provisions that allow criminals who are sentenced to a life term to apply to get out of jail, the faint hope clause. When we say life in Canada, it does not mean life. It means 25 years. It is really not life. When people are sentenced to 10 years, they are so-called sentenced to life. That is ridiculous. With the faint hope clause we find out that the 25 years is not necessarily going to be what they serve. Prisoners could be out in 15 years.

When we look throughout the criminal justice system we run into this. It is time we revised all of that. Instead of getting a bill such as Bill C-51, we should go back to the drawing board and set

up a system where a sentence that is going to be handed out actually has some correlation to what is served. That makes sense to me.

It is time for a fundamental change to the criminal justice system. And while removing the accelerated parole hearing for members of organized crime may be a positive step, it really is a baby step. It is a tiny step in fixing the overall problem.

I want to focus on the issue of conditional sentencing. I cannot say how counterintuitive this is to most people back home. The government philosophy is that if one commits a crime in Canada, only as a last possible option would we consider putting that person in prison. If it can be proven beyond a shadow of a doubt that a person is violent and is going to reoffend, then perhaps they might go to jail. Other than that, we see an increased reliance on the whole idea of conditional sentencing.

Conditional sentencing is referred to in Bill C-51. I do not believe this government understands how much that provision is being abused. I want to emphasize that by pointing to a case in my own riding, in the town in which I live, Brooks, Alberta. It is a long tale so I hope members will bear with me for a bit.

People I know in the town of Brooks who run an insurance outfit had hired a woman to do their books for them. They found out that over a period of a couple of years this person had stolen not a little bit of money but tens of thousands of dollars. The woman was eventually found out and she was convicted. We were thankful for that. I think Gwen and Paul Vickers were probably pretty happy to find out that the system worked to that point. The person was convicted.

The Vickers found out that the system broke down in how the judge meted out the sentence. The person found guilty of this crime received a conditional sentence. Her name is Ms. McKennit. Ms. McKennit received a conditional sentence. Tens of thousands of dollars were taken from the Vickers. They did get a good chunk of it back. I do not think they got it all back. Ms. McKennit was sentenced to a conditional sentence which essentially meant that she had to stay at the farm where she lived.

There is a problem with that. The government went ahead and put in place the conditional sentencing without giving money to the provinces so people could follow up and make sure the sentence was actually being carried out. Therefore, we have a situation in the little town of Brooks where one person has to supervise all the people on conditional sentence and parole. There is no possible way they can ensure that this sentence is being served out.

• (1650)

A lot of people question right from the start whether or not it is a just sentence because in effect people are being sent home to watch television or to do whatever. In fact during the day from 6 a.m. to 6 p.m. the person does not even have to be at home. They can wander

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around the community and only have to be at home in the evening. But there is no way to supervise that.

The government has gone ahead with conditional sentencing but has not provided any resources to the provinces to ensure that the provisions of conditional sentencing are carried out. It is an absolutely empty sentence because the one person who is there to supervise cannot possibly do it.

We have seen this situation before. The government effectively downloads in an area that is its responsibility in terms of sentencing but when it comes to administration it is the provinces'. The provinces do not have the money and so the whole thing does not work. It is toothless and completely useless.

It would be bad enough in the case where somebody who has stolen tens of thousands of dollars effectively goes home. That is their penalty. They go home. A real tough penalty. That is bad enough, but what about all those cases, and we see so many of them now, where people are guilty of extraordinary violence and are found guilty of it? Yet the government allows these people to be sentenced under conditional sentencing provisions.

People who are guilty in some cases of violent rape are sent home in the community where they raped the person. That is their sentence. They do not serve one day in jail. How can that be just? That is not just in anybody's books. But this government seems to think that somehow if violent rapists are sent to their homes, it is a just sentence.

I would argue that it is completely wrong-headed. It is contrary to natural law. It is contrary to everybody's common sense. That is not a sentence. The only sentence that is being meted out there is to the victim.

I know my colleague from Abbotsford has spoken often in this House about a situation in his community. A young woman was brutally raped. The man was found guilty and was conditionally sentenced to stay at home in the community. The woman lived in the same community and feared for her life and her safety because that animal was released back into the same community. There was no one to supervise him. He is sitting at home and the victim cowers in fear.

I wonder what goes on over in the justice department when those types of things happen.

There is another situation in my riding. A woman is living in absolute fear because her ex-husband will get out after two-thirds of his sentence. He has written threatening suggestive notes in the past and has had a girlfriend monitoring the woman's home. She is living in absolute fear. She has lived all around the province trying to get away from this man. He will be released very soon. She is deathly afraid her life will be in danger, that this man is going to take her life. I have sent the file over to the justice minister. I have

not heard anything. This woman is living in absolute fear that she will be harmed and possibly killed by this man.

I cannot believe that the government sits there on its hands and does nothing when there are so many examples of this going on across the country. We know that in many cases judges use conditional sentencing to sentence people who are violent, who are bound to reoffend. That is so crazy. It is so wrong-headed. It is contrary to everything that Canadians believe in and the government does nothing. I do not understand. I wish somebody on the other side would stand up and enlighten us, tell us how this contributes to protecting the public. I do not see it.

• (1655 )

It may save a few bucks by putting people at home. As the Reform Party finance critic I can say that our party is pretty tightfisted on a lot of things, but we would be more than willing to find the money somewhere within that existing envelope of spending where we know there is lots of waste. We would devote that money to putting violent criminals behind bars and to the greatest degree possible we would not let them out until we knew they were not going to commit another crime. That is common sense.

It makes me very angry when I see women in my riding having to live in fear because this government cannot get that through its head. The government does not understand the sense in that. It is unbelievable it allows that to continue.

By way of expanding the debate a little, I want to say how wrong-headed this government is and how its priorities are mixed up. When the Liberals came to power, one of the first things they did was to push through the gun legislation. Some of the members who have not thought it through perhaps think it will somehow help with the crime problem in Canada. Of course we already have had a handgun registry for a long time. I defy members across the way to point to a single crime that it has helped prevent or solve in the last 60 years. Of course every time we make that challenge, they cannot rise to it because there are no examples.

This legislation will cost somewhere in the range of \$140 million or \$160 million. In B.C. the government is withdrawing funding for the RCMP. The government has a chance to show that it is serious about dealing with the problem of crime. It could take the money that is being spent on a program that ostensibly has never worked in this country because we have tried it already with the handgun registry and it could give it to the RCMP. We could have RCMP on the beat around the clock. They could have their planes in the air and their boats on the water to watch for smugglers of various kinds.

There is a huge drug problem on the east side of Vancouver today. We have third world rates of HIV infection there because drug use is so rampant. What do we have here? We have a Liberal government that has decided it is much more important to medicate

itself with the illusion that somehow this registry is going to solve the crime problem. On the other hand, it denies funding to the RCMP who would actually do something about the crime problem. There is a real misallocation of resources.

We know that for five years the government has been under fire over the Young Offenders Act. It is five years since we came to this place. We have made it an issue weekly. We get up in this place and excoriate the government because it has done absolutely nothing about people's concerns about the Young Offenders Act.

For 18 months the justice minister from Edmonton, Alberta has said that her number one priority is the Young Offenders Act. If that is the number one priority, we would hate to see the number two priority because she has done absolutely nothing. Here is the only legislation that we have received of any kind to deal with criminal justice in a long time. And these are very, very minor changes for the most part. If her real commitment is to fix the Young Offenders Act, what is she waiting for?

We know that Canadians from coast to coast want that act dealt with and they want it dealt with now. We propose three big changes over and over. This is not the Reform Party's wonderful idea. It comes from the people of this country.

People want young offenders, ages 15 and 16, who are guilty of a serious crime dealt with in an adult court. That makes sense to me. They want to see them dealt with in an adult court because regular people understand that the highest priority of the justice system is to protect the public, not to protect the criminals. I submit that is exactly what happens when these young people are allowed to be sentenced under the provisions of the Young Offenders Act. They barely get a slap on the wrist. We are saying if they do a serious crime, if they are charged with rape, murder, armed robbery or serious assault, those sorts of things, then by all means let us get them into the adult court.

• (1700)

Second, on the other end of the Young Offenders Act authorities need to have some power to deal with young persons who are 10 or 11 years old who steal cars or start fires. There was a 12 year old in Toronto who was suspected of rape a couple of years ago. All the police could do was catch him and release him, only to have him mock them on the front page of the *Toronto Sun* because he knew there was nothing the police could do. The authorities need to have power to deal with these people, not so they can go to a federal penitentiary, break rocks into gravel and make license plates, but so they can at least get some counselling.

Finally, why are we protecting the names of young people who are found guilty of serious offences? Why are we doing that? We believe that the criminal justice system is there to serve the public, not to serve the offender. If there is somebody guilty of a serious

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crime, a dangerous criminal, should we not know their name? I think we should.

That is a common sense proposal. I know my Liberal colleagues across the way have heard it.

I suggest that this government has its priorities standing on their head. The real issue is that we have a criminal justice system that is there to serve the public and that puts the rights of law-abiding citizens and victims ahead of the rights of criminals. That is completely missing in this legislation.

I encourage members across the way to put some pressure on the Minister of Justice, who is from Edmonton, and tell her that not only Liberals feel strongly about this, but remind her that the people of Edmonton and Alberta feel extraordinarily strongly about it.

**Mr. Roy Bailey (Souris—Moose Mountain, Ref.):** Mr. Speaker, I address my question to my colleague from Medicine Hat.

He has cited many examples as to why Canadians today, with each passing week, are losing faith in the justice system of Canada. It does not matter where we go.

My hon. colleague talked about conditional sentences, parole and the Young Offenders Act. Every day in some newspaper we see the results of a justice system that is breaking down. Cutbacks have been made to the RCMP in my province and there have been cutbacks right across Canada, while crime is running rampant.

Would the member for Medicine Hat not agree that a public losing faith in their justice system will only amount to more and more crime simply because there is no punishment being meted out through the justice system?

**Mr. Monte Solberg:** Mr. Speaker, I absolutely agree with my colleague from Souris—Moose Mountain.

I spoke at a school the other day in Foremost, a little town in my riding. I spoke to the grade 10 social class. We talked about the Young Offenders Act and about the problem of crime.

We know that amongst young people crime is escalating. Some of the crime is extraordinarily violent. One of the most disturbing trends is the increase in violent crime amongst young women. That is an area that the government must address.

One of the things which came out of that school visit was how young people are most often the victims of youth crime. When I go to schools in my riding, or when I speak around the country, I talk about the issue of crime. I ask grade 10 or grade 12 students, or

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whatever grade they are in, "Do you think that the penalties in the Young Offenders Act are just right, too tough or too soft?" Unfailing they say they are too soft. The reason is that young people are most often the victims of youth crime.

I remember in my province the terrible case of young Ryan Garrioch who was brutally murdered in the schoolyard by another young offender. A young man, just coming of age, lost his life because of youth violence.

• (1705)

The government must start to take this issue more seriously. I believe my friend is right. Crime is escalating. We see it amongst youth. We have to do something about it. It has been five years. I do not understand it. I plead with the government to do something.

The minister has said for 18 months that this is her highest priority. She has done nothing. She has let the people down in her riding of Edmonton. She has let the people of Alberta and the people of Canada down. I entreat her and her colleagues to take this issue seriously. Today many people are being needlessly hurt and in some cases killed. We need to do something about this and I hope the government will get busy and do it right away.

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, I commend the hon. member for his comments. They are thought provoking and, in that light, I have two questions which I would like the member to comment on.

The first one is that I have read recently that crime statistics are down and that the homicide rate is the lowest it has been for 30 years in this country. There is every indication from those statistics that in this country homicide rates are down. I would like to have the member's thoughts on that.

Secondly, we have heard a number of stories, anecdotal evidence if you will, from the hon. member concerning cases that he has heard about. I appreciate what he has told this House, but often-times I am concerned that we hear the interpretation of events. We are all subject to that. We read the headlines. I wonder if he was in the courtroom for those cases and if he has heard the other side.

**Mr. Monte Solberg:** Mr. Speaker, I thank the hon. member for his comments.

First of all, he mentioned that homicide rates are down. I believe that is a fact and it is important to note that.

I think he will also acknowledge that youth crime has been increasing in this country and a lot of it is violent youth crime. That causes me a lot of concern. While homicide rates are down, I do not think we should allow this whole debate to go to sleep. We need to continue to discuss it.

Following up on that, it points to the fallacy of the government's argument with respect to the gun registry, that somehow guns are the reason we have the level of homicides that we have in the country. The gun registry is yet to be put in place and, if I recall, homicide rates are down to a level equivalent to 1969. That absolutely explodes the fallacy we heard from the government that the gun registry was going to be the thing that would cause homicide rates to go down.

The member asks whether or not I was in the courtrooms. It is a good question. In the case of the Vickers family, to whom I referred to earlier, I was not in the courtroom. However, I have carried on a long discussion with the Vickers family and also with the crown prosecutor through correspondence. I have not talked to him directly, but I have seen his responses to the family with respect to some of their concerns. The crown prosecutor, whom I know personally, is an extraordinarily intelligent crown prosecutor. He presented a very fair case when he was scrutinizing for the Vickers family what had gone on. I am convinced that in this case he was being nothing but absolutely accurate in his depiction of what happened in the courtroom.

I left out some of the details of this case because I did not want to exaggerate what had gone on. There are a number of things that are being alleged that I have not mentioned simply because I do not want to exaggerate what happened in that particular case.

[*Translation*]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I listened to the hon. member with great interest. However, I am always a little concerned when I hear members of the Reform Party address the issues like crime, the Criminal Code, law enforcement and justice.

I too am a Canadian citizen and, like them, I am greatly upset by especially despicable actions.

• (1710)

For instance, when I am sitting in this House and I hear members of the Reform Party say, as I have heard them say previously, "God has created men unequal. One should not interfere with God's established order. There are poor people and rich people, and that is God's will", I think the worst place to learn criminal behaviour is prison. Indiscriminate imprisonment of anyone who has made a mistake, because they are young or maybe because they made one mistake, is not a solution. With their conservative attitude, Reformers are the ones who never show any compassion.

I think that education should prevail. With its young offenders legislation, Quebec can boast about having the lowest youth crime rate in Canada. I realize that, low as it may be, it will always be too high. However, building the future on prison megaprojects does not ensure that we will live in free, democratic and safe societies, where the relationship between individuals is harmonious.

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This is what worries me about the Reform Party's position. Like all members of parliament, I agree that crime must not pay. Being a criminal is nothing to be proud of, that is right. But they failed to stress prevention and education, and stubbornly dig their heels in.

[English]

**Mr. Monte Solberg:** Mr. Speaker, the hon. member has raised a couple of good points. The Reform Party does believe that prevention is very important and we could and should have a whole debate in the House with respect to that. My colleague from Esquimalt—Juan de Fuca did an excellent job of pointing to preventive measures that can be taken.

I also take issue with some of the things that my colleague has stated. I think that the primary purpose of the justice system must be to protect the public.

With some criminals, my colleague must know, it is much more prudent, in fact it is in the best interest of the criminal, to put them in prison where they cannot do harm to other people.

We are simply saying that too often today we see people who are released from prison or who were never put in prison who should have been put in there. That does not mean that we do not believe there should be rehabilitation. Of course there should be. But the primary purpose of the justice system should be to protect the public.

That is the Reform Party position. I am sorry if I did not make that very clear to my colleague.

**Mr. John McKay (Scarborough East, Lib.):** Mr. Speaker, I believe this bill deserves the support of parliament in large measure. It is an omnibus bill and, by definition, an omnibus bill is a housekeeping bill and can in fact be quite tedious.

A particular provision that caught my eye with respect to this bill was the homicide and criminal negligence provision, the year and a day provision, which permits prosecution even though the victim may have survived beyond a year and a day by virtue of the advances of medical science. That makes perfect common sense. It makes all kinds of sense, given our present state.

However, may I suggest with respect to an omnibus bill that the devil is in the details. I would like to, if I may, draw the attention of the House to one of those details, namely, gaming. The apparent effect of the amendment would be to amend the criminal code with respect to international cruise ships that are exempted under certain provisions of the Criminal Code.

In addition, provincial governments under certain limited circumstances would be able to conduct and manage dice games without the heavy hand of the Criminal Code upon them. Apparently this has been a request put forward by both Ontario and Quebec.

I would like to address this addiction by all levels of governments to the business of gambling. The province where I come from, Ontario, raises something in excess of \$2.4 billion of its revenues from this addiction. This translates into approximately 5% of all of the revenues of the government.

• (1715)

I could stand to be corrected on my numbers but that is my recollection from newspaper articles.

The governments of Canada and the Government of Ontario in particular are heavily addicted to revenue generated by way of gambling. It is certainly within my memory that this was not always a source of revenue for any government. Governments have now become dependent on their gambling fix in order to meet the ever growing demands on their treasuries.

This bill facilitates that addiction and, I would argue, is not necessarily a public policy we should encourage.

Gambling by definition is largely a recreational pursuit enjoyed by a great number of people and abused by a relatively small number of people.

There is, however, a parallel to the government addiction to revenue generated from alcohol. Alcohol is clearly enjoyed by a large number of people and abused by a small number of people. However, in the decriminalization of that activity, we have diffused the criminality associated with the consumption of alcohol from the streets of Chicago in the prohibition days to the streets of all our communities.

I dare say that if any member asked a police officer what is the greatest contributor to crime in our society, that police officer might well answer the criminality associated with the consumption of alcohol.

The effect that we intend, mainly the reduction in criminality with respect to the illegal disruption of alcohol, has been replaced with criminality of other forms, mainly drunk driving, spousal assault, et cetera.

In the decriminalization of any activities, society in general and governments in particular frequently do not calculate the bottom line, cost to the populace, while they merrily rake in the revenue from the activity. This is most readily observable in the revenues generated from alcohol and probably less observable in the revenues generated from cigarettes.

However, I would submit that the revenues that are generated from both those activities do not go back into serving the populace that has the addiction by virtue of the ready availability of those products. In other words, revenues raised in alcohol and cigarettes far exceed government expenditures for those members in society who become addicted to those products.

*Government Orders*

In a perverse way, governments become the handmaidens in the addictions of their citizens.

It is my view that governments should not be participating in creating addictions among their citizens. I would argue that there is a parallel being developed here. As governments decriminalize certain activities they create a dependency in a certain portion of the populace and that dependency is not compensated by making those revenues generated by the decriminalization available to those who are addicted.

Therefore governments in general and particularly the Government of Ontario become handmaidens in the addiction while not giving any hand with respect to the help for the addiction. This is in my view a rank form of hypocrisy and bad public policy.

Time does not permit me to give example after example of individuals and families ruined by their addictions to these social pastimes. I would further argue that the hypocrisy of government cuts out its high moral ground of leadership and in fact erodes its ability to lead the populace in directions for society which are good directions.

If I may be permitted a small illustration, prior to becoming a member of parliament I was on the board of an organization called Christian Indigenous Development Overseas. The concept was relatively simple. We lent money to micro enterprises in third worlds. We lent money to people who had no security. We lent money to the people who were the poorest of the poor. We had projects in the Philippines, in Columbia and in Jamaica, and no sensible banker would ever lend money to these folks.

Our message, however, was quite simple. If you work hard, if you are an honest person, you will succeed. When we started this project we were assisted by CIDA and by the Wild Rose Foundation of Alberta. For every dollar we raised our funds were matched somewhere in the order of three to four dollars. It was a very successful formula and widely acknowledged as a good use of resources.

• (1720)

However, the Wild Rose Foundation decided to generate its revenues in part from gambling activities. As a funding organization we questioned whether we could receive funding generated from gambling activities. It seemed to us that we were being hypocritical. How could we use the funds that were generated in a somewhat less than honest way from something other than hard work and then give the funds to people who were desperately in need and to whom we were giving the message work hard, be honest and you will succeed? We felt we were being hypocrites.

When the Wild Rose Foundations declined to withdraw from gambling activities we felt we had no alternative but to withdraw our request for funding.

Just as we felt we were being hypocrites, this bill puts an additional layer of hypocrisy on all governments. There has been virtually no debate with respect to the larger social policy issue. While I support the bill and will in the end vote for the bill, it is my view that the social policy issue needs to be addressed.

The addictions of governments to revenues generated from these kinds of sources versus the benefits to society affected by the decriminalization of these kinds of activities is a broad social debate and one that is ongoing.

However, I suggest that an analogous ground might well be to how corporations prepare the balance sheets. Frequently the picture of a business generally on a balance sheet is quite limited. One has assets, one has liabilities, one has income and one has expenses. What the environmental movement is teaching us is that there is more to the bottom line than what appears on a balance sheet.

I suggest that the analogy is appropriate here. There is more to the bottom line than what appears on the balance sheet. We do not know what social damage is caused by our governments' addition to these kinds of revenues.

I would argue that in gambling we do not put on to the bottom line the actual cost. We do not know what the impact of gambling is on the populace at large and the cost it has to society.

To carry the analogy further, government similarly has a balance. It has revenues and expenses. I will not get into assets and liabilities because there the analogy really breaks down because of the way governments count assets and recognize liabilities. However, we do not really know what the social costs or the welfare costs or the addiction costs are to society. It certainly only minimally impacts the bottom line of governments but it does impact us all in society. It hits society's bottom line but it does not hit governments' bottom line.

As I said, I will support this bill because there is a lot of good work in it and it tightens up areas that need to be tightened, but the whole area of gaming needs to be addressed by parliament.

**Mr. Roy Bailey (Souris—Moose Mountain, Ref.):** Mr. Speaker, I want to pay tribute to the member. He has spoken very well. He has spoken to the point that Canadians very often would like an answer. On this bottom line the member has mentioned, we fail to take a look at it. When someone makes a study, they do the revenues from cigarettes, revenues from alcohol, revenues from gambling, but no one really puts a price tag on the results of these commodities within society, how much they cost the Department of Health, how much they cost the social structure with family breakdown and so on. We should be as a government taking a look at the bottom line.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS**

• (1725)

Does the member feel that the bottom line with regard to revenue more often than not generally clouds the real issue, that society does not see it as such and that we have a hard time dealing with it?

**Mr. John McKay:** Mr. Speaker, I thank the member for his good question. It is not something to which I have an immediate answer. If governments back away from these addictions, these sources of revenue, other problems will spin out. The classic example is that of mafia activity in these areas because they are so lucrative.

I do not know that there is not another way to deal with those issues. The difficulty is correlating the family-social-individual breakdown to the availability of these products and activities and their decriminalization. I am being perfectly candid. I do not have that answer.

The environmental movement has recognized this. A Harvard professor has recognized that damage to the environment can be quantified. If Kyoto is anything, it is nothing other than a glorified accounting system so those kinds of issues can be addressed.

I do not know why good thinking people could not arrive at some sort of accounting system that would bear some similarity to the quantification of environmental damage. How could we quantify damage to individuals, society, families, et cetera, over that portion of time?

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, criminal justice is very important to Canadians. I would submit to the member that Bill C-51 is hardly a burning priority for most Canadians. His minister has had 18 months to bring forward changes to the Young Offenders Act. Could he tell us why, if that is her number one priority, we are still waiting 18 months later?

**Mr. John McKay:** Mr. Speaker, I listened carefully to the speech of the hon. member. It had precious little to do with Bill C-51. He seemed not to be interested in addressing the issues raised by Bill C-51. In particular he did not address the two issues I raised. He did not address some of the more profound social issues.

As to the specific issue of when the legislation will be introduced, that is well within the prerogative of the minister. She has generated fairly substantive support based on a report from the justice committee. I expect to see that drafting in a timely fashion, as she would say.

**The Deputy Speaker:** 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.

[English]

**TRANSIT PASSES**

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP)** moved:

That, in the opinion of this House, the government should consider making employer-provided transit passes an income tax-exempt benefit.

• (1730)

He said: Mr. Speaker, I thank the member who seconded this motion which does not reflect a new request. The Canadian Urban Transit Association and the Federation of Canadian Municipalities have been lobbying for this policy change for many years.

In 1997 they were joined in their quest by the Amalgamated Transit Union Canadian Council, the Canadian Labour Congress, the Ontario Lung Association and Pollution Probe. These groups together have now formed a national task force to promote this issue.

I would be remiss if I did not give special mention and recognition to the two project managers for the national task force, Amelia Shaw and Donna-Lynn Ahee. These two individuals turned this initiative into a national grassroots campaign. I speak from personal experience when I say that if anyone had the opportunity to meet with these two exceptionally committed people they could not help but be convinced of the absolute need, the extreme importance and the widespread support for this initiative.

We all pay tax on our earnings. Some benefits we receive from our employer must also be declared as income and are therefore income taxable. Employer provided parking and employer provided transit passes are both examples of benefits that are considered taxable under the federal Income Tax Act.

However, Revenue Canada's interpretation of this act provides loopholes allowing most employees to receive their free parking income tax free. Workers with this benefit save approximately \$1,722 annually. This is an incentive for commuters to drive and represents a significant loss of income tax revenue.

The government can address this bias by making employer provided transit passes an income tax exempt benefit. This change would provide a rare opportunity for the federal government to seriously affect public policy at the local level.

*Private Members' Business*

I would say, if nobody in the House minds, that employer provided tax exempt transit passes is a form of linguistic juggling so I will refer to it by the acronym many of its supporters use, TEI

In the United States TEI became available under the deficit reduction act, 1984, and the tax reform act, 1986. While both the amounts and the manner in which a transit subsidy could be offered were limited, transit use increased on average 25% among employees offered this benefit. Obviously it was a significant change in emphasis.

In San Francisco, for example, transit use among participating employees increased by 31%, removing an estimated 17 million vehicles miles from the Bay area, avoiding 61 million tons of pollutants and generating \$1.6 million of new transit revenue.

More recently American highway policy legislation known as the ISTEA bill is expected to further promote the use of public transit. Employers will be able to offer up to \$100 per month of transit benefits and some of the barriers that discourage many employers from participating have now been eliminated.

Canada is the only OECD nation where the national government is not involved in funding urban transit. Why should the government be interested in promoting public transit? Because, by almost every measure, transportation in Canada is heading on an unsustainable path. Transportation is the largest single sector source of Canada's carbon emissions at 32%, accounting for 30% of energy used and 65% of all petroleum consumed. Half these emissions occur by cars and light trucks in cities where public transit is available.

Transportation emissions are expected to rise 52% between the years 1991 and 2020. If we are serious about reducing our greenhouse gas emissions we must find a way to promote the use of public transportation. Making employer provided transit passes a tax exempt benefit would be a good first step.

If we do not act to reduce greenhouse gas emissions we will face a long term set of consequences. No Canadians have been able to escape the consequences of global warming. In Canada our average temperature for the first six months of 1998 was 2.7°C above normal and 5°C above normal in parts of the Northwest Territories. Our first eight months have been the hottest in 600 years. We are beginning to see the impact our actions in urban settings are having on ourselves and on our rural neighbours.

• (1735)

We were all shocked by the graphic images of the devastation that occurred as a result of the floods in the Saguenay and Winnipeg. The cleanup of the ice storms that hit eastern Ontario and Quebec has cost more than both floods with rural communities and farmers bearing the brunt of the disaster. The frequency of hail

storms in Calgary has increased from one every four years in the 1980s to two every year in the 1990s. There has been a twofold increase in Canadian forest fires and pest outbreaks to the cost of \$210 million each year.

A 10% to 30% reduction in crop yields across the prairies is being predicted by Environment Canada's environmental adaptation research group. The range of disease carrying insects, in other words the number of Canadians contracting malaria in foreign countries, has doubled. In 1998 a Toronto woman became the first Canadian to contract malaria from a local mosquito. We have yet to examine the cost of introducing new diseases to our country.

Canadians are quickly realizing the seriousness of the challenge before them. Any incentive encouraging the use of public transport is an important step in our struggle to meet the Kyoto protocol.

The same increases in auto use that have profoundly contributed to our greenhouse gas emissions also affect Canadians locally both in terms of health and the infrastructure needed to support vehicular use. Despite tighter vehicle emissions regulations and reductions in some pollutants, smog increased by 20% over the past decade in Canada largely because of an increase in the number of vehicles and the distance these vehicles were driven.

The Minister of Transport made this observation in a recent address in the city of Toronto:

You don't need to see the seat belt sign to know you are coming into Toronto. You recognize it by the brown haze of smog.

Therein is a very telling tale. As we approach most significant urban areas of our country we are well aware of the advancing city by the haze hanging over it.

Transportation related air pollution is particularly harmful to people at risk, meaning young children, the elderly and those with asthma or chronic lung and heart disease. Hospitalization for young Canadian children with asthma increased 28% among boys and 18% among girls between the years 1980 and 1990.

In greater Vancouver, part of the world with which I am most familiar, air is killing 900 people each year. Air pollution wipes out 2,100 people across the province of British Columbia and 16,000 people across Canada each year. For each death 100 more received expensive medical treatment. If nothing else, these statistics speak for themselves. We are dealing with a major killer component in our environment as a result of pollution.

Provincial governments are struggling in their own ways to deliver the health services required by our aging population while preventable pollution related illnesses escalate. Hundreds of millions of dollars can be saved by reducing smog. TEI is a proven incentive to get many people from using their cars and back into public transit of one kind or another.

*Private Members' Business*

Municipalities have been asking for this tax exemption for many years to promote their public transit systems. In the greater Toronto area commuter growth of 50% is expected within the GTA and 100% outside the GTA in the next 25 years. I think we all agree that with every visit to the greater Toronto metropolitan area we are reminded of the increasing traffic flow in that part of the country.

We ought to acknowledge that traffic congestion increases the travel time required by individuals, vehicle costs, pollution of the area, and demand for parking and other forms of vehicular infrastructure. Improving transit service is a less expensive alternative than adding lanes, widening bridges and intersections, and increasing parking availability.

The Regional Municipality of Ottawa-Carleton estimates that taxes devoted to transportation will triple if it cannot achieve its target to reduce rush hour car traffic. Municipal governments do not have the resources, that is the taxes, to maintain and expand their transportation infrastructure. In many cities such as Vancouver and Montreal expansion of highway systems is limited by geographic location.

• (1740)

Canadians can no longer afford to support indefinite increases in automobile use. Implementing the TEI would provide the incentive necessary for many commuters to switch to a mode of transportation with lower costs to society as a whole.

I have heard several comments being made as an excuse for inaction on this suggestion. It would cost too much in revenue loss. There would be a perceived inequity between those using public transport and others. There is the question of whether or not taxation is an appropriate or an effective tool to motivate people's behaviour, the question about subsidies to public transportation, and the question about it setting a precedent for excluding other benefits from taxation. I would like to take a moment or two in the time remaining to address each of these major concerns.

Can we afford the revenue loss? The Canadian Urban Transit Association estimates revenue loss to be between \$18 million and \$28 million based on U.S. data that 10% of employees will be offered \$40 per month as the average benefit. This is potential loss as few Canadian employers currently provide transit passes. Real losses can only occur when employers substitute transit benefits for currently taxed wages.

Transit benefits are generally cheaper to provide than parking benefits. Employees who trade a parking spot for a transit pass increase their employer's taxable corporate profits or their own taxable income. This would result in a new tax revenue. A net gain is expected with higher modal shifts to transit. As well, for reasons previously cited it could save hundreds of millions of dollars in health care and municipal infrastructure costs should the TEI be implemented.

There is only one taxpayer. As we all know, an investment from one level of government that results in reduced cost or new revenues at other levels of government ultimately benefits the individual taxpayer. We cannot afford any further inaction in this sector.

Would this create inequities within the tax system? Some equity concerns provide a convenient although rather ludicrous argument in my judgment. I have heard critics say that allowing this income tax exemption would be unfair to employees with bosses that would not provide this benefit. I cannot believe that any Canadian thinks it is unfair that different jobs pay different wages and benefits even though we may be underpaid for the work we do as a rule. What Canadians think is unfair is discrimination, when an employer is paying a different wage or benefit to two employees at the same company doing exactly the same job.

Sixty-two per cent of Canadian commuters enjoy free or heavily subsidized parking while less than five per cent pay income taxes on this benefit. Co-workers without a car receive no comparable benefit. Tax losses from this benefit are estimated at \$260 million.

By the year 2000, 80% of the Canadian population will live in urban centres with access to public transportation. Incentives that result in increased public transit use benefits all transit users, lower income families, women, students and the elderly, by increasing transit revenues and transit service.

All taxpayers benefit from decreased congestion. They also benefit from health care savings, reduced infrastructure costs and reduced greenhouse gas emissions. Very few tax policies impact so favourably on so many Canadians.

It is unfair that cuts to transit service have occurred in order to deal with unstable funding. It is unfair that low income families have been left with less access to educational and job opportunities simply because they do not own a vehicle. It is grossly unfair that hospital emergency rooms fill on "smog" days with young children who cannot breathe properly.

Would TEI be an effective and appropriate tool for increasing transit ridership? Taxation is already effectively used to manipulate behaviours. We increase taxes on alcohol and cigarette use. We give tax credits to oil companies for land reclamation costs. We allow tax deductions for charitable donations, political donations and RRSPs.

In the United States this tax exemption is a proven incentive to increase transit use. The Department of Finance, quoting the U.S. general accounting office study, concurs that ridership will increase about 25%.

Perhaps the greatest benefit of TEI is its potential to interact with other transportation demand management measures to increase the effectiveness of both. While local and provincial governments can develop transit systems and control land use, fiscal incentives are essential to maximize the results.

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• (1745)

The Victoria Institute for Transportation Policy, a research facility in British Columbia, suggests that any transportation demand management policies implemented at the local and provincial level will be approximately 20% less effective without this incentive.

The other question is transit properties constantly hear that higher excise taxes on gasoline and substantial subsidies from provincial and local governments currently favour the use of public transport.

Most provincial subsidies have been slashed. When they did exist, the hidden subsidies of car drivers almost equalled per passenger per kilometre the more visible transit subsidies.

Our taxes pay for road construction, road maintenance, policing, health care for pollution areas and accidents. Car drivers tend to travel more miles than transit users which increases their individual subsidy substantially. A 1993 study showed that Ottawa-Carleton residents paid \$425 annually to support each car user and only \$121 to support transit users.

The finance department is concerned that promotion of this initiative would be precedent setting. The red book claimed a Liberal government would establish a framework in which environmental and economic policy point in the same direction. What better way to green the hill than to provide our employees with transit passes in lieu of parking?

We need many precedent setting strategies to fulfill our Kyoto commitment to combat climate change and to reduce traffic congestion. Implementing the TEI would be a sign of good faith that this government is interested in working toward a sustainable economic future.

Reducing congestion, pollution and the environmental and health impacts requires a number of strategies. One easily implementable first step the federal government could take is to make employer provided transit passes an income tax exempt benefit. This is a win-win situation. Implementation requires only a policy change from the federal government. It is the responsibility of individual transit properties to successfully market this service. Potential revenue losses are an insignificant investment compared to the long term social, economic, environmental and health benefits of supporting sustainable transportation use.

It is interesting that both the Saskatoon Chamber of Commerce and the Toronto Board of Trade are now calling on the government to allow this tax exemption to proceed. Businesses are voicing their concern over the impact and high cost of congestion. This is viewed as an important demonstration of the government's commitment to achieving emission reduction targets. We need proac-

tive policies providing long term savings and avoidance of tax impacts as we plan our society for the new millennium.

Supporting public transit is not solely a transit issue. It is a health issue. It is a social issue. It is a pollution issue. It is an environmental issue. It surely is an economic issue as well. It is a solid foot forward in the battle to meet our Kyoto obligations. It makes sense. It is cost effective. It has proven to be effective in other jurisdictions.

If we cannot agree to provide an incentive for Canadians to use public transportation when so many groups and organizations are supportive and we have no clear opposition, how will we ever be able to make that much bolder and controversial step necessary to create a sustainable future? It is time to make employer provided transit passes as tax exempt benefit.

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, I am pleased to stand today to discuss the issue of whether the government should consider making employee provided transit passes an income tax benefit.

In my many years in municipal politics I supported this position. As the president of the Federation of Canadian Municipalities I lobbied the government on this very point.

My friend across the way talks about the support of the FCM and the Canadian Urban Transit Association. There is no question that the government should consider the motion proposed by my hon. colleague.

The House of Commons Standing Committee on the Environment and Sustainable Development has stated that it is incumbent on the government to ensure that environmental policy is not hampered by fiscal policy. It is unfortunate that at the moment Canada has not joined other industrialized countries such as the United States and several countries in western Europe in making employee provided transit passes a non-taxable benefit. Under current federal income tax policy, employer provided parking benefits are officially taxable, but most employees qualify for exemptions. Employer provided transit passes are fully taxed, providing an estimated \$570 per year federal tax advantage to the average automobile commuter.

• (1750)

The value of an urban parking space and GST avoidance result in an average \$1,726 annual financial incentive to commute by automobile rather than public transit.

For those of us who live in the greater Toronto area or the Vancouver area or in Montreal, we certainly know the impact of congestion of automobiles.

This proposal would assist in our Kyoto commitments. It has been estimated that as many as 300 million kilometres annually of

urban automobile travel within 10 years would be eliminated if this proposal were adopted.

It has also been estimated that it would reduce by 35% the expected growth in peak period travel in our major urban centres. We would save billions of dollars in road construction costs as well.

It would also prevent tens of thousands of tonnes of greenhouse gas emission. Clearly the battle to deal with reducing CO<sub>2</sub> emissions is going to occur in our cities. Therefore this proposal will assist in that reduction to meet our commitments, those targets at Kyoto.

It would relieve traffic congestion, thereby reducing transportation costs. It would enhance economic efficiency. No doubt it would lead to a reduction in health costs and fewer respiratory related illnesses.

Current taxation policies favour the automobile over public transit. Let me elaborate. We could amend the Income Tax Act so that employer contributions toward employee transit commuting expenses are not treated as a taxable benefit. Alternatively, the same effect could be achieved by the Ministry of Finance at the administrative level publishing a statement of regulations in an interpretation bulletin. In either case employers could pay some or all of the cost of employee transit commuting expenses without listing them on employee T-4 tax forms as taxable benefits and employees would pay no income tax on them.

The proposal has the support of the Canadian Urban Transit Association, the Transportation Association of Canada, the House of Commons Standing Committee on the Environment and Sustainable Development and the national round table on the environment and the economy. I had the pleasure of participating in that round table when I was president of the FCM in November 1996. The climate change task group of the national air issues co-ordinating committee also supports it.

Making transit benefits tax exempt leverages a much greater value by giving employers an incentive to offer such benefits. A typical transit benefit would total \$480 per year plus \$182 in tax exemption for a total benefit of \$662.

Experience in other countries such as the United States and western Europe indicates that many employers would offer transit benefits if they were tax exempt. This is an effective strategy for increasing transit commuting, particularly for communities that develop other incentives for transit use.

For this reason transit benefits are tax exempt in most other developed countries. Several European countries provide tax credits to employers or employees for transit pass purchases. U.S. income tax law exempts up to \$65 worth of employee transit benefits per month, about \$88 Canadian, although it would be a little higher now.

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Transit benefits can take various forms. Employers could give free monthly transit passes, tickets, tokens or transit fare vouchers including bus, rail, ferries and form van pools, but not car pools.

In the United States transit benefits typically average \$20 to \$30 U.S. per month or about half the full price of a transit pass. Employers typically offer transit benefits to an employee who agrees to commute by transit at least a few days a month. The results of a transit benefit tax exemption are that transit voucher programs are being established in many major American cities. Transit vouchers are produced by transit agencies or independent firms and they are equivalent to a money order or a cheque that can only be used for purchasing transit passes or tickets.

• (1755)

As an example, an employee might receive a \$30 voucher with his or her monthly paycheque. They may pay the balance, perhaps another \$30, to purchase passes or tickets from any local transit agency. These programs are popular because they minimize employer administrative costs and they allow one instrument to be used in an area with multiple transit companies.

I believe this proposal clearly has merit. This proposal, as the hon. member indicated, should be considered. We need to look at those benefits and say that fiscal policy should not hamper good public policy in terms of improving and encouraging public transit, improving our environment and improving the overall health of Canadians.

I suggest current federal tax policy is both economically inefficient and unfair because it provides automobile commuters with a valuable benefit that is unavailable to other modes. This policy is at cross purposes with municipal, provincial and even federal transportation objectives to develop a more efficient and sustainable transport system.

In conclusion, federal income tax exemptions have a significant leverage effect. They induce employers to provide benefits that meet exemption criteria and as a result most Canadian employers are offered parking benefits but virtually none are offered transit benefits. The total value of untaxed parking benefits represents \$1,726 in annual economic incentive to commute by automobile rather than by public transit. We need to look at this and we need to take action. I hope the House will consider the motion and support it.

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, I am pleased to rise in debate on Motion No. 360, put so eloquently this evening by my colleague from Kamloops, that in the opinion of the House the government should consider making employer provided transit passes an income tax benefit.

At the outset I sincerely commend my colleague from Kamloops for his very thoughtful presentation and initiative. He has brought before us a very considered approach to providing an incentive for

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a responsible transportation policy which would have a positive impact on the environment.

It is refreshing to find that the first government speaker following the member from Kamloops was not the obligatory parliamentary secretary standing up to read a speech written by bureaucrats opposing a good initiative from a private member. It is encouraging to see that pattern broken this evening.

I am open to supporting this motion, but I have several significant concerns which I will outline and which I hope my hon. colleague will have an opportunity to respond to.

My principal concern is that tax policy should be neutral. One of the guiding principles of good sound tax policy should be neutrality and we ought not to design the tax code as a lever of social engineering. We ought not to try to force or create false incentives for people to act in a way we think is desirable.

• (1800)

To do so is really beyond the principal purpose of the tax system which is simply to raise revenues in the most efficient way possible to finance the needs of government.

Instead of a tax system free of exemptions, deductions and credits of the nature proposed this evening, I prefer one which is much lower overall, with much more generous basic personal and spousal exemptions which in effect would allow people to make decisions about how they spend their money and conduct their lives by themselves, according to their own priorities and not the priorities of politicians and bureaucrats.

I have a deep theoretical reservation to supporting initiatives of this nature. I was the only member of my party to vote against a private member's bill which came before us earlier this year from my hon. colleague from Portage—Lisgar to allow for the deductibility of mortgage interest payments on principal residences. While this would have been an enormously popular incentive for people to invest in home ownership, it occurred to me that it would have been an enormous addition of a complex, special credit in the tax system which would make it even more costly to administer and would again create these kinds of false incentives rather than letting people face a completely neutral tax system.

I opposed the motion for mortgage deductibility then and that is why I have some serious theoretical concerns with this kind of exemption.

I would much prefer to completely overhaul the Byzantine, 1,300 page Income Tax Act which we have constructed in this parliament over the past 80 years since the temporary Income Tax Act of 1917 by adopting some kind of simple, pure, clean, neutral, flat or single tax similar to that proposed by the hon. member for

Broadview—Greenwood in his various versions of a single tax or in some of the propositions for a flat tax offered by members of my own party.

This kind of tax reform would allow Canadians to decide whether or not they are going to use their after tax income on transit passes, on parking or on other priorities. It would not create a government incentive for social engineering.

I have other questions that relate to other potential objections that I hope the hon. member will have a chance to respond to.

It occurs to me that the adoption of employer provided transit passes and the tax exemption thereon would create an inequity between those who have these transit passes provided by their employers and those who do not have such a privilege, those who by circumstance of their employment agreements have to pay for their transportation costs individually through after tax dollars.

It seems to me that this would weight the playing field and reduce the neutrality of the tax system in favour of some taxpayers who happen to have employers who subsidize their transportation against those who would end up having to pay after tax dollars for their transportation. That is the kind of inequity that arises when we play with the neutrality of the tax code.

I am also concerned with the cost issue. The national task force to promote employer provided, tax exempt transit passes estimates, in its very thoughtful submission to the House of Commons finance committee, that the potential gross loss in federal revenue through this measure would be between \$18 million and \$28 million.

This contradicts quite significantly the estimate made by the Department of Finance which suggests that the cost to the public treasury in reduced revenues would be as much as \$140 million.

I do not think any of us in this House are capable of examining in detail the assumptions used in these competing estimates, but there is such an enormous disparity between the \$18 million estimate and the \$140 million estimate provided by the Department of Finance that I think before we support this motion we really ought to have a clearer and better answer to the question of how much potential revenue we are prepared to forgo through the adoption of this exemption.

• (1805)

Let me also say that there is another potential inequity, in that many millions of Canadians do not live in urban areas and do not have access to or need major transit systems and would not use a bus or a subway system. I can imagine many people who drive to work through necessity, whether they live and work in the suburbs, in smaller towns or in rural communities. These are people who have to pay for their own personal transportation costs through after tax dollars. It seems to me, again, inequitable to suggest that

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only those who live in major urban centres and have access to major urban transit systems would get a special tax exemption.

For all of those reasons I would like to reserve judgment on this motion, although I am very open to supporting it. I hope we can get clearer information on the potential cost to be incurred by the treasury. I also think that we should look more closely at the question of the potential inequities that this kind of special tax exemption would create.

In closing, I would call on all members to work toward a simpler, less costly, more efficient and more neutral tax system, with a much lower overall burden, which would allow Canadians themselves to make decisions about how they will spend their after tax dollars, rather than we as parliamentarians making those decisions for them through the adoption of special incentives of this nature.

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, it is indeed my pleasure to have the opportunity today to speak to Motion No. M-360 moved by the member from Kamloops.

First, I would like to say that the Progressive Conservative Party of Canada is very pleased to support this motion.

I would like to suggest why this piece of legislation has been brought forward.

The premise that the member from Kamloops utilized throughout the course of his speech was the need to actually address the serious challenge of climate change.

Last December, a mere 11 months ago, the international community met en masse in Kyoto, Japan. It was the first time that the industrialized nations actually met to begin setting targets and timelines to address the serious issue of climate change. Climate change is something that will ultimately affect every region in the world and predominately those countries situated in a northern climate.

This issue of achieving our targets with respect to Kyoto really stems back to the sort of country we have. Perhaps no other country in the world lives off its natural resources more than Canada. We have a diverse country and with our geographical land mass transportation has always been a historical challenge for Canadians. We also live in a colder climate. That means that our economy is very energy intensive. It is resource based and is also export driven. We need to ensure that we actually find some initiatives that are market driven and incentive based for us to actually begin to address the serious issue of climate change.

There is no single solution available today, and I believe well into the future, that will enable us as a country and the world community to be able to reduce our greenhouse gases. This initiative is a step in the right direction.

• (1810)

Before I get back to the motion, on the issue of climate change, this is a very positive and well thought out initiative. There is a change in the political tide to some degree because the New Democratic Party of Canada is advocating a tax cut. I applaud the New Democrats for doing that. All individuals in this country are overtaxed. Any time we provide Canadians with any kind of tax relief it is a step in the right direction.

I want to address an issue that was addressed by my colleague from Calgary Southeast. He was discussing whether this would be too interventionist from a taxation perspective. He said that government tax initiatives should never have a role in society. I prefer broad based tax relief for Canadians. This motion heads in a very positive direction and should be given some thought.

The hon. member for Kamloops, Thompson and Highland Valleys and the Liberal member who spoke both addressed the issue of climate change. The member for Calgary Southeast never mentioned the issue of climate change. The member said that it would be good for the environment. Yes, it would reduce emissions in terms of smog and other things that are harmful to human health, but he missed the opportunity to say once and for all that the Reform Party of Canada understands that climate change is a global problem.

My Liberal and NDP colleagues will remember that the member for Calgary Southwest stood in this House on the eve of the world community meeting in Kyoto to address this real and serious issue. The member for Calgary Southwest denied there was a problem with respect to climate change. He actually said that the science was inconclusive and that perhaps more study should be done. Saying that the science is divided is the same kind of logic as saying that cigarette smoking is good for you.

There are individuals who advocate a so-called meeting of the minds. They ask why the two conservative parties do not have some kind of fusion, alliance or coalition. But there are some fundamental issues that differentiate the Reform Party and the PC Party. One issue is our environmental commitment and our understanding with respect to the big picture.

The hon. member pointed out that transportation accounts for 32% of all carbon dioxide emissions or greenhouse gases within Canada. Local transportation is a significant component of that figure.

Why would we not want to go forward with this? Canadians in general are overtaxed. This would encourage Canadians to use public transportation en masse. It would reduce consumption of automobile gases and smog which would be very good for human health.

*Private Members' Business*

I applaud the member from Kamloops for his initiative and for saying that there is only one taxpayer. He is right. We spend billions of dollars allocating moneys to maintain our rural and urban highways. This would enable us to lessen some of the day to day pressures on our roads.

I challenge the government to adopt this motion. The government says time and time again that it is committed to early action in order to address the serious issue of climate change. I would submit that Canadians would look for any action or at least a little more.

A case in point is that this government has still to bring in initiatives and aggressive tax incentives with respect to research and development on energy efficiency. The government has yet to bring in aggressive tax incentives for the use of renewable sources of energy.

• (1815)

In terms of home heating, only 1% of all homes being constructed in Canada today are R-2000 compatible. There are many solutions out there. The government has a role in leading the way so we can actually make it market driven, incentive based and get Canadians engaged in the issue. Another solution is producing less emissions of carbon dioxide. Public transportation would head us in that direction.

As I said earlier Canadians are overtaxed. I understand the concern is that perhaps this would favour individuals who live in urban areas and some individuals such as myself who reside in the beautiful riding of Fundy—Royal, which is very rural, and may not have the opportunity to use transportation en masse. I would also indicate that many communities would have to do that.

In my riding half the population lives in a suburban area just outside the city of Saint John. Nearly 35,000 individuals are within five or six miles of the city of Saint John. There is no public transportation system for individuals who would choose to use public transportation in terms of the bus to go into the city of St. John.

That is not necessarily because of a lack of will on the part of our valued municipal leaders such as Mr. Bill Artiss, mayor of Rothesay, and Alyson Leslie Brown-Hamilton, mayor of Quispamsis. I do not blame it on these individuals. They would be committed to public transportation if they had the critical mass to do so. Providing a tax incentive for more individuals to take the bus would be most cost effective. The people in the Kennebecasis Valley in my riding of Fundy—Royal could ultimately develop the critical mass to use a public transportation system.

**Mr. John McKay (Scarborough East, Lib.):** Mr. Speaker, I thank the member opposite for the motion. The government should consider making employer provided transit passes a tax exempt benefit.

I must admit that when this initiative came across my desk I thought it was a provocative thought, so I enter into the debate with that kind of mindset. These are interesting initiatives from members who are trying to address real and valid issues that exist in society.

This is a bit of a peephole reaction to creating tax legislation. One is forever looking through a narrow glass and not necessarily getting the entire picture. I offer this as more of a response than a criticism. It does not address the fact that all employers do not offer transit passes. It does not do anything for those people who use transit who are not employees, people such as seniors, students and the unemployed. It does not do anything for these folks. I am not entirely convinced that we can confer a certain kind of benefit on one class of citizen without expanding the benefit to other classes of citizen, all of whom are transit riders.

I would like to see a proposal, if this was the kind of direction in which the government wished to go, where the benefits of using transit were readily apparent and were of some use to all classes of citizens.

The second consideration that bothers me is the peephole approach to public policy. Municipal, federal and provincial governments already give substantial subsidies to transit.

• (1820)

It is my understanding that at this point in time approximately 48% of transit costs are subsidized costs. Ridership or public riding contributes only 52%. This brings me to one of the more critical components of the argument of my friend opposite, that there is an implicit assumption that with this exemption ridership will increase.

It was not clear to me in debate or in reading his support materials that ridership would increase. Again I react anecdotally here. I would have thought that employees who are using transit already will not necessarily increase the ridership. They will continue to use the transit regardless of whether or not they get a tax exempt benefit. I am not at all persuaded that ridership will be increased. If ridership is not increased, we do not achieve what we want to achieve in terms of harm reduction to the environment or trying to meet Kyoto targets.

I would ask the hon. member to think, if this debate goes forward, about the issue of how he can give assurances that ridership will increase. The only clear evidence at this point is that tax revenues will be reduced. I do not find this argument to be a persuasive one.

*Private Members' Business*

We all wish to reduce greenhouse gases and to meet our Kyoto requirements. The linkage is not necessarily demonstrable. The assumption is that cars will be taken off the road—and I hope that is true—by giving this exemption. If cars are taken off the road our greenhouse gas emissions will be reduced and we will be able to meet our Kyoto requirements.

The linkage again is not clear in my mind. This is in some respects an article of faith rather than a clear evidential linkage. Those are the criticisms I have of the motion. As can be seen in the phrasing of my criticisms, I am not at all opposed to the thought or to the general direction. I would like to suggest that possibly the exemption may be only one way of achieving the benefit the hon. member wishes to obtain. There may well be better ways to achieve these laudable goals by not taking a kind of peephole approach to little pieces and sections of the Income Tax Act which in and of themselves may create inconsistencies that are not necessarily anticipated.

Again I laud the hon. member for his initiative. As I said, when this initiative came across my desk I thought it was a good idea. It was not one that readily yielded criticism. I offer my observations to him in the form of encouragement to a fellow parliamentarian.

**Mr. Rick Laliberte (Churchill River, NDP):** Mr. Speaker, I would like to comment on my colleague's initiative. This is a very bold challenge for the government to consider.

I must highlight that my hon. colleague who has just risen and spoken to some of the considerations that should be taken into account raised the issue of the effect a transit pass exemption for employees would have on the environment.

My hon. colleague mentioned a statistic from San Francisco as an example. Transit use among participating employees increased by 31%. This in turn generated \$1.6 million of new transit revenue.

Other members mentioned inequality. If employees were given these benefits and incentives to use transit as opposed to driving their vehicles it would mean the transit companies would have more resources and more capabilities to decrease the costs to the public, the unemployed, the students, the elderly, the people who are using the present day transit systems in the cities.

• (1825)

This incentive is a challenge for this government to consider. Today 32% of emissions in Canada are caused by our transportation system. We are per capita the second highest emitter of greenhouse gases in the world. We have to correct our ways. We have to readjust our way of living, our day to day urban lifestyle, which this incentive is directed at. The government has said that we will reduce our 1990 levels of emissions by 6% by the year 2005. Today we are 12% beyond that. Add 12% to the 6% promised and that is an 18% reduction. But there is no incentive.

This government has not acted on greenhouse gas reductions since coming back from Kyoto. It has not done anything except consult. It has 12 specific tables which were created by the greenhouse emissions secretariat. These people are continuing to discuss but there is no action plan.

The hon. member has created an incentive through Revenue Canada which would be revenue neutral for employers. It would be a major incentive for employees to consider. If they are getting a benefit from their employers and then having to pay a tax portion of that at the end of the year, that is a disincentive. It reverses the whole process and our commitments.

I ask all members to consider this motion and vote in favour of it. The government would then be challenged to take it back to the environment committee, because this is a major environmental initiative, or to Revenue Canada. The finance committee would then seriously have to look at the impact of this.

Again, it should not have banked on the taxation of employer benefits for their employees to get to work. A lot of these employees travel from suburban areas. If we look at the outskirts of the capital region of Ottawa our transit system does not even go the airport. Somebody in downtown Ottawa wanting to utilize the public transit system has to stop at the Hunt Club region. Then they have to walk the rest of the way, or take a taxi, or hitchhike, or use emit more greenhouse gases in some other shape or form. If we had employer incentives that increase the use of transit it would increase the extent of our transit system in our cities. It would be an incentive for the employees and the transit systems.

The hon. member mentioned that municipal transit associations and municipal authorities throughout the country would be very much in favour of this. Major cities have lent their support to this issue.

I beg all members to seriously consider this. Vote in favour of the motion. It deals with the conscience of the country in making legal commitments for greenhouse gas reductions and making decisions on a tax exemption our citizens truly deserve. When an employer hands them a transit pass as a benefit and then asks them to pay taxes on top of this it is a disincentive.

This is repealing a practice by the government to create revenue that is uncalled for. It is a very small investment by repealing a tax revenue that could have many benefits.

• (1830)

I must highlight some statistics. San Francisco employers passed out transit passes to their employees as an incentive and transit use increased by 31%. That would mean 17 million vehicle miles in the bay area of San Francisco. Pollutants were decreased by 61 million tonnes and \$1.6 million in new revenue was generated for the transit system in San Francisco. The hon. member across the way

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challenged us to come up with some sort of example. Those are the statistics we can come up with.

There would be further time to research the issues through committee and I think the topic of the motion would come back into the House for further debate. The challenge is given to the hon. member who has presented the motion and he would have another opportunity to speak to it.

I would ask that those members who are suspicious of the motion in terms of a tax loophole reconsider. The benefits are beyond what the government can afford in terms of the greenhouse gas emissions. Our cities are being challenged with the whole aspect of transportation and the redesigning of our lifestyle.

In the new millennium—

**Mr. Jason Kenney:** Mr. Speaker, I rise on a point of order. I seek the unanimous consent of the House to move concurrence in a committee report.

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** Agreed.

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## ROUTINE PROCEEDINGS

[*English*]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, I would ask for unanimous consent of the House that the 13th report

of the Standing Committee on Procedure and House Affairs presented on Wednesday, November 26, 1997 be concurred in.

(Motion agreed to)

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### TRANSIT PASSES

The House resumed consideration of the motion.

**Mr. Rick Laliberte (Churchill River, NDP):** Mr. Speaker, I would like to reaffirm that Canada is the only OECD country where the national government is not involved in funding public urban transit systems. That is a major challenge for us and it is an opportunity for the government to show leadership and act on it.

**The Deputy Speaker:** The time provided for the consideration of Private Members' Business is now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

It being after 6.30 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.32 p.m.)

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