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(HANSARD)

Tuesday, December 8, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, December 8, 1998

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[English]

1998 IQALUIT DECLARATION

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour of tabling, in both official languages, the 1998 Iqaluit declaration, signed by the federal, provincial and territorial ministers responsible for the status of women, which marks this year's national day of remembrance and action on violence against women.

* * *

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[English]

INTERPARLIAMENTARY DELEGATIONS

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the 6th report of the Canadian NATO Parliamentary Association which represented Canada at the 44th annual session of the North Atlantic Assembly, NATO parliamentarians, in Edinburgh, United Kingdom, November 9 to 13, 1998.

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 7th report of the Standing Committee on Fisheries and Oceans. In accordance with Standing Order 108(2) the committee undertook a study of fisheries issues in Nunavut.

I would like to thank all the committee members who took the time to go to my riding and learn about our fisheries issues.

Pursuant to Standing Order 109, the committee requests a comprehensive response to this report within a 150 days.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 48th report of the Standing Committee on Procedure and House Affairs regarding the review of the broadcasting of proceedings of House committees.

I also have the honour to present the 49th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities.

Mr. Speaker, I move that the 49th report be concurred in.

(Motion agreed to)

* * *

• (1010)

PETITIONS

BILL C-68

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, I have five petitions on behalf of the people of Dauphin—Swan River. The first petition is about the Firearms Act, commonly known as Bill C-68.

The petitioners call on parliament to repeal the act and to redirect the moneys allocated for its implementation to putting more police on the streets, to crime prevention programs, suicide

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prevention, women's crisis centres, anti-smuggling campaigns and to fight organized crime and street gangs.

YOUNG OFFENDERS ACT

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, the second petition deals with the Young Offenders Act.

The petitioners call on the House and the government to replace the act with legislation that would deal more adequately with young offenders, allowing proper punishment.

THE SENATE

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, the third petition deals with Senate elections.

The petitioners point out that Manitobans have democratically governed themselves in areas of provincial jurisdiction since 1870. They request parliament call on the government to call only fit and qualified persons who have been democratically elected by Manitobans to sit as Manitoba senators.

AGRICULTURE

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, the fourth petition deals with the port of Churchill and the Canadian Wheat Board.

The petitioners call on parliament to advise the government to mandate the Canadian Wheat Board to deliver its grain shipments through the Canadian port that offers the most advantageous cost to producers and to require conveyers to guarantee seamless car interchange.

HEPATITIS C

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, the last petition deals with hep C compensation.

The petitioners call on parliament to revisit the hep C compensation and to offer fair and compassionate compensation for hep C victims.

MARRIAGE

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I have a petition signed by 400 constituents of Oxford who ask that parliament enact legislation such as Bill C-225 to define in statute that a marriage can only be entered into between a single male and a single female.

MUSEUMS

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I have two petitions to submit this morning. The first one is from over 100 residents of Dartmouth who are concerned about the future of the Halifax regional cultural museum.

Because the level of support from the federal government to local and regional museums has declined from 29% to 5% over the last decade and because many regional and local museums in

Canada are facing financial shortages so severe that the preservation of their artifacts is in question, the people of Dartmouth call on the House to urge the Minister of Canadian Heritage to restore the federal government funding level for regional and local museums to at least the level of 1998.

MARRIAGE

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, my second petition is from over 100 citizens from Dartmouth who are also concerned about the passage of Bill C-225.

They are in favour of the act to amend the marriage and interpretation acts in order to define in statute that a marriage can only be entered into between a single male and a single female.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I suggest that all questions be allowed to stand.

The Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

CANADA CUSTOMS AND REVENUE AGENCY ACT

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.) moved that Bill C-43, an act to establish the Canada customs and revenue agency and to amend and repeal other acts as a consequence, be read the third time and passed.

• (1015)

He said: Mr. Speaker, today I will be speaking on third reading of Bill C-43.

Today we start the final debate in the House of Commons on the creation of a new Canada customs and revenue agency. We arrived at today's debate after a speech from the throne. We arrived here today after a budgetary commitment by the Minister of Finance. We arrived here after a campaign commitment by the Prime Minister. Most significantly, we arrived here at this debate after years of consultation and after hearing input from extraordinary Canadians from across the country.

The bill before us today is the result of extensive consultations. It was always our intent to prepare the best possible legislation by

listening to Canadians, learning from their input and taking the appropriate action.

Our government issued a major proposal, then we revised it to reflect what we heard. We put forward a second proposal and again improved it after listening to people from every corner of the country.

Three times we went back to the provinces, to the territories, to members of parliament, to tax experts, to the customs and trade professionals and organizations. We established a special advisory committee to provide ongoing comments. We received input from close to 10,000 of our employees. What started out as a sound concept has become even a better piece of legislation which reflects what people told us.

There have been many important improvements to the original proposal and those improvements flowed directly from those citizens who thought about the bill and offered up some better thinking. I strongly believe this is a fine bill and I thank those Canadians who gave their time, their wisdom and their insights to making it so.

I know my friends from the opposition will argue during this debate that we still have not consulted enough. Let me quote Mr. Garth Whyte, vice-president of the Canadian Federation of Independent Business, when asked about more consultation in the committee hearings: "We have been consulted to death".

The simple truth is that the CFIB wants this bill passed. The Canadian Institute of Chartered Accountants wants this bill passed. The Canadian Bar Association wants this bill passed. The Canadian Tax Foundation wants this bill passed. The Canadian Importers Association supports this legislation. The Tax Executives Institute support this legislation. The Canadian Society of Custom Brokers supports this legislation. L'Association de Planification Fiscale et Financière supports this legislation. The Canadians Alliance of Manufacturers and Exporters supports this legislation.

The reasons for this broad range of support are really quite simple. First, a new Canada customs and revenue agency makes plain, ordinary, everyday common sense. Second, the bill constructively addresses all the serious issues raised by Canadians during these three rounds of consultations.

I would like to touch on both these matters, why a customs and revenue agency makes sense and how we have improved the bill, and explain why this agency is a sensible idea. I do not want to throw out a lot of complex jargon. I would rather relate some real life experiences.

Take for instance overlap and duplication. Take for instance red tape for small businesses. I was in business for 20 years before I went into politics. I remember having to deal with an auditor for workers compensation asking the same questions, going through the same books as another auditor for payroll deductions. That

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auditor went through the same process as another auditor for provincial sales tax. That auditor in turn went through the same process as an auditor for the GST. What a waste of talented professional auditors. What a time consuming waste for business people.

● (1020)

Everybody talks about wanting to get rid of overlap and duplication and we hear that every day in the House from members over there, all the time. We hear it from the provinces every single day. We hear it from small businesses. We hear it from individual Canadians. Everyone talks about wanting to reduce the paper burden and compliance costs.

This legislation is a real life opportunity to turn all that talk into action because everybody understands there is only one level of taxpayer, so let us move toward creating a single window tax collection.

Canadians want governments to work together for their citizens. They do not want to build a parallel tax system across the country. Canadians have said that repeatedly. Every place I go business people tell me they spend too much time and money dealing with governments. I believe we should allow them to do what they do best, create products and jobs.

There is something else I hear from every Canadian of every political stripe. They said quit wasting money. Spend taxpayer money wisely. Get governments to work together to cut costs and streamline the process. The new agency makes plain, ordinary, everyday sense.

Do not listen to me. Listen to other Canadians. Let me quote from the presentation of the highly respected public policy forum before the finance committee: "The compliance cost saving from a single administration would be between \$171 million and \$285 million. As well, we estimate administrative cost savings in the range of \$97 million to \$162 million".

The creation and successful implementation of a new agency can save hundreds of millions of dollars for Canadians. Why on earth would we want to spend all that extra money on the process of collecting taxes when it could be put to so much more productive use ending overlap and duplication, cutting red tape and saving huge amounts of money? Those are all compelling reasons for creating a new agency.

There are still other strong reasons, technology for one. It takes a split second to transfer funds from St. John's to Victoria. The power of computers is doubling every 18 months. Electronic commerce is growing enormously and yet it can take a full year to hire a government auditor.

We simply have to modernize that system. We have to design faster and fairer staffing procedures. We need a system that can keep pace with the ever changing world.

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The new agency will take advantage of new technologies to reduce paperwork, speed up decisions, keep employees and our clients, individual Canadians, travellers and businesses, satisfied. Technology is forcing us to make choices. Each province and territory can spend vast sums in creating its own software and computer systems. Or we have a choice, we can work together to produce those systems.

When the province of British Columbia decided to add the B.C. family bonus it could have built a whole new infrastructure, a whole new software system and it would have cost tens of millions of dollars. Instead it came to the federal government. We were able to deliver that program for a little over \$2 million. That is working together. That is working smarter for the citizens.

Within two years \$400 billion of business will be done on the Internet around the world. Of that, \$13 billion will be done in Canada. Do we really want 12 different Canadian systems trying to collect the taxes on these transactions like the people in the Bloc want to do? Does that make sense, 12 different systems for business to deal with? We should be working together on a national basis to develop new programs that make it easier for taxpayers to file over the Internet or over the phone. We should be working together to develop the world's finest software for privacy protection. We should be working as one to spend limited resources to guarantee that technology serves the interest of Canada and the interest of Canadian taxpayers. Working together to serve the interest of Canadians makes sense.

• (1025)

We are creating the new Canada customs and revenue agency with the goal of forging new partnerships with the provinces. We are making a very serious effort to reach out.

This bill is about providing more options to the provinces, giving them alternatives that can better serve the public interest. The provinces and territories will have the right to nominate people for 11 of the 15 positions on the agency's board of management.

I must emphasize that the participation of the provinces is completely voluntary. The provinces will maintain control over provincial tax policy while the new agency will administer these policies. This means that a province or territory will retain full authority over the tax and will be accountable to its taxpayers for it.

The opposition parties seem fairly worked up by the fact we are moving to pass this legislation without having the provinces on board. I have met with the provinces. I have met them on a number of occasions. They all have supported the concept and we will work closely with them. But I am a realist. I know that we will have to work hard to earn the provinces' business. Frankly, I do not mind if the provinces want to kick the tires of the new agency or take it for a test drive. It will be a lot easier for them to buy into something that is a real entity than a proposal on paper.

Garth Whyte said for the CFIB: "If we wait for everybody to come on side it never gets done". We have lots of examples. When we try to get everybody on board it never gets done. We have to move on and show leadership.

Mr. Blair Nixon of the Canadian Bar Association said: "Go forward. Pass it and let the agency convince those who are going to be able to enjoy the efficiencies". Mr. Robert Spindler, representing our country's chartered accountants stated: "It is usually better to start the process and then draw people in rather than to turn it around and wait for the people to come and then develop the system. The agency represents an opportunity. Having the infrastructure at least allows that opportunity".

This legislation provides for a uniquely Canadian model for customs and revenue administration, a model rooted in a non-partisan public service, a model based on partnership with the provinces, a model respectful of our Canadian parliamentary traditions, a model premised above all on fairness for Canadians and service to Canadians.

On every major front the concept of a new agency makes plain, ordinary, everyday common sense. But as I indicated, the bill before the House is far superior to the original plan. We have, for example, removed provisions that would have allowed for the imposition of user fees without the approval of elected officials. We have acted to guarantee that Canadians will receive service anywhere in Canada in the official language of their choice. We have ensured the agency will have the flexibility to deal with the fundamental personnel issues of hiring, training and retaining quality employees.

Most important, we have acted to strengthen ministerial accountability. Over and over again I heard from Canadians that political accountability is absolutely paramount if we want to guarantee fairness to Canadians. Individuals and organizations alike were adamant that the Minister of National Revenue retain the primary stewardship role.

I took that message very much to heart. As I have said time and time again, the bill does not mean the agency will not be part of the government.

• (1030)

The new Canada customs and revenue agency will remain proudly in the public service of Canada and a strong federal agency. For example, whenever a member of parliament wants me to inquire into the fairness of how a specific case is handled, I will have the power to do so. I will respond directly to them, as I do now.

Let me be crystal clear about the accountability measures contained in this bill. The Minister of National Revenue will be fully accountable to parliament. The Auditor General of Canada

will audit the agency's books and the agency's work. A corporate business plan must be submitted to the minister for Treasury Board for approval. The minister will submit an annual report on its operations to parliament.

There is also a mandatory review of recourse mechanisms by a third party after three years, as provided in section 59 of the bill. A summary of the results will be included in the agency's annual report to parliament.

The Public Service Commission can review and report on the agency's staffing procedures.

Parliament will conduct a legislative review in five years.

No private sector member of the board of management will have access to any file of any taxpayer. Only the minister will have that oversight power.

As the Canadian Federation of Independent Business told the finance committee of this House less than two weeks ago, "Bill C-43 addresses the main concerns of political accountability, privacy and provincial autonomy identified by our members".

As the Institute of Chartered Accountants told the same committee:

It is clear that comments provided. . . during the consultations, were heard and taken into account. We're pleased to see that under Bill C-43, the Minister of Revenue will retain responsibility for this Agency and it will be structured to allow for close Ministerial oversight and, in particular, that the Minister's power of inquiry into any activity of the Agency will be maintained.

As both the bar association and the tax foundation put it to the same committee, "We support the initiative currently being advanced by this government".

The people on this side of the House consult with Canadians, they listen to Canadians and they respond, just as we have in this bill.

As much as I welcome such serious backing for this bill, I am well aware that the creation of the agency is only the beginning of the process.

Earning the trust of as many provinces as possible is essential. I am trying to do that by building a better framework.

Ensuring fairness for every single taxpayer is also very critical. That will be my priority every hour of every day. Canadians deserve nothing less.

Treating our incredibly dedicated employees with understanding and empathy is vital. I know some of them are a bit apprehensive about change. I will do my very best to make the transition as easy as possible.

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Safeguarding the faith of Canadians in our tax system is of the utmost importance. That, after all, is what makes it all work.

I promise the members of the House that, regardless of what happens to this bill, I will soon come forward with a fairness action plan and I will deliver on my word.

I intend to continue seeking advice from the vast range of Canadians on means to improve service to taxpayers. With the help of members of parliament from all parties, I will act on that advice.

The truth is that I feel deeply honoured to be the trustee of Canada's tax system. It is a fine and honourable system held in high regard around the world. It is an amazing system premised on honesty, voluntary assessment and fair payment of taxes owing. It is a system upheld by public servants of hard work and decency.

The job of every member of parliament is to take the necessary steps to make a great system even better. The job of every member of parliament is to ensure that our tax system is unquestionably the world's finest and fairest, and that it remains so. Our job is to take the necessary steps to seize the opportunities and meet the challenges of the modern era. Our job is to eliminate the red tape, chop away the overlap, cut wasteful costs, build new partnerships, take advantage of technology, make the most of far-sighted management practices, offer better service and make the system work to Canada's advantage.

• (1035)

This legislation is a major step in that direction. This legislation is a major step forward. This bill is all about providing better service to the provinces and the territories, to businesses and, most importantly, to individual Canadians.

I know that my friends in the opposition will want to mount vigorous criticisms of this bill. I respect that. I do not understand it, but it is the bedrock of democracy.

At the end of the day, however, I urge all members of parliament to remember three simple facts. First, there is only one level of taxpayer in Canada. Second, this bill has massive support from a wide range of Canadians. Third, this bill makes plain, ordinary, everyday sense to Canadians.

In the end, this bill is not about politics. It is about doing something positive for Canada.

I urge members of the House of Commons to vote yes to this bill and to do this with genuine enthusiasm.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I would like to congratulate the minister on finally having his bill

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brought before us at third reading. Unfortunately, it came before us after time allocation was invoked at each stage of the bill.

The minister said that this bill respects the finest traditions of the parliamentary system. If that is the case, then why did he cut short democracy? Why did he cut short democratic deliberation when it came to this bill?

I can tell the House why. It is because for months he was not able to get any degree of precedence or priority for this bill from the government House leader or from those who manage the government's legislative agenda. Suddenly they were seized with an urgency to ram this bill through before the Christmas break and they invoked time allocation.

The government announced its intention to invoke time allocation on both report stage and third reading only two hours into the debate. I must say that while I commend the minister for the work that he, his officials and his parliamentary secretary have put into this bill, I think it is disappointing, to say the least, that the government has, in passing such a critically important piece of legislation, so carelessly and callously disregarded the best traditions of democratic deliberation in this place.

The minister spoke at some length about the degree of consultation which was exercised in the development of Bill C-43, an act to establish the Canada customs and revenue agency. I would concur with him that his officials did a fine job in consulting, particularly on the technical aspects of the bill, with traditional interest groups like some of those he mentioned which have a great deal of familiarity with the tax laws and their application.

I would also commend the minister and his officials for having taken to heart some of the constructive criticisms that were levelled at earlier versions of his bill.

However, I would point out to the minister that his consultations fell far short when it came to the kind of democratic, political and public consultations which ought to surround any important piece of legislation such as this.

It is fine and well to set up an advisory board of technical experts who are extremely familiar with the Byzantine 1,300 page tax code and its associated regulations, and to sit around and talk with Revenue Canada union officials and people in the department about the framing of legislation of this nature, but that merely leaves about 30 million Canadians out of the process of consultation. This is where we think the minister and the government have completely failed to consult deeply and broadly with respect to the implications of this bill.

• (1040)

I suspect that some day when this bill is proclaimed and this new Canada customs and revenue agency comes into effect, there will

be a sudden flurry of news stories in the media regarding the creation of this new agency and the passage into history of Revenue Canada. Canadians will suddenly wake up startled, wondering what is going on. I submit that the vast majority of taxpaying Canadians have little or no idea that this rather dramatic proposal has been made and will probably be adopted by the House tonight.

I think that it would have behoved the minister and the government to have consulted far more broadly and deeply with grass-roots Canadians. I think it would have behoved government members to have voted for a Reform motion at the finance committee which sought to extend hearings beyond the two or three days on which hearings were held, to extend hearings across the country, to allow Canadians in communities across our country, those who work in Revenue Canada, those who are ordinary taxpayers and those who have concerns about the administration of the tax laws, to appear before us to prolong the debate so that this rather dramatic change was not suddenly sprung upon them.

I am also disturbed that the government did not, with respect to consultation, take at all seriously some of the very thoughtful and substantive amendments put forward by the opposition. I will grant that my colleagues in the Bloc Québécois put forward a number of dilatory amendments to essentially strike every clause of the bill. In a sense they were provoking the government into time allocation. However, I would submit that there were some very substantive and sensible amendments put forward at report stage by the official opposition.

The minister talked about common sense. Where was the common sense in the government voting against our Motion No. 7? Among other things, that motion would have inserted words like "the legislation should be enforced in a manner that respects the principles of fairness, impartiality and accountability".

Why in the world did government members stand in this place last night to vote against ensuring that the legislation be enforced in a manner that respects fairness, impartiality and accountability? Are they against fairness, impartiality and accountability in this legislation?

It escapes me as to why the government voted against a motion to ensure that any new powers granted to the agency could only be granted by parliament and not simply by the cabinet through order in council. Why did the government vote against a motion to restrict this granting of further powers to this parliament and to remove the *carte blanche* power of the cabinet to grant such powers to the new agency?

These and other substantive motions which we put forward were voted down without apparently even a moment's consideration on the part of the government, which again causes me to question the sincerity of the minister's remarks with respect to consultation, listening to Canadians and following the debate.

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Having said all of that about process—and I really do find it disappointing—let me say that there are certain redeeming aspects to this legislation. We in the official opposition have been quite consistent in pointing out that we feel there are certain incremental gains to be found in the kind of corporate culture of the new revenue agency which this bill envisions. We believe that it would be an improvement over the status quo for this new revenue agency to be released from the kind of burdensome, bureaucratic, inefficient, cookie-cutter style personnel and human resource policies enforced on it by the regulations of the Treasury Board and public service legislation. Creating greater flexibility in the revenue agency's management, hiring and personnel practices we think is a positive step forward.

• (1045)

However, the gains to be made in terms of flexibility of human resources management would allow the new agency among other things to pay some of its people on the basis of merit. It would allow the new agency to pay some of its senior highly skilled auditors competitive salaries vis-à-vis the private sector. All of these improvements could be achieved without Revenue Canada metamorphosing itself into an agency. It simply is not necessary.

Other opposition members and I have made the point again and again in the House and at committee that if the government simply wanted greater flexibility in hiring, firing and paying people, it could have done that without moving to an agency and without the bill that is before us today. The government did not need to create a new level of bureaucracy through the adoption of a commissioner and a patronage appointed board of directors. The government could have achieved the personnel efficiencies without potentially diminishing parliamentary accountability through the minister to parliament. It could have achieved these things simply by amending the statutes that govern personnel in the public sector.

That is not just my view. It is the view of the Canadian Tax Foundation which published an article suggesting that was a possibility. It is the view of the Library of Parliament, which produced an opinion for us that confirmed various amendments to existing statutes could have achieved the desired objective of greater flexibility in personnel management. I want to be absolutely clear for the record. That alleged rationale simply does not hold up.

Another rationale which the government presented for this legislation was that it would create greater efficiency through the removal of much of the current overlap and duplication between the provincial and federal governments in tax collection and administration. The bill would concurrently reduce compliance costs for businesses which today must fill out tax forms and in some provinces must comply with two separate tax bureaucracies. The government argues sensibly that compliance costs would be reduced under a single tax agency since the business taxpayer would only have to fill out one corporate tax form as opposed to two.

The government solicited an opinion from the Public Policy Forum which indicated there would be a potential savings to the economy of a couple of hundred million dollars through reductions in compliance costs if all 10 provinces were to participate in the agency proposal. That is the big caveat. The government has thrown around this argument about efficiency gains and reduced compliance costs and at the same time it has not told Canadians this requires the full, complete, unanimous participation of all 10 provinces.

It is absolutely evident to all with eyes to see that this agency does not have the support of all 10 provinces or even a majority of provinces or even a single province, at least as of this date. We know of only one province. The Government of Nova Scotia has indicated its willingness to participate in a very modest way with this new agency through the administration of its workers compensation system. The Government of Nova Scotia could very easily have contracted with Revenue Canada to assist it with its WCB system under the current departmental model of Revenue Canada. Bill C-43 is completely unnecessary to achieve the objectives of such provinces as Nova Scotia participating on the WCB front.

What do we see as we look across the country from Newfoundland and Labrador to British Columbia? After nearly two years of consultation and pressure and lobbying on the part of the Minister of National Revenue, at least nine provinces have indicated that they are not prepared to sign on to this new agency. The minister and government members will say that the provinces have not said that they are opposed to the idea.

• (1050)

Certainly the Government of Quebec has indicated that it has absolutely no interest whatsoever in any circumstances of ceding tax collection authority to this new federal agency.

The province of Ontario has indicated publicly and to me in writing through the Minister of Finance, Mr. Eves, that it has no particular interest at this point. The Government of Ontario has suggested that it is looking at greater flexibility, not greater federal control over its tax collection and tax policies through the possible opting out of the federal-provincial income tax collection agreements and the adoption of a tax on income process as opposed to the tax on tax which currently exists.

Similarly the province of Alberta and its provincial treasurer Mr. Day have indicated that they really have no interest in this, at least at this point. The province of Alberta is looking at some rather dramatic changes in tax policy which would perhaps preclude any efficiencies gained by participating with a single revenue agency such as the one proposed in this bill.

As we look across the country we see at least three provinces which seem to be out of the game and we see six or seven other

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provinces which are not really interested but have not yet closed the door. Why is the government proceeding with legislation which is predicated on the participation of the provinces whose basic rationale is co-operation between the provincial and federal governments, when the other partners, that is to say the 10 provinces, have not yet offered to participate and have not yet agreed to engage in this new agency? This is a legitimate question and one which the minister has not yet provided an adequate answer to.

With respect to flexibility of personnel management and human resources and with respect to efficiency through the reduction of overlap, duplication and compliance costs, we see that the government has not made its case.

Having said those things, I think the basic structure of the bill is not malignant. As I mentioned, there are incremental improvements in public sector administration which could be achieved through other statutes.

Let me add parenthetically that the changes to employment practices contemplated by this bill could very easily be and ought to be applied to every department of the government. The minister has made a compelling case that the current Treasury Board guidelines with respect to the employment of public servants are far too rigid and far too bureaucratic and do not create a culture of efficiency in the revenue department. If that is the case in the revenue department, as I believe it to be, then equally it is the case in other government departments.

I would ask the government why it is prepared to change the personnel regime with respect to Revenue Canada, the largest government department which employs approximately 40,000 to 45,000 individuals, but it is not prepared to apply the same principles of personnel management to every department of government. Why is the government not prepared to do what the Government of the United Kingdom has done with respect to its agencies? Why is the government not prepared to do what the Government of New Zealand has done with respect to the corporatization of the public sector there?

We could apply these same principles elsewhere without diminishing parliamentary accountability if this legislation is crafted properly. It makes very little sense for the government to be myopically focused on one department while leaving the rest of the public service in the current strictures of the Treasury Board rules.

Our principal concern on Bill C-43 is the potential for diminished parliamentary accountability, for accountability to Canadian taxpayers who after all are the people who really hold sovereignty in this country. These are the people who day after day put in an honest day's work and come home to find that up to half of their paycheque has been consumed by politicians and bureaucrats at all three levels of government. These are Canadians, the vast majority

of whom are honest, law-abiding taxpayers who want to comply with the tax laws. They want to pay their fair share but they have felt increasingly over the past years that they are paying more than their fair share.

• (1055)

The average Canadian is working harder today than he or she ever has before in Canadian history. Statistics Canada tells us that the average Canadian family now works longer hours and more hours with more two income families than at any point previously in our history, yet they are coming home with less money in their pockets after tax. Why? Not because they are not working hard enough, not because people in the private sector economy are not taking enough risks, but it is because governments continue to consume a larger and larger percentage of the fruits of the labours of Canadian taxpayers.

Revenue Canada every business day collects roughly a billion dollars. That is a billion dollars sucked out, hoovered out of the pockets of Canadian taxpayers. I see even you are flabbergasted, Mr. Speaker. It is remarkable. We sit here in this place thinking that this is sort of commonplace; we authorize another spending bill, authorize another tax bill and sooner or later it all adds up.

That is not my figure. It is the figure of the minister of revenue. He is quite proud of boasting that his department collects a billion dollars each business day. It is about \$120 billion that is collected in normal revenues, the gross revenues of the GST plus corporate tax revenues. The figure is enormous.

At the end of the day, Canadians are telling us that they are paying too much tax, that the tax system is too complex. Too often when they are dealing with Revenue Canada, they feel guilty until proven innocent under the current tax system. That is just plain wrong.

A voluntary system such as ours which relies on voluntary compliance requires the absolute trust of taxpayers in the collection system. The moment that trust is impugned, the moment Canadians lose trust in the tax collection process, the basis of a voluntary compliance system is thrown into question.

That is why we need to be absolutely certain in debating this bill that the agency we are creating enhances and does not diminish the trust between the taxpayer and the tax collector. It is why we must be absolutely clear that this bill strengthens rather than weakens the accountability of the tax collectors in this agency to taxpayers through their elected representatives in this parliament.

It would be a grave error were we to adopt a bill which included even the possibility, the mere potential of a diminishment of parliamentary accountability of the tax collecting agency and that accountability through this parliament to taxpayers.

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Parliament came into being as members well know largely as a result of the tension between the commoners, the taxpayers in earlier parts of our history and the crown. Parliament essentially became the body which ensured that the taxes collected by the crown were done so in a fair, legal and democratic way. It ensured that no one, including the monarch, was above the law.

And here we are today contemplating the passage of a bill that will give the executive branch of government further enormous power in tax collection through this agency and has the potential of diminishing parliamentary accountability. The minister will say that he remains responsible for the revenue agency under this bill and that therefore the accountability could not possibly be diminished.

• (1100)

Among other substantive amendments put forward by the opposition last night, the government voted against a motion in my name saying that the minister was responsible for "all aspects of the revenue agency". We simply wanted some minor amendments to clarify that the minister would be responsible for all aspects of the agency because the bill is unclear about that.

The bill gives responsibility to the minister in section 6, but later it gives responsibility for the agency to a board of management in section 14. Even later it gives responsibility to a chair in section 22, and in later sections of the bill it gives responsibility to a commissioner.

The government says these are different kinds of responsibility that will be exercised in different ways. I do not understand that bureaucratic baffle-gab. All I understand is that the bill takes responsibility, which today is completely in the hands of the minister who is accountable to the House and through the House to millions of Canadian taxpayers, and delegates it to a board of patronage appointees, to a commissioner appointed by cabinet and to this agency. Where does the buck stop? It is not absolutely clear.

It is with the very grave concern of diminished accountability that we in the official opposition have proposed a series of amendments which would enshrine due process in the tax collection administration of the government. We have proposed a taxpayer bill of rights and the creation of an office for taxpayer protection, which we say would strengthen and deepen accountability rather than diminish it.

Why is that necessary? I have talked about the theoretical argument that tax collection is an awesome power. Next to the criminal law power that we wield in parliament, the power to collect taxes is the most significant and potentially destructive power. Some have said that the power to tax is the power to destroy. It is an awesome power that we wield here. It is an awesome power

that we grant to officials of the revenue department and the future revenue agency to exercise on our behalf, on behalf of the crown and parliament.

Sometimes, believe it or not, that power is abused. The Minister of Revenue thinks his department and all his 45,000 officials are completely above and beyond reproach. I have no doubt that most of them are, but I equally have no doubt that from time to time, in fact every day, honest, law-abiding, voluntarily complying Canadian taxpayers find themselves harassed by overzealous, non-compassionate and out of control tax bureaucrats.

Every member of the House, I am sure, has faced case files from constituents who have done everything according to the law, everything ethically, exercised due diligence and have nevertheless found themselves getting the short end of the stick from Revenue Canada.

I raise the matter, for instance, of Mrs. Suzanne Thiessen from Winnipeg. I have raised this matter before in question period and elsewhere. Suzanne Thiessen is a Manitoba taxpayer who found last year that she had to make an insurance claim with the Manitoba Public Insurance Corporation, the MPIC. She discovered that somehow, without her authorization, the Manitoba Public Insurance Corporation had obtained confidential knowledge from her tax returns to the MPIC.

How does it happen? The minister says that confidentiality will not be compromised by the bill. He says it is not by the current department, but we know that is not the case because I have received through the Thiessens and others over half a dozen files of individuals in Manitoba who had their confidential tax information leaked by Revenue Canada to that provincial crown corporation.

• (1105)

This is against the law, but what can somebody like Mrs. Thiessen do? She is a person of ordinary means. She cannot afford to hire some high priced downtown Winnipeg tax lawyer. She is not connected to senior officials in the department, so she complains and raises her concern with a member of the opposition, as well she should. Part of our role is to act as ombudsmen.

I am duty bound to raise the matter with the minister of revenue, as I have done twice in the House. What kind of response do we get to this breach of confidentiality? None whatsoever. The minister and his previous parliamentary secretary have said on this file that they would look into it. This was more than six months ago and we still have not get received an answer.

When it comes to the confidentiality of Mrs. Thiessen's tax information, the current process of accountability did not work. It will be even less likely to work under the governance of the new

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agency, its commissioner and board that are not immediately accountable to parliament.

I have raised what I think is the most outrageous case of taxpayer abuse with which I am familiar, the case of Janice Collingridge, a lady who lives in Calgary. Janice Collingridge is a high stem quadriplegic. She cannot move. She cannot speak. She cannot breathe without the assistance of a respirator. She lives independently in an apartment with the assistance of a provincial government disability grant. The provincial Government of Alberta has provided her with this grant to contract with home care workers to come in and help her live independently.

Mrs. Collingridge was going about her life, living independently with the assistance of the grant, and along came the tax cops from Revenue Canada who said that they were going to audit Mrs. Collingridge's books. She asked "What is there to audit? All I get is the grant". They said they were going to take a look at how she was spending it.

They found that Mrs. Collingridge using some modern technology had managed to print out on a computer some kind of a work schedule for her home care contractors. The Revenue Canada bureaucrats said they were sorry to tell Mrs. Collingridge that the work schedules constitutes essentially terms of employment. These people who are working in her home were actually employees, not contractors, and she is therefore liable to pay Revenue Canada over \$5,000 in back payroll taxes because they have been employees of hers for years and she has been evading taxes.

Can we believe it? This is more money than she has in her life savings. She is a high stem, low income, non-verbal quadriplegic, and the officials of the government dragged her into tax court in Calgary. These heartless, cruel and non-compassionate tax collectors trying to meet their de facto quota dragged this person who does not have the resources, even the physical resources, to defend herself into court. They tried to shake her down for that \$5,000 plus interest and penalties. That is what is wrong with the tax system.

I have raised this matter with the minister. I know there are other matters like it. Tax lawyers can tell us about them. MPs can tell us about them. What does the minister say? He says "We will take a look at the file". No response.

I raised it in September 1997. It has been 12 or 13 months with no answer as to whether the government believes that home care grants from the government to the severely disabled constitute taxable income for payroll tax purposes. It will not answer that question.

If the minister who has to sit here and evade my questions will not answer them and will not look into this kind of gross and extreme abuse, how much less likely is he to answer, if he can say "Mr. Speaker, I am the minister responsible for an agency and there is a board and a commissioner in place which have to deal

with these policies. I as minister cannot possibly second guess those officials?" That is my concern. It is a serious concern that has not been addressed by the government.

That is why exercising our responsibility to provide an alternative to the government, the official opposition has put forward a series of amendments which would ensure that the Suzanne Thiessens and the Janice Collingridges of the country and thousands of others receive the help that is needed.

I will comment on another case. It is a case of a dentist in Calgary who came to my office recently to tell me what had happened. He was subdividing some land he owned for development. Before the subdivision he sought a ruling from Revenue Canada, exercising his due diligence as an honest and ethical taxpayer, as to whether or not GST would be applicable to the sale of these lots. A Revenue Canada official looked at it and responded with a letter, an opinion, saying no, that under the current tax laws the sale of these lots would not have GST applied to them.

• (1110)

This honest taxpayer sold his lots and made his profit after having taken a risk and having created some wealth for our economy. A year later Revenue Canada came along and said "Excuse me, sir, but we are afraid to inform you that the day before you sold those lots Revenue Canada sent out an interpretation bulletin changing its understanding of the tax act and the application of the GST. We are now telling you our ruling notwithstanding, that you are to be retroactively assessed tens of thousands of dollars in back GST on those lots. Even though you exercised due diligence, even though you planned according to the information we gave you, we sent out an interpretation bulletin that probably not more than a half dozen bureaucrats and tax lawyers read, and you are going to have to pay us back taxes".

Those kinds of things happen every day of the week in Canada. There is no accountability when it happens. There is no way that people like the Janice Collingridges, the Suzanne Thiessens and the thousands of others have recourse to high price tax lawyers. Janice Collingridge only managed to get her matter thrown out of court because she had a lawyer offer her assistance pro bono.

That is why we have proposed the adoption of a taxpayers bill of rights. Let me be crystal clear. I said all along to the government that if it were to adopt or agree even to consider adopting a taxpayers bill of rights and an office for taxpayer protection along the lines of what we have proposed, we would support the bill because we would see enhanced rather diminished accountability. The government has not even had the straightforwardness to respond to our offer.

What would the proposed taxpayers bill of rights do? Essentially it would enshrine in one piece of legislation all the rights to due process taxpayers ought to have. Some people would ask whether

we already have a taxpayers bill of rights. No. What we have is a declaration of taxpayers rights brought in by then minister Perrin Beatty in 1985. It is a worthwhile document. Basically it is a motherhood statement, but it has no teeth, no sanctions. It is just a statement of principle. It is not legislation. It does not have statutory force. It does not impose any sanctions on Revenue Canada if it steps out of bounds.

Our taxpayers bill of rights has teeth, has sanctions and clearly guarantees accountability. It would, among other things, enumerate the right of taxpayers to understand the tax laws they are required to comply with in plain language. It would give them the right to be treated in a professional manner by the agency. It would give them the right to complain about poor treatment or service and to receive a written response from the employee's supervisor. If the response is not satisfactory, the taxpayer would have the right to be heard by more senior officials. It would give taxpayers the right to pay the amount of tax required by law and no more. Revenue officials would be required to inform taxpayers of overpayment.

We recently saw in the auditor general's report cases where millions of dollars were collected in overpayments by the government, millions coming from pensioners on fixed incomes who cannot afford tax accountants and are paying more than they should.

It would give taxpayers the right to know for what purpose information will be used and what penalties will apply if information is not provided. It will give them the right to represent themselves or appoint someone to act in their place in any dealings with the agency, and the right to record any and all meetings with agency officials without being required to give advance notice.

It would give them the right to continue to appeal agency rulings, first administratively through the existing appeals branch and a fairness process and, if necessary, through the judicial system. It would require that the agency waive penalties and interest wherever it can be shown that a taxpayer acted in good faith, as the dentist in Calgary did with respect to his lot sales, and without the intention to evade, or where the taxpayer relied upon incorrect advice provided by an agency official as in the case I mentioned.

• (1115)

In cases where penalties and interests can cause severe financial hardship or in cases where reassessments can be proven to cause severe financial hardship, alternative arrangements could be made through abatement or negotiated repayment schedules. Where fraud or evasion is suspected, officials would be permitted to seize or freeze assets after first demonstrating a compelling reason why such action should be taken and taxpayers would have the right to complain to the office for taxpayer protection in cases where freezing or seizing of assets could be expected to create serious financial hardship for others.

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We have cases where that has happened, including a disabled young man in Niagara who had his personal bank account frozen because Revenue Canada was investigating his father. He could not pay rent or buy groceries.

All these rights I have just enumerated would be enforced by a taxpayer ombudsman, or the office for taxpayer protection, who could issue taxpayer protection orders where necessary to protect taxpayers from arbitrary treatment or treatment that could lead to undue financial hardship. He would report to parliament once a year. He would give a summary of at least 25 of the most serious problems encountered by Revenue Canada. He could assist taxpayers in resolving disputes with the agency. He could make recommendations on changes to the administrative and legislative apparatus of the agency.

I hope the government will give serious consideration to this honest effort on our part to deepen accountability in the tax collection process. I regret that because it has not yet done so, as the official opposition we have to vote against Bill C-43.

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, before I start my presentation on Bill C-43, I would like to inform you that it has been agreed that I would be sharing my time with my charming colleague from Rimouski—Mitis.

The Acting Speaker (Mr. McClelland): Is there unanimous consent to proceed in this fashion?

Some hon. members: Yes.

Mr. Gilles-A. Perron: Mr. Speaker, I thank the members of this House for allowing me to share my speaking time.

Apparently, to lead is to listen, to consult and to act. With respect to Bill C-43, I am sure that our friends across the floor did not listen. I want to give an example that occurred during the clause by clause analysis of the bill.

My colleagues from the opposition, the hon. members for Calgary Southeast, Regina—Qu'Appelle and Kings—Hants, moved good and sensible amendments to this bill, but what did the Standing Committee on Finance do? It simply packed the gallery with Liberal members and gagged the opposition. Opposition amendments were ignored, which prompted the Bloc Québécois to say "If that is how you want to play it, we will introduce 118 motions in amendment to make fun of the government."

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Only 18 organizations and some 50 people testified before the committee. Only two of these 50 individuals were totally in favour of Bill C-43. These were our revenue minister, naturally—the bill is his brainchild and I think he is somewhat proud of it—and André Vallerand.

• (1120)

Mr. Vallerand, as members will remember, is a former Quebec revenue minister under Robert Bourassa, a good Liberal. He did not come to tell us about the benefits or the flaws of Bill C-43. He simply came to talk like a politician, to discuss things and, I imagine, to get contracts from his Liberal friends in Ottawa, since Mr. Vallerand's company does consultation work and so on.

Of all the other organizations, none was fully supportive of the bill. Most were lukewarm, if not cold to this legislation, and the unions were totally opposed to it. But this bogus committee refused to hear the 18 organizations that came here, that travelled to Ottawa to express their views.

Incidentally, it is not the first time there are problems with this federal committee. Last year, I was a member of the Standing Committee on Finance. We travelled across Canada to hear testimonies on what should be included in the budget of the Minister of Finance for the current year. No proposal made by these witnesses was included in last year's budget.

This year, my colleagues from the Bloc Québécois and the other opposition parties who travelled across the country are telling us that not much of what they heard during the hearings is included in the report which, incidentally, was leaked to the media, as seems to be the trend right now. It got the same treatment as many other reports that are supposed to be kept secret until tabled and read in the House, but that are leaked to the newspapers instead. They are leaked to friends. Why? To impress people? I have no idea.

If governing is about listening and consulting, my friends across the way have a lot to learn. Governing is about respecting people. With the arrogance we have come to know, this government simply gagged us during clause-by-clause study of the bill. They did the same at second and third reading. Is that respect? No, it is not.

Another example of their lack of respect surfaced in the newspapers with the report that the Prime Minister went to Alberta to announce a youth assistance program. Not one provincial minister, not even the premier of Alberta, had heard anything about this new program. This is a flagrant lack of respect.

Governing is about being fair. In the short year and a half since my arrival in this place, I have seen daily examples of the government members' unfairness. They are arrogant, bulldozing ahead like little dictators, doing what they want with no concern about respect.

There was the example of the millennium scholarships that were supposed to get the Prime Minister some publicity. What did the government do? It consulted nobody. It poked its nose into areas of provincial jurisdiction, such as education. It invested billions of dollars, telling Canadians and Quebecers that it was running the country. This is disrespectful and unfair.

• (1125)

The government over there is patting itself on the back for having attained zero deficit and for now making a profit. A profit at whose expense? The provinces'. Since 1993, all the profit the government has made accounts for 49% of the cuts it has made in payments to the provinces for health, social services and education. Yet the government's expenditures in health, education and social services are only 17.2%.

Where is the fairness in slashing, in strangling, instead of doing some tidying up, putting affairs in order? Speaking of cutting back on waste, it is no big deal, a mere \$220,000 the development bank in Montreal decided to invest in golf courses, not in their facilities but in memberships. A mere \$220,000.

Yesterday, the Parliamentary Secretary to the Minister of National Revenue told us "No problem. This is an agency and they are supposed to be able to govern themselves properly. Golf memberships are a recognized business practice". I'd like to know the Royal Bank's golf budget. I doubt it spends \$220,000 a year on golf in the Montreal region. This shows a lack of respect.

Governing also means making choices. The government has chosen to establish agencies. From the experience it acquired with the agencies it has already established, it ought to be able to understand that the customs and revenue agency is quite simply doomed to failure like the rest or to look after and provide jobs for the friends of those in power. In my opinion, this is not sufficient grounds for establishing an agency which will cut at least 40,000 public service jobs in the public service.

The majority of the representatives of the 18 organizations that appeared before the committee told us that the department of revenue had many shortcomings, but was improving considerably and a good team could be created there, since we have what is required to do so. Even the auditor general says the agency will not remedy the current problems in the department of revenue. That is what our auditor general says.

Why spend money to create another level of public officials? The appointment of a commissioner and a deputy commissioner creates another level of officials. I think the only reason the minister of revenue is keeping to this position is to please the Prime Minister and the President of the Treasury Board by saying "Our union is too powerful, so we will muzzle it".

I mentioned existing agencies earlier. Before I give the floor over to my friend the member for Rimouski—Mitis, I would like to quickly go over the existing agencies. Let us look at the new wheat board in western Canada.

• (1130)

It comes. It goes. It flies by the seat of its pants. I do not know whether there is one too many or one too few wheels in the board, but we will soon find out.

There is Nav Canada, an agency that has relieved Transport Canada of all responsibility for air traffic control. Nav Canada simply decided to close the control tower in Gatineau. Nav Canada closed the tower at Baie-Comeau. An accident occurred at Baie-Comeau yesterday. Had there been controllers present at the Baie-Comeau tower, help might have arrived more quickly and more lives might have been saved. I do not know, but at least chance would have been on our side in this instance.

Nav Canada said “No problem. We will not cut jobs. At least for two or three years, we will not cut jobs”. It has been only 18 months since the agency was established and some 20% of jobs have been eliminated. What happened to the promise? On questioning, the Minister of Transport says “They are making adjustments. They are doing their job. They are responsible”.

There is the ADM, the Montreal airports agency. This issue is important to me and to all the members from the Lower Laurentians, because it means the region’s survival,

Previously, there was a good and interesting arrangement. International flights landed in Mirabel and local and North American ones in Dorval. The year before they decided to close Mirabel down partially, Dorval had made \$12 million in profit, Mirabel \$13 million. It was not a record profit, but neither was it a loss.

On the strength of misleading studies, ADM management sold all of Quebec, including the Montreal region, on the idea that it would be better to transfer all flights from Mirabel to Dorval. This was done, but there has been chaos ever since. Flights are backed up and many from Europe now go to Toronto, not even stopping over in Montreal.

We have questioned the Minister of Transport and he replies that it is not the government’s fault, that the agency is responsible for making its own decisions.

That is what we get with agencies. They are something a minister can hide behind, instead of doing his job and answering questions in the House about any problems in his particular department. He can wash his hands of his responsibilities. The government is afraid to govern, afraid to do its job. But its job is to make decisions that serve the interests of Quebeckers and Cana-

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dians. Its job is to act in everyone’s interests, not just the interests of its friends and of the rich.

It has been hinted that, after the next budget, the rich, those earning over \$50,000, would no longer pay the 3% surtax.

Governing is about making fair and equitable decisions, good decisions in the economic interests of all Quebeckers and Canadians. That is what governing is about, not what the government is doing.

My twenty minutes are up, so I will turn the floor over to my colleague, the member for Rimouski—Mitis. I have made it clear that Bloc Quebecois members are completely opposed to Bill C-43 and that we will be voting against it, as will, I hope, most of the opposition members.

• (1135)

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, I am pleased to speak today for two reasons. First of all, because I would like to take part in this debate concerning Bill C-43, which establishes the Canada customs and revenue agency, but also to fulfill a commitment made by me on November 27, when I accepted a mandate from Quebec City radio personality Robert Gillet.

Every week, the private radio station he works for gives out the bolo award to the person who gets the most listener votes. On November 27, the Minister of Canadian Heritage was voted by the people of Quebec as the bolo award winner, for her involvement in the olympic games bids. So, I can say mission accomplished as far as the bolo award for the hon. member for Hamilton East is concerned.

Now, for a more serious mission, addressing Bill C-43. What amazes me is that no one, or virtually no one, in the Quebec and Canadian public seems to be aware of what is going on at the present time in the House in this connection.

This weekend I had the opportunity to meet a number of my constituents. I asked them all “What do you know about the Canada customs and revenue agency?” No one could answer, and yet we have spent a number of hours debating this already.

I asked myself why the information was not reaching the public. We have to find a way to inform people. It may be that our debates so far have been much too abstract for the public to realize the importance of this issue. We are discussing an extremely important issue, but the public does not seem to be aware of it.

The opposition made it clear why it objects to this bill. Since I was going to take part in today’s debate, on the weekend I surfed the Internet to see what had been said last week, at second reading and during the clause by clause review at report stage.

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I learned a few good ones. Among other things, I realized that the government introduced a bill that is a further symptom of the degenerative disease that has plagued it at least since the days of Sir Wilfrid Laurier, a disease better known as "acute centralizationitis". I know of no other disease that is a greater threat to Canada's future. This government never stops accusing us of acting in bad faith, of saying that we want to break up the country. Come to think of it, we did everything we could to save Canada, if only with the arguments we put forward during the debate on Bill C-43.

The government's negligence gives us one more reason to want to leave this country, because the government is truly insensitive to the perverse effects of this legislation.

The government has no qualms about creating a legal framework that will allow it to look over the provinces' shoulder at will, even though it means interfering in provincial jurisdictions.

• (1140)

This is a government that imposes gag orders in order to keep the opposition quiet and keep it from playing its role, basically.

Everyone knows this arrogant Liberal government forgets it has the support of only 38% of the population. So, the 62% of the population that we on this side of the House represent is trying to convince the government that it cannot proceed with its bill. It is a ridiculous bill that most Canadians reject.

So, day after day this government shows us its very twisted view of Canada's future. If the Liberal government were more democratic and less dictatorial, it would allow the opposition to express its dissent, especially because, since June 2, 1997 when it was unfortunately returned to power, this government has done nothing valid. It lets the time go by. It manages time, that is all. When things do not suit it, it manages time by stifling the opposition.

Mr. Michel Bellehumeur: It takes out the baseball bat.

Mrs. Suzanne Tremblay: Yes, as my colleague from Berthier—Montcalm has said, it takes out the baseball bat or its pepper shakers, which I add on my own.

So the government does not let the opposition express its dissent. On the contrary. This minority government in terms of votes and barely majority government in terms of seats was so afraid of having a hard time controlling its majority that it gave you, Mr. Speaker, the honour and us the pleasure of allowing you to sit, as an opposition member, even, in the Chair during our debates.

This says just how much Canadians decided. But I invite them seriously, right off, to follow the debates in this House daily so they do not get taken in the next election and can decide that the government deserves a holiday on the opposition benches next time.

Let us look at the situation a little more closely. Ever since it came to this House five years ago, the Bloc Québécois has consistently supported the government whenever the bill before us was well structured, everything looked great and we had assurances from officials that all was in keeping with the many international treaties Canada is a party to.

We did, on occasion, suggest to the government a number of amendments, some of which the government actually accepted because, more often than not, these opposition amendments improved the government bill under consideration. In such cases, after a healthy debate that was beneficial to the people of Quebec and Canada, we helped move the bill forward, we did not object to it, we let the government take the necessary votes, where we either approved the bill or registered our dissent, without unduly dragging out debate.

However, on a number of occasions, the Bloc Québécois did object to the speedy passage of a bill, which we felt did not make any sense, was not consistent with the interests of Quebec or Canada, lacked clarity or invaded provincial jurisdiction, or was too complex and required further consultation. We also stood our ground if the bill represented a major change from how we thought things should be done and the government was not allowing us enough time to present our views or was simply not interested in hearing what we had to say.

If anyone were to compare the number of times we have stood our ground in the last five years to the number of ridiculous bills the government used its majority to pass, we, the opposition parties, would win the day, compared to the government, which has bungled several bills, often completely ignoring accountability, and which is now taking cover behind a series of agencies so as not to be seen mismanaging the country.

• (1145)

It is interesting that every time the opposition's views differed substantially from those of the government, closure was invoked and any continuation of debate that might have resulted in common ground being found was squelched.

It is instructive to read all the impassioned speeches against closure made by members of the Liberal Party when they were in opposition, during the Mulroney era. In five years, the Liberals have already beaten the Mulroney government's record. Not a single government in recent democracy has gagged its opposition as often as this one. This shows how fundamentally unsure and dissatisfied they are with what they are doing.

They are no longer able to stand us telling them what a rotten job they are doing. They say "We will stop them from speaking, because it could get out to the public that we are doing a bad job". The honeymoon continues, and until it is over, this government

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thinks it can keep getting re-elected. But the honeymoon is nearly over.

We criticize this government every day. Soon we will be bringing out the horrible truths, and I do not know which one is the worst.

There is something horrible about the arrogance of this government, which has done nothing but mark time since June 2, 1997. This is a government that does not govern, one that pockets the funds of workers and puts them to illegal use. This is a government which contributes each and every day to widening the gap between the haves and the have nots. This is a government which is saying that it is prepared to turn millions of dollars over to sports millionaires, while it refuses to pay the unemployed the benefits they need to support their families.

This is a government which has unjustly slashed transfer payments to the provinces in order to cut itself some slack to invest in propaganda, waving the flag, giving contracts to buddies, while middle-class taxpayers are getting poorer. This is a government which makes a conscious effort each and every day to ensure Quebec is punished, crushed, humiliated, made a mockery of.

But there is even more. Last Friday in this House, the Minister of Industry had the gall to not even try to hide his face when he responded to a question from the member for Laurentides, saying he was punishing us for having an opinion different from his. It is this different concept of the organization of a real federation that forces us, because he has understood nothing, to leave and to advance our plan, which offers much greater possibility for development and growth to the Quebec cultural community than this centralizing vision, and especially that of the Minister of Industry.

By imposing its gag order and ramming the bill through at third reading, the government agrees wittingly—and that is the crazy part—that the bill has major flaws, which will prevent it from serving the interests of the people of Quebec and Canada.

By wanting the bill passed at any cost, the federal government is gagging us to force us to end this debate before all the members have had a chance to express their ideas.

There is no urgency in this area. There was some urgency with respect to other bills, including the one on periodicals. There was some urgency about it, in order to protect an industry. When it comes to protecting an industry, the government is in no hurry, even though the opposition parties were offering to co-operate, with the exception of course of the Reform Party. We could have moved more quickly with that bill. It was to defend one of our industries, to defend Canadian culture. No, the government preferred to push ahead with a bill that will cause harm to everyone in Quebec and Canada.

There is no national crisis, nor international one. This bill requires major improvements.

• (1150)

Many provisions should have been included at report stage to make the bill acceptable to most parties in the House. This bill is far from enjoying unanimous support. Quite the contrary.

The hon. member for Rivière-des-Mille-Îles, who worked so hard to try to improve this legislation and who participated in the hearings, told the House that, when the committee conducted its clause by clause review of the bill, 18 groups, organizations or individuals came to the committee to state their views on this legislation. Two witnesses who appeared before the committee supported the bill: the minister who tabled it, and André Vallerand, a former Quebec revenue minister under Mr. Bourassa.

Because he is a good Liberal, Mr. Vallerand probably came to do some lobbying, just in case—he had carefully reviewed the bill—the government might need a chair, a deputy chair or a commissioner for that customs and revenue agency. He told himself “I will go to Ottawa and tell them their bill is perfect. This will get me a good job”.

The qualifications listed in the act for the positions of chair, commissioner or director are that the appointees must be Canadian citizens, but cannot be members of the Senate or House of Commons, or full-time public servants. An exception is made in the case of the commissioner.

Mr. Vallerand came and told the committee how great this agency would be. However, the 16 other groups that appeared before the committee explained, one after the other, why this agency should not be established as proposed. Some were lukewarm to the idea, some were timid in their objections, while others were very much opposed to the agency. The 16 other groups or organizations that appeared had strong reservations against the bill. But the government turned a deaf ear.

Our opposition is based on a large number of major and important reasons. The government turned a deaf ear not only to the groups that appeared before the committee, but to all the opposition parties. It is rejecting our input and it refuses to change anything.

It is frustrating to work as hard as the hon. member for Rivière-des-Mille-Îles did, only to run into a wall of misunderstanding. To submit our recommendations, table our research or express our concerns would be pointless. The government is not interested in what the opposition can bring to this debate, because they know that, with a majority in the House, they can impose this legislation. Its meagre 38% of the popular vote should be enough to remind them to be more cooperative, more careful, more open, less arrogant and less conceited.

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Bill C-43, which establishes the Canada Customs and Revenue Agency, is an extremely important piece of legislation that affects all Quebecers and all Canadians.

Mr. Speaker, through you, I would like to point out to our dear friends who are watching this debate that, by setting up this Customs and Revenue Agency, the Liberal government led by the little guy from Shawinigan is giving them, on Christmas Eve, a poisoned gift. I want the people to know how harmful this agency will be. I hope everyone who hears this message will repeat it to a family member during the holidays.

People throughout Quebec and Canada should know that, while thinking about giving tax breaks to our sports millionaires, the government is spinning a web in which they hope to catch every taxpayer owing a penny to Revenue Canada, but from which the rich will find it easy to escape, as usual.

I urge the people to use their privilege and make representations to their senators, in the other place, since they will have to rely on their cooperation to railroad such a harmful, vicious and dangerous bill for the people of Quebec and Canada.

• (1155)

[*English*]

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I am pleased to speak to Bill C-43 on behalf of the New Democratic Party.

Bill C-43 will repeal the Department of National Revenue Act and convert Revenue Canada from a fully accountable government department to an autonomous arm's length business oriented agency. The proposed legislation, Bill C-43, sets out new powers of the minister, the structure of the new agency and its authority over all matters relating personnel management, contracting, organization, the prescription of user fees, general administrative policy and real and intellectual property. In addition, the agency is given authority on legislation which for most other federal departments and agencies is vested in the Treasury Board and the Public Service Commission. For instance, the agency will have full authority to enter into agreements with its bargaining units.

The objects of the agency reflect the current mandate of Revenue Canada such as customs services and trade administration, tax administration, for example the GST, and the delivery of social and economic benefits for provinces and the federal government.

The New Democratic Party opposes the passage of Bill C-43 and has since its initial introduction. Why do we oppose Bill C-43? We believe the creation of the customs and revenue agency would for all intents and purposes be an abdication of political power. We believe the agency is the largest Liberal Trojan horse for privatization. Revenue Canada's 40,000 employees make up about 20% of

the federal public service. The move would involve the transfer of more than \$2 billion in annual parliamentary estimates. This is way beyond the concept of delivering better services. It is part of the government's drive to privatize and downsize the public service in the name of cost cutting. The government glorifies the role of private sector appointees and seems to think the public sector can only run on private sector principles. The government would also take credit for slashing expenditures by \$2.2 billion.

We believe it is appalling that the control of tax collection which is an historical prerogative of the state is abandoned by stealth to the private sector. Even the most right wing economists and classical philosophers such as Adam Smith and John Locke acknowledge that collecting taxes is the *raison d'être* of the state. Even Margaret Thatcher and Helmut Kohl, both champions of privatization, never went so far as to privatize their tax agencies.

The NDP opposes a single privatized tax collection agency for political reasons as well. The government is moving toward an independent agency without the support of the four major provinces. Nor does it have the support of the majority of its workers. The major stakeholders are not buying into this idea. The majority of public service workers oppose the concept of the independent agency and stress that there is no valid reason for it. There is no firm support by the provinces for a single taxation agency. The federal government has reached no agreement with the provinces, not even a non-binding letter of intent.

Ontario, Quebec and P.E.I. are firmly opposed to Bill C-43. B.C. and Saskatchewan have not endorsed the concept. Alberta has supported the concept of an independent agency for ideological reasons. While Alberta does not have a sales tax and administers its own programs, there is a fading possibility that it might sign on the administration of its provincial income tax to the agency.

While Mr. McKenna's New Brunswick supported the concept, Nova Scotia and Newfoundland have not bought into the concept but are bound by their tax administration agreements to the federal government and are unwilling to cede further authority. It is clear that all provinces generally see the agency as an intrusion into provincial jurisdiction.

Canadian businesses have major reservations about the proposed agency. The public policy forum study commissioned by Revenue Canada found that 40% of businesses surveyed by the PPF saw no advantage to a single tax collection agency. Sixty-eight per cent thought that a single tax agency would either increase their compliance costs or have no impact at all. The NDP opposes the creation of a single privatized tax collection agency as well for economic reasons. There is no valid case for an independent agency. The government claims that the agency will bring about significant cost savings or stronger partnership with the provinces. These are at best exaggerated.

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• (1200)

For example, the economic rationale for the proposed agency originated in 1996. It was seen as a means of administering the planned harmonized sales tax that would blend the federal GST and provincial sales tax. The idea was originally set up so that the Prime Minister could keep his promise to harmonize tax and hide the GST. The agency's biggest savings were to come from the harmonization which is a non-starter in all but three of the Atlantic provinces, New Brunswick, Nova Scotia and Newfoundland. The initial plans for a federal-provincial council on tax administration were quietly dropped from the original agency proposal.

Harmonization occurred in three of the Atlantic provinces while Revenue Canada was a department. The overwhelming unpopularity of the HST in the Atlantic provinces has eliminated any talks of further extending it to the rest of Canada. Canadian taxpayers are asked to support the creation of a new layer of bureaucracy in the hope that the provinces might participate.

Both the auditor general and internal Revenue Canada reports confirm that the government has lost billions of dollars because of unaudited tax statements due to a shortage of qualified auditors. The Provincial Institute of the Public Service of Canada estimated that over \$2 billion of tax revenue was lost in 1997-98 alone. The federal Liberal government gutted the civil service workforce, inflicted a six year tax freeze to the survivors and allowed executive managers an increase in compensation of up to 19%.

It now has the gall to say it needs an independent agency to afford hiring qualified auditors. Nothing prevents the government from hiring these auditors now. The cost of hiring these auditors is ridiculously low compared to the billions of losses in tax revenues and to the lethal blows inflicted on the morale of civil servants and thereby on the public in general.

The government is jeopardizing the careers and stability of 40,000 civil servants, the cost of which will be far exceeding the tax and cost savings estimated at \$116 million to \$193 million for Canadian business and \$37 million to \$62 million in administration costs for all governments.

The agency is an excuse to cut out workers and inflate executive salaries, a worst case scenario for the civil service. Professor Vern Krishna, head of the CGA tax research centre, University of Ottawa, stated that these executive salaries could double or triple. The 40,000 employees moving to the agency will be considered to have transferred outside the federal public service and receive reasonable job offers with only a two year employment guarantee.

The plans to exclude the agency from the Public Service Employment Act and establish it under the Public Service Staff Relations Act means that employees will lose job security and the

right to negotiate staffing and classification matters. Thousands of Revenue Canada employees will likely pay the price with their jobs, as this was the case in Australia.

Employees of the agency will have no guarantee to the same right of third party redress as other public service employees in case of non-disciplinary demotion or termination. Details of the recourse mechanisms are not available and are not provided by the legislation.

The agency will impose user fees for specific services, for example services that provide a specific benefit to service recipients. The agency has every incentive to slap on user fees because unlike revenues from tax proceedings that have been paid into general revenues, the proceeds can be accumulated. Tax collection is big business in Canada and this has the potential for abuse.

• (1205)

The agency has the potential to attract more business by provinces and municipalities that will turn over to the agency's administration more taxes and programs, including a property tax and even payroll taxes such as workers compensation. This is a lose-lose situation for jobs and will result in downsizing of administrative and collection departments at the expense of provincial and municipal civil servants.

The NDP opposes Bill C-43 for philosophical, ethical and economic reasons. We believe Bill C-43 is both bad legislation and dangerous legislation. To borrow from a slogan which we have used regarding banks, we need a better taxation system, not a bigger, privatized tax collection system. Canadians need a better taxation system to move us into the 21st century, a taxation system which is fair and equitable for all. For all these reasons the NDP will be voting against Bill C-43.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, I rise today to speak on behalf of the Progressive Conservative Party to Bill C-43.

The issue of cost savings is the one that has been trumpeted by the government most vociferously, that the government can save \$171 million to \$285 million in compliance costs and also savings of \$97 million to \$162 million in administrative costs to the taxpayers with this new Revenue Canada tax agency if all the provinces sign on to it.

That is a very big if, because the fact is the government has not been successful in achieving the agreement or the buy-in of the province to date despite significant lobbying efforts by the federal government. The track record of the government in this area has not been that successful. For instance, only three provinces have signed on to the concept of a blended sales tax, those being in Atlantic Canada, one of which is Nova Scotia which I represent.

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The Canadian Federation of Taxpayers believes there will be no major savings to the government by implementing Bill C-43 to create this new Revenue Canada tax agency.

At a time when we should be focusing on tax reform, on reducing the level of taxation and also in creating a fairer, flatter tax code that actually enables Canadians to compete globally, we are spending an inordinate amount of time focusing on the logistics, on the minutia of tax collection, finding out better ways of plucking the goose.

We have significant difficulties with this piece of legislation. We have the risk of the amount of very personal, private information concentrated in a new arms' length agency that will not have the same direct linkage to parliamentarians that it does today.

We have a difficulty with the fact that this heavy handed approach of the federal government on any number of issues continues to violate the principles of federal-provincial relations. At a time when provincial governments like Ontario are speaking about wanting more access to the levers, the government is looking to create more or larger mega agencies to effectively control the processes of government. At a time when Canadians are looking for greater accountability this agency will provide less accountability.

The biggest risk we have with the creation of this agency is the potential to create an IRS type tax agency that will be less impeded when it goes after Canadians. Currently there are significant concerns that Canadians have right now with Revenue Canada and the collection processes and the enforcement processes that Revenue Canada has utilized over the years.

Those processes have improved over the last several years largely due to political pressure from elected representatives in the House, largely due as well to measures by former minister of national revenue Perrin Beatty with his taxpayer bill of rights which led the way to ensuring Canadians had more enshrined rights in defending themselves against Revenue Canada. Some of those principles are also being promoted by the Reform Party currently in some of its motions and recommendations. We are supporting those motions and recommendations which originated with the Conservative revenue critic and eventually a Conservative minister of revenue.

• (1210)

The government has not articulated in a convincing way the benefits to Canadians of this new agency. There are risks and there is a down side to this agency. We are not convinced of the government's validity and ingenuousness in promoting the benefits or what the benefits are.

The government speaks euphemistically about the importance the human resource factor has in its decision. It speaks about how

human resources cannot be maximized under the current civil service. The government is actually talking about unions. It says it is not capable of working with the public service in Canada and the unions.

At a time when government should be a standard bearer in labour relations and at a time when a government should be demonstrating to Canadian companies how to work with labour and how to develop policies that encourage productivity and forward thinking and co-operative effort between management and labour, the government is saying that it is not possible.

Chrysler Canada has as a member of its board a representative of the CAW. In the U.S. automobile industry members of the boards of the big three are from the unions. This government is saying "We cannot work with the public service. We are willing to take all these risks because we are willing to abdicate responsibility for effective labour management and to offload that to an arm's length agency".

Governments should be setting an example in this area because labour relations is a cornerstone of productivity. Good labour relations can help demonstrate to all Canadian businesses how they can become more productive. We should not be surprised that the government is taking a hands off approach to productivity issues. The Minister of Industry has said high taxes actually encourage productivity. There has never been a statement of economic illiteracy as profound as that. This is a government whose minister responsible for the economic strategy and industrial strategy of the country believes high taxes actually help productivity. It is little wonder the government cannot wrap its mind around the concept of positive labour relations as a cornerstone of productivity.

It is little wonder the government does not accept its role in both the secular decline of the Canadian dollar over the past several years and, more specifically, the 9% decline in the Canadian dollar over the last several months, 30% of which is due to productivity that is lagging in Canada behind our trading partners and behind the other OECD countries.

I will speak about the Canadian dollar and the relationship of the government's decision on Bill C-43 and the idea of government being unable to harness the power over the public service and has seemed to improve productivity in the public service. It is directly related to the Canadian dollar because a large component, and perhaps some would say too large, of the Canadian GDP is government related. If we do not get our minds around creating a more productive and efficient public service as opposed to trying to offload those responsibilities to arm's length agencies and specifically to the private sector, we will continue to wallow behind our trading partners in areas that are very important like productivity.

On the dollar issue, I know the Prime Minister thinks it is probably a good thing. He says it will increase tourism, which

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actually represents 1% of our GDP. He is spending too much time golfing and not enough time governing.

• (1215)

The fact is that a low dollar does not benefit anybody. In the short term there may be some minute benefits to Canadian exporters. In the long term, however, we cannot devalue our way to prosperity.

When lagging productivity within the public service is acting as an albatross around productivity levels for all Canadians, this is a time when the government should be embracing the opportunity to take this department, Revenue Canada, which represents about 20% of the public service of Canada, and revolutionize the delivery of service within that department.

This is a time when the government should be setting an example. Instead the government is putting its hands up in the air and saying "We give up. We can't do that. We are willing to risk the downsides of this agency. We are willing to risk the creation of an IRS type of agency that can run rampant over Canadian taxpayers simply because we lack the intestinal fortitude and the creativity to create good labour relations within our own government".

This is the same government that has referred to a tribunal the pay equity issue and now it is backtracking on its commitment to abide by what the tribunal said. It is no wonder that our public service is at an all time low in terms of morale levels.

My cousin was headed for the public administration department at Dalhousie University. We have had discussions over the years about the similarities of public administration programs and business administration programs. Many of the same skill sets are taught in both business administration and public administration schools.

The difference is that there are some people who have a certain public ethic who want to be part of the public service, who want to serve their country and who want to participate in a positive, forward thinking public service that provides the best service to Canadians. It is those people who are being let down by a government that refuses to work co-operatively with the unions.

This is a government that refuses to create a sense of co-operation, proactivity and productivity that can lead the public service and set an example for all private sector entities in Canada that can lead Canadian productivity rates upward as we enter the 21st century.

I must say that I am not only frustrated with this legislation, I am also frustrated with the haste with which this government is pushing this flawed legislation through the House of Commons.

This bill represents legislation which would dismantle 20% of the public service of the country, yet Canadians are hardly aware of it. Canadians have not been consulted about it. There has been some lip service paid to it and the minister has travelled throughout the country and talked to some people. To my knowledge, as recently as a few weeks ago, the minister has yet to sit down to have a face to face meeting with the minister of finance of Ontario, Ontario being the largest province in the country in terms of population, it would certainly make sense for the minister of revenue to sit down with the minister of finance of Ontario to discuss a change in public policy of this magnitude. But in fact the minister has not had a face to face meeting with the minister of finance of Ontario.

There has been no real public consultation on this incredible sweeping change. There has been no discussion. There has been no cross-country consultation by the finance committee or a sub-committee of the finance committee. That is what we have suggested. We suggested that at committee. We suggested that in this House.

That is the kind of consultation Canadians are looking for. Canadians are looking for greater transparency in all of the institutions that represent them, including the institution of parliament and the institution of government.

A systemic abuse of power pervades this government. Its members feel that if they have an idea it is obviously right and that Canadians, whether they like it or not, are going to get it. What this government has not realized is the degree to which Canadians have evolved over the past 30 years, largely due to things such as the Internet and the education system.

Canadians have access to the same information now that we do as parliamentarians. In fact, Canadians who are utilizing the Internet and utilizing the worldwide web have access to more information than many parliamentarians in this House today.

• (1220)

Thirty years ago we may have been judged based on the information that Canadians did not have. I would not have been judged because I was only one year old and it would have been difficult to get elected at that point. However, 30 years ago parliamentarians may have been judged based on the information they had because they had access to more information than Canadians.

Today, in an age where Canadians have access to the same information, we are going to be judged based on the quality of the decisions we make with that information. Canadians, in fact, want input on that decision making process at a rate that is unprecedented. Canadians want in. They want to participate in these types of important decisions.

It is absolutely unconscionable that the government is pushing ahead with legislation that will impact the lives of Canadians as

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dramatically as this legislation will without actually consulting Canadians and telling them the truth about the gravity of this decision.

I call again on this government to do what is right and to engage the finance committee. It should not treat the finance committee as a branch of the ministry of finance or the ministry of revenue. It should go back to the model used by the previous Conservative government where Don Blenkarn led a finance committee that had autonomy. It actually disagreed with the government periodically. It actually did what committees were supposed to do, and that is to stand up for Canadians.

I call on this government to stop its haste and pressure and bullying opposition members into agreeing with its decisions and to start engaging Canadians and giving Canadians some input to ensure that the decisions we make as parliament, that the decisions we make as individual members of parliament and as caucuses reflect the views and the needs of Canadians.

We will not be supporting Bill C-43. I would hope that this government would reconsider not just this legislation, but its style and arrogance on any piece of legislation it has been ramming through this House and pushing down the throats of Canadians.

[Translation]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I would like to make a few comments about the remarks made by my colleague from Kings—Hants and to ask him a question.

He said he is a new member of Parliament, and we appreciate that and congratulate him. He expressed frustration over the way the government rammed Bill C-43 through the House by using a gag order. He is asking the government to go back to the public for renewed consultations.

Here is my question: Does he think that these renewed consultations will be similar to those being held by the finance committee, and that despite all the money and energy we put into listening to those who come to testify and to table briefs, all this will be ignored? We see no trace of those consultations in the budgets tabled by the finance minister. What is the use of consultations if all the results are being shelved?

That was my question and I would like to hear the hon. member's answer.

[English]

Mr. Scott Brison: Mr. Speaker, I thank my friend for that very important question. He is quite right that the committee structure as it stands now in this Canadian Parliament, under this government, has strayed significantly from what was intended.

It was intended as a means by which independent members, private members, could work together in a non-partisan way to gauge and to receive the views of Canadians and then to discuss those views as well as the expert advice of individuals who have intrinsic knowledge in these areas and then to develop policies.

The difficulty with the current structure is that the committees are being operated, by and large, as branches of the ministers' offices. They were not intended for that purpose.

We spend our time travelling throughout the country, putting on a charade for Canadians and pretending that their views are going to be taken seriously. Then we come back after weeks and weeks of travel, after hearing hundreds of Canadians, and we devote, as we did yesterday, two hours to the discussion on a draft report written by members of the research staff. To their credit, they have been working very hard and they deserve a lot of credit for their hard work in the finance committee.

• (1225)

If we devote weeks and weeks to listen to Canadians, and then devote two hours for a discussion on those recommendations, it is a sham.

We have seen a secular decline in the role of the MP. We have seen an emasculation of MPs since the late 1960s in this House. It is time, as the hon. member suggested, that private members have an opportunity to contribute to the fullest of their abilities and to actually participate in the creation of public policy.

The best vehicle for that is through the committees. They should be allowed to work in the way that they were initially designed and in the way they worked under the previous Conservative government under committee chairs like Don Blenkarn.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I thank my hon. colleague from across the way for his remarks. I concur with some of the points he has made, in particular with regard to the arrogance of the Prime Minister and the arrogance of the minister imposing this new structure on the people.

I think the Minister of National Revenue indicated he had not been successful in getting the co-operation of the premiers to do this, partly because he is not providing any safeguards.

The point my hon. colleague made a moment ago about the common sense of the people and listening to what they have to say is significant and I commend him for that.

Could the member outline how we could get a true picture of what the people think? As well, could he suggest how we could get some sort of true, honest to goodness co-operation among the federal government, the minister and the premiers of the provinces? Finally, how can we ensure that some of the privacy violations that have taken place in the past will not be perpetrated again by this new agency?

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Mr. Scott Brison: Mr. Speaker, I thank my hon. colleague for his question.

I will deal with the privacy issue first. Revenue Canada has actually come a long way over the last several years in being a kinder and gentler department. That is not to say that there are not significant abuses periodically and that is not to say that it could not be improved.

My fear is that the progress that has been made could be largely undone if we develop an arm's length agency that will have, whatever way the government cuts it, less accountability than the current agency which is tied directly to parliamentarians in this House as a department and which reports to a minister.

In terms of the basic ways to improve consultation with Canadians, I would suggest that the government set a standard for its committees and actually give committees the ability to pursue public policy in a creative, non-partisan, consultative way. There is no shortage of great ideas. Most of the people with the greatest ideas are not in this House because they are too smart to run politically or they are not masochists.

There are great ideas out there and we need to make our political parties, our committees and this parliament more receptive and welcome to those people who have good ideas.

As I mentioned earlier, Canadians have more access to information now than they ever have before. We as a parliament have a duty to engage Canadians in dialogue on public policy issues, not to tell them what is good for them necessarily, but to engage them in a discussion about what is good for them. Periodically we could actually learn something.

We do not have to reinvent the wheel. We need to go back to the committee structures that have existed and have been productive in channelling public opinion and thought into good public policy.

We also have to be careful that public policy does not simply reflect short term public opinion. That can sometimes be bad as well.

There are some great ideas out there and we need to work with Canadians. If we work with Canadians and listen to some of the expert advice out there we will find that Canadians want and need a fairer, flatter tax code.

• (1230)

As polling indicates Canadians recognize that we have the highest tax of the G-7 countries. Despite what the Minister of Industry has stated, this is an albatross on the productivity of Canadians. It is holding us back as we enter the 21st century. It is part of the secular decline in the Canadian dollar. In the long term that decline can reduce productivity even further. Canadian busi-

nesses are denied the opportunity to buy some of the equipment and software they need to compete globally because much of it is imported.

We do not need to reinvent the wheel. We could go a long way if we were to ensure the committee structure as it exists was actually used by the government and parliament the way it was designed to be used. We should stop muzzling committees and operating them like branch plants of the ministers' offices.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I appreciate the comments of my colleague from the Progressive Conservative Party. I am glad to hear him talk about using committees. Since I have been here the department has deliberately abused the committees.

There is one thing that bothers me with the federal and provincial governments and it is part of the nineties. It appears that it is actually deliberate that provincial and federal governments stage information leaks. In doing so the governments are able to get a course in public opinion for much cheaper. That is an abuse of committees. It really makes committees look like tools of the government that are not able to fulfil their original purpose.

Mr. Scott Brison: Mr. Speaker, I appreciate the hon. member's comments. I would not want to accuse the government or any committee member of leaking information. I do not know who is leaking the information from the committees but eight committees have had their reports leaked over the past several months. That is clearly unacceptable.

In answer to this, the government is talking about clamping down on the media. That is so perverse. As hon. members of this House, we pledge a certain code of conduct. For the government to say it will clamp down on the media is absolutely ludicrous.

An hon. member: It is a joke.

Mr. Scott Brison: The hon. member says that it is a joke. It is quite perverse and it is a joke but it is not that funny. It is a systemic issue that has to be dealt with. I would certainly hope the government departments are not somehow behind these leaks but it reduces the credibility of the individual committees and it reduces the credibility and the impact of those reports. Sometimes I fear the credibility of all parliamentarians is reduced when this kind of behaviour exists.

Ms. Beth Phinney (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Mississauga South.

It is with great pleasure that I rise to discuss Bill C-43, an act to establish the Canada customs and revenue agency. As we conduct this final House of Commons debate on Bill C-43, I would like to talk about the people who work at Revenue Canada. I would like to

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talk about the fellow citizens they serve, the fellow citizens we serve.

It is the minister's firm conviction and it is my firm conviction that the new Canada customs and revenue agency will be good for our current employees and the Canadian public. We need to show leadership. We need to create the conditions that will make it possible to streamline the tax system. That is what the agency will accomplish.

When I sit down with the department's employees, be it in Yarmouth, Nova Scotia, Hamilton, Niagara Falls, or Windsor, I am struck by their dedication and their determination to make the system better. They more than anyone understand the frustration of taxpayers when they are confronted with different auditors from different levels of government. They more than anyone see the need for new technology to permit most Canadians to cross the border with a simple Canpass so that time can be spent on higher risk areas. They more than anyone see the need for faster hiring practices and more flexible management of human resources.

• (1235)

The employees of Revenue Canada see better than anyone how taxpayers could benefit from a single window for taxes and one-stop shopping for tax information.

Those are the reasons why we are proposing the new agency. If we want a simpler system for taxpayers, we need to bring the provinces and territories on side. If we want faster hiring and more flexible human resources management, we need to create a separate body with the authority for such issues as classifications, training and development and terms and conditions of employment.

[*Translation*]

The new agency would have such authority. At the same time, it is critical to show that we value the Canadians who work at Revenue Canada and who will work at the new agency. That is why any personnel rules of the agency will be premised on fairness and equity.

[*English*]

Under Bill C-43, permanent employees of Revenue Canada are guaranteed two years of employment at the new agency. This guarantee is more than any employees of the federal public service now have. Collective agreements will remain in force. Pension and leave credits will remain intact. Employees will have the right to compete for jobs in the federal government departments.

Believe me, the minister is determined that all employees will be treated with fairness and decency. He will strengthen the legislation to do just that.

The Public Service Commission will have the power to review and report on the agency's staffing procedures. There will be a

mandatory review of recourse mechanisms by an independent party after three years. And of course, there will be a five year legislative review by parliament.

Perhaps more importantly, the Minister of National Revenue will remain answerable for the actions of the agency on the floor of this House of Commons.

I am convinced that the new agency will offer meaningful new opportunities for employees. A reduction in the number of occupational groups and levels will make it easier for employees to move between jobs. There will be more career mobility. Vacancies will be filled in a few weeks rather than many months. A flexible agency will be able to adopt more extensive use of flexible hours or work at home arrangements.

There are untold numbers of new possibilities to expand programs and services for the provinces and territories. There are untold possibilities for new ways of performing work, especially with the growth of technology.

The critics say this is a downsizing exercise. I say with great respect that they are 100% wrong. This is an upsizing measure providing more opportunities for employees, more opportunities for growth and more opportunities to serve Canadians more effectively.

That brings me to the second half of the people equation: service to the people of Canada. The employees of the Canada customs and revenue agency will be better placed to serve the needs of Canadians.

The small business owners in my riding of Hamilton Mountain are, like millions of other Canadians, honest, hardworking people who are willing to pay taxes. What has frustrated them over the years is the paperwork from the federal government, from the provincial government, from the regional government, from the municipal government.

[*Translation*]

The new agency offers a genuine chance to bring an end to much of that overlap and duplication. It offers a genuine opportunity for all kinds of programs to be administered from a single source.

[*English*]

By simplifying the process, we can save millions upon millions of dollars for taxpayers. That too is a clear example of better service to Canadians.

In its presentation before the Standing Committee on Finance, the Public Policy Forum made a vital point. For big business the cost of filing tax or customs forms is relatively small in proportion to sales or profit. For small businesses however, that is not the case at all. The filing of forms and the costs of dealing with multiple audits is often a make or break situation for a smaller company. This new agency can be the first step on the road to righting that situation.

• (1240)

There is another way in which a new agency can help business flourish in our country. With the phenomenal growth of electronic commerce comes real concern about security and privacy. If governments work together through the new agency, we can make Canada the global leader in the development of the most secure software and hardware.

[Translation]

The agency can be on the cutting edge in developing the programs that will give Canadians the confidence to engage fully in electronic commerce.

[English]

That is what this bill is all about. Better service through savings in time. Better service through savings in money. Better service through wise use of technology. Better service through new opportunities for partnerships. Better service through more employee flexibility and autonomy. Better service through streamlining and simplifying. The people who work at Revenue Canada will be the better for the agency. The people of Canada will be better for the new agency.

Bill C-43 is a positive move for public servants and a positive move for the public. We have put people first in establishing the agency. We have put people first in the mandate of the agency. We have put people first in the operation of the agency.

I congratulate the Minister of National Revenue for this bill. I say to every member of parliament, let us pass this bill as quickly as possible. In the end, this bill is in the public interest. In the end, this bill serves the people of Canada.

[Translation]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I would like my colleague to read Hansard carefully tomorrow.

She says she spoke with the government employees at Revenue Canada and that everyone is in favour. But she forgot to speak with Mr. Lampron. The committee received a brief from Mr. Lampron. She also forgot to speak with Mr. Flynn of Revenue Canada and with Mr. Tutti, who lives in the riding of the chair of the Standing Committee on Finance. She forgot to speak with all these people.

The hon. member also said she consulted with small business owners in her riding. Well, her riding is like no other riding in Canada, for she claims that everyone is happy with the new agency.

But the federation representing small and medium size businesses across Canada submitted a brief featuring a survey it conducted. The hon. member should have reviewed this survey and its findings before delivering her speech. It shows that 8.1% of those surveyed saw the new agency as a very positive development; 24.8% as not very positive; 36% had no opinion; 18.6% saw

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it as a negative; and 14.5% as very negative. Where did my colleague get her information?

[English]

Ms. Beth Phinney: Mr. Speaker, I did speak to a lot of people in the department, people across Canada and small businesses. I have some questions that they brought to my attention and the answers we were able to give them.

One of the questions I received from employees within the department was when would the two year employment guarantee begin. It will begin the day the agency becomes a separate employer and employees are transferred. In all likelihood this will be a few months after the passage of Bill C-43. Time is going to be needed to establish the board of management. All employees will be informed in writing with regard to the effective date of the transfer.

Another question that was asked was would employees be able to transfer to a government department after the two year guarantee. The simple answer is yes. Agency employees will most definitely be able to transfer with the same mobility rights that Revenue Canada employees currently possess.

• (1245)

We have also been asked by employees what employee benefits carry over to the agency. The job offer that employees will receive on the transition to agency includes the carryover of the salary, core benefits such as health and disability insurance and dental plan, accumulated sick leave and vacation credits, and pension benefits under the Public Service Superannuation Act. Years of services which are used for calculating leave entitlement and severance pay will also carry over.

A question that I was asked just last week is what unions will represent employees under the agency. On the given day that the agency is created and becomes a separate employer, currently existing collective agreements will remain in effect until they are renegotiated. Employees will continue to be represented by the same unions for a transitional period of 120 days or until the Public Service Staff Relations Board makes a ruling on the agency bargaining unit structure. After that time there will be unified certification processes.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, in my remarks earlier this morning I asked why the government voted against all the opposition motions including some very substantive ones which I thought were constructive.

I would like to know from the parliamentary secretary why last night the government voted against a motion which would have required that the legislation be enforced in a manner which respects the principles of fairness, impartiality and accountability.

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Why did the government vote against fairness, impartiality and accountability? Why did the government vote against a motion which would have clarified that the minister was responsible for all aspects of the agency? Will the government support our proposed taxpayers bill of rights which would enumerate more clearly in a single piece of legislation rights to due process for taxpayers?

Ms. Beth Phinney: Mr. Speaker, I do not have time to answer all those questions, but I will say that fairness is already included in the act and has been included for a number of years.

As far as accountability, there were five major accountability mechanisms already in the Revenue Canada Act and there are three new ones. Eight accountability mechanisms will be included in the agency.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to rise to speak to Bill C-43, an act to establish the Canada customs and revenue agency.

As with any new government undertaking there is always the question of what the costs will be. During the committee's consideration of the bill the Minister of National Revenue tabled a report with the committee on the amount of money spent by the department to develop this agency concept. As I am sure members of the committee have realized, these expenses have been very reasonable, especially considering the significant proposed changes to the agency.

Over the last two and half years Revenue Canada has had between nine and fifteen persons working at any one time directly on this agency proposal. This staff has been drawn from other areas within the department. The total cost over that two and a half years has been just over \$3 million.

In addition, considerable work has been done on the design and development of a new human resources regime. This work has contributed to the broad objectives for public service renewal such as *la relève*, as well as the human resources requirements for the agency. Like all other departments, Revenue Canada has been focusing a great deal of attention on its human resources needs. The expenditures to date of about \$2.8 million over three years will be a very worthwhile investment in the future of Revenue Canada employees.

I emphasize that the money spent today on design and development is an investment that will reap tremendous benefits in the future efficient and effective management of the Revenue Canada agency.

We are talking about some very important changes in management style as well management processes and procedures which will bring productivity gains that will pay for the development costs many times over. The agency will benefit from a significant reduction in time and effort spent on complex and cumbersome

administrative processes. Reducing hiring time and eliminating the large number of vacant positions will substantially reduce staffing costs.

Simplification of the classification system will also allow employees to transfer more easily to jobs that need to be filled. Simplified and more responsive recourse mechanisms will also significantly reduce the waste of time and energy and the cost of litigation.

• (1250)

The result of all this will be to allow employees at all levels to concentrate on their job of providing service to the Canadian public rather than wasting their time on administrative activities.

Savings from the productivity gains will be reinvested in the tax and customs programs of the agency in order to improve levels of service to the public while maintaining the integrity of our overall income tax system.

There are savings to be made through modernizing many of the administrative processes that Revenue Canada must now follow. To do this effectively new authorities are required. The fundamental changes that are foreseen simply cannot be accomplished in the existing departmental structure. The changes are too great and the existing structures are all too rigid.

There are some very important safeguards in the proposed new structure, especially in so far as financial management is concerned. I can assure that the parliamentary oversight of the agency's financial management will be retained. The agency will still be governed by the Financial Administration Act as well as the policies and procedures of the Treasury Board and the Receiver General for Canada with respect to matters of financial management and the treatment of public moneys.

The budget of the Canada customs and revenue agency will still have to be approved as part of the government's overall expenditure management system. It will be subject to the normal Treasury Board approval process and no money will be spent before being approved by parliament. Parliament will also continue to receive at least as much information for the agency as it does now for Revenue Canada. The agency's financial statements will be prepared in accordance with standard government accounting practices.

I want to talk a little about the user fees issue for a moment. Quite a myth has been built up over the potential use by the agency of increased user fees. I want to lay this myth to rest. Nothing in the bill would give the agency the authority to set fees. The situation respecting user fees will be the same as it is now with Revenue Canada. There are many controls in the current system over the charging of fees to which the agency will be subject. Let me outline these controls.

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First, the minister will have to approve any new or increased fees.

Second, the full regulatory process must be used for new or increased fees, including the requirement to consult with those affected and to receive governor in council approval.

Third, the agency's corporate business plan will have to outline the strategy related to the spending of fees. This plan must be approved by Treasury Board and the summary must be tabled in parliament.

Fourth, parliament will have to approve the agency's appropriations which include the proposals for the spending of fees.

There is no danger that the agency will abuse user fees because the government and parliament will have full control over how fees are established.

Some significant savings will arise from the new agency as have been outlined by a number of colleagues who have already spoken on the bill. The public policy forum, an independent organization with extensive experience in public sector management, outlined in its study examining costs of compliance with and administration of Canada's tax systems and the savings from a single administration system, said there could be significant savings to Canadian businesses, particularly small businesses, from a single revenue administration.

Mr. Peter O'Brien, vice-president of Atlantic Canada for the Canadian Federation of Independent Business, confirmed this when he appeared before the House of Commons Standing Committee on Finance on November 24, 1998. He said:

There's only one taxpayer in the end, and to have more than one agency. . . I think is inefficient. . . . Time is very significant for business, particularly smaller firms.

More precisely, the public policy forum study estimated that the level of compliance savings to business each year would be between \$116 million and \$193 million at a minimum. The study also examined the administrative cost to government of tax collection and the potential savings. It found that there was a high potential for savings in the areas of personal income tax, corporate income tax and payroll tax because of the similarities at the federal and provincial levels as well as in a common collection system. This reduction in overlap and duplication will result in real savings to governments at all levels.

As the study outlined, in total it was estimated that administrative costs to governments could be reduced by between \$37 million and \$62 million annually at a minimum.

• (1255)

Right now the provinces, the territories and the federal government have tax measures and tax administrations that deal with similar kinds of transactions with the same taxpayers. This in

essence is the reason why consolidation of these activities is so important.

Provinces and territories will obviously invest their money where they can achieve real savings from the central administration of a program. A single administration would result in real cost savings to the provinces. The point to be made is that the potential savings to individual Canadians, businesses and governments far outweigh the start-up and new operating costs of the proposed agency.

We are entering the new world of the 21st century. There will be a vast array of new technologies. Electronic commerce is becoming one of the most important new mechanisms of the 21st century, which has the potential for creating significant improvements in productivity of Canadians in general. It also has the potential for making it much easier to deal with the tax man through such mechanisms as electronic filing.

Electronic commerce, which involves the transfers of billions of dollars from one jurisdiction to another, also has frightening potential to hide money. Transactions that take place in the wink of an eye are very difficult to track. We need to be able to respond to that. It concerns me that the federal and provincial governments might take approaches to this issue which are not well co-ordinated. One way to start co-ordinating this activity would be to have tax administrations that are well co-ordinated.

Modern problems require modern solutions. The time has come to seize the opportunity presented to us with the new Canada customs and revenue agency for the generation of benefits to the provinces and the territories as well as to Canadian businesses and our citizens.

In conclusion, as we enter the new millennium, Canada needs a revitalized and more comprehensive Revenue Canada to serve the best interest of all Canadians.

[*Translation*]

Mr. Jean-Paul Marchand (Québec East, BQ): Mr. Speaker, I had to laugh when I heard my colleague from Mississauga South mention that this new agency would be able to solve the long standing problems that have been plaguing Revenue Canada.

This is trying to fool people, especially when we see what the agency will have to offer. There is an old saying that "Taxation without representation is tyranny". Others say that representation, now that we have it, is worse than tyranny.

The government wants to set up an agency whose decision-making powers are removed from the elected representatives. It will have many powers including the authority to administer and impose regulations that might take unfair advantage of taxpayers even more than now. The current government seems to turn a blind

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eye to the increasing poverty in this country. It seems bent on reducing taxes for the rich.

I would like to put a question to my colleague regarding clause 8 of the bill. This clause seems to grant limitless powers to the agency. I would like to ask the member for Mississauga South for his views on this clause.

I will now read the most significant sentence of this clause:

The Minister may authorize the Commissioner. . . subject to any terms and conditions that the minister specify, to exercise or perform on the Minister's behalf any power, duty or function of the Minister under any Act of Parliament or of a province.

Does this not mean that the agency has total freedom to do whatever it wants at the expense of Canadian taxpayers and their elected representatives?

[*English*]

Mr. Paul Szabo: Mr. Speaker, the governing of a country is not a laughing matter. Had the member been listening to the speech, he would understand that there is no change in terms of the accountability and control of the minister or the accountability or access of parliamentarians.

The member should stop with the rhetoric and start understanding that as Canada enters into the new millennium the whole concept of e-commerce, the whole concept of productivity and the whole concept of working smart and not hard are very important to embrace. Revenue Canada is in a situation right now where it cannot move forward with the existing structures and existing rigidity in its system. We have to move into the next millennium. Whether the Bloc wants to come or not is its decision.

• (1300)

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, it is very interesting that the member for Mississauga South just berated the other member for engaging in rhetoric. I do not suppose all that millenarian stuff has anything rhetorical about it.

The member said the changes which the government seeks could not be achieved without becoming an agency. It is rather circular thinking to say it cannot become an agency without becoming an agency. I do not deny that but I what I do deny is that we could not make the personnel management policies more flexible without becoming an agency. The Library of Parliament says so, the public policy forum says so, the Canadian Tax Foundation says so. The government has presented no evidence to say it could not amend Treasury Board guidelines and the public service governing legislation to allow them to employ people on a more flexible basis as needed.

Does he not believe that with a board and a commissioner between ourselves and the agency's day to day activities accountability could and potentially will be diminished under the new agency?

Mr. Paul Szabo: Mr. Speaker, there is no question that Revenue Canada could be restructured in any way the member wants.

As I said to the previous questioner, we have to work smart, not hard. It is like changing the oil in your car without changing the filter. It does not good because you continue to have some of the same fundamental problems. It is time to get a renewed Revenue Canada, a revitalized Revenue Canada, a Revenue Canada built on a foundation for the new millennium, not for history.

The member asked about the board. There is no question that to have a board to oversee the day to day operations is important. Members of parliament and the minister will have absolutely no diminished accessibility or accountability. It is all still there. The member is worried about the spectres of somebody else being between us and the people in the front lines. Frankly, I am not afraid of our Canadian public service being able to do a very good job on behalf of all Canadians regardless of who is administering day to day.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, it is nice to have you in the chair again. It seems to becoming habitual that you happen to be on shift just at the time I am giving my speeches. It is nice to have you trapped there. Even if the House is empty you are forced to listen to my speech, so I thank you very much for that.

I will be splitting my time with the member for New Westminster—Coquitlam—Burnaby.

The member who just spoke mentioned the new millennium. It made me think of the fact that the new millennium actually starts at the end of the year 2000, that is December 31, 2000, not at the end of 1999 when the government will waste huge amounts of money, hundreds of millions of dollars, on meaningless millennium celebrations. It is typical of the government to be totally out of touch with reality.

The Swiss apparently are not going to celebrate the change of the millennium until the correct time which is the end of 2000, typical Swiss punctuality. They make good watches so they know how to measure time.

Somebody asked me what New Zealanders are doing and I am not really sure. I could get myself into trouble with that.

One other thing I wanted to mention in relation to this before getting into the meat of Bill C-43 is that the government has moved time allocation on every stage of the bill. This is the government

that when it was in opposition screamed like crazy every time the Mulroney government moved closure or time allocation. When we look at its record in the 35th parliament it moved time allocation 32 times and closure times. In this parliament, just less than a year, it has moved time allocation 10 times.

The total since it took office in 1993-94 is time allocation 42 times and closure 3 times. I can see the government is shocked at that.

• (1305)

I know when it was in opposition it was shocked at Mulroney for doing it at about half that rate. This government is actually worse than the one that preceded it.

It seems any discussion about this bill, an act to establish the Canada customs and revenue agency, must of necessity involve the detailed consideration of the need for accountability and for transparency of operations in such a new agency.

Plenty of Canadians consider the existing Revenue Canada to be less than appropriately accountable. It is important that we address their concerns when we are considering this whole application of Bill C-43.

To illustrate the point, how many members have actually tried to call Revenue Canada to ask about a tax problem, but not as members of parliament? Members have secret telephone numbers that are not published and we can get through directly to real people.

I hope they have tried to do that because it is an incredibly frustrating and upsetting experience. Not only is it rare to reach a real person by telephone but when someone does, it is virtually impossible to get the name of the person.

If the person ever has to call back, my goodness, it is almost guaranteed that they will get someone completely different and they will have to explain the entire problem all over again.

If someone tries to make a personal visit to the place from which emanate these notices of taxes due or the ones that contain all sorts of errors that we are constantly trying to fix, they would be in for a surprise.

Many of those offices do not actually seem to have real people there. Some tax offices whose addresses are shown on the envelopes that we receive in the mail from these places do not even have a public reception area.

A visitor to the building gets the distinct impression the employees sneak in the back door so that they can avoid recognition. Even for MPs, though, with this special and privileged access through these unpublished numbers, it is not always easy to get answers or to get action.

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There is a great and pressing need for a better level of service along with the greater efficiency that would flow from allowing taxpayers to at least speak to the same person each time they call. This alone would surely invoke enormous efficiencies and I hope the government would consider that.

Imagine not having to explain one's tax problem story all over again to a different person every time they call Revenue Canada. What a pleasure it would be to be given the name and direct contact number for a Revenue Canada employee who looks after a certain set of accounts. Problems surely could be dealt with more efficiently if that sort of system were in place.

The well documented experience with the existing agency demands of us that we build into Bill C-43 some accountability. Some sort of taxpayer bill of rights is a great idea. I know my colleagues have mentioned this in their speeches as well as establishing an independent ombudsman type of office for taxpayer protection.

Such an office would have the right to demand accountability and would obviously have access to all the files in the new agency. It would have to be directly accountable to parliament, something that must happen with the new Revenue Canada agency anyway.

We cannot allow a government created agency that touches on the lives of each and every taxpayer or potential taxpayer to operate without direct accountability to parliament and to the members of parliament. It is simply not good enough to establish accountability to the minister. There must be a greater amount of transparency and accountability than simply to the minister.

The present agency and the proposed new one would come in for far less criticism and attack if this government would take steps to reduce the taxes presently collected from citizens.

People are so financially stressed by the tax load imposed on them that they are going into the underground economy. Some small businesses are not able to pay their instalments and people are getting into difficulties with Revenue Canada simply because they are overtaxed.

They are taking on more and more of a personal debt load as a result of that income shortfall and the ministers of taxation, the Minister of Finance and the Minister of National Revenue, live high on the hog as multimillionaires as we know.

What do they know of the pressures being felt by the small business operators and the average wage earners across the country? I would say little or nothing. As we know, they live in a dream world of parliamentary receptions, state dinners, holiday residences in the country and international travel.

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• (1310)

Perhaps like the Prime Minister they get their advice from imaginary homeless people. There is no doubt, though, that they are hopelessly out of touch with the real world of the average wage earner.

It reminds me of the Minister of Indian Affairs and Northern Development who is out in B.C. at the moment travelling around trying to promote the Nisga'a treaty even though 40% of the Nisga'a themselves rejected it. Nobody has asked why 40%, almost half, of the Nisga'a rejected this treaty. Maybe the government and the minister should do that but they do not want to listen.

It is just like this bill. The government will not listen to input that comes from the average person. Eighty per cent of B.C. residents have expressed displeasure with the treaty and all they hear from this government is that they have a racist attitude when it is in fact genuine concern.

The minister lives in a dream world of political correctness. She applauds Nelson Mandela but here she is trying to set up an identical sort of apartheid like system in B.C. with these types of treaties where we could have as many as 50 different governments in B.C. each with its own set of laws and no protection whatsoever for the rank and file members on the reserves to have the money and benefits flow to them.

We have so many bands in B.C. that are not democratically structured where there are high ranking chiefs in place who are taking all the benefits and flowthrough that come from these types of treaties.

I have a Squamish band in my riding. In the last week alone five different band members have called, urging me to vote against Bill C-49 they are afraid that all the benefits will flow to the chiefs. On the Squamish band reserve in North Vancouver there are 16 different chiefs. It is all hierarchal with no democracy in place.

It is not just for this bill but for all the measures this government is looking at, it really needs to get a little more down to the grassroots and start listening to the average person and the input that comes from them.

Unfortunately, because we are running out of time, I cannot go through all this other wonderful stuff that I have down here which I know would amuse some of the members opposite, but I will try to get another chance to get up later in questions and comments.

I finish by urging the government side to listen to the input that has come from my colleagues on this side regarding a taxpayer bill of rights. There is really a good logical reason to have at least a set of principles by which the new agency should act.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the hon. member for the first three-quarters of his speech in which he outlined the precise reasons why it is important for this

new revenue agency to be set up. He outlined very clearly and very sincerely all the areas in which Canadians want and deserve better service. I therefore thank the hon. member for giving such wonderful support from the Reform Party for this new revenue agency.

The member spent the last portion of his speech talking about a different issue, the Nisga'a agreement. I overheard some colleagues commenting that when the member had a problem with 60% in favour and only 40% opposed, what about that 40%? He said it was terrible but this is the party that argued that 50% plus 1 was okay to break up the country. What irony; 60% is not good enough for a treaty but 50% plus 1 is good enough to break up a country.

The member did touch on two items relevant to the bill or at least what he thought was not in the bill. First was the issue of an ombudsman. He answered his own question by suggesting that members of parliament do have these special facilities to communicate on behalf of their constituents with Revenue Canada. Therefore Canadians do have an ombudsman. In fact, they have 301 ombudsmen. Each and every one of us has that responsibility. I know we have all served our constituents.

• (1315)

The other item, and this is the point of the question I would like to pose to the member, was with regard to the taxpayers bill of rights. It is an interesting notion. Would the member articulate two or three examples of what might be included in a taxpayers bill of rights?

Mr. Ted White: Mr. Speaker, first I would like to comment on the opening remarks of the member opposite.

In terms of the things that I identified which should be in the bill and the changes that should be made to Revenue Canada, yes this is true, these are changes that everyone feels should be made. We feel that this bill does not go far enough in establishing the criteria that should be taken into account. We want to see democratic consideration of what the people out there in the world want in this new tax agency. In just a moment I will come back to some specific points on that.

What I would like to mention first is in connection with the percentages of people who vote for one thing or another. I made no judgments whatsoever about whether the Nisga'a vote being 60% to 40% was an appropriate percentage to create a country within a country or to break up a country. I made no judgments about that at all.

The point I made was that 40% of the Nisga'a people voted against what the politically correct government over there thinks is a wonderful treaty. My point was why not ask the 40% who are not being asked why they did not like it. Maybe that 40% had some critical reasons why they did not like it. I can tell the member why

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they do not. It is because they are afraid that the power and the benefits will flow to a few at the top. If the member does not recognize that scenario from his own party, then he needs more lessons on the topic.

It has absolutely nothing to do with whether 50% plus 1% is appropriate for Quebec separation, or whether 60% is appropriate for the Nisga'a to separate. They certainly are separating if that treaty goes ahead because there will be a new country within a country. There is absolutely no doubt about that.

Since the member opposite does not appear to have read the document that the official opposition put out called "Protecting the Rights of Canadians—The Office for Taxpayer Protection", I will give him a few points from it.

The office for taxpayer protection under the chief advocate would be responsible for assisting taxpayers in resolving disputes or problems where the mechanism within the agency itself was not being helpful. They could propose changes to administrative practices within the new agency in order to minimize problems that are encountered by taxpayers. Sometimes those close to the action do not always see the best way to proceed.

Mr. Speaker, I see you are cutting me off again. This is really bad news. There is such a lot to discuss here but I will take your ruling and I will sit down.

The Deputy Speaker: I know that the hon. member would have preferred to have the full 20 minutes instead of sharing his time but since he shared his time, I have to enforce the rules.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, this is Christmas time in Canada. It is known as the time of giving, not taking.

We are here today talking about government behaviour and how it takes its taxes. From my historical reference book which sits on the clerk's table in front of me in the centre aisle of this Commons chamber, I want to quote a relevant portion about taxes at Christmas time. The book is the fundamental legal and cultural base reference work for Canadian society, where we look at the roots of our Canadian origin.

We can understand from the reference I will quote that it has long been viewed as legitimate that governments can tax, can count its subjects and render economic recompense to the central authority. Specifically the Bible says in Luke, chapter two:

And it came to pass in those days, that there went out a decree from Caesar Augustus, that all the world should be taxed. And this taxing was first made when Cyrenius was governor of Syria. And all went to be taxed, every one into his own city. And Joseph also went up from Galilee, out of the city of Nazareth, into Judaea, unto the city of David, which is called Bethlehem, (because he was of the house and lineage of David) to be taxed with Mary his espoused wife—

• (1320)

We learn from this venerable reference that indeed taxes, levies or a portion of production including the census of all, has traditionally been taken from individuals to serve the purposes of those in power. Therefore in history governments tax and people pay. It has always been that way.

However the fundamental political question for our society now is how the government takes or collects its taxes and how, with its degree of wisdom, does it use the revenue taken. For some years now Canadian governments have taxed too much, spent too much and thus we owe too much. And now at Christmas time we are presented in this parliament with a whole new regime of federal taxation.

The bill changes the legal basis of how taxes are collected. We are creating a new agency that is something akin to a crown corporation, as we have known them in Canada, as the final controller of economic life.

Specifically the government has proposed Bill C-43 which establishes the Canada customs and revenue agency to carry out the mandate of the Department of National Revenue and repeals the Department of National Revenue Act. The Minister of National Revenue is named as the minister responsible for the agency.

The minister continues to be accountable for the administration and enforcement of federal tax, trade and customs legislation. The agency supports the minister in the administration and enforcement of such legislation and the minister directs the commissioner of customs and revenue and the agency employees in that regard. The enactment also authorizes the agency to contract with the provinces to administer provincial tax and other programs.

This enactment sets out the responsibilities, accountability regime, organization, human and financial resources regime and planning and reporting framework of the agency. It establishes a board of management to oversee the management of the agency and gives the commissioner of customs and revenue responsibility for day to day management of the agency as its chief executive officer. The minister may issue written directions to the agency in matters within the authority and responsibility of the board that affect public policy or could materially affect public finances.

The agency continues to be subject to Treasury Board's requirements with respect to financial management but has its own authorities for matters such as human resources, contracting and property management. The agency must annually submit a corporate business plan to the minister for recommendation to the Treasury Board and the minister must table a summary of the plan in parliament. The plan must include the strategies the agency intends to use to meet its human resources and other administrative objectives as well as the proposed operating and capital budgets.

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This bill may be the sleeper hold on Canadians which will catch us unaware. The bill is a dramatic historical change. It is powerful and pervasive.

Consequently the official opposition has put forward a comprehensive proposal for a taxpayer bill of rights. It would enumerate for the first time in federal law a number of rights to due process for taxpayers in the collection system. There are rights existing now with manuals of operation, interpretation bulletins and various rulings, but a single charter list of performance standards and actionable rules that are listed up front for taxpayers to hang on to just is not there. It has never been administratively convenient for bureaucracies to be user friendly or too willing to provide its servant clients with too much bargaining power against the official edicts of the department.

Essentially our draft taxpayer bill of rights would have legislative force. It would essentially ensure in legislation that taxpayers would be presumed innocent until proven guilty in the tax process. It would reverse the onus which is now on taxpayers who too often are determined to be guilty and financially penalized before even being ruled innocent. Furthermore it would give taxpayers various avenues of appeal.

Currently if taxpayers of ordinary means find, as they do in many cases, that they have been unduly targeted by a heartless collection agent at Revenue Canada, they have only one real avenue of recourse and that is through the tax court. The vast majority of people of modest means do not have the resources to use the appeal process through the courts. They cannot hire tax lawyers and spend months and years and tens of thousands of dollars defending their basic rights.

We propose as part of our taxpayer bill of rights the adoption of an office for taxpayer protection which would essentially be an ombudsman to adjudicate legitimate disputes between taxpayers and the revenue agency. It would essentially provide an avenue of appeal and mediation which would be far less costly and far more accessible to taxpayers than what currently exists. These two measures, a taxpayer bill of rights and the adoption of an office of taxpayer protection, would go a very long way toward protecting Canadian taxpayers in the new era of the Canada customs and revenue agency.

• (1325)

We can see no good reason, nor has the government offered a single good reason, why a taxpayer bill of rights ought not to be introduced and passed as part of the bill before us today. I call on the government to consider our sincere, detailed and thoughtful proposal for a taxpayer bill of rights. If the minister were to give us an inclination that he was willing to seriously consider this kind of recommendation that we have made, we in turn as the official opposition certainly would seriously consider fully supporting the

bill because of some of the administrative innovations that may be achieved by it.

It is clear that many Canadians are not satisfied with the level of fairness and due process in the tax collection system. There is a need to entrench and protect the taxpayers rights as the agency becomes more distant from government. In a previous speech I outlined some of the suggested specific terms of a list of written rights which parallel some of the rules of fundamental justice concerning due process. There are some rights now but taxpayers do not know them and there is no tax charter.

In conclusion, it must be a fundamental principle and it would be of a Reform government, that the rights of taxpayers must supersede the efficiency enhancements or the interests of the agency. We must guard against agency interests overwhelming taxpayer interests. Let us never forget about who works for whom. Certainly we have evolved somewhat since Caesar taxed the world.

As Reformers proceed to get support for a more simplified and flatter tax system, we are going to try to be vigilant to monitor that any benefits derived from the new CCRA are not lost due to the greater damage wrought upon taxpayers through poor implementation and assaults upon taxpayers' basic dignity of the person. An office of taxpayer protection in place to enforce the taxpayer bill of rights represents a very low cost, partially self-financing, effective tool for protecting citizens and ensuring that the human cost of change and implementation are carefully considered. For, in spite of the technical nature of revenue collection, it is still all about people and how we as a society organize ourselves to be governed with fairness, equality and above all, compassion.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member really wanted to talk about the taxpayer bill of rights. Bill C-43 is a bill to establish an agency, virtually to create a new foundation for an existing government department. The member is a lawyer. Does he believe that a taxpayer bill of rights would be better positioned within Bill C-43 or would it make more sense to incorporate it into the Income Tax Act itself as a provision or regulation of the act where it legitimately belongs?

Mr. Paul Forseth: Mr. Speaker, perhaps we could take the example of the Criminal Code. The Criminal Code spells out the offences which would be the equivalent of the tax act itself, the technical parts. Yet when we deal with young offenders, we want to give special consideration on how we deal with children. The Young Offenders Act deals with process.

This bill is a covering bill which sets up how the collection of taxes is going to be done in this structure. This is the more appropriate place to have a charter of basic rights that would be actionable, that talks about how in spirit as well as with the office of the ombudsman and so on that tax would be collected. I think it is the most appropriate place to put it.

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[Translation]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I would like to comment on what the hon. member for Mississauga South said to one of my colleagues, because I was insulted.

If I understand correctly, he said that making changes to the revenue department for the next millennium would be like changing the oil without changing the oil filter. This is an insult to the employees of the revenue department.

The hon. member for Mississauga South should have compared the establishment of this agency to the construction of a new vehicle, as the revenue minister did.

• (1330)

I answered that the new vehicle put together by the department does not look too good. The best clients, the provinces, were not even consulted, so we could find out whether or not this vehicle would sell. In my opinion, it will not sell.

I would like the Reform member to tell me why the provinces will not buy Bill C-43.

[English]

Mr. Paul Forseth: Mr. Speaker, I believe the provinces will adopt a wait and see approach. If the government in its carrying forward of the bill is sensitive and works in a co-operative partnership manner perhaps it will build support. That is the same approach we are asking for in the taxpayers bill of rights to deal with the taxpayers who basically pay the bill, the very reason the agency exists.

Why can it not be said clearly upfront that taxpayers have a right to be treated in a professional manner? The professional manner has been well defined in the schools of public administration. Taxpayers have the right to understand laws with which they are required to comply. There are international discussions between parliamentarians about what plain language means. There has been a lot of debate about plain language. One can get a master's degree on that point.

Taxpayers have the right to pay the amount of tax required to by law and no more. Revenue officials should inform taxpayers of overpayment. Taxpayers have the right to record any and all meetings with Revenue Canada-CCR officials without being required to give notice to do so. If the government does the right thing it will develop co-operation.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I have a question for my colleague. I have heard debate from both sides of the House today. On one side I heard about coming onstream, being smart and getting into the new century.

Why are the provincial governments not jumping on board the new taxation vehicle that is being created in the bill that has come before us through closure?

Mr. Paul Forseth: Mr. Speaker, the record is that they have not been doing so. None of the provinces have jumped on board. We will see if the agency actually delivers what it is said to deliver. This is something the auditor general talked about in the past.

We have legislation and a lot of fancy advertising that proposes certain things, but when they are examined for their dollar value they do not deliver what was proposed. We will see whether or not the agency is innovative. The true test is in the pudding. The provinces may sign on if the government makes delivery in a proper manner.

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I will be sharing my time with the member for Waterloo—Wellington.

[Translation]

The establishment of the new Canada customs and revenue agency is a major undertaking. Questions have been raised during consultations with the provinces, territories, clients and the public. The question of accountability is one that came up frequently during these consultations. It is an important issue and I will address it in my speech.

Basically, everyone wants the proposed new agency to be responsible for its actions and for the manner in which it operates. I wish to assure members that ministerial accountability for program legislation will be maintained, as will overall control of the agency by the government.

As is now the case, members will be able to ask the Minister of National Revenue to look into the handling of a file.

[English]

Bill C-43 establishes a number of accountability mechanisms that will ensure the agency, despite its new structure and potential increased services on behalf of the provinces and territories, will remain accountable to parliament, to its clients and to the public for its actions.

• (1335)

For instance, the minister will remain accountable as provided in clause 6 of the bill. The auditor general continues as the agency's auditor as stipulated in clause 87 of the bill. There is a five year legislative review as specified in clause 89 of the bill.

A corporate business plan is to be submitted to the minister for recommendation to Treasury Board for approval. The minister then tables the summary of the approved plan in parliament as provided for in clause 49 of the bill. An annual report on operations will be

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tabled by the minister in parliament as stipulated in clause 88 of the bill.

The Public Service Commission can periodically review the compatibility of the principles governing the agency staffing program and those governing staffing under the Public Service Employment Act. It may report its findings in its annual report as outlined in subclause 56(2). There is a mandatory review of recourse mechanisms by a third party after three years as provided for in clause 59 of the bill, and a summary of the results will be included in the agency's annual report to parliament.

[*Translation*]

The Minister of National Revenue will remain responsible for the administration and enforcement of program legislation such as the Income Tax Act, the Excise Act, and the Customs Act. He will also be able to direct officials in the exercise of authorities under this legislation.

The minister is currently named 1,470 times in various pieces of program legislation as the person with the authority to exercise specific actions, such as assessing tax returns.

The minister will continue to be the person named to exercise those authorities. This means that the minister will retain personal accountability for the way tax and customs programs are run. This direct accountability ensures that the minister has the authority to inquire into any matter of program administration. This is important, because the minister can ensure that clients of the agency have been treated fairly and equitably.

The minister will continue to respond to questions in the House and from the public on program and policy matters. He will continue to be able to respond to members of parliament when their constituents seek their help in dealing with tax or customs matters. However, while the minister is accountable for how the programs are carried out, the agency has a considerable amount of autonomy in matters of internal management.

[*English*]

The agency will be directed by a board of management which will be accountable to parliament through the minister responsible for management policies of the agency such as human resource activities like staffing and compensation, mandates for negotiating with its bargaining agents in collective bargaining agreements, services and performance standards, and the appropriate allocation of internal resources.

Some people have expressed concern that the board of management consisting of private sector individuals might ignore the public interest and act in a way that is motivated only by revenue generation. There are sufficient checks and balances in the bill to ensure that the agency will remain within the overall government policy framework.

I quote Mr. Robert Spindler of the Canadian Institute of Chartered Accountants when he appeared before the House of Commons Standing Committee on Finance on November 24:

We recommended that the existing ministerial oversight of the revenue system exercised by the minister of revenue be maintained. . . . It is clear that the comments provided on this issue during the consultations were heard and taken into account. We're pleased that under Bill C-43, the minister of revenue will retain responsibility for the agency and it will be structured to allow for close ministerial oversight and, in particular, that the minister's power of inquiry into any activity of the agency will be maintained.

[*Translation*]

In addition, the commissioner, who is a member of the board of management, would act as a full time chief executive officer of the agency and be responsible for the day to day operations of the organization.

• (1340)

He will be accountable to the minister for the administration and enforcement of program legislation. He will also be accountable to the board of management for the day to day management of the agency.

With regards to accountability for the administration of provincial programs, the commissioner will offer to meet with provincial and territorial finance ministers and to report on such matters as service and revenue levels and to receive feedback from them.

The important and necessary relationship now in place between the Departments of Finance and National Revenue will continue between the Department of Finance and the agency.

In summary, ministerial accountability, overall control by government, and parliamentary oversight will be maintained for the new agency.

And those being served by the agency, especially the provinces and territories, will have new means at their disposal to ensure that the agency is accountable to them for its performance.

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I listened with great interest to the speech made by my colleague opposite.

The concern for the opposition, and the member will certainly understand that, is that all these agencies that have multiplied under the Liberals, whether it be Nav Canada, Canada Post Corporation or Canada Housing and Mortgage Corporation, are all independently managed. There are accountable to the House only once a year when they table their financial statement, and if it is even ever so slightly positive, there are no questions asked. If there were no losses, there were no problems.

However, if the taxpayers want a precise answer to a particular question, the minister washes his hands of everything and says he cannot do anything because it is an agency. That is what all the opposition parties are speaking out against in the House, namely

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the fact that the government is making sure that it does not have to answer our questions from now on.

I want to ask the member if he does not see the risk that this kind of agency could become a patronage haven, as was unfortunately the case with Canada Post Corporation, for example. Are these agencies required to go to the lowest bidder when awarding a contract or do they just go down the list of Liberal Party contributors?

Does the member not see the danger in taking assets out of the hands of regular public servants to have them managed by friends of the government? We want to hear what he has to say on that particular point and nothing else.

Mr. Paul DeVillers: Mr. Speaker, had the hon. member listened more carefully to what I said, he would have realized that this agency is different from the other agencies he just mentioned. The minister remains responsible for the agency.

We parliamentarians will continue to have the opportunity to ask the minister to intervene, if our constituents, our voters, have a problem with the agency. This is not how it goes with other agencies.

This is why I believe this agency will be more accountable. Every year, the minister must submit a corporate business plan to the President of the Treasury Board, who in turn will table it in the House. The auditor general will be auditing the agency's books. This agency is different from the others in many regards, in my opinion.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I would like to know what our hon. colleague thinks about the trend this bill seems to be setting, in terms of Canada's evolution. This is a concern to me, as a Quebeckers and a sovereignist.

• (1345)

Can he tell me, since this agency will have the power to collect taxes on behalf of the federal government—taking the place of Revenue Canada, which, in itself, is a major step, given the drawbacks my colleague from Chambly just mentioned with respect to parliament's role—and on behalf of the provinces, municipalities, school boards and those private businesses that wish to avail themselves of this service, where this is leading Canada as a political entity.

Does it not look like provincial governments will soon be nothing more than regional government? Are we not moving toward a centralized, unitary Canada, where Quebec will not truly feel at home?

Mr. Paul DeVillers: Mr. Speaker, the first thing we must take into consideration is the fact that the agreements the agency may sign with the provinces or any other government are voluntary

agreements. The provinces that do not want to participate do not have to.

Second, I am surprised that members of the Bloc Québécois, who always say they want to avoid duplication and overlap, do not see this as a perfect opportunity to try to avoid duplication and overlap.

[English]

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I begin by noting that accountability and fairness are the cornerstones of our government's legislation, policies, regulations and processes. Certainly residents in Waterloo—Wellington, indeed Canadians everywhere, understand and know this to be true.

Fairness is an essential foundation to the entire revenue administration. It is a system based on voluntary compliance and if the clients do not believe they are being treated fairly, one cannot expect them to comply voluntarily.

Revenue Canada is already a world leader in treating citizens in a fair and equitable manner in the delivery of customs and revenue programs.

Despite this excellent record, the Minister of National Revenue launched the fairness initiative in March of this year to solicit feedback on the fairness of the department's programs. More specifically, it looked at the measures that were in place, evaluated how well the department was doing at providing fairness and identified improvements that will be made to provide a greater level of fairness to Revenue Canada's clients.

The consultations were broad and comprehensive. Canadians from all walks of life were asked for their views on the department's record at being fair as well as to identify opportunities which would make the system even fairer. Consultations included speaking to and listening to the general public, the department's independent advisory committees, stakeholder groups and Revenue Canada's managers and frontline staff.

To ensure the entire process would be objective, Revenue Canada partnered with the Conference Board of Canada to analyse results, hold a national symposium to verify priorities and to produce an independent report.

As well, a comparative assessment was undertaken of the best practices of other customs and revenue administrations around the world. As a conference board report states, Revenue Canada is well regarded among Canadians and among international customs and revenue agencies as a leader, an innovator and an effective organization, truly a strong voice of confidence to it.

Many suggestions have been received to make further improvements to the fairness of Revenue Canada, and its officials are in the process of developing an action plan for the minister's consideration. This action plan, along with the conference board report, will be released by the minister in early 1999.

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One message was crystal clear in all this. Revenue Canada needs to continue strengthening the organization to make fairness an ongoing part of every employee's job. Taking the responsibility for fairness out of Revenue Canada and giving it to the taxpayers' advocate and ombudsman or an office of taxpayer protection is not what Canadians are calling for. The conference board reports that Revenue Canada has already made significant strides in this direction and is well equipped to provide fairness to Canadians. Revenue Canada is constantly striving to improve its services to all Canadians. We are living in a constantly evolving world and Canada's business, economic and social environment is dramatically changing. It is one of the reasons that the agency is being created, to respond to those changes and to provide better service to all our clients. Good service is fair service always.

• (1350)

Fairness means being open, clear, courteous, responsive, timely and accessible. Applying legislation fairly for Revenue Canada and for the new agency then means applying it impartially, consistently and responsively. It means as well that commitments Revenue Canada makes to fairness will be commitments for the Canada customs and revenue agency. That agency is all about providing better and more effective and efficient service to Canadians. Fairness is part and parcel of service and an efficient organization that is not fair to its clients is not an effective one.

Feedback as well from the fairness initiative reinforced the longstanding practice of building commitment to fairness throughout the organization as opposed to isolating it in a separate office.

Creating an office of taxpayer protection as some have suggested would also carry additional expense and would detract from the ability of members of parliament to deal directly with the Minister of National Revenue to resolve their constituents' problems.

Members of parliament should have the right to call the minister to task if the agency appears to behave unfairly in its ways and to its clients. The agency's clients should also have the right to have a member of parliament raise concerns directly to the minister in the House of Commons on the actions of the agency. That is very important.

Some hon. members have also suggested entrenching a taxpayer bill of rights in the legislation. Their rationale is that the agency may become out of control, leading to taxpayer complaints on the scale of those facing the United States Internal Revenue Service in recent years.

I remind them that Revenue Canada's declaration of taxpayer rights was the first of its kind in the world, introduced in 1985. The declaration has been periodically updated to remain current with the law and societal needs and is entrenched in the day to day

operations of the department and is part of the public service ethos that will carry over to the agency.

In addition, feedback to date from the consultations on the fairness initiative indicates that Canadians are pleased with the current declaration of taxpayer rights.

The Canada customs and revenue agency will not be an arm's length agency like the IRS and therefore what it might need is not what we need.

Garth Whyte, vice-president of national affairs for the Canadian Federation of Independent Business, pointed out when he appeared before the House of Commons Standing Committee on Finance on November 24: "The problem is once you put it in the act it is pretty hard to enforce. We want to see this as a cultural change happening in the department and a dedication to service. You can write it in the act, and we have seen many things written in the act but then people think it's done. I think it should be done at the department level". That is well worth remembering.

In addition to not being necessary, adding a taxpayer bill of rights to the agency legislation would have the effect of amending program legislation such as the Income Tax Act.

Provisions such as those proposed should therefore be directed specifically at that act and other similar statutes the agency would administer.

Unlike the situation with the IRS, there will continue to be a minister of national revenue who will continue to be accountable to the public and in the House of Commons for all aspects of the agency's performance, including its fairness.

Canadians certainly expect no less and Canadians deserve no less. I therefore urge all members to support this very worthwhile legislation.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I am glad to see a government member has finally directly addressed the official opposition's proposal for a taxpayer bill of rights.

The hon. member mentioned the current declaration of taxpayer rights introduced in 1985 by then Minister Beatty. Would he not agree with me that this declaration has not statutory force, no sanctions and is merely a declaration of intent? Would he not also agree the entrenchment of such rights to due process would be preferable?

• (1355)

He points out that it is not efficient to incorporate this into the actual revenue agency legislation. Would he not agree that it would be worth considering adopting a separate piece of legislation to incorporate the kinds of rights that now merely exist on paper in the form of a declaration?

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Mr. Lynn Myers: Mr. Speaker, I thank the member for the very good question. The declaration of taxpayer rights really is an evolving piece of legislation that will be part and parcel of this new agency.

It will underscore the kind of commitment that certainly we as a government want to see carried forward in the best interests of all Canadians as it relates to this agency in a manner that is meaningful and consistent with the kinds of information that certainly we on the government side have been given with respect to the importance of carrying forward in this manner.

In answer to the hon. member, the declaration is a very valuable piece of legislation that is in keeping with the kinds of values that we as Canadians want to promote.

The Speaker: There are still about three minutes left for questions and responses. I wonder if we could proceed to Statements by Members and pick up here after question period.

STATEMENTS BY MEMBERS

[*English*]

RICK CHAPLIN

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, Cambridge's native Rick Chaplin was recently awarded the United Kingdom's prestigious Association of MBA's *Independent MBA Student of the Year Award*.

A professional management recruiter with Canadian General Tower of Cambridge for 13 years, Rick returned to school at age 38 and attended the MBA program at the University of Bath, England.

One of only five award winners in all of the United Kingdom, Rick was recognized for his contributions to the staff-student liaison committee and his exceptional mentoring skills.

Cambridge has long been proud of Rick's ongoing contribution to making our community a better place and we are all proud of his achievements.

I know the people of Cambridge and members will join me in offering Rick our congratulations.

* * *

SEARCH AND RESCUE

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, words cannot describe the shock and sadness Canadians felt when a small commercial aircraft crashed into the St. Lawrence River yesterday, taking the lives of seven of the ten people on board.

It tears at our hearts and leaves us with a deep feeling of emptiness and hurt. As we remember and grieve for the loss of life

we must also give praise and tribute to those who helped preserve it.

The incredible rescue of the three survivors began when a six year old girl witnessed the crash and, upon notifying her mother, set in motion a series of events that led to a privately owned helicopter racing toward the downed plane.

Facing snow squalls and poor visibility and risking their very lives, the crew of the small chopper arrived at the crash sight in 17 minutes. They flew low enough to the turbulent waters to snatch the three survivors from the icy grip of the St. Lawrence just before the tide rolled in and hope was slipping away.

To the Quebec provincial police, Canadian armed forces and the coast guard, but above all to those who notified authorities and flew the small privately owned helicopter, we salute your courage. We salute your valour. Above all, we salute your selfless deed and for risking your lives to save the lives of others.

* * *

HURON—BRUCE

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, despite my best efforts to uphold my humble demeanour, I am again forced to my feet to regale this House with yet another example of why Huron—Bruce is one of the finest constituencies in all of Canada.

Each October the town of Port Elgin in the northern part of my riding hosts its annual Pumpkinfest. This festival, commonly known as the olympics of gardening, provides an opportunity for the pumpkin growers of Ontario and the northern U.S. to collect together to determine who among them is a premium melon cultivator.

This year, as described by talk show host Jay Leno, the Port Elgin Pumpkinfest stepped into the record books. I am pleased to report that the 2000 edition of the Guinness Book of World Records will formally recognize the 1,092 pound gourd grown at this 1998 event.

As I witnessed at the weigh-in, the competition was intense. Again Port Elgin has secured its place as a world leader in the field of growing giant vegetables. Perhaps next year my colleagues in this place might add the Pumpkinfest to their summer agenda.

* * *

AGRICULTURE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, all members, urban and rural, know there is an income crisis in some sectors of agriculture for reasons that are beyond the control of our farmers.

● (1400)

I urge the Minister of Agriculture and Agri-Food to provide assistance directly to the farmers, especially the smaller scale

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farmers. I urge him to provide this assistance soon and in a creative way that lays the foundation for income safety nets of the future.

I realize that this is a federal and provincial matter and I urge the provinces to co-operate with our minister in his efforts to solve this problem, but the federal government should show leadership in this serious national matter.

Let us act now.

* * *

[Translation]

PLANE CRASH AT POINTE-LEBEL

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, yesterday morning, a little after 11, there was a terrible plane crash at Pointe-Lebel, near Baie-Comeau. Seven people lost their lives and another three were injured. All were from the North Shore.

I congratulate the rescue teams that were able to save the three. However, this is a most regrettable accident, which has plunged many family members and friends into mourning.

To the survivors we wish a speedy recovery and a prompt return to their families.

We pray for the victims, the injured and their families.

* * *

[English]

CANADA POST

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, this week a delegation of postal franchisees is in Ottawa to fight for survival.

The minister guaranteed us that there would be no losses due to Canada Post's reduction in stamp commissions. The fact is that one week after implementation 30 postal outlets have notified Canada Post of their closure. It is only the beginning. The franchises predict that 100% of urban postal outlets will be closed by August 1999.

Yesterday the minister turned down a request to meet with the franchisees directly. Is it because he knows they are right? Is it because it is difficult to look into the faces of those who are losing their livelihood?

The minister may be able to hide in his office now, but in the new year he will have to justify to hundreds of franchisees and millions of Canadians why he allowed Canada Post to systematically destroy the postal network across this country.

[Translation]

GOVERNOR GENERAL

Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.): Mr. Speaker, on Saturday, December 5, my beautiful riding of Verdun—Saint-Henri was honoured with a visit by Governor General Roméo Leblanc and his wife.

I had the pleasure of spending a magical day with 200 children from my riding, a day which featured balloons, candies, an excellent lunch, a troupe of magicians, and Santa.

On behalf of the 200 Verdun children who will have life-long memories of this excellent initiative of bringing the party to their community, I wish to thank the Governor General and his wife.

I hope very much that this custom will continue for many years to come.

My thanks to the organizers, the group *Toujours Ensemble*, and all the volunteers.

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VICTIMS OF GULF WAR SYNDROME

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, Maurice Bédard, a member of the military in my riding, who retired after 26 years in the Canadian forces, continues to believe, like several of his former colleagues, that the federal government is not taking adequate action to shed light on the health problems of those who claim to be victims of gulf war syndrome.

Since several members of the armed forces remain skeptical about the impartiality of the Canadian forces in revealing the circumstances that triggered this syndrome, would it not be appropriate to have a commission of inquiry, independent from the Department of National Defence, look into this issue?

As a member of the UN security council, Canada has a moral obligation not to leave any doubt regarding the equality of treatment provided to its own military personnel.

This is what Mr. Bédard wants to reaffirm by asking me to return to the Government of Canada, through this House, the medals he was awarded during the gulf war. From now on, these medals will be associated with shame, not pride, in the minds of many.

* * *

[English]

VIOLENCE AGAINST WOMEN

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, since 1989, December 6 has been a date to remember Canadian women whose lives are affected by violence and, in particular, the

14 young women who tragically lost their lives in Montreal at École Polytechnique.

December 6 has come and gone, but we must continue to fight violence against women and remember those who are affected every day, not just one day a year.

I am proud to be part of a government that has made significant changes in the justice system to reflect the impact of these crimes, not only on the victims, but on society as a whole. We have legislated gun control. We have eliminated self-induced intoxication as a defence for violent crimes like sexual assault and just last June our government announced a \$32 million a year national crime prevention initiative aimed at developing community based responses to crime, with the emphasis on women, children and youth.

• (1405)

Our government is committed to ending violence against all people in Canada. We hope these measures will help make our society safer.

* * *

ELWIN HERMANSON

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, it is a privilege to stand today to recognize in the gallery my good friend and political mentor Mr. Elwin Hermanson.

As many will recall, Elwin was the member for Kindersley—Lloydminster in the House of Commons from 1993 to 1997, serving as both the House leader for the Reform Party as well as its chief agricultural critic.

Elwin has since won the leadership of the official opposition in Regina, the Saskatchewan Party. This new party is made up of members from all parties who believe in fiscal responsibility and democratic accountability.

These political pioneers have the desire and the political will to see Saskatchewan fulfill its potential and take its rightful place in Confederation as a have province and no longer a poor country cousin.

On behalf of my colleagues in Ottawa, I sincerely wish all the best to Elwin and his team. I wish them future success in their political endeavours.

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THE RED VIOLIN

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I am proud to welcome the film *The Red Violin* to Canada's capital. This Canadian feature film was nominated for 10 Genie awards. I am delighted to salute its director, François Girard, and his creative team in the House of Commons today.

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This hauntingly beautiful work is based on an original screenplay by Don McKellar and François Girard. Filmed on location in Italy, Austria, England, China and Canada, it boasts a stellar international cast.

[Translation]

The Red Violin, with the haunting music of John Corigliano played by Joshua Bell, the internationally renowned violinist, will be shown this evening as a special presentation, at the Canadian Museum of Civilization.

I am sure that members of the House will join me in congratulating François Girard, Don McKellar and producers Niv Fichman and Daniel Iron of Rhombus Media, for their film's success.

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[English]

CANADA-CHINA LEGISLATIVE ASSOCIATION

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the newly formed Canada-China Legislative Association recently made its inaugural visit to China and held meetings with the National People's Congress. It is called a legislative association and not a parliamentary association because China has neither a true parliament nor a parliamentary political culture.

A parliamentary culture not only tolerates but welcomes and even formalizes dissent and opposition. The crackdown of the last two weeks on political dissenters in China shows the wisdom of withholding the name parliamentary from the association we in this parliament have with the National People's Congress.

China is a major player on the global stage and must be engaged by Canada both politically and economically. However, at the same time as we show respect for China we must also show respect for our own values.

China is now a place where people can make money. But a more open economy without democratic values is surely not enough. The west must not be bought by the lure of such a big market. When parliamentary values can be openly practised in China, China's signature of the International Covenant on Civil and Political Rights will take on new meaning and China will truly take its place as a leader among nations.

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[Translation]

TRIBUTE TO MAURICE CHAMPAGNE

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, I am using the occasion of the 35th anniversary of the Quebec Ligue des droits et libertés to pay tribute to Maurice Champagne, who was its chair and executive director from 1971 to 1975.

A poet and essayist, Mr. Champagne recently passed away. He oversaw projects that led to the Government of Quebec's passing

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of the charter of rights and freedoms and the Youth Protection Act and to the establishment of a family policy.

Maurice Champagne's accomplishments will survive him. A few days ago, the Ligue des droits et libertés held a conference on the situation and the future of rights and freedoms in Quebec and in the world. It invites us to celebrate the 50th anniversary of the Universal Declaration of Human Rights, which has always guided its actions.

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[English]

YOUTH EMPLOYMENT

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, yesterday in Edmonton the Prime Minister announced the renewal of Canada's youth employment strategy. Now a permanent program, \$155 million a year will be provided to help young Canadians. That is \$465 million over the next three years.

Already we have helped over 300,000 young people to find work or become better trained. For example, after one year 88% of participants in the Youth Internship Canada Program had a job, had started their own business or had returned to school.

This is a program that works. We work with youth, educators, parents, the private sector and other governments to determine what young people need to enter today's job market. Why? Because it matters to us that young people have jobs and a future to look forward to in Canada.

* * *

• (1410)

HIGHWAYS

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, after 18 months of constant questioning, it appears we have struck a nerve with the New Brunswick highway toll deal.

Immediately after producing a letter last week confirming that Doug Young has contravened his own ministerial directives in order to take advantage of a multimillion dollar toll deal on a New Brunswick highway, the member for Kenora—Rainy River began an organized campaign designed to stop four MPs from asking questions about Doug Young's complicity in this highway deal.

The House of Commons deserves to know who is the driving force behind this campaign. Who initiated the campaign? Has the member for Kenora—Rainy River received instructions from his former boss—

The Speaker: This was settled yesterday on a question of privilege. The hon. member for Thornhill.

CANADIAN EXECUTIVE SERVICE ORGANIZATION

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, I rise to acknowledge the contribution of three constituents from the riding of Thornhill, volunteers of the Canadian Executive Service Organization.

John Martin spent four weeks in Kyrgyzstan at the request of the state procurement agency. This agency had no practical experience in purchasing or simple procedures from which to operate.

John worked closely with the state agency, developing a training program for agency members and a centralized purchasing unit to reduce costs by bulk purchasing.

John and Gertrud Schmied spent five weeks in Russia working with a company that processes soybeans in Krasnodar.

Working with this company to develop a chain of fast food stores and cafes, John designed an organizational chart, job description formats, a performance evaluation form and a sales productivity measurement plan.

Last year the volunteers of the Canadian Executive Service Organization provided almost 23,000 days of assistance to developing nations, emerging market economies and Canadian aboriginal communities.

* * *

AGRICULTURE

Mr. Derrek Konrad (Prince Albert, Ref.): Mr. Speaker, Canadian jobs in rural communities are on the line. The current collapse of net farm incomes is jeopardizing Canada's forage dehydration industry, a little known but vital part of our agricultural communities, particularly in my riding of Prince Albert where the bulk of Saskatchewan's alfalfa dehydration production is processed.

Just consider these facts. First, Canada is the lowest cost producer in the world. Second, without unfair Economic Union subsidies, the Canadian dehydration industry would have weathered the economic downturn in Asia. Third, the dehydration industry is already burdened with rail transportation costs which have doubled while service declines. Finally, processing plants are largely farmer owned.

I urge the Minister of Agriculture and Agri-Food to keep this industry and these facts in mind before setting emergency compensation which may further penalize these farm-dependent producers.

The government has already caused enough damage by raising freight rates and dropping subsidies more rapidly than our European competitors.

*Oral Questions***HUMAN RIGHTS**

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, December 10 will mark the 50th anniversary of the adoption of the Universal Declaration of Human Rights.

It is with pride that I rise today to honour a great Canadian and former resident of my riding of Fundy—Royal, John Peters Humphrey.

The principal author of the declaration was raised in Hampton, New Brunswick and graduated from RCS Netherwood High School.

Mr. Humphrey was also the first director of the Human Rights Secretariat at the United Nations. He was part of the team that launched Amnesty International Canada and was instrumental in creating the Canadian Human Rights Foundation.

In 1988, on the 40th anniversary of the Universal Declaration of Human Rights, he was awarded the United Nations Human Rights Prize, the first Canadian to receive such an honour. In 1974 he was made an Officer of the Order of Canada.

I would also like to pay tribute to another New Brunswick son, Gordon Fairweather, Canada's first Human Rights Commissioner and a former member of the House of Commons as MP for Fundy—Royal.

I am very proud of these two New Brunswickers for their contribution to the advancement of human rights, both here in Canada and on the world stage.

* * *

SKILLED EMPLOYMENT

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, Canada is facing a critical shortage of skilled tradespeople.

In the riding of Halton, high tech companies tell me they have had to postpone growth and job creation because they simply cannot find enough skilled workers.

Jobs paying \$50,000 and \$60,000 a year are going unfilled. The existing skilled workforce is aging.

In Halton something is being done.

Today, December 8, leaders of business, Human Resources Development Canada, the Ontario education ministry and the region of Halton are staging a symposium aimed at developing a made in Halton solution to the problem.

The people attending this event are all dedicated to developing a program that will make it easier for young people to get apprenticeship placements.

• (1415)

I congratulate these organizations on their efforts which will ensure the long term viability of Canada as the place for attraction and retention of high tech business.

ORAL QUESTION PERIOD

[English]

SOCIAL UNION

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, ten premiers and two territorial leaders are ready and willing to deliver better health care and social services to Canadians. Yet the Prime Minister is doing his best to sabotage their efforts.

Last night at a Liberal fundraising dinner the Prime Minister tried to portray the social union negotiations as merely a power grab by the provinces. How could the Prime Minister's dumping on the provinces possibly lead to better health care and social services for Canadians?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, this is what the Premier of Alberta said:

The Prime Minister has indicated that we want to make progress on this particular issue (the social union). He indicated also that we might not agree on all the issues but certainly there are some areas where we can agree and hopefully we will have some resolve on these issues in the very near future.

We are working with the provinces, but I ask again whether the Leader of the Opposition again would sign the provincial proposal as is? Yes or no.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Prime Minister would like Canadians to believe that the premiers' social union proposals will somehow weaken the federal government, which is simply not the case.

The social union is about strengthening Canadians. It is about giving all Canadians better health care and better social programs. Why do the Prime Minister and the intergovernmental affairs minister not stop worrying about who gets the credit for fixing health care and just get on with the job?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the Premier of Alberta just said that the Prime Minister was negotiating in good faith with the provinces.

The problem is not the Prime Minister. The problem is the Leader of the Opposition and the leader of the Conservative Party. They are unable to tell Canadians if they will sign the provincial proposal as is. Yes or no.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, all the provinces want from the Prime Minister is for him

Oral Questions

to respect the Constitution. The Prime Minister has a lot to do without meddling in provincial affairs.

Why does he not solve the problems in the defence department and with aboriginal affairs? Where is the new Young Offenders Act? Why does he not fix the Canadian dollar? Why does he not attack unfair foreign trade subsidies instead of the provinces?

Is it not true that the Prime Minister's real reason for meddling in provincial affairs is to divert attention away from his own failures?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, why is the Leader of the Opposition attacking the Prime Minister when the provinces are pleased with the way we have been progressing in these negotiations?

Why is he unable to tell Canadians if he will sign the provincial proposal as is, yes or no, when the provinces themselves said that this was a basis for negotiation?

* * *

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, in just three short years the government has cut \$16.5 billion cumulatively from health care spending, and the result is 190,000 patients on waiting lists.

Instead of trying to bring in new trophy programs like national home care, why does the government not fix the problems it has caused in terms of waiting lists?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, in the last three years the government has increased transfers to provinces by \$1.5 billion, has increased funding for the Medical Research Council and has created a health transition fund to assist constructive change in the way health services are delivered.

As the Prime Minister has made clear, we will also make health the focus of our next major reinvestment.

• (1420)

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the 190,000 people on the waiting list is what I call unfinished business. The senior citizen waiting for a hip replacement does not want somebody to come into her house and fix meals for her. She wants a new hip so she can fix meals for herself.

Why does the government not fix the unfinished business before it launches off on new trophy programs and fix the waiting list now?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the hon. member fails to understand that the delivery of health service is the responsibility of provincial governments. The member

opposite should bear in mind that governments in provinces across the country have made their own priorities and their own choices in terms of how their dollars are spent.

If there are waiting lists then I wonder whether the member opposite would join with me in meeting with the provincial minister of health in Alberta or other provinces to discuss with them how the provinces will address these issues.

So far as we are concerned we have made clear that we will make reinvesting in health from the federal perspective the focus of our next budget.

* * *

[Translation]

SOCIAL UNION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday, at a press conference held jointly with the Premier of Alberta, the Prime Minister of Canada, in an obvious attempt to divide the provinces and isolate Quebec, questioned the good faith of the Premier of Quebec in the matter of the social union.

What message is the Prime Minister sending by trying to isolate Quebec just as negotiations are entering a crucial stage?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, no one is trying to isolate anyone.

What is all this sudden paranoia about? We are negotiating together. The Quebec premier joined a little late, in August, but he is welcome, and if there is a way to improve the social union for all Canadians, it would be a good thing. We hope he will negotiate in good faith.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we are not paranoid, but we are not deaf.

When he talks about not negotiating in good faith, as he just did, the Minister of Intergovernmental Affairs is falling back into his old ways.

When the Prime Minister and the minister talk about bad faith, should they not give thought to the attitude of the Prime Minister of Canada, who yesterday announced in Edmonton, without either advising or consulting Mr. Klein, that he planned to remain involved in youth matters, which should come under provincial jurisdiction? Is the fact that he did not even consult the provinces not an indication of his contempt for them?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, consultations were held and we even had a major meeting on May 13. The Government of Quebec did not sign, but that is not unusual.

Oral Questions

There is a lot of unemployment among the youth. It seems to me that all governments must work together, and that is what we are doing.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister just started a Canada-wide tour and already it does not bode well for the Canadian social union agreement.

The Prime Minister is speculating right and left about the good faith of the Premier of Quebec.

Does the Minister of Intergovernmental Affairs not agree that the Prime Minister's remarks reflect an attitude of contempt not only for the Premier of Quebec but also for all Quebec premiers whom, at one time or another, took the same stand?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the Prime Minister of Canada did not say that the Premier of Quebec was acting in bad faith. He said that he hoped he would act in good faith.

But if you want us to list all the instances where the Premier of Quebec accused the Prime Minister of acting in bad faith, it will take us all afternoon.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, is all this finger pointing how constitutional negotiations are conducted in Canada?

Mr. Yvan Loubier: They are cry babies.

Mr. Michel Gauthier: How can the minister and the Prime Minister question the good faith of the Premier of Quebec when the Prime Minister of Canada just showed his bad faith on the issue by announcing on his own, unilaterally and without any consultation, a youth strategy that really concerns the provinces?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, it is not unusual for one level of government to be rightly or wrongly under the impression that it was not sufficiently consulted by the other.

That is why negotiations are under way regarding the Canadian social union. One area we want to improve is the two way consultation process. This is under negotiation, and we hope to improve matters.

• (1425)

If the Premier of Quebec is indeed acting in good faith, as we hope he is, I guess he will agree with the other premiers that there is currently a basis for negotiations and will be willing to negotiate with a great deal of flexibility and openness.

[English]

HEALTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, publicly funded MRI scanners in Ontario are being used on dogs while the sick sometimes wait six months. Federal and provincial cutbacks force hospitals to moonlight by selling their MRI services to veterinarians. If your dog needs a scan no problem; 48 hours fix you right up. If your child needs a scan it may take a lot longer.

If the health minister disagrees with these practices, what is he doing about it?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the leader of the New Democratic Party should be aware that the decision on how such scans are used or financed is a matter for provincial governments.

The leader of the New Democratic Party should also be aware that the provincial government in Ontario has cut back four times through inappropriate tax cuts, four times the amount reduced through reductions to transfer payments. It is a decision of the Ontario government. It is a choice by the Harris government in Ontario of its priorities that has resulted in this regrettable situation.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the health minister just loves to blame the provinces, but he knows that the \$6 billion in Liberal cuts deprived the federal government of the moral authority to even criticize provincial governments, let alone demand accountability.

The minister claims that his government supports the five principles of medicare. Could he explain to the House which of these medicare principles dictates that a dog owner with cash takes priority over a citizen in need of health care?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the member will have to take this matter up with the Premier of Ontario. It is the Premier of Ontario, the Tory Premier of Ontario, and his NDP predecessor who made their choices about how health care would be delivered in the province of Ontario.

As much as we might deplore the choice by the Tory Government of Ontario to prefer tax cuts for those who least need it over health care for Ontarians, it is a matter to take up with the Premier of Ontario.

* * *

THE ECONOMY

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, in 1993 when the government took office the Canadian dollar was at 75.5 cents U.S. Since then the dollar has dropped 14%, dropping 9% over the last eight months and hitting record lows last summer.

When the dollar drops so does the standard of living of Canadians. In fact in the third quarter of this year there has been a 3.5%

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increase in the cost of living of Canadians over the same period last year. As the dollar drops we are seeing Canadians suffer.

Will the minister explain to Canadians why the dollar has gone into a free fall under his leadership?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in 1993 the unemployment rate in the country was 11.5%. Today it is 8%. In 1993 there were 1.5 million fewer Canadians employed. In 1993 our productivity rate was below that of the United States. Today it is above that of the United States. In 1993 our interest rates were 350 basis points above those of the United States. Today our long term rate is the lowest rate—

The Speaker: The hon. member for Kings—Hants.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, I do not think the minister heard my question. My question was about the dollar and the fact is that our dollar was bigger than his dollar. While the minister engages in dollar envy, Canadians are suffering. The fact is—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Kings—Hants.

• (1430)

Mr. Scott Brison: Mr. Speaker, this is no time for the minister to engage in dollar envy. When it comes to the Canadian dollar and standards of living, size does matter. Canadians are suffering because this minister refuses to commit to lower taxes and better productivity standards. He is also refusing to commit to firm debt reduction targets.

The low dollar punishes poorest Canadians the worst because poorer Canadians pay out more of their money for food, goods and services.

Is the minister ashamed of being the author of a low dollar policy that is a de facto tax on the poorest of Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the only thing the Tories had bigger was the deficit.

If we compare the country today to what it was like in 1993 when we took office, one only had to be minister of finance for three weeks to have that first meeting down at the IMF. We had a country that had not lived up to one decent projection in eight years. We had a country whose currency was under attack. We had a country where interest rates were climbing.

Today we have the strongest balance sheet—

The Speaker: The hon. member for Edmonton North.

* * *

APEC INQUIRY

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, this government says that it cannot do anything about administer-

ing the last rites to the APEC inquiry. The minister keeps saying let it do its job. It is absolutely dysfunctional.

This House, on the other hand, can do anything necessary to get to the truth of any problem in Canada. This is the highest court in the land and we can do something about it.

Let me just ask who all is in favour of shutting down this inquiry and opening up a full judicial independent inquiry?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, yesterday the President of the British Columbia Civil Liberties Association told CBC Radio: "The B.C. Civil Liberties Association is a complainant in this hearing and we believe that the public complaints commission is the right forum to hear our complaints".

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, that is a nice try, but that forum is a defunct forum. It is not operating right now. It has been completely castrated in large respect by this government.

I would like it acknowledged that the RCMP say it is dead, the students say it is dead and the lawyers say it is dead. The former solicitor general has resigned, the head of the panel has resigned and the head of the commission is in hiding.

Why will we not get a real inquiry to find the real story and the real truth behind this?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the president of the British Columbia Civil Liberties Association said: "I think it is important to put on record that a judicial inquiry would be subject to the same kinds of complaints and the same kinds of delays. We want our complaint heard in front of the public complaints commission because we believe it is important in a democracy that there be an effective mechanism for civilian oversight that is arm's length from both the RCMP and the government".

I rest my case.

* * *

• (1435)

[Translation]

NATIONAL HOME CARE PROGRAM

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, on July 10, the Minister of Intergovernmental Affairs declared to the Canadian press that "In the case of the home care program, we are hoping for an agreement but we will not proceed without the provinces' agreement. We cannot do it without them; it would not be a good program".

In light of this statement, what does the Minister of Intergovernmental Affairs have to say to his Prime Minister who has, from all

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appearances, prepared his home care program already, on his own, and announced the details to Mr. Klein while in Alberta yesterday?

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

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, when the minister does not have the right answers, that is the kind of responses we get.

If he wants to show some consistency, ought the Minister of Intergovernmental Affairs not to start by convincing the Prime Minister to negotiate the agreement on social union, and to address the home care issue with the premiers within the framework of the social union only after that?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I withdraw my previous words. The hon. member has no imagination.

* * *

[English]

CANADA PENSION PLAN

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, this Christmas Canadians were supposed to get a \$350 gift under the tree from the EI fund, but the finance minister decided he was going to keep \$290 of that and give Canadians a \$58 lump of coal.

Now with his CPP tax hike on January 1 he is even going to take back the lump of coal and the stocking along with it. Why is this finance minister so intent on scrooging Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member better get a new writer. The basic issue is the future of the Canada pension plan. The Reform Party does not believe in the Canada pension plan. The Liberal party does believe in the Canada pension plan.

More important, Canadians overwhelmingly believe in the Canada pension plan. They want it preserved. They want it there for themselves, for their children, for the generations to come, and it will be there because this government will make sure it is there.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, if the finance minister believes so dearly in the Canada pension plan, I wonder why he fired the independent actuary of the plan. I wonder how many actuaries he will fire before he gets the number he wants.

What is the real rate for the Canada pension plan? Is it 11%, 12%, 13%?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the real question is what would happen to those thousands and

thousands of pensioners who would have to suffer the \$3.5 billion cut in old age pensions that the Reform Party has put forth as part of its program. What would happen to those hundreds of thousands of Canadians if they did not have a Canada pension plan available to them and were forced to rely on themselves, those who are unable to save for their old age retirement?

What would happen to those Canadians who are entitled to believe that if they work hard all their lives they are entitled to a decent retirement? Those are the people we are speaking for.

* * *

[Translation]

CHILD POVERTY

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the number of Canadian children living in poverty is constantly increasing. Yet, what is the government talking about in the House, just before the Christmas recess? About reducing taxes for the rich, subsidizing sports tycoons and paying golf club memberships for officials in the Business Development Bank of Canada. There is nothing in there for the poor.

What should poor children and their parents think when they see that the government finds it perfectly normal that the Business Development Bank of Canada would pay \$220,000 to subsidize golf club memberships for its officials, when they are not getting anything?

[English]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, certainly the member has not been paying attention over the last couple of years, as we have been preoccupied with poverty on this side of the House and have delivered the national children's benefit which will put \$1.7 billion into the hands of poor families. That is on top of the \$5.1 billion we already spend on that group.

● (1440)

We also think the best way is to get people back to work. That is the best solution to poverty and we have introduced many programs such as the transitional jobs fund and the youth employment strategy in order to accomplish that.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my supplementary is for the Minister of Finance, this time.

There are children living in poverty because there are parents living in poverty. Which solution is best to help them: to lower the taxes paid by the rich by dipping into the employment insurance fund, or to give back to the unemployed the billions of dollars that were taken from them through the cuts made in recent years?

Oral Questions

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there is no doubt that we must improve the plight of the poorest families. This is why, last year, we took steps to exempt 400,000 Canadians from having to pay taxes.

This is why we have earmarked \$1.8 billion for the national child benefit. This is why we increased by \$45 million the deduction for child care. This is why the Minister of Human Resources Development and the government invested millions and millions of dollars to help the middle class and the poor in our country.

* * *

[English]

FORESTRY

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, Greenpeace and other groups are running a full page ad in the *New York Times* today to expand their attack on B.C. forestry jobs. Meanwhile the Liberals spend hundreds of millions of dollars on self-serving advertising every year.

When will the minister take some of that wasted advertising money and spend it on something useful like countering foreign based propaganda that is killing Canadian jobs?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the action in defence of Canadian forestry practices is already well underway.

We have an established program where we bring buyers from around the world to Canada to actually see for themselves what Canadian forestry practices are like; not to rely on misleading advertising in the newspaper but to come here and examine the situation and see for themselves.

Experience has shown that when they come to Canada, when they see our practices as administered primarily by the provinces, in this case British Columbia, they go away with a much different view of Canadian forestry practices. Many of them dramatically change—

The Speaker: The hon. member for Nanaimo—Alberni.

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, we need action overseas on this issue.

Greenpeace is stepping up its misinformation campaign against forestry jobs with slick and misleading ads in U.S., Japan and Europe. Yet the Liberals are doing nothing to counter this campaign. They are simply hoping that it will go away.

Instead of spending millions on warm and fuzzy Liberal ads within Canada, when will we see hard hitting government ads in

foreign newspapers countering Greenpeace's anti-forestry jobs campaign?

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, the Government of Canada shares B.C.'s concern about this misinformation.

The Government of Canada through its consulates and with working with the provinces in the industry has been putting forward internationally very strong arguments against this. We will continue to fight on behalf of B.C. forestry workers.

* * *

[Translation]

SHIPBUILDING

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, although shipbuilding is a high-tech industry that creates thousands of well-paid jobs, the federal government has no shipbuilding policy, nothing comparable with that of the United States, for example.

Why does the federal government still have no shipbuilding policy that would encourage Canadian shipowners to have their vessels built here and to create jobs here instead of having them built in China or Korea, as Canada Steamship Lines does?

• (1445)

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, first of all, the preamble to the question is false.

We have an accelerated capital cost allowance of 33.3% on ships built in Canada. We have a 25% tariff on non-NAFTA foreign built ships, a policy of domestic procurement, and financing for commercially viable projects through the Export Development Corporation.

These are components of a strong shipbuilding policy in Canada.

* * *

[English]

IMMIGRATION

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Last week police broke a major sex ring and freed dozens of female sex slaves from brothels across the greater Toronto area. Eight people were arrested and charged with supplying Canadian brothels with as many as 160 Asian women every year.

How can this happen in Canada? How can an organized sex ring import sex slaves into Canada? What is the government doing to prevent this kind of activity from occurring in the future?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, these arrests were the result of an

official task force composed of members of police forces and immigration officers.

It is clear that Canada is committed to combat this problem. We must realize that people smuggling and trafficking in human beings, particularly women and children, is an international phenomenon. That is why we are engaged with different countries to combat that problem. Under the leadership of the United Nations we are working right now on an international protocol to get rid of the problem.

* * *

CANADIAN WHEAT BOARD

Mr. Garry Bretkreuz (Yorkton—Melville, Ref.): Mr. Speaker, on November 20 I asked the minister about voting irregularities in the Canadian Wheat Board elections. The minister defended the process. Now we have learned that the election results were incorrectly tabulated by the government's consulting firm in at least three districts. The entire election results are now suspect.

Will the government order an independent audit immediately?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the independent election co-ordinator, KPMG, is investigating the problems. Additional external professional expertise is being acquired to ensure absolute accuracy, including an audit if that is necessary. The problems will be corrected as rapidly as possible.

It should be noted it is because we have had a very open, public and totally transparent process in the hands of an independent professional that any problems have been quickly identified and the corrective action taken.

Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.): Mr. Speaker, if that was open, I would not want to see it when it was closed.

As a result of the wheat board's lack of transparency we are now experiencing U.S. blockades and threatened loss of trade. American and Canadian farmers are fed up with the secrecy at the wheat board. Once and for all let us cut out the secrecy and get the auditor general to do the books. How many wild oats is the wheat board and this minister trying to bury?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, if anything, the hon. member is very persistent in his mythology.

Some hon. members: Hear, hear.

Hon. Ralph E. Goodale: And the opposition applauds mythology.

Oral Questions

Under the new legislation we have adopted, there will be, for the first time ever, a board of directors, two-thirds directly elected by farmers. It will be those directors, including those farmers, who make the determination about what should be released publicly and what in the interests of commercial confidentiality needs to be retained. It will be producers on the board of directors—

The Speaker: The hon. member for Bras d'Or—Cape Breton.

* * *

DEVCO

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, my question is for the Minister of Natural Resources.

The Liberals spread rumours about privatization, leak polls and hold closed door meetings on the future of Devco, but do not have the guts to come to Cape Breton and tell the truth about their plans.

Will the minister today commit to stopping the backroom deals and pledge to visit Cape Breton before making any final decisions about the future? Yes or no? Will you come to Cape Breton?

The Speaker: I remind hon. members to please address their questions through the Chair. The hon. Minister of Natural Resources.

• (1450)

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, rather than hyperbole, insults and innuendo, what I am concerned with is a proper solution with respect to the future of Devco. In that respect I have been consulting very closely with the board of directors who are charged with the responsibility for managing Devco. I have had the opportunity on several occasions to meet with the premier. I have had the opportunity to meet with representatives of the union. I will continue that close consultation in the interests of arriving at the proper result, not just a hysterical one.

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, my question is for the same minister.

There are press reports that this minister will announce a short term funding formula for Devco. Will the minister confirm whether or not that funding is forthcoming? Will the minister tell us, does the government have a plan to end the uncertainty for the future of Devco and ensure its future as a crown corporation, or will it be another case of Liberal privatization?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, what we want is a solution that works.

In the first instance there are concerns about short term cash flow problems at Devco through the balance of this fiscal year. People may be assured that those issues, if they arise, will be addressed in

Oral Questions

such a way that the workers for example have no need to be concerned about their salary situation. For the longer term we are working with all interested parties to get a solution that does work and to alleviate the uncertainty for the people of Cape Breton.

* * *

SHIPBUILDING INDUSTRY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, today the representatives from the shipbuilding industry from across Canada from coast to coast met with members of this House.

The industry is asking for a fair national shipbuilding policy. The low Canadian dollar is making it harder for this industry to compete. It costs more to build a ship in Canada because of our sagging Canadian dollar. The industry is at a competitive disadvantage with European countries that receive subsidies. Our people are not asking for a subsidy.

Will the Minister of Industry bring in a national shipbuilding policy and put these people back to work?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, if the low Canadian dollar is hurting Canadian exports, the hon. member must have been reading her question upside down.

There is a policy of a 33.3% straight line depreciation rate. Canadian built ships can be written off faster than any other asset. There is a 25% tariff on ships that are being imported into Canada. There is support for the shipbuilders from the Export Development Corporation. There is a government procurement policy on Canadian shipping.

The problem the hon. member for Saint John has is that she wants subsidies for the shipbuilding industry. We are not prepared to give them. A Tory government developed a deficit of \$42 billion giving handouts like that.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the shipbuilding industry in Saint John, New Brunswick bid on 54 contracts and could not compete with the European countries.

The minister is very much confused. The industry is asking for a policy that includes tax deferrals or loan guarantees, neither of which are subsidies.

The Liberal Party adopted a policy in 1993 and it was one of its priorities to bring in a national shipbuilding policy. It is five years later. When will the minister and the government bring in a shipbuilding policy?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am forced to admit that the policy is the same as the one the previous Conservative government followed. However, let me say

that does not mean it is all bad. In this case we have support for the shipbuilding industry. A straight line depreciation rate of 33.3% is faster than most other rates of depreciation. There is a 25% tariff.

What they want is something that will amount to nothing more than the kinds of subsidies the world is engaged in within this sector. We cannot afford it.

* * *

● (1455)

TAXATION

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, my question is for the Minister of Industry. The opposition wants us to believe that the minister is in favour of higher taxes as a way of boosting productivity. Can the minister tell this House where he really stands on this issue?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I saw my local paper on Saturday morning and there it was "High taxes benefit Canadian economy". I thought, what a stupid idea. Imagine my dismay to discover that it was being attributed to me.

No, I do not favour high taxes. I know that lower taxes will benefit the Canadian economy. That is why I am proud of the hundreds of millions of dollars of tax reductions we brought in in the last budget. That is why I am convinced as we continue to gain control over the deficit, as we improve the health of our finances in Canada, that we are going to see more tax reductions to benefit all Canadians.

* * *

CANADA POST

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, Canada Post's slashing of the stamp commissions has resulted in 30 franchised outlets filing for closure. By next August, it is believed that 100%, all of the franchises in the urban centres will be closed.

Why is the minister systematically dismantling the franchise system across Canada? When will he get tough with Canada Post and save these urban outlets?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, in the past two months, Canada Post met with over 600 franchise operators, amended its commission plan and on December 1 implemented its new amended plan. Franchise operators that have \$200,000 or \$300,000 worth of sales are not losing any money. Those above \$300,000 receive an annual fee of \$25,000 that they never received before. Canada Post believes that is a good plan. Let us give it time to work and we will see what happens.

[Translation]

AVIATION SAFETY

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, for some time now, an increasing number of airplane and helicopter accidents have been reported by the media.

The Transportation Safety Board of Canada says that the aviation industry, Nav Canada, and the regulatory agency must take action before a collision involving a large passenger airliner occurs.

The public is worried. Can the Minister of Transport assure the House that deregulation and the privatization of Nav Canada, together with cuts in the number of employees responsible for safety, have no effect on—

The Speaker: The hon. parliamentary secretary to the Minister of Transport has the floor.

[English]

Mr. Stan Dromisky (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, to my honoured colleague, members of the House of Commons and to all Canadian citizens, we can guarantee that there is no threat to the safety of Canadians by the policies being implemented by this government.

Safety is top priority. I would like to point out to the House that the International Civil Aviation Organization of the United Nations just finished an oversight safety program and has declared in its interim report that Canada has one of the top, safest aviation programs in the world.

* * *

EMPLOYMENT

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Minister of Finance says that he has the strongest balance sheet. On whose back? On the backs of the unemployed people. His government can deny it, but the UN specifically blamed the government's UI reform for the dramatic drop in the proportion of unemployed workers receiving benefits. In 1994, soon after the Liberals were elected, 61% of the unemployed got benefits. That number has dropped to 38%.

My question is for the deputy prime minister. Will the government do what the UN asks and provide adequate coverage for all the unemployed workers in this country?

• (1500)

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the member refers to what is called the B/U rate and suggests that it is down around 40%. The correct number is 78%.

Privilege

He fails to realize that not all Canadians are automatically meant to be covered by EI. For example, if people have never worked a day in their life they are not entitled to EI, but we do have other programs for them. If they decide to quit their jobs so that they can go back to school, they are not entitled to EI.

* * *

PRIVILEGE

COMMENTS BY MEMBER

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, this question of privilege arises from a situation that occurred on December 3 following question period. It was the same situation that occurred with the member next to me with regard to a question put through you to the Minister of Transport that involved a former member of the House, Doug Young, who is involved in a very controversial highway deal back in New Brunswick.

Yesterday I rose on a point of order, not on a question of privilege. I do not have to get into as much detail as the member from Nova Scotia who sits next to me did, but it was the same force of intimidation and innuendo that the member for Kenora—Rainy River used against the member from Nova Scotia. That same tactic was employed against me outside the Chamber in the parliamentary precincts.

It has gone beyond that. Not only has it happened to me and the member next to me from Nova Scotia, but it has happened to a number of members of parliament on the same issue through the same member and his staff.

• (1505)

This is where it becomes confusing. Yesterday I rose on a point of order and not a point of privilege. The issue is very serious. I will go through specific citations in Beauchesne's. Citation 92 reads:

A valid claim of privilege in respect to interference with a Member must relate to the Member's parliamentary duties—

It did. It related to a very sensitive question in the House to which the member opposite took offence. He used threats and intimidation to shut me up but it did not work. I will now read citation 93. I want the House to listen very carefully. It states:

It is generally accepted that any threat, or attempt to influence the vote of, or actions of a Member, is breach of privilege.

Reading on in Beauchesne's sixth edition, citation 99, which is the important one for you to hear, Mr. Speaker, reads:

Direct threats which attempt to influence Members' actions in the House are undoubtedly breaches of privilege. They do, however, provide serious problems for the House. They are often made anonymously and it is rarely possible for the House to examine them satisfactorily.

Privilege

This was not made anonymously. It was made in the flesh by the member for Kenora—Rainy River. Citation 99 concludes with the following:

The common practice today is to turn the responsibility for investigating them over to the ordinary forces of the law.

In his apology yesterday to one of the other members, which is inferring I guess an apology to me, the member was quoted as saying “if I really meant this threat, if it was a pure and honest threat and I carried through with the threat”, to quote the hon. member for Kenora—Rainy River from yesterday’s *Hansard* at page 10986, “I can assure you, he would not be sitting over there today”, pointing to our seats.

That is a threat. It is not ambiguous. It is direct and is not in any way made anonymously. It was made by that member sitting over there. I think this goes beyond an apology. It is a prima facie case of breach of privilege.

The Speaker: The hon. member for Kenora—Rainy River is in the House and I am going to give him the floor.

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, since this was supposed to be put to rest yesterday based on your ruling, I would like to get some guidance from the Chair. Standing Order 10 of the House regarding Speaker’s rulings states:

No debate shall be permitted on any such decision, and no such decision shall be subject to an appeal to the House.

I am going to ask just a question, Mr. Speaker. If you are going to allow this debate to go on then I would like the opportunity to respond to the debate as it is now because it has become a debate, not a ruling—

The Speaker: Yesterday I ruled on a point of privilege. This is a different point of privilege and that is why I heard it today.

• (1510)

In this point of privilege specifically the member for New Brunswick Southwest mentioned the hon. member for Kenora—Rainy River and I wanted to give the member for Kenora—Rainy River at least a chance to say, from his perspective, what transpired in the House.

This is not the point of privilege from yesterday. That is over with. I am dealing with the point of privilege for today. The hon. member for Kenora—Rainy River is here. If he wishes to intervene, I invite him to do so.

Mr. Robert D. Nault: Mr. Speaker, let me make it very clear to you, to all the members of the House and to the member who just spoke that we had a conversation below this place on the first floor. It was very much a debate thrust in a difference of opinion. I was making it very clear to the members, this member from New Brunswick particularly, that I thought their comments about a

particular ex-member of the House were unbecoming of this place because they were throwing insults, allegations and slander when they would not do it outside the House.

That was the conversation. There was no intimidation. It was very much a debate that we have in this place all the time. I think it demeans the House when people say things like that about members, whether they are here or not, or whether they have gone on to another profession.

The only thing we have in this place is our name. Once we leave this place, if one slanders a person’s name continuously in this place without any information to back it up—and I said to the member to say it outside and he refused to say it outside—

Some hon. members: Oh, oh.

The Speaker: Order, please. I will hear the hon. member for Kenora—Rainy River.

Mr. Robert D. Nault: Mr. Speaker, the debate was basically about the level of decorum in the House and that I was personally insulted as a friend of Mr. Young that people would be making that kind of allegation.

Yesterday I came into my place in good faith as an hon. member and said that if I had offended anybody with the fact that I am a little bit aggressive, and I think everybody would admit that, then I apologize.

Now we are back here because, wanting to get some cheap media hits, they come back into the House and suggest that I am basically running at them when in fact I am not. I have said it once and I am not about to say it again. I made it very clear yesterday that I apologized if they were offended by the fact that I had a difference of opinion with them.

The Speaker: Here we have in the House one hon. member saying that another hon. member said something to him. We have the other hon. member giving his version of what went on. They are both hon. members of parliament. They are both giving their views as to something that transpired. I have to accept both hon. members’ words that this is indeed what transpired.

I rule there is no point of privilege in this case.

[Translation]

STANDING COMMITTEE ON FINANCE

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, in spite of the matter of privilege I raised in the House on December 3 concerning leaked committee documents, in particular the one that occurred on December 2 concerning the report on the pre-budgetary consultations of the Standing Committee on Finance, I must unfortunately again today submit to you another case of contempt for the House.

This morning's *Le Droit* and *Ottawa Citizen* gave the key recommendations in the report of the Standing Committee on Finance on the future of the Canadian financial services sector. This is the sixth committee report leaked in the past two weeks and, in the case of the Standing Committee on Finance, the second leak in five days.

• (1515)

Once again, I must remind you that this disclosure betrays the spirit and the letter that must guide us in the tabling of committee reports. It is also an affront to democracy, which suffers from the lack of dissenting opinions by the opposition parties, implying unanimity or unconditional support for the government positions reflected by the members of the Liberal majority on committee.

This action shakes the faith of all parliamentarians of all parties who agree to abide by the rules of confidentiality and the parliamentary traditions based on the honour and dignity incumbent on them through their public responsibility and democratic mandate.

Need I remind you that this action diminishes parliamentary privilege, interferes with the work of the Standing Committee on Finance and does not augur well for the future, creating a climate of distrust that is both unproductive and discouraging. There is no doubt that this leak constitutes contempt of the House.

Allow me once again to quote from Maingot's parliamentary procedures, chapter 12, at page 240, on the definition of contempt:

Any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his parliamentary duty, or which has a tendency, directly or indirectly to produce such results may be treated as a contempt even though there is no precedent for the offence.

Mr. Speaker, on December 3, at the time of the first leak by the Liberal majority on the Standing Committee on Finance, you ruled that there had been contempt, and you asked the Standing Committee on Procedure and House Affairs to submit its recommendations post haste so that there would be no recurrence. I am very grateful for your response and wish you to know that you have our support.

But on December 3 you also said that you did not have the power to curtail this sort of thing immediately because, in the case then before us, no member of parliament could be identified, charged and sanctioned for leaking in-camera proceedings of the Standing Committee on Finance.

The case that concerns us today is different. In the article by Éric Beauchesne, on page A-1 of the *Ottawa Citizen*, two MPs who are members of the Standing Committee on Finance are quoted, the Liberal member for Niagara Falls and the Progressive Conservative member for Kings—Hants.

The article quotes the member for Niagara Falls, who explains the difference between the Liberal caucus report and the report of the Standing Committee on Finance, as follows:

Privilege

[English]

“There is a difference. I cannot tie the hands of business, but as a representative of consumers I think that if banks need to merge there ought to be some conditions”.

[Translation]

For his part, the member for Kings—Hants was critical of the fact that Liberal members could support both their caucus report and contrary proposals in the report of the Standing Committee on Finance, and I quote:

[English]

“What this basically indicates is, they didn't know what they signed onto on the Liberal task force and then probably don't know what they are signing onto now”.

[Translation]

Moreover, the member for Kings—Hants disclosed the content of the Conservatives' dissenting opinion before that opinion was tabled in the House, along with the committee report.

In so doing, the two members confirmed the content of the leak and commented on the in camera discussions of committee members.

I therefore accuse the Liberal member for Niagara Falls and the Conservative member for Kings—Hants of showing contempt for the House by releasing and discussing the content of the report of the Standing Committee on Finance, before that report was tabled in the House of Commons on Thursday, along with the dissenting opinions.

This contempt is all the more serious and disturbing since these two members, along with the other members of the finance committee, supported a motion which I moved yesterday morning in committee, seconded by the hon. member for Sherbrooke, stipulating:

That the members of the Standing Committee on Finance solemnly pledge on their honour not to disclose or discuss the content of the committee report on the future of the financial sector before its tabling in the House, including the dissenting opinions of the opposition, as the case may be.

As Victor Hugo said “There are people who observe the rules of honour the way we observe the stars, from very far”.

Mr. Speaker, I very respectfully submit this to your attention. If you find there is a prima facie case of contempt for the House in these disclosures by the member for Niagara Falls and the member for Kings—Hants, I am prepared to move in the House a motion that would allow the Committee on Procedure and House Affairs to investigate the matter.

• (1520)

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, following the comments by the member for Saint-Hyacinthe—Bagot concerning the number of days we unfortunately have had

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repeated and frequent leaks, I would like to mention that on every occasion the government House leader rose and joined members from other parties in condemning these outrageous leaks we have witnessed, particularly these past few weeks. It is a real hemorrhage.

With regard to the serious problem affecting every one of us working here in a climate of mutual respect, dignity and honour, we are ready, Mr. Speaker, to cooperate with you and members from the other parties in the House to solve it.

I share the concerns expressed by the member for Saint-Hyacinthe—Bagot concerning these leaks. However, I would not go as far as accusing any particular member. I am not familiar enough with the issue to make such accusations, but I met briefly with the chairman of the Standing Committee on Finance, who agrees with us and finds this unacceptable.

[*English*]

It is really more than unfortunate. It is totally unacceptable that we find ourselves in this situation once more today. I think we have to commit ourselves to finding a solution to this problem as soon as we come back after the winter recess.

[*Translation*]

The Speaker: Things are different today since the hon. member for Saint-Hyacinthe—Bagot named two members of this House. Before I rule on this particular matter, I want to wait for the members named by the hon. member for Saint-Hyacinthe—Bagot to be in the House and tell us what happened. After I hear them, I will make a ruling.

[*English*]

Mr. Monte Solberg: Mr. Speaker, I did send a note saying that I would like to speak to this question of privilege if I could.

The Speaker: I would prefer that we continue the question of privilege after I have heard from the two members who have been named. I will then enjoin any member who wants to add to it. No one is deprived from speaking to this.

Mr. Randy White: Mr. Speaker, further to that, in fairness to members who have not spoken, could you give us some notice when these members will be in the House on this issue so we can address—

The Speaker: When I know the hon. member will know.

I am addressing myself to my hon. colleague who gave me notice that he was going to bring up a point of order which will take a few minutes. We are going to listen to it.

I am going to absent myself from the chair. My hon. colleague will listen to the point of order and we will have discussions on what transpired in the House and the points made by you and any

other hon. member who may wish to intervene on this point of order.

* * *

• (1525)

POINTS OF ORDER

ORDER PAPER QUESTIONS

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, I wish to bring to your attention a problem relating to order paper questions. The problem can be categorized as follows. The first issue I would like to raise is the issue of the length of the questions. The second is the number of questions allowed and the length of time taken by the government to answer the questions. The third matter has to do with a failure to receive factual answers.

Mr. Speaker, your experience in this House and your wisdom can be of guidance in these matters. I would appreciate your comments.

On October 28 I submitted a written question. It was a question dealing with how the Gladstone decision of the Supreme Court of Canada had affected the management of the spawn-on-kelp fishery on the north coast of British Columbia. It was a detailed question.

A very general question might have elicited some of the same information, but there is no guarantee of that. For example, I might have asked: "How did the Gladstone decision affect the management of the spawn-on-kelp fishery?" But I did not. My question had a number of sub-parts that attempted to get to the details of how the decision is now affecting the spawn-on-kelp fishery.

The detail of the question was developed in conjunction with several of my constituents who are in the spawn-on-kelp fishery. All parts of the question involved this issue. All sought details. None involved any other fishery. None involved any other court decision.

When the question was submitted, House staff refused to put the question on the order paper.

I was anxious to have the question put on the order paper as soon as possible because local fishermen believed the answers could assist them in making recommendations to the government on the management of the 1999 fishery which begins in March. However, staff found the question too long. They requested that it be divided into five separate questions. At the time I had one spot for a question on the order paper.

After meeting with staff I was told that if it were divided into three separate questions they would put it on the order paper. Obviously their decision was arbitrary. It was not based on the standing orders. They agreed that the issue of division into separate questions only arose because of the length of the question.

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I was told by staff that prior to the rule changes emanating from the McGrath report in 1985 which addressed such matters I could have put my question on the order paper as 26 individual questions as there would have been no limit to the number of questions.

Now we have the worst of both worlds. We have a four question limitation, but without the government responding within the 45 day period contemplated by the new standing orders. Further we have House staff who feel empowered and emboldened to arbitrarily refuse to put questions on the order paper because they consider them too long. The standing orders do not provide staff with any guidance on the division of questions.

The present standing order on written questions is a product of the McGrath report which had recommended a limit of four questions, with a requirement that they be answered within 30 sitting days. McGrath would have given the Clerk of the House the power to reject outright or split into separate and distinct questions those that contained unrelated sub-questions. The power to "split into separate and distinct questions those questions that contain unrelated sub-questions" was not given to the Clerk of the House in the present standing order, nor did the standing order adopt a 30 day time limit, instead opting for a weaker 45 day limit that did not contain a requirement to respond within that period.

McGrath had called for a requirement that the government answer within the 30 day time period. The only guidance available to staff is found in the McGrath report, but in a section that was not adopted. If it had been adopted it would not have given staff the authority to divide my question because my question does not in any way contain unrelated sub-questions.

I am concerned that staff may believe it is their job to arbitrate between the needs of government to have easy questions and the needs of members to submit thorough and, on occasion, detailed questions to elicit a detailed and informative answer. If staff have fallen into such a trap, and I believe it is possible they have, then they are mistaken and must be extricated from this trap quickly.

• (1530)

If staff require the authority to divide questions recommended by McGrath, then the House ought to look at the whole set of McGrath recommendations on written questions and make the necessary changes. We set a dangerous precedent when staff believe it is their job to protect the government and limit members' right to put forward written questions in a way that is not authorized or contemplated by the standing orders.

Mr. Speaker, I would ask that you review my question to ensure that it complies with the standing order and to ensure that staff have not misinterpreted their role.

On the second matter, the standing orders of this House indicate that no member may have more than four written questions on the Notice Paper at any one time. When the standing orders were

changed to limit the number of questions that may be placed on the Notice Paper, it was established that members could request that questions be answered within a fixed period, 45 days. Thus, limitations were placed both on the number of questions asked and the days that could elapse before an answer was tabled. A reasonable balance was established.

The four in 45 rule was never intended to prevent members from asking questions yet that is what is happening. This is a misuse of Standing Order 39. It is being used against members. It is being used to prevent them from asking questions. If answers are not tabled, the member is prevented from asking further questions.

The Library of Parliament has reviewed the time it has taken during this parliament for me to receive an answer to Order Paper questions. None of the 10 questions I placed on the Notice Paper during this parliament were answered within the 45 days contemplated by the standing order.

Question No. 16 was answered in 64 days, Question No. 19 in 58 days, Question No. 33 in 195 days, Question No. 51 in 151 days, Question No. 56 in 161 days, Question No. 91 in 194 days, Question No. 103 in 137 days and Question No. 119 in 69 days. Of the eight questions answered, it took an average of 129 days to receive an answer, about two and a half times as long as anticipated by the standing orders.

In addition, I have two unanswered questions on the Notice Paper, Question No. 132 which was asked on September 18, 1998, about 80 days ago, and Question No. 138 which was asked on September 24, 1998, over 75 days ago.

By refusing to answer my questions in the 45 days allotted by the standing orders, I have been prevented from asking questions due to the four question limit.

When questions are not answered in a timely fashion as anticipated by the standing orders, members are prevented from asking additional questions. I do not believe that was the intended outcome of the parliamentary reforms following the McGrath report.

The reforms as reflected in Standing Order 39 were intended to facilitate members in asking questions and in receiving replies. Instead we have a situation where my ability to ask questions is undermined.

If answers require more than 45 days, I believe it would be appropriate for the government House leader or the government member responsible for tabling the answers to stand at the end of 45 days and report to the House on the reason for failing to answer within 45 days and to indicate when an answer could be anticipated. This could be done within the existing standing orders.

Australia has a similar practice. Its standing orders provide that if a question has not been answered in 60 days, the member may

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request the Speaker to seek reasons from the minister concerned. The Australian practice seems to work. In the Australian parliament the overwhelming majority of questions are answered within 13 sitting days, according to the Library of Parliament.

In the United Kingdom parliament the standing orders do not limit the number of questions for written answers a member may place and members may specify the day on which they would like the question answered. Questions are normally answered within one working week.

Perhaps the most effective way of protecting the member's ability to place questions on the Notice Paper would be to exempt from the four question limit those questions that go unanswered after 45 days. Thus, members would not be prevented from asking further questions.

• (1535)

If the answers to their existing questions have not been tabled within the 45 day period anticipated by the standing orders, I think it appropriate that the House look to the standing orders of Great Britain and Australia with a view to incorporating the best of those systems and ours. Certainly, having questions answered within one week would be most welcome by all parliamentarians.

Finally on the last point, on March 27, 1998 I asked Question No. 91. The answer tabled for Question No. 91 for the most part is not factual.

Written answers are placed on the Notice Paper so that the members may get the facts on a particular matter. When the answer is signed and tabled by a minister, there is a reasonable expectation that the answer is accurate as far as the minister can ascertain.

For example, Question No. 91 involved the purchase in September and October 1992 of some 69,000 mefloquine tablets by the Canadian forces under the authority of the Lariam Safety Monitoring Study.

In Question No. 91(i) we find an answer that is obviously wrong. The response given to parliament said that in October 1994 the Department of Health first became aware through news reports alleging behaviour changes associated with the use of mefloquine—

The Acting Speaker (Mr. McClelland): If the hon. member for Delta—South Richmond would allow, I think we cannot get too far down this particular road. There seems to be a number of different questions and the hon. member for Delta—South Richmond is not the first member to stand and address the fact that it seemingly takes forever to get a response to a written question.

I do find it my responsibility and prerogative to defend the clerk and the office of the clerk and point out very clearly that the clerks

and the people working for parliament work for parliament. They do not work for one party or another. They do not act as standard bearers for the government. They have a specific job that is mandated to them to make sure that the questions are in a form that may be responded to.

Whether or not a written response to a written question received by a member is factual is a question of debate. What we cannot do on this point of order is to provide licence for a member to take issue with the response that was provided by the government. If there is another way, perhaps in another question, certainly that is a point of debate.

Having provided this intervention, we will go back on the point of order of the member for Delta—South Richmond.

Mr. John Cummins: Mr. Speaker, I do not want to get into a debate with you on the issue at this point, but I would like it if you would hear me out on this matter of the factual answer to the question. I think it is important. I have a suggestion at the end which I think is reasonable.

I was talking about Question No. 91(i) and I will take it up from approximately where I left off. I talked about the response given to parliament and the fact that news reports were alleging behaviour associated with the use of mefloquine by Canadian forces personnel in Somalia as presented by defence counsel in well publicized court martial and the Somalia Inquiry.

The response sounds plausible until we give it a careful reading. Defence counsel did not use mefloquine as a defence in any of the court martial events. The office of the judge advocate general confirmed with my office that mefloquine was not raised by defence counsel.

Further, the Library of Parliament reviewed the coverage of mefloquine and found that in 1994—

The Acting Speaker (Mr. McClelland): Let us stick to the point of order. The point of order is to the length of time it takes to get a response to a written question and whether or not the clerk has any position to change or anything to do with the length of the question or the complex nature of the question.

The response to a question right now at this time is debate. If the hon. member for Delta—South Richmond takes exception to the response to the question that he submitted, that is an entirely different kettle of fish. It is totally different and that is debate.

If the hon. member for Delta—South Richmond wants to close on the original point of order which had to do with the length of time it took to get a response and the fact that the question that was placed was particularly complex and had to be broken down, fine. But we are not going to continue the debate upon the merits of the response of the government.

Points of Order

● (1540)

Mr. John Cummins: Mr. Speaker, I said at the outset that there were three issues I had concern with. They are related. They have to do with the issue of Order Paper questions.

The first item I wanted to address was the length of the question. As I indicated quite clearly, in my view there is nothing in the standing orders that limits the length of the question. To tell me on one occasion to come on in and we will divide the question up into five parts and then after we have a conversation three parts is good enough, suggests to me that there is something arbitrary at work here. It is not following any set prescription by the rules of order. That was the first item I wanted to raise.

The second item was the number of questions allowed and the length of time taken by the government to answer. As I indicated, what is happening is that we are well over the 100 days on average to get some of these questions answered. For some of them it is taking almost 200 days. That prevents me from doing my job because there is a limit on the number of questions.

The third issue is related and it is the factual nature of responses. This is of concern. I am not suggesting for a moment that there is an intent on the other side to provide me with information which is not factual. What I would suggest is that somebody on the ministerial staff is not taking the care to ensure that the job is done properly.

The Acting Speaker (Mr. McClelland): The point is made by the hon. member for Delta—South Richmond on the three separate, distinct issues.

For the interest of members, Standing Order 39(2) reads:

The Clerk of the House, acting for the Speaker, shall have full authority to ensure that coherent and concise questions are placed on the Notice Paper in accordance with the practices of the House, and may, on behalf of the Speaker, order certain questions to be posed separately.

It is right there in the standing orders. We accept your point.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I will be brief on this issue. I would suggest that the Speaker not enter into debate on this issue but give rulings on it.

Today on the Order Paper, there are several questions with at least five parts, and a number of longer questions. The member for Delta—South Richmond and the member for Calgary Centre have questions with 10 parts. The question of the member for Madawaska—Restigouche weighs in at 11 parts. Without any clear guidelines, I suppose I could pick apart here in the House these long questions and make the argument that they are 10 or 11 separate

questions. We just cannot put a number on the parts to a question and cut it off there.

I take it that guidelines are imposed to these questions but it is not clear what those guidelines are. I think that is what we are dealing with here. I will read Standing Order 39 which you began to do in my stead, Mr. Speaker.

Standing Order 39(2) says:

The Clerk of the House, acting for the Speaker, shall have full authority to ensure that coherent and concise questions are placed on the Notice Paper in accordance with the practices of the House, and may, on behalf of the Speaker, order certain questions to be posed separately.

The only reference in the standing orders to separating questions is that the clerk has the authority to do so. Nothing more, nothing less. I am not blaming the clerk. We have charged him with this responsibility without giving him the detailed guidelines.

The standing orders also have a provision whereby the government is required to answer the questions within 45 days. While that 45 day guideline is clear, the government does not have to obey it, which is the big problem I am sure members opposite have.

The rules governing questions were established in the 33rd Parliament. Unfortunately the members in that parliament struck a bad deal with the government. In exchange for the restrictions on the number of questions a member could submit to the government, the government promised to answer the questions within 45 days. The problem is that the members are forced to uphold their end of the bargain but the government is not.

This is the same sort of deal the government made with respect to Standing Order 73. The government asked that the motion to refer a bill to committee before second reading be automatically time allocated to 180 minutes in exchange for more flexibility in the type of amendments to be proposed in committee.

● (1545)

In practice the government gets its time allocation guaranteed in the standing orders, but the acceptability of amendments is no better than before. In some cases it is worse because the government began to take advantage of the fast-tracking mechanism of this process and started to send controversial bills to committee before second reading.

Finally, in questionable cases regarding order paper questions the member should be given the benefit of the doubt. The government does not need any favours since the rules overwhelmingly favour it to begin with. If you are going to impose strict restrictions on members with respect to the length of questions, Mr. Speaker, then I hope you impose the 45 day requirement for the government to answer those questions.

Points of Order

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I welcome the opportunity to intervene on this point of order. The hon. member for Delta—South Richmond does the House a service by raising this and by being persistent in raising it. I recall speaking to a similar point of order not so long ago.

I was vice-chair of the McGrath committee and, therefore, in some way responsible for this rule whereby members of parliament can only put four questions on the order paper in return for the prompt answering of those questions within 45 days. We actually recommended 30 days, but what eventually came out of it was 45 days. The idea was that in return for limiting the number of questions there would be a prompt answering.

Other parliaments answer within 13 days or within other periods of time which are much shorter than is the rule here. It is not just a question of confidence, it is also a question of respect for the rules of the House of Commons and for members of parliament.

One of the reasons people want to be members of parliament is so they can put questions to the government and get answers. If we put questions and cannot get answers, if it takes as long for us to get answers as anybody else, then what is the point of being a member of parliament? We are no different than anyone else outside the Chamber. We get elected to this place so that we might have access to information and to answers from the government that other people do not have because they are not elected to this place. To leave the answering of these questions for so long, the government shows a disrespect for members of parliament and for the rules of the House of Commons. It is just not good enough to keep getting up and saying that this question cannot be answered and that question cannot be answered.

It is part of the general malaise. The government does not respect the standing orders. It does not answer questions. People leak committee reports. The Speaker stands up to try to get order. People keep on yapping and yelling. What is going on around here, Mr. Speaker? It is not just Christmas. There is a general malaise of systemic disrespect for the rules that we put in place.

The government makes announcements. It does not even go across to the press gallery. Now it goes all the way to Edmonton to make announcements about a national youth job strategy. We have complained about the government showing disrespect for the House. This is all part of the same piece.

I would like to support the member in his point of order. He has made some helpful suggestions by noting practices that are established in other parliaments which put us to shame, both collectively and put the government to shame in terms of the amount of time it takes to answer questions.

The other point the member makes is that if our questions are not answered we cannot ask more questions. If the government is going to persist in not answering questions, then I think the Standing

Committee on Procedure and House Affairs or some other body should look at other means by which members can continue to put questions on the order paper.

But then we would really be back to the old system. If members can put more than four questions on the order paper because the four that they have already put on have not been answered in the 45 day period, then the government will say "Oh well, they are happy. They got their questions on the order paper. They have eight or nine questions, so we will take longer to answer them".

• (1550)

That is one of the dangers in that particular suggestion. In the absence of the government actually answering the questions, it becomes a way of restricting a member's right to ask further questions.

That is all I have to say on the matter. But I urge you, Mr. Speaker, when you discuss this point of order with your colleague, to make some helpful suggestions and to indicate very strongly that there is an obligation on the part of the government to respect the standing orders of the House of Commons.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I listened very carefully to the remarks of members opposite. I would like to confirm that the member for Delta—South Richmond has been persistent on this matter. He does take a great interest in the questions which he has tabled.

However, I was very disappointed by the remarks having to do with the interpretation of the existing standing orders. There was some criticism of the existing standing orders. Mr. Speaker, I think you picked up on this. I do not think it is appropriate to bring in staff and have them use their best efforts to interpret the standing orders which have been set by this House. I hope that when you give some thought to this matter you discount those particular remarks of the member. In fact, in his second intervention he gave some indication that that was not what he meant. The standing orders exist. He has some criticism of them. It is the job of staff to interpret them. They have to interpret with respect to criteria. One criterion is length. The member has addressed that. As well, the government House leader gave the Speaker some other information on that point.

The number of questions has also been addressed. Again the staff do their best to address the length and number of questions.

Then there is the question of the 45 day time limit. When I last looked, a few days ago, the government had received upwards of 200 standing questions. It has answered close to three out of four of those questions. With respect to the 45 day limit, when I last looked, somewhere around 12% or 13% of the questions have not been answered within the 45 day limit. Those are the facts.

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Sometimes members, such as this member who has a great interest in and uses this method very systematically, can put down questions which might involved detailed consultation with every federal department. That is quite different than answering a question which involves going to one of our departments, getting a response and coming back to the House of Commons. Therefore, this relatively small percentage of questions which take longer than 45 days to answer are questions which have a complication of some sort.

Another thing concerns me. We heard the opposition House leader speaking a moment ago. You will recall, Mr. Speaker, that earlier this year we had the required review, a full-scale debate in the House on our standing orders. If this thing has been ticking like this, the way to deal with it is not to get up and attack the staff, it is to get up and deal with the House of Commons and the standing orders. I do not recall—and I could be wrong—in a full day of debate earlier this year this particular standing order being raised or these matters being raised. Perhaps the member has a case, but there is a way in which that case can be made.

The Standing Committee on Procedure and House Affairs has been mentioned. It is our standing committee which is responsible for the standing orders. Again, without getting up and attacking the staff of the House, it is possible for any member to write to the chair of that committee to raise concerns about either the standing order or about ways in which the standing orders are being interpreted by the staff, if the member has particular views.

Mr. Speaker, I hope that you will take these points into account when you consider the member's point of order.

• (1555)

The Acting Speaker (Mr. McClelland): As the Speaker indicated earlier, he will be taking into account all sides of the argument and some of the historical arguments that were raised previously, which I know from being a chair occupant have been raised from time to time. The Speaker will get back to the House in due course.

Mr. John Cummins: Mr. Speaker, I would like to clarify a point. I do not think I was attacking the staff. To suggest that is to deflect criticism away from the issue.

The issue is that when we do not define a rule carefully, then the staff are put in the position of having to make a judgment call, and that is not fair. It is not fair to them and it is not fair to us to have to debate with them about a particular issue that we may feel strongly about.

The Acting Speaker (Mr. McClelland): The point of the hon. member is well made and I am sure the staff take comfort in the fact that that was not the intent of your intervention.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, I rise on a point of order. I would give my assurance to the House that there have been deliberations with representatives of all parties and the member for New Brunswick Southwest regarding the taking of a division on Bill C-302 which is scheduled for the conclusion of Private Members' Business on Wednesday, December 9, 1998. I believe you would find consent for the following:

That at the conclusion of the debate on Bill C-302, Wednesday, December 9, 1998, the question shall be deemed put, a recorded division deemed requested and deferred until the expiry of the time provided for Government Orders on Tuesday, February 2, 1999.

The Acting Speaker (Mr. McClelland): The House has heard the motion presented by the chief government whip. Is it the pleasure of the House to give unanimous consent to the chief government whip to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to accept the motion as presented by the chief government whip?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*Translation*]

CANADA CUSTOMS AND REVENUE AGENCY ACT

The House resumed consideration of the motion that Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other acts as a consequence, be read the third time and passed.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to rise to speak to Bill C-43, an act to establish the Canada Customs and Revenue Agency.

I will begin my remarks by saying that the government's insistence on creating the Canada Customs and Revenue Agency against everyone's advice, starting with the vast majority of provincial governments, including the Government of Quebec, gives the impression that certain Liberal ministers are suffering from what I would call "acute nerovitis".

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This disease is named after the infamous Roman emperor Nero who, as members will remember, played music while watching Rome being devastated by raging fires that were set at his own command.

At times, I even wonder if this Liberal government does not have among its members firebugs of such talent that even the former Roman emperor would be red with envy. One has to be a real hot head to insist so doggedly on setting up an agency that will result in a 20% reduction of the Canadian public service as soon as it comes into being.

Under the guise of modernizing the state, our Liberal Neros are establishing a new structure which will translate overnight into a 20% cut of our public service.

For the sake of what interests is the government taking steps it knows full well are meant to take apart the government apparatus? Where is the public interest when, in this era of electronic communications, the government is getting ready to transfer to a private agency an incredible amount of personal and financial information on our fellow citizens in Quebec and Canada?

• (1600)

I must admit this government worries me. It worries me a lot. Its policies worry me because sometimes they seem to come from nowhere, as is the case with this Canada Customs and Revenue Agency. Or rather, and this is even less reassuring, it would appear the government is taking orders from some interests unknown to you and I, that would rather remain behind the scenes and are in any case contrary to the best interests of the Canadian population as a whole.

I cannot for the life of me understand why the Canada Customs and Revenue Agency is such a priority for the government at this point in time when there are more urgent issues we should be dealing with. If only this government's ministers would leave their ivory tower to go and see what goes on in the real world they would realize that, as we speak, a real social crisis is ripping the country apart, leaving behind an increasing number of unemployed workers, something which unfortunately does not seem to matter for this government.

Government members should feel ashamed to expand so much energy today on debating the creation of a new structure nobody wants when so many of our fellow citizens do not even know where their next meal, and their children's, is coming from or whether they will have a place to sleep tonight.

I will be blunt: this government should be ashamed of talking about creating a new private agency that 40,000 Revenue Canada employees will have to rely on for their jobs. These are fathers and mothers who, in two years, could very well see their salary reduced, their working conditions changed for the worse or their

job simply disappear without being able to do anything about it. It is as though the government were set on imposing economic uncertainty on the largest possible number of our fellow citizens.

It is the same government that cut transfers to the provinces, transfers aimed at helping students, social welfare recipients and the sick.

It is not surprising that Jean Chrétien's Canada is a country where injustice and inequity are commonplace, a country where the worst thing that can happen to someone is to lose one's job or to be poor and unemployed, because this country is run by a government that does not care about its weakest and most vulnerable citizens.

The worst threat facing the people of this country does not come from the nasty separatists who were elected in Quebec and who create political and economic uncertainty. No. The threat does not come from this side.

For thousands and thousands of Canadians, the enemy is not in Quebec City but rather in the federal capital, in Ottawa. The enemy is this Liberal government, whose employment insurance reform has reduced the rate of contributors eligible for benefits from 80% to a mere 42%. Thousands of our fellow citizens who had paid EI premiums lost the right to receive benefits when they needed it and were forced onto the welfare rolls and into poverty by this government.

As if that were not enough, after denying access to EI benefits to thousands of our fellow citizens, thereby generating a surplus of billions of dollars in the EI fund, this government is now contemplating the robbery of the century and is trying to get its hands on this surplus and use it for its own ends.

• (1605)

Despite what some ministers across the way might say, thousands of our fellow citizens are convinced that the worst threat to our country does not come from the PQ government in Quebec, but rather from the federal Liberal government.

Just last Saturday evening, I attended a function where I met around 150 senior citizens from my riding. These people unanimously told me that they are outraged and deeply offended to see that, while poverty is rampant in this country, the only concern of the government is not to save the poor. That would be too much to ask of them. Its only concern is, believe it or not, to save the millionaires in Canadian professional sport.

As far as I know, none of these sports millionaires are wondering how they will manage to put food on the table for their families. I can assure the House that the privileged few who feed off the system do not have these kinds of worries. Still, the government has decided to help them out, to save them. But to save them from what? Is it not normal for people who earn millions of dollars to pay taxes accordingly?

The Liberal government does not seem to think so, because it is about to reduce by hundreds of millions of dollars the taxes paid by these poor sports millionaires. The government wants to fund these measures at the expense of the real poor from the middle class, in part by drawing billions of dollars from the EI surplus that belongs to them.

Would someone please explain to the leader of this government and to his ministers that millionaires are not poor? There is a limit to being out of touch with the reality of those who elected them and whom they wooed by promising to represent them well and defend their interests, only to forget everything the day after the election. I think it is high time the Prime Minister start listening again to what ordinary people have to say.

I urge him to visit seniors in my riding of Jonquière and listen to what they think of his plans to help professional sports tycoons, while at the same time dropping 40,000 loyal government employees, including 1,000 or so in the Jonquière tax centre, employees with whose services the government is about to dispense by shifting them to a private agency that will not be obligated to them in any way two years from now.

Before rushing to the rescue of professional sports tycoons, this government must scrap Bill C-43 and reassure the 40,000 affected employees that they no longer have to fear for their future. If it fails to do so, it will mean that the government has a hidden agenda, which is completely different from the one it sold Quebecers and Canadians in the last election campaign.

In the 1997 election campaign, the government never told Revenue Canada employees that, as a reward, 40,000 of them would fall into the clutches of a bureaucratic structure. The government never said that, and therefore had no mandate to do so.

This government never told Quebecers and Canadians that, if they voted for it in 1997, it would set about dismantling Canada a little at a time, and yet this is what it is doing by privatizing 20% of the federal public service. This government never said so openly and therefore was never mandated to do this.

I repeat, this government has no mandate to do this. If the Liberal government still understands the meaning of the word democracy, it has only one option open, that of abandoning the establishment of the Canada customs and revenue agency. I realize it is not an easy decision.

• (1610)

It is not easy, because I suspect that the Liberals have probably already promised some of their friends in the private sector, no doubt themselves poor millionaires too, that the new structure would benefit them. Today, however, they have to turn to their friends and say they cannot keep their word.

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They cannot keep their word because they had already given their word to the people of Quebec and Canada that they would act in their interest. The Canada customs and revenue agency is not in their interest. They cannot keep their word because they had already given their word during the election campaign to the officials of the department of revenue, including those in my riding, that they need not worry about their jobs under a Liberal government.

If the government of Jean Chrétien has any honour left, it must keep the promise it gave to the people of Quebec and Canada and kill its proposed Canada customs and revenue agency.

[English]

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I will be sharing my time with the member for Etobicoke North.

I listened to the member who just spoke on behalf of the Bloc. I was not sure that the speech had anything to do with the revenue bill, but I cannot stand in this place and allow certain comments that were made not to be challenged.

It does not seem to matter to members opposite from time to time if statements are based on fact or on someone's personal interpretation of a particular committee report. The member went on at some length about the report of the subcommittee on sports in Canada. The member should read that report as I have done. Nowhere in that report will a reference to tax breaks for millionaire athletes be found. I am absolutely confident that members of the government would be opposed to such a thing.

I wonder what the member might say to the people of Quebec City who lost their hockey team due to its inability to compete in the marketplace known as the National Hockey League in North America.

I wonder what the member of the Bloc might say to the fans in Montreal and right across Canada if the Montreal Canadiens were to find themselves in jeopardy or facing bankruptcy or the possibility of moving to the United States. It is unimaginable that a veteran franchise such as the Montreal Canadiens could simply lose its position in the Canadian sports scene.

All that committee has done is highlight the difficulties faced in an industry. Sports in Canada is an industry. The Montreal Canadiens alone pay more in property tax than all franchises in the United States combined. It is a stunning figure and a frightening situation.

I refer other members of the House, not the member of the Bloc, to the minority reports that were appended to the committee because there was a lot of support for amateur sports in the country. I just wanted to correct the record in that regard.

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I have heard members say in this place that somehow the revenue bill was being rushed through the House. I did a bit of research. In the throne speech of February 1996 an announcement was made by the government of its intention to introduce this bill. On June 4 the bill was introduced for first reading and on October 2 it received second reading. It was then sent to committee where witnesses from across Canada were interviewed about the impact that they thought the bill might have. Here we are at December 8 and we are talking about third reading of the bill.

• (1615)

To suggest that the bill has been given short shrift or in some way rammed through parliament is to simply mislead the Canadian public. The bill has had debate. It has had input.

I also heard from members opposite, particularly those in the New Democratic Party, who said that none of the provinces had bought into the bill and that none of the provinces were prepared to accept the new agency.

Let me deal first with the province of Quebec. It is interesting that in committee the other day members opposite put forth 188 amendments, every one of them calling for a particular clause to be rejected. How many clauses might hon. members think are in the bill? There happened to be 188. In their creative way of thinking, from a province that does not even have its taxes collected by the federal government but has its own tax collection regime, they would take exception to the agency for some unknown reason, simply because it is a government bill and to oppose is to oppose is to oppose.

Let us talk about quotes from some of the folks whom we have talked to. The minister of finance for the province of Nova Scotia, Mr. Don Downe said:

This contract builds on the current strong, co-operative relationship between Nova Scotia and Revenue Canada and provides the means for our relationship to evolve under the new agency.

Another five provinces are actively working with Revenue Canada to determine if this agency could improve the administration of their programs because they understand that at the end of the day there is only one taxpayer.

Even Ernie Eves, the Ontario Minister of Finance, in a letter of September 22 makes the following point:

The CCRA could benefit Ontario taxpayers if it is able to administer Ontario taxes (both non-harmonized and harmonized)—

That is a very interesting point, because the Conservatives in Ontario have been very staunchly opposed to any kind of harmonization, to any kind of attempt to bring collection agencies together and perhaps establish one base tax that could be collected for all.

Why should we fight over who collects it? It gets transferred down to the provinces. Possibly it could be collected in a harmonized negotiated atmosphere and transferred up. Up to this point Mr. Eves and his government have refused to even discuss it. He goes on in his letter:

—more cheaply and efficiently than the Ontario government. . . taxpayers could benefit if the CCRA were able to improve services available to taxpayers.

Many think that there is some kind of coalition between the Ontario Conservative Party, the Reform Party and the drive to unite the right. I want to take members a little farther west on that point, if I might, to a proud Albertan, the provincial treasurer of Alberta, Mr. Stockwell Day. We have seen Mr. Day in negotiations with the Leader of the Opposition and with others on the unite the right drive. We have seen Tony Clement, the minister of transportation for Ontario, joining that somewhat crowded king size bed. Maybe it is queen size, I am not sure. It is not that big, but they are attempting to expand it. I am sure members get my point.

The reason they are all doing this, they try to purport, is to somehow offer a magical solution to the Liberals. Are you signalling victory or two minutes remaining, Mr. Speaker? Poll after poll indicates that Canadians believe in the government, believe in the things we are doing. We have incredible support for our Prime Minister and for the policies of the government. Let me share the comments of Stockwell Day:

It's good to see Revenue Canada becoming more open to provincial input in its approach to collecting provincial taxes, as it moves toward its new status as a federal crown agency. We're always willing to explore possibilities that would benefit our taxpayers as well as safeguard the public purse.

It appears that as we speak, unfolding before us at this very moment, the wheels on the unite the right wagon are falling off.

• (1620)

It appears that Mr. Day sees the benefits of an agency that could streamline administration, that could be more open and accessible to Canadians, that could benefit every taxpayer at the provincial and the federal level.

Frankly I congratulate him for not confusing the politics of extremism on the right with—I hate to use word common sense because Mr. Harris seems to think he owns it—the common sense of putting in place an agency that will be accountable to parliament, where there will be a mandatory five year review of the agency and an opportunity at the public accounts committee to review it even more often. It will be an agency that will be accountable to the minister, accountable to parliamentarians, accountable to provincial treasurers and ministries across the land. It is an agency whose time has come.

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As we hear people talk about rationalization and downsizing, we have an opportunity to do something that will save taxpayers' money and benefit all Canadians.

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I would like to remind the hon. member for Mississauga West that, if this is not trying to ram a bill through, I do not know what it is. We were gagged, quite simply, when the witnesses came before the committee.

He says there was great participation. Yes, 18 organizations plus some 50 individuals, who came to tell us that there was no unanimity on Bill C-43.

I ask the hon. member for Mississauga West what his basis is for making such false statements.

[*English*]

Mr. Steve Mahoney: Mr. Speaker, I am not quite sure I understood the question, but I will try to answer what I perceive might be the question, that is on what I base my remarks.

I base my remarks on quotes that are available from people who have presented their concerns and their support for the bill. Mr. Peter O'Brien of the Canadian Federation of Independent Business said:

I'm convinced three of the four provinces in Atlantic Canada will be on side.

Robert Spindler of Canadian Institute of Chartered Accountants said:

My understanding, and I think the way a lot of businesses operate, is if you have an attractive idea, an attractive structure and attractive concept that makes good sense, over time there can be buy-in.

I would not deny there are people who are opposed, most of them fueled by members of the opposition who simply find it their duty to oppose anything regardless of the efficacy or the quality of the idea because they see that as simply their role. My opinions are based on facts from independent Canadians representing people right across Canada who think this is a darn good idea.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, the hon. windbag opposite is a johnny-come-lately to this issue. He should know, as I have followed the issue—

The Acting Speaker (Mr. McClelland): It is not beyond the scope of members present to use colourful adjectives other than the one used in this instance.

Mr. Jason Kenney: Mr. Speaker, I have corresponded with all 10 provincial finance ministers. I have spoken with several of them on this subject. The vast majority of provinces have made no indication that they will participate in this program. They could

contract with Revenue Canada now to do the kind of things that are proposed under the agency. There is really no difference.

The hon. member said that the opposition always opposes for the sake of opposing. Perhaps he could tell me why he rose in his place last night with his colleagues and voted against an opposition amendment to ensure that the act would be in force to include the principles of impartiality and fairness for taxpayers.

Is he against impartiality and fairness? Why did he vote against the amendment? Why does he not rise in his place and support the entrenchment of a taxpayers bill of rights which would ensure no diminishment of accountability under the bill but that taxpayers rights to due process and to being treated innocent until proven guilty are protected in the legislative framework of parliament.

• (1625)

Mr. Steve Mahoney: Mr. Speaker, I can assure you I have been called worse by better so I do not take it seriously at all.

The bill provides an opportunity for impartiality. More important, the member opposite should recognize that it provides for an opportunity for parliament to have control over the agency, both through the public accounts committee and through the required five year reporting system that will come into effect. We know it is extremely important, representing Canadians from right across Canada, that opportunity exists.

It is a fundamentally sound bill. I doubt if it would come as a great surprise in my heart or my mind not to find an offer of support for the motion put by the opposition member, but I think he should support the bill.

[*Translation*]

The Acting Speaker (Mr. McClelland): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Acadie—Bathurst, Employment Insurance; the hon. member for Québec, Employment Insurance; the hon. member for New Westminster—Coquitlam—Burnaby, APEC Summit.

[*English*]

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am sure that earlier sign was a victory sign because I heard a lot of winning arguments by the member for Mississauga West.

We are looking at the demands of Canadians for better, more responsive and streamlined tax, customs and trade administration services. It is one of the most important reasons for Revenue Canada's move to a departmental agency status. It is a sign of the times, the times of economic expansion, the times of increased demand for tax, customs and trade services, and the times of a

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marked increase in new jobs since 1993 which has resulted in a marked increase in tax filers. Canada's exports are at an all time high.

[*Translation*]

In 1997 alone, actual total exports increased 8.6%. The upturn in the domestic economy stimulates imports. This will not be a fleeting trend; the volume of activities will continue to increase.

[*English*]

The commitment to improve client service will not change. Over the years resources at Revenue Canada have remained relatively stable during this period of economic expansion and sharp increases in business volumes.

Revenue Canada has done its very best to accommodate the new demand. As a government department Revenue Canada has to submit to across the board federal government rules and guidelines which apply to some 80 other government departments and agencies, many entirely dissimilar from the work done by Revenue Canada. These government-wide rules often fail to meet the specific needs of the unique functions the department undertakes.

Revenue Canada has exhausted its internal operating efficiencies. There are few gains that can be made through this approach. That work has been done. There is new work to be undertaken. We must forge ahead and create a new structure, a new framework that will provide opportunities and generate new efficiencies.

[*Translation*]

It is time for the proposed new Canada customs and revenue agency. It is time for this unique, Canadian model that combines the strengths of both the public and private sectors, while remaining fully accountable to parliament and the Canadian public—while remaining, proudly, in the federal public service.

In developing the Canada customs and revenue agency, Revenue Canada has been sensitive to the fact that tax, customs, and trade administration affects the lives and livelihoods of Canadians.

[*English*]

Revenue Canada's clients insist on better services while at the same time they must be dealt with fairly with their rights fully protected. The design of the new agency makes certain the essential checks and balances which govern its activities are in place and ensures that the accountability as presently stipulated under Revenue Canada has been maintained.

The enforcement powers of the new agency will be the same as those currently provided to Revenue Canada through such legislation as the Income Tax Act, the Customs Act and the Excise Act.

• (1630)

The minister will still be fully accountable to parliament and the public for the administration and enforcement of specific legislation. Revenue administration is not being devolved to anyone.

The minister will still have the authority to answer questions in this House. The minister will ensure that the agency is providing appropriate services to Canadians.

I can assure members that a taxpayer's personal information will remain confidential. It will continue to be protected under the agency just as it is currently with Revenue Canada. The authorities governing its confidentiality are clearly set out in program legislation such as the Income Tax Act and they will not, I repeat, not be changed by this bill.

[*Translation*]

Bill C-43 will permit the agency to offer new and better services to the provinces and territories. Some have said that this bill is all about harmonization. To the contrary, Mr. Speaker. Revenue Canada can already administer harmonized taxes.

[*English*]

What is new is that the proposed Canada customs and revenue agency will also be able to collect non-harmonized taxes for the provinces, something Revenue Canada is unable to do now.

The new agency will be able to expand the potential for single window tax collection with considerable savings for businesses and individual Canadians. Is that not what alternative service delivery is all about?

It is about greater co-ordination between the federal, provincial and territorial governments. A simplified tax administration for Canadians will reduce costly overlap and duplication between governments.

The move to agency status will also permit the adoption of a more client oriented approach. This will increase operational flexibility in the management of internal resources.

As Mr. Blair Nixon pointed out when he appeared before the House of Commons Standing Committee on Finance on November 24 on behalf of both the Canadian Bar Association and the Canadian Tax Foundation:

The move to the agency should provide more flexibility to deal with personnel issues, a fundamental aspect, we think, of the organization. That flexibility should provide a better position to the agency to hire, train and retain good personnel. The agency needs to bolster its ranks with good people in order to provide better service to taxpayers, which we understand is one of the fundamental thrusts of the agency.

[*Translation*]

The bill before the House today will allow the proposed agency to tailor its human resources and administrative functions to meet the needs of its clients—as well as those of its employees. This will mean better service—to provinces and territories, to businesses, and to Canadian taxpayers.

[English]

Doing something better is not an expansion of power but an extension of service, service to Canadians, service to businesses, and service to the provinces and territories. Better service means savings in time and money, savings in compliance costs for businesses and savings in administrative costs for governments.

The intent of Bill C-43 is to establish a framework with all the checks and balances for a superior agency, a winning proposal for government and Canadians alike.

I encourage all members in this House to support this important piece of legislation.

Mr. Peter Adams: Mr. Speaker, I rise on a point of order.

I just returned from the House leaders' meeting and I think you will find there is unanimous consent for the following two motions:

That the Chair of the Standing Committee on Public Accounts be authorized to travel to Australia and New Zealand from February 18 to March 3, 1999 to meet with parliamentarians and government officials in Canberra and Wellington, and to attend the Fifth Biennial Conference of the Australasian Council of Public Accounts Committees to be held in Perth, Western Australia, from February 21 to February 23, 1999.

The Acting Speaker (Mr. McClelland): We will take this in two parts. Does the House give its unanimous consent to present the motion?

Some hon. members: Agreed.

Some hon. members: No.

• (1635)

Mr. Peter Adams: Mr. Speaker, I do assure you and other members that all House leaders were in attendance at the meeting I just returned from. I will try with the second motion.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask you to seek unanimous consent for the following motion. I move:

Government Orders

That the members of the Standing Committee on Canadian Heritage and the necessary staff be authorized to travel to St. John's, Newfoundland, Halifax, Moncton, Montreal, Toronto, Windsor, Thunder Bay, Winnipeg, Saskatoon, Edmonton, Vancouver and Whitehorse from February 21, 1999 to February 26, 1999 in order to gather information on its study of a Canadian cultural policy.

The Acting Speaker (Mr. McClelland): Once again, we will take this in two steps to have the unanimous consent to present the motion and then to accept the motion.

Does the House give its unanimous consent to present the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[Translation]

CANADA CUSTOMS AND REVENUE AGENCY ACT

The House resumed consideration of the motion that Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other Acts as a consequence, be read the third time and passed.

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, this independent customs and revenue agency will help the revenue minister to shirk doing his duty to protect taxpayers from any abuse of authority.

We know that the government is in the habit of hiding behind independent agencies to say that no, the government is not to blame for this or for that, the agencies are.

Is the establishment of an agency to carry out, for the government, basic duties like enforcing the Income Tax Act supposed to reassure taxpayers?

Does the hon. member not believe that privatizing the revenue department is just another way to appoint friends of the government to all the positions available on the agency's board of management?

Mr. Roy Cullen: Mr. Speaker, I thank the member from the Bloc Quebecois for her comments.

This initiative does not mean we are privatizing Revenue Canada. On the contrary, there will be more accountability with this new bill. At the present time, there are five accountability measures at Revenue Canada. This bill will add three more.

Government Orders

Revenue Canada has legislation on taxpayers' rights, and it will be maintained with this bill. It deals with all Canadians who have tax related problems. Therefore, this bill improves the situation for Canadians.

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I am not sure if I understood well. The member said the minister will still be accountable for tax legislation to his peers in the House, that he will still be required to answer any questions parliamentarians will want to ask.

If the minister is still responsible and has to answer the questions, what is the use of changing the law?

• (1640)

Is it to harmonize federal and provincial tax laws? There is no need to establish a superagency to do that. It can be done with the provinces, as shown by the harmonization of the GST and the PST in Quebec.

I do not know if that is what they want to do. But what is behind all this—and I would like the member to confirm this if he can—is that the minister will no longer be the employer of the tax collectors who now work for Revenue Canada and collection agencies. The bill says that the agency will be their employer. Will the minister end up with his chauffeur as his sole employee? Is that what it means? Do we still need to have a minister in that case?

Is the government looking to save money at the expense of public servants? It seems to me that this is an anti-union bill. The government is cutting the federal public service by 20%.

Is that the purpose of this bill? If the member has not understood, he can tell us and then again ask the minister the question.

Mr. Roy Cullen: Mr. Speaker, I thank the Bloc Québécois member for his comments.

[English]

I think the member opposite has missed the intent of the new agency. If I might say, it is the typical paranoia from the Bloc Québécois. It is always a plot to look at harmonizing Quebec taxes.

As my colleague from Mississauga West pointed out earlier, the Quebec government already has its own unique or separate income tax system.

What this new agency will do is it will provide more flexibility. It will eliminate redundancy, overlap and duplication. It will be one-stop shopping for businesses. It will provide efficiencies for government. The bill is about achieving certain economies and efficiencies for the benefit of all Canadians.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. I think you will find unanimous consent for the following motion. I move:

That the Chair of the Standing Committee on Public Accounts be authorized to travel to Australia and New Zealand from February 18 to March 3, 1999 to meet with parliamentarians and government officials in Canberra and Wellington, and to attend the Fifth Biennial Conference of the Australasian Council of Public Accounts Committees to be held in Perth, Western Australian from February 21 to 23, 1999.

The Acting Speaker (Mr. McClelland): Does the deputy government House leader have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[Translation]

CANADA CUSTOMS AND REVENUE AGENCY ACT

The House resumed consideration of the motion that Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other Acts as a consequence, be read the third time and passed.

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Mr. Speaker, I found it interesting to listen to the members who spoke on Bill C-43, especially the government members. It is quite clear they are avoiding telling the truth.

I am a former member of the Public Service Alliance. I worked for Parks Canada, the Department of Veterans Affairs and the Department of Human Resources Development. I am well aware of the gimmicks the government uses to get rid of a large number of public servants.

It was announced 45,000 to 55,000 jobs were going to be cut across the country. Services will go with the jobs. The government has found a way to eliminate 40,000 jobs. It has decided to establish a new agency. By so doing it will also break the unions. I

Government Orders

suggest it is going to have a very difficult time getting rid of these 40,000 employees because Revenue Canada unionized workers are very well organized.

And they are not pleased. I met with their union representatives. They do not want this agency. They are tired of the insecurity. The purpose of the agency is once again to create insecurity among workers, who do not know whether or not they will have a job two to three years down the road.

• (1645)

The member opposite talked earlier about ASD, alternate service delivery, and he painted a very rosy picture. But what ASD is all about is clearly cutting salaries, benefits, and eventually laying off people. This is not complicated. We already saw this with Parks Canada, which is going to become an agency; workers are worried because they do not know where they will be two years from now, whether or not they will have a job, and what kind of salary they will get.

Park visitors can see they are worried because the new policy is to make a profit at any cost. The same will happen with the Canada customs and revenue agency. They say they will be collecting provincial and municipal taxes, and that it will be more efficient that way. But the hon. member did not tell us how many jobs will be cut.

Back home, in Bouctouche, the employment centre has been closed. In the Department of Human Resources Development alone, 5,000 jobs have been cut. Because of that, some employment centres and their services have disappeared. People have to travel to Richibucto, Shediac, or Moncton. Many do not go there, because a large number of them cannot afford it. So they have to do without those services.

That is what happens with those agencies and the decisions the Liberal government makes. They never stop slashing and cutting. And then they brag about their job creation record. However, they should not forget to tell us new jobs are part time jobs, low wage jobs without benefits, that make families even poorer.

Recently, the UN stated the same thing we have been saying for years. The Liberal government tells us these findings are based on the statistics for 1995. In that case, we would not like to see the statistics for 1998, because they are even worse. Canadians will not buy the argument that the statistics the UN analysed are for 1995.

How many people qualify for EI benefits today, compared to 1995? How many more children live in poverty, compared to 1995? I would be ashamed to say these are the figures for 1995. They would be better off say they are the figures for 1998. One wonders sometimes who is advising those members.

I am here today to say that we know the truth. We know that people are living in poverty. We organised a nice dinner for

children who will not have any Christmas, as was already mentioned in the House. Why? Because these children are poor. We have to help them, we have to share our wealth. It is too bad that there are not more members on the government side who feel like sharing their wealth. But they only feel for banks and millionaires.

When the government talks about cutting taxes, it does not mean that poor people will pay less. No, no. Millionaires will benefit and the gap between rich and poor will grow even larger.

And then the Minister of Finance gets up and brags about doing this and that. Yet, this same government refuses to come to New Brunswick and look at the situation it created with its cuts and its new rules, regulations and legislation. The Minister of Human Resources Development fears New Brunswick more than the devil fears holy water, as we say in our neck of the woods. He does not even come close to New Brunswick, because he does not want to face what he has created. The Prime Minister who, at one time, was elected in my riding no longer has the courage to come and visit us.

The day will come when they have to face the music, because, as members know, chickens always come home to roost. If the government will not answer questions here, it will have to answer them some day.

Let us talk about the 40,000 employees who feel insecure today. Let us talk about the centralization of authority. Let us talk about the jobs we are going to lose. We do not hear anything on that score. Those who do lose their jobs, what will they find? Part time jobs, insecure jobs, jobs that will leave them even poorer than they were? This is the mandate of the Liberal government.

• (1650)

We talk about taxes, we even hear members of the Progressive Conservative Party say that we ought to lower taxes. But who introduced the GST? Earlier, a Liberal member said that the opposition was there to criticize. Yet, I remember the Liberal Party promised to abolish the GST.

What happened in New Brunswick? We got a 15% tax on everything. We got a tax increase on electricity, heating and children's clothing. We do not need an agency to collect these taxes because it is already being done in New Brunswick. If they use this as an excuse, it will not wash, because taxes are already being collected. We already pay a 15% tax. It is true that we got rid of the GST, but what we got in return is even worse. Frank McKenna was very happy to have done it. I think he got a little bonus at the time.

When an agency is set up, we have to look at the facts. This is just another way to reduce job security. It is just another way to cut jobs and again, it is always the same people who are caught in the middle, those who work all year around, the middle income earners, who end up getting poorer and poorer. Some things never change.

Government Orders

It is no different when we talk about lowering taxes. The EI premiums were reduced by 15 cents for every \$100. I found that so ridiculous. Opposition parties felt the premiums should have been reduced even further. Today, the Reform Party told the House that employees could have saved about \$300 a year. Yes, but how much money was taken from our communities because people no longer get their employment insurance cheque? Is this so hard to understand?

I am not an economist or a mathematician, but the government took \$20 billion from the New Brunswick economy because it made the system too complicated for people to receive employment insurance benefits. Is this not cutting into the economy? Is this not causing problems? Is this not causing problems for our small and medium size businesses?

There is no longer any money in circulation. Thousands of people received employment insurance cheques and put all that money into their community. The money of the unemployed was not going into RRSPs; they need it to live on.

Some members of parliament are saying that premiums have not been reduced enough. So now, there will be other reasons to cut benefits once again. The government will say that its surplus is not sufficient and will make cuts once again on the back of the little slave who needs his meagre cheque.

Who benefited from the 15 cent reduction on each \$100 of insurable income? It is the large companies that have thousands of employees. It is not the small company that has four or five employees, or only one, or the self-employed who does not pay any premiums at all. This does not help the small employer.

Sometimes I wonder how people can go to bed at night and sleep, when we think about the billions of dollars that were taken from the economy. Almost one billion dollars was taken from the New Brunswick economy alone. The finance minister always harps on the \$1.7 billion he has given back to poor families.

The government has made nearly one billion dollars worth of cuts in New Brunswick alone, and it brags about giving back \$1.7 billion for the whole country. I know my maths. Believe me, it has taken away a lot more than it has given back. There is no doubt about that.

Members should look at what is going on in the hospitals. They should come and see the waiting lists in New Brunswick. I am beginning to think that the situation is not the same in all the provinces. When I go to the doctor here, in Ottawa, I am out of the clinic within 45 minutes. And I want the people who are listening to know that these are not special clinics for MPs. In and out in 45 minutes.

Try to get the same kind of service in New Brunswick. It is just impossible. We do not have the same level of service. We cannot see a doctor in less than 45 minutes in New Brunswick. I am

beginning to wonder if we really do have the same level of service. Maybe there are more complaints coming from Atlantic Canada, but the fact is we have been neglected. And it is still going on. The more Liberal governments we have in Atlantic Canada, the worse it is for these provinces.

There is also the issue of pay equity. The Department of National Revenue has 40,000 employees. How many of them have been denied pay equity?

• (1655)

The United Nations said it. A woman from the Philippines said she would never see the day when she would criticize Canada.

We are supposed to be a model country. We were, but we no longer are, with the number of calls we receive in our offices from people who are in utterly hopeless situations. There is Albert County; the Minister of Human Resources Development refuses to recognize that some people have to drive one hour to the employment centre in Moncton to try to find a job, in vain. To qualify for employment insurance, they need the same number of hours as someone living in Moncton.

This is unacceptable. The minister is denying these people the right to qualify for employment insurance; he is denying them months of EI benefits. Why? Because he has the authority and can do what he wants. The fact that people are destitute is of no concern to him.

And now we have our infamous toll highway. Some people will have to pay \$14 to go to their doctor or the hospital. How many people are going to go without care because they cannot afford the \$14? The government will say they can travel on the other road, the unsafe one. It is indeed because the alternate route is not safe that this highway had to be built. However, if you are poor, if you cannot afford it, take a chance. Take the other road. This is unconscionable in a country that is supposed to be the best in the world. If I recall, we came in 10th not long ago.

The same applies to post-secondary education.

It is exactly the same thing with Bill C-43. The government says it is a good thing. We have heard that one before. Everything is good. It is good for a very small group of millionaires. Everything is good for them.

When the finance minister goes out for dinner, he does not go to the food bank. He goes out with his banker pals. They pat him on the shoulder, telling him "Keep up the good work. We are doing fine".

Food drives are being organized because Christmas is around the corner and people have nothing to eat. Children will have no Christmas presents. Members have the nerve to criticize while I am talking. They should repeat what they are saying to the people who line up at the food banks every day to eat. This is the fastest growing industry in Canada.

Government Orders

They are critical because they refuse to see there is a problem in this country. That way, they can go to bed and sleep at night. They are denying reality, but reality will catch up with them one day. It is breathing down their necks.

I will conclude by saying that Bill C-43 is another attempt to destroy security, break unions and get rid of good salaries. Canadians have to realize that service are also on the way out. Once the employees are gone, so is the service.

[*English*]

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, I would like to take this opportunity to rise and ask the member a question.

The question is: What does she think of the process of time allocation being invoked on a bill like this? This is one of those anti-democratic actions to which I believe the NDP is opposed. Would the member make a comment on what she thinks of the process in relation to this bill?

• (1700)

Ms. Angela Vautour: Mr. Speaker, this is a very important bill and I think we should have all the time that is needed to make sure, or maybe I should say more time to try to convince the government that this is a lot of crap, I guess.

Being a new member, I have seen government members being able to cut things short when something is not suitable to them. Certainly this is a very important bill and I think we should have decent time to debate it.

The Acting Speaker (Mr. McClelland): Before we take any more questions and comments, I cannot let that one slide by either. We are going to find new adjectives that are more presentable in the House. It is just not appropriate.

[*Translation*]

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I shall try to leave a little time for my Reform Party colleague, for questions and comments. Since the debate is to end by 5.15 p.m., I have less than 15 minutes left.

I would like to recap the situation with Bill C-43, giving the Bloc Québécois view of it in four points.

First, we feel that this bill is a form of abdication of political power. Even if the other side of the floor is telling us that the minister will still be accountable, that is not the impression we get from reading the bill.

The second point in the powerlessness of the Minister of National Revenue. I have always thought of him as a nice guy, but I cannot understand how a minister with 20% of the public service under him would want to find himself, the day after this bill passes,

with possibly only his chauffeur still working for him. I wonder how appropriate it is to still have a minister responsible for this.

What I see as equally serious, given the size of the public service, and this is the third point the Bloc Québécois wishes to bring to the attention of this House, is that establishment of this new agency appears to be anti-union. They are trying to do away with 20% of the Canadian public service. That is not peanuts.

The fourth point is that this bill smacks of centralization. Not only does the government have trouble keeping its hands in its own business, it would like, with the agency, to look after everything to do with taxes. It would like to offer its services to the provinces. It would even like to offer its services to municipalities. If this is not centralization, I would ask the other side of the House to give me another term for it, one that is acceptable, of course.

With the four points I have just raised, if it is true that this is an abdication of political power or if it is not true, in other words if the government will in fact continue to be responsible under the Income Tax Act, and accountable to the House for responding to questions on the Act, what is the point of establishing this agency?

• (1705)

We will always question the fact that with the federal government, primarily when government seats are occupied by Liberal Party members, the word “modernize” often rhymes with “privatize”. Where is the government going with this?

Since the Liberals’ election in 1993, they have privatized the railways, tried to privatize the ports and there are even privatization agreements for the airports. Canada Post Corporation, which is no longer a government department as such, was established earlier.

Is the government sending the message that Canada is being put up for sale piece by piece, that there will just be a group of subcontractors from whom Canadian taxpayers will have to get public services and pay for them? The user pay principle is being hammered home with the imposition of new rates by the coast guard.

If the government insists on a user pay system, it should allow all Canadian taxpayers to pool their collective interests and to start calling for bids themselves. They could draft the bids and manage their own affairs. Is this where Canada is headed?

The other thing that concerns us with this way of doing things is that the agency will privatize its operations and will let go 20% of the public servants who are currently working for Revenue Canada. Clauses 15, 22 and 25 of the bill, which deal with the appointment of the directors of that future agency, are of particular concern to me.

Business of the House

It is provided that 15 directors will be appointed, including a chairperson and a commissioner. These people will be appointed by the government, which will have a great opportunity to reward friends that did not get elected, or that have been waiting to be compensated for past services. This is worrisome.

What is also worrisome is that these appointees will have the authority to determine their own salary. Some members opposite may object that this is not true, that I should just read the clauses carefully. I will do just that. Clause 30(1) provides, and I quote:

- 30.(1) The Agency has authority over all matters relating to
- (a) general administrative policy in the Agency;
 - (b) the organization of the Agency;
 - (c) Agency real property as defined in Section 73; and
 - (d) personnel management, including the determination of the terms and conditions of employment of persons employed by the Agency.

Are savings going to be made at the expense of frontline workers, for the benefit of senior managers, who will be appointed by government people? This is very worrisome.

When it says they have the authority to determine their conditions of employment, will the future chair or future senior officers want to compare themselves, in terms of salary or funds for which they are responsible, to bank presidents? Without naming any names, this is several times what members here make.

I have no objection to people in a capitalist system making money, and the structure is such that they are accountable to their shareholders. In this case, however, I fail to see how they can be accountable to these shareholders, the people of Canada.

Usually, it is elected officials who are responsible for how they manage things. But here we have a superminister sharing his management authority with a team of 15 friends of the party. That will be fun. Who will be answerable to Canadians as shareholders?

• (1710)

Even more amusing are clauses 47 and 49, which provide that the agency's business plans must be submitted to the Treasury Board for approval and that the minister must table a summary of the plan in each House of Parliament in the first fifteen days after it is approved.

There will be only 15 days in which to do a post-mortem of the megaprojects and megastructures to which the members across the way have accustomed us. They are very good at cover-ups. As we have seen in recent budgets, they are also very good at making cuts that only kick in somewhere down the line. Is that what we can expect? I have some serious questions about transparency and accountability for actions further down the road.

I will digress, if I may. I come from a seaside riding. While the government wants to part with 20% of its employees—and is willing to give up all related powers—I find it somewhat shocking to see the Minister of Canadian Heritage come to the rescue of rich sports people these past few weeks. She sponsored a bill on the establishment of marine conservation areas. On the one hand, the government wants to take apart a department or get rid of civil servants. On the other hand, through the establishment of marine conservation areas, a field the minister does not know the first thing about, it wants to infringe on an area of provincial jurisdiction. To compound the problem, these marine conservation areas will have to have on-shore facilities. But who lives by the sea? Fishers and plant workers.

Last June, the government opposite sneaked in a final proposal washing its hands of the crisis in the fisheries. The whole mess is no longer its problem. Now I wonder who is going to stand up for fishers and plant workers.

On the one hand, it tries to get rid of 20% of its public servants. On the other, it got rid of 40,000 fishers and plant workers and wants to establish marine conservation areas. I cannot for the life of me understand the government's management style nor its policy thrusts. It blows all over the place. It twists and turns. Nobody will be able to understand it any more. Worse yet, no one across the way will be able to answer our questions.

I wonder about the appropriateness of this bill at a time when, as my colleague from Beauséjour—Petitcodiac said earlier, OECD statistics show that, far from diminishing, the number of poor children is on the rise. The government would have us believe that the elimination of 20% of jobs in the public service will somehow result in fewer poor in this country.

I am quite willing to believe—

The Acting Speaker (Mr. McClelland): I am sorry, but I have to interrupt the hon. member. The hon. member for Hamilton West, on a point of order.

* * *

[English]

BUSINESS OF THE HOUSE

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, I rise on a point of order. I hesitate to interrupt the remarks of the hon. member my colleague in the House, but we hope to take care of a little business before you call us to a vote.

Mr. Speaker, I believe that you will find consent for the following motion. I move:

That, when the House begins proceedings under Private Members' Business later this day, and for the duration of the debates on C-316 and M-300 today, no quorum calls nor dilatory motions shall be entertained by the Speaker.

*Government Orders**(Division No. 308)*

The Acting Speaker (Mr. McClelland): The hon. member for Hamilton West has asked for the unanimous consent of the House to move a motion. Does the member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

• (1715)

The Acting Speaker (Mr. McClelland): Does the House give its unanimous consent to accept the motion presented by the hon. member for Hamilton West?

Some hon. members: Agreed.

(Motion agreed to)

* * *

CANADA CUSTOMS AND REVENUE AGENCY ACT

The House resumed consideration of the motion that Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other acts as a consequence, be read the third time and passed.

The Acting Speaker (Mr. McClelland): It being 5.15 p.m., pursuant to order made on Thursday, December 3, 1998, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. McClelland): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. McClelland): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): Call in the members.

• (1745)

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

YEAS

Members

Adams	Alcock
Assad	Assadourian
Augustine	Baker
Bakopanos	Barnes
Beaumier	Bélair
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Boudria
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carroll
Catterall	Cauchon
Chamberlain	Charbonneau
Clouthier	Coderre
Cohen	Comuzzi
Copps	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finestone
Finlay	Fontana
Fry	Gagliano
Galloway	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harvard	Hubbard
Ianno	Iftody
Jackson	Jennings
Jordan	Karetak-Lindell
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Lastewka
Lavigne	Lee
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
Mifflin	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Myers
Nault	Normand
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Paradis
Parrish	Patry
Peric	Peterson
Pettigrew	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Proud
Provenzano	Redman
Reed	Richardson
Robillard	Rock
Saada	Scott (Fredericton)
Sekora	Serré
Shepherd	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
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Benoit	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bernier (Tobique—Mactaquac)
Bigras	Blaikie
Borotsik	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Brison
Cadman	Canuel
Cardin	Casey
Casson	Chatters
Chrétien (Frontenac—Mégantic)	Crête
Cummins	Dalphond-Guiral
Davies	de Savoye
Debien	Desrochers
Doyle	Dubé (Lévis-et-Chutes-de-la-Chaudière)
Dubé (Madawaska—Restigouche)	Duceppe
Dumas	Duncan
Earle	Elley
Epp	Forseth
Fournier	Gagnon
Gauthier	Gilmour
Girard-Bujold	Godin (Acadie—Bathurst)
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Hart	Harvey
Hill (MacLeod)	Hill (Prince George—Peace River)
Hoepfner	Johnston
Keddy (South Shore)	Kenney (Calgary Southeast)
Kerpan	Konrad
Laliberte	Lebel
Lill	Loubier
Lowther	Lunn
MacKay (Pictou—Antigonish—Guysborough)	Mancini
Manning	Marchand
Mark	Martin (Winnipeg Centre)
Matthews	McDonough
McNally	Ménard
Mercier	Meredith
Mills (Red Deer)	Morrison
Muise	Nystrom
Obhrai	Perron
Plamondon	Power
Price	Proctor
Ramsay	Reynolds
Riis	Ritz
Robinson	Rocheleau
Schmidt	Scott (Skeena)
Solberg	Solomon
Stinson	Stoffer
Strahl	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tremblay (Lac-Saint-Jean)
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PAIRED MEMBERS

Anderson	Axworthy (Winnipeg South Centre)
Bergeron	Brien
Chan	Collenette
Folco	Guimond
Karygiannis	Lalonde
Laurin	Lefebvre
Leung	Marceau
McWhinney	Milliken
O'Brien (Labrador)	Sauvageau
St-Hilaire	Turp

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

PRIVATE MEMBERS' BUSINESS

● (1750)

[English]

INCOME TAX ACT

Mr. Joe Fontana (London North Centre, Lib.) moved that Bill C-316, an act to amend the Income Tax Act (interest on students loans), be read the second time and referred to a committee.

He said: Mr. Speaker, it is my honour to speak on my Bill C-316. Like my fellow members of the government caucus as well as other members of parliament, I believe that a well educated, vibrant workforce is the key to Canada's continued growth and prosperity and improved standard of living for all.

Of all the riches the country holds, our greatest resource by far is our people. It is our responsibility as the government of this great country to provide the people of Canada with an environment in which they may reach their full potential.

By giving recent graduates a tax credit for interest paid on student loans, the bill aims to support those Canadians who have decided to invest not only in themselves but in Canada and in our common future.

For years businesses have been given a tax credit for interest paid on business investment loans. This credit was granted based on the reasoning that moneys invested in business were contributing back to the Canadian economy.

Bill C-316 builds on this rationale by promoting the concept that a student's investment in his or her education is an investment not only in himself or herself but also an investment in Canada and in our future.

The government adopted the primary tenant of Bill C-316 in the 1998 budget and for that I thank the Prime Minister, the Minister of Finance and Liberal caucus colleagues for their support. The main issue which remains is the extension of interest relief to all student loans.

There are tens of thousands of students across Canada who do not qualify for government sponsored student loans. For many of these students the only way to pay for their education is to turn to private lending institutions for loans.

Bill C-316 would extend the interest relief credit to involve those loans that have been granted by private lending institutions for the purposes of financing a student's post-secondary education.

Education is a high priority for me and I believe for all members of the House and the government. The growing global economy is creating work that uses minds, not muscle. In the early 1990s more

than 60% of new jobs were created in the areas of information and communication technology.

There are few businesses today that do not use a computer somewhere in their organization. Moreover, Canadians who earn good salaries and pay taxes contribute to a strong economy. A strong economy leads to progress and that is why the Liberal government launched a major assistance program this year, the Canadian opportunities strategy. This is good economic policy and good social policy.

The number of jobs requiring a university degree or post-secondary diploma has increased by 1.3 million since 1990. On the other hand, the number of jobs available for people with less education has dropped by 800,000. These statistics speak for themselves and the government is paying close attention.

• (1755)

In addition to transfer payments to the provinces to support post-secondary education, the Liberal government has put in place several initiatives to help Canadians who want to go to college or university. Canadians today must excel at the post-secondary level in order to achieve their personal dreams and to keep Canada at the head of the developed world, a global leader.

The most important direct federal support for post-secondary students is the Canada student loans program. Since the Liberal government brought in this student loan program in 1964, over 34 years ago, 2.7 million students in financial need have received over \$12 billion in loans. Loans amounting to \$1.4 billion went to 360,000 students in 1996 and 1997 alone. The CSLP is helping 380,000 students this year.

The new Canadian opportunities strategy will help hundreds of thousands of students through a series of measures. The strategy helps students manage their debt load through tax relief for interest on student loans. Graduates with long term problems repaying their loans may be able to reduce their debt or qualify for extended interest relief for up to 54 months. Through an improved student loans program the Liberal government is making it easier for young Canadians to gain the skills and knowledge essential to building an innovative economy.

In 1994 we announced that we would put an additional \$2.5 billion over five years into the Canada student loans program. More than \$1 billion in Canada student loans helped about 300,000 Canadian students go to college or university this year and the level of commitment is continuing.

We also increased loan limits by more than 50%. They had been frozen by the last government in 1984. We have brought in more flexible repayment rules. Under the old rules borrowers had to begin paying back their student loans six months after graduation

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even if they were unemployed or earning very low incomes. Under the new rules payment can be reduced or deferred for up to an additional 30 months and the government will pay the interest during that time.

Furthermore, the government introduced Canada study grants of up to \$3,000 a year. This will help over 25,000 needy students with children or other dependents. We also doubled the annual limit on contributions to the registered education savings plan to \$4,000 so that young families could put more money away for their children's future education. When fully implemented, the budget proposals of last year will increase federal assistance to post-secondary education by over \$270 million a year.

This bill is more than a simple tax credit. It is about giving young Canadians the help they need as they enter the workforce, hope and confidence of a prosperous future and the dream of possibilities. It is about telling Canadians that when they choose to invest in their future through education their elected representatives, we here to represent them, will support them.

Since introducing this bill I have received numerous letters of support from students, educators, parents, school administrators from across the country as well as from members of parliament from all parties, all of whom recognize the importance of supporting our young people as they make the transition from classroom to workroom to boardroom.

I call on all members of the House to recognize and acknowledge the importance of supporting Canada's young people, for they are the foundation on which Canada's future will be built.

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I would like to congratulate the hon. member for London North Centre. We are in favour of Bill C-316 and it is unanimously that the members of the Bloc Québécois hail the initiative of the hon. member for London North Centre.

• (1800)

We must indeed support our young people, as our hon. colleague said. But that is what we, in Quebec, have been doing since 1964. At the time, the Prime Minister Pearson and Premier Lesage agreed on the transfer of powers over 24 areas to Quebec. One of these areas of responsibility was education.

In 1964, we immediately set out to develop in Quebec one of the best education systems and a grants and bursaries system second to none in the world today. We are very proud of this system.

That is why we furious and prepared to fight with all we have got to keep the federal government from laying even a finger on our school system. The Government of Quebec should be able to opt out of the millennium scholarship program with full compensation.

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When the people across the way do things that we find are good, and they do, I make a point of acknowledging them.

Again, I want to tell our colleague from London North Centre that he can count on our support. We will be voting in favour of this bill.

[English]

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, the purpose of this enactment is to allow a person who pays interest on a student loan to deduct from income, for the purposes of determining the tax payable, the full amount of the interest for 10 years after the first payment of interest was due. If the student does not use the full deduction in any year it may be transferred to the person, if any, who guaranteed or co-signed the loan initially.

It covers loans made under the Canada Student Loans Act, the Canada Student Financial Assistance Act and certain other loans for the same purpose not made under the government loan program for students if they meet the prescribed conditions.

The total cost of this new tax measure may amount to some \$800 million. The 17% tax credit included in the measure will cost about \$130 million. It would be a major step in helping students. Canadian society in general is certainly better off if we produce more university graduates. A well educated young population that has marketable skills benefits the individual and the country.

Canada's academic community is as good as that of any country. In many areas we are better. However, Canadian students have been under enormous pressure to bear more of the costs of their education. The total amount of federal-provincial student loans jumped from \$875 million in 1990 to over \$2.1 billion in 1994, a 144% increase in just four years.

As education is an investment, it should not be treated any differently than other capital investments that receive tax credits. Allowing student loan deductibility will relieve some of the pressure resulting from increasing student loan debts, even though student fees are only a fraction, perhaps just 10%, of the full cost.

Tax relief in the form of student loan interest deductibility will reduce student loan default rates. Tax relief for students may result in more opportunity for young people to apply to university and community college.

The Liberals have cut \$7 billion from transfers to the provinces for health care and post-secondary education and are replacing it with \$325 million a year from the millennium scholarship fund and \$120 million per year from three other grant programs. The fund will not ease existing student debts. A grant of \$3,000 to 6% of students will not help in a meaningful way, except in a political

way, as it will be given by a Liberal government. Therefore, students are supposed to be grateful and vote Liberal.

• (1805)

The bill was introduced before the February 1998 budget. What is proposed in Bill C-316 goes further than the announcements contained in the 1998 budget, however. Considering the brain drain that afflicts certain sectors of our economy, such as computer science and medicine, this measure could be seen as a way of keeping recent graduates in Canada. This would protect Canada's human capital.

A Reform government would help all students by increasing transfers to the provinces for education, giving broad based tax relief, creating an income contingent repayment program and allowing interest deductibility.

We oppose the call for free, universally available undergraduate university attendance at this point. Some of the unrealistic student lobby groups have asserted that it is their right to have free university. They have also added that they want 100% grants. However, the country just cannot afford it at the present time.

There was also the operation of personal responsibility to contribute at least a fraction of the great subsidized benefit which university students receive.

There are many ways to ensure that demonstrated academic talent is supported and encouraged. Finances alone should not be a barrier. Therefore, loans, bursaries, scholarships and payment plans attached to income tax forms to truly address the ability to pay is the way to go at the present point in the nation's finances.

The bill is a good idea and should be supported not just by Reformers, but by all members of the House.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am very pleased to have the opportunity today to speak in support of Bill C-316, which has been introduced by the member for London North Centre.

I would like to congratulate the member for bringing forward this proposal which will help provide some relief to students who are in very dire straits in Canada.

As we have heard, the purpose of this bill is to allow a person who pays interest on a student loan to deduct from income, for the purposes of determining tax payable, the full amount of the interest for 10 years after the first payment of interest was due. If the student does not use the full deduction in any year it may be transferred to the person, if any, who guaranteed or co-signed the loan initially.

I believe that the member's rush now for bringing forward this bill is because business owners are permitted to deduct interest

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paid on business investment loans. Using that provision as a precedent, Bill C-316 acknowledges the role of student loans as investments which deserve the same consideration.

Certainly from that point of view, in terms of the motivation of the member, we would support this bill coming forward. However, I think it also needs to be pointed out that this particular bill is a bit like treating the symptoms while ignoring the disease. The fact is that tax relief, while always welcome, does nothing to ease the fact that students must cough up increasingly high tuition fees in order to make it through post-secondary education.

This bill, although providing some relief, does nothing to address the fact that post-secondary education is becoming increasingly inaccessible to more and more students, particularly those with low and moderate incomes.

Unfortunately it does nothing to address the fact that over the last decade tuition fees have climbed a whopping 240%. Even in the last year alone tuition fees rose 12% nationally, which is seven times the rate of inflation.

That should give us some idea of the severe difficulties that students are facing today in trying to pay their tuition and in making it through school. It is simply an astounding fact that tuition fees are now seven times higher than the rate of inflation.

Nor does this bill, unfortunately, expunge the massive debts that students are graduating with, which now average \$25,000. That figure is up from the average of \$13,000 when the Liberals took power in 1993.

We are talking about a bill that would amend the Income Tax Act. The bottom line is that the reason we have a crisis in post-secondary education is because we have seen a retreat in public funding. We have seen the federal government slash funds from post-secondary education by \$3 billion since 1995. As well, \$4 billion has been cut from training.

• (1810)

If we really want to examine what is facing students in Canada today, why they are having such a hard time and why more and more students are graduating into poverty, we have to look to federal public policy from this Liberal government which basically has withdrawn its support to the provinces in transfer payments. Students are paying the price for that. That needs to be said.

While I support the member in his efforts to provide some relief, I also hope that the member would, within his own caucus and within his own government, rethink and examine the policies that have been put into place.

One of the changes in the last budget that was particularly cynical which affected students was the change in the bankruptcy laws. That has really had a very dramatic impact on students. It

used to be that a student could declare bankruptcy two years after completing studies. It should be pointed out that most students do not declare bankruptcy. Most students will do everything they can to pay off their Canada student loan. In actual fact, the new law passed by the Liberal government now says that a student cannot declare bankruptcy until 10 years after completing studies or finishing school. That virtually rules out that option.

I do not know about other members of the House, but I have heard horror stories from students about how they are harassed by collection agencies at 7 a.m or 8 a.m. because they defaulted on a payment.

I am glad the member brought this forward. However, we have to get the real picture of the things that have been done by the government, such as changing the bankruptcy law and slashing public funding to post-secondary education, which have made the lot of students much worse.

Liberal members often point to the millennium fund as the panacea and the cure-all for the difficulties that face students. We should recognize that the millennium fund, which does not even begin until 2000, is just a drop in the bucket when one compares it to what actually has been taken out of public funding.

New Democrats are not about to let the federal government forget about the student debt crisis. Instead of creating a scholarship program which duplicates existing programs and does nothing to help students in need, we have called on the federal government to take steps that would reduce student debt.

We have demanded of the government that we end the privatization of Canada student loans, that we end the harassment that students have to go through.

We have also called on the government, along with the provinces, to begin to restore the billions of dollars that have been cut from post-secondary education. If we really are genuine about wanting to assist students we have to begin at that point. There has to be a recognition of what the erosion of public funding has done to post-secondary education.

I would also suggest that we should follow the leadership of my province of British Columbia which has had a tuition freeze for three years in a row. That is something that needs to be done on a national basis.

If the federal government really wants to show leadership for students and show that it cares about what happens to students, then the minister should be convening a meeting of provincial education ministers, putting some bucks back on the table and saying "We are going to help students by enacting a national tuition freeze".

That would be the first step in restoring confidence in what really has been a first class system in Canada of public education, which now is going down the slippery slope to privatization.

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The NDP would change the millennium fund to make it the first step of a national grant program to assist first and second year students.

Probably most important, we would begin by saying that accessibility has to be a national standard that is brought forward by the federal government with the co-operation of the provinces so that we can say to young Canadians "You do have a future. You do have accessibility and you are not going to come out of post-secondary education with a massive debt around your neck". That is what the reality is now.

I have talked to students who have a \$60,000 debt. They are single parents who are trying to pay off that debt and they have not started working yet. It is an appalling situation.

• (1815)

In closing, this is a good measure that has been brought forward, but I urge the member to go back to his caucus and say that the government must rethink its priorities and that if they support public education it needs public funding and confidence to make sure students are not facing the severe situation they face.

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, I congratulate the member for London North Centre for bringing forth the bill. Obviously it would be an improvement to the student loan system of today. However, I have fully concur and agree with the member from British Columbia who just spoke. Oftentimes the Liberal government takes away so much and gives back a tiny bit in its place, which does not solve the problem at all.

The real problem with post-secondary education is the cash transfers under the Canadian Health and Social Transfer Act. In 1995-96, \$16.6 billion were transferred to the provinces to give social services and in particular post-secondary educational services to all young people. In 1997-98 Canadian health and social transfers to the provinces were \$10.4 billion, or a loss of \$6.2 billion to the provinces primarily in a fund directed toward social services and in particular post-secondary education.

If we combine that problem with tremendous cuts in transfer payments to the provinces, a tremendously high unemployment rate for young people, twice the national average consistently for the last 10 years, we realize the problem that many of our young students face.

The bill we are discussing is a good one. It is an improvement. Giving a tax break or a tax incentive to somebody who is heavily in debt, to the tune of \$50,000 or \$60,000 after getting an education, is good, but it is not the solution that young Canadians want when they cannot find jobs. Allowing students to write off some of their interest under student debt is good, but again it is not the solution that young Canadians want.

First and foremost young Canadians want an opportunity to access a good education at a reasonable cost. That is not happening in Canada today with tuition increases of over 200% in the last seven or eight years. Education is becoming almost impossible for many of our young people to access at any cost. Tuition increases are prohibitive. They are encouraging some of our young people not to become educated and as a result they will be faced with tremendous unemployment problems as they go through their lives.

The bankruptcy problems of young students and the change the government made to make it more difficult for students to declare bankruptcy is shameful. It does not serve young Canadians well. It does not serve students well. It is almost discriminatory against young people who have worked hard to obtain an education. If we combine that with some of the out-migration because there are no job opportunities in Canada, we begin to see a fuller picture of the problems facing post-secondary students.

Bill C-316 is an improvement. Our caucus will be voting for this improvement. If nothing else, it at least acknowledges the fact that an investment in education is an investment for the benefit of the country. As such students should get a tax break because they have invested in many ways as businesses do in their education, which makes Canada a stronger, better and more productive country.

The bill will allow all students to be treated fairly, those who can access the Canadian student loan program and those who have to go through private sources of lending such as banks or other sources. If they are attending school and require a loan from a private source, a bank or whatever, at least now students involved in the post-secondary system will be treated fairly.

In conclusion, we in our caucus will be supporting the bill. It shows that the government is at least beginning to think in the right way and look in the direction of post-secondary students, education and its value into the next millennium.

We do not agree with some of the other government programs, but in this case the member for London North Centre and his caucus colleagues have brought forward a bill that makes some sense to students and will make their lives a bit easier. It will get the full support of the Conservative caucus.

[Translation]

Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.): Mr. Speaker, we are here tonight to debate a bill which I consider very important for Canadian students.

• (1820)

This bill is aimed not only at helping students have access to post-secondary education by allowing them to deduct their annual

interest payments from their taxable income for a particular fiscal year, but also at reducing their overall tax burden.

It is worth mentioning that, for the 1997-98 school year, each student who graduated had a average loan of \$25,000 to pay off. If that loan is paid off over a period of ten years at a 10% interest rate, the person will pay almost \$15,000 in interest charges alone.

For the majority of students, monthly payments leave very little money, even for their basic needs. By amending the Income Tax Act to give students the possibility of reducing the interest payments on their loans, this bill recognizes education as an investment in our country's future.

As a government, we firmly believe in the importance of education for the future of our young Canadians. This responsibility belongs to us all. For this reason, we have taken the necessary measures to invest in education. We recognize the need to remain competitive in a global economy. That means we need workers who have the required education and training to provide a skilled workforce. This benefits the Canadian economy, but it also benefits young workers who, with a good education, are in a better position to find permanent jobs.

We need only look at the figures to see that education is increasingly important for the future of our students. The number of jobs requiring university graduation or college training has increased by 1.3 million since 1990.

On the other hand, the number of jobs available to individuals without education has dropped by more than 800,000. These figures clearly show the need to promote education among young people.

As a government, we put a lot of our efforts into measures promoting education. In September 1997, we proposed a strategy to give young people scholarships for the new millennium. Regardless of the objections put forward, the essence of these initiatives is that the scholarships will give students additional funds to help with the cost of their education. As a Quebecker, I am proud to be part of a government that invests in such projects.

Starting in 2000, this money will provide thousands of scholarships annually to help young Canadians with low and modest incomes to continue their college and university education. This fund will be managed by an institution at arm's length from the government and will further eliminate barriers to education while rewarding scholastic excellence. Through this program, even more young Canadians will have the skills necessary to develop in a society increasingly focussed on information and new technologies.

The scholarships will support a wide variety of knowledge acquisition and skills development programs. They will be avail-

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able to Canadians of all ages studying either full or part time at universities, community colleges, CEGEPs or state-supported technical facilities.

This new initiative is in addition to the numerous measures announced in the 1997 budget to reduce the barriers to education. For example, the amount on which post-secondary education credits are calculated has already been raised from \$100 to \$150 a month, and will go to \$200 after January 1998.

In addition, the education tax credit has been expanded to include additional charges by the universities, such as those for library and other services. By virtue of these changes, a student who received combined federal and provincial assistance of \$900 in 1995 got \$1,200 in 1998.

In order to help parents put more money aside for their children's education, the maximum annual contribution to a registered education savings plan was doubled to \$4,000. Now parents will also be able to transfer funds from an RESP to an RRSP if they have unused amounts.

● (1825)

Graduates who are unable to pay back their loans may, since August 1, 1997, defer their payments for 30 months, after the standard six-month period. This change also gives new graduates the time to get more solidly established in the work force before starting to pay off their loans.

In today's society, we know that having a diploma does not immediately open doors to the work force. Experience is also an essential requirement. This is a reality with which young people in search of work are very familiar. We know that it is not always easy to get that work experience, particularly in our field of study. Managers want employees who are qualified, educated and experienced.

The Liberal government is promoting concerted efforts to help young people gain the knowledge and know-how necessary to meet labour market requirements. This is why the Liberal government also included in its youth employment strategy initiatives that will allow young Canadians to get their first work experience.

In February 1997, the Liberal government launched the youth employment strategy, which seeks to help young people make the transition from school to the labour market by developing long-term opportunities for meaningful careers.

This initiative provides young people with training and internship opportunities, job opportunities, and information on the job market. For 1998-99, the strategy has a budget of \$427 million. It is estimated that this initiative, which includes the efforts of the private sector and associated groups, will provide at least 95,000 internship opportunities per year.

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For example, the federal public service internship program will provide a one-year apprenticeship to 3,000 young people. Other internship programs will also provide a work experience to 8,000 graduates, in growth sectors such as science and technology, the environment and international trade.

By investing today in helping young Canadians gain the knowledge and experience necessary to work in an economy dominated by new technologies, the government is ensuring Canada's future prosperity.

We are aware that students' indebtedness is a real problem. This is precisely why the 1998 budget was called the "education budget" and included major measures to help students manage their debt. These initiatives include the millennium scholarships, to which I just referred.

In the last budget, we also introduced the following changes: tax relief for interest payments on loans; extension of the interest exempt period; and assistance to reduce the debt.

As for adults who wish to update their skills, we allow them to take money out of their RRSPs.

All these initiatives show that this government firmly believes in the importance of education. It is a priority for us. We want to invest in future generations to ensure the best possible future for Canadians.

[English]

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I will be very brief. I wanted to stand in the House this evening and applaud the member for London North Centre on his concern for students and for bringing forward Bill C-316.

Under the existing legislative provisions students have a credit for tuition fees in an education credit as well as government support in the form of Canadian and provincial loan and scholarship programs. However, growing indebtedness has put many Canadian students and graduates in a difficult situation. That is why the government supports the spirit of the bill, which is designed to facilitate repayment of student loans.

The substance of the bill was an integral part of one of the measures proposed in the 1998 federal budget. The 1998 budget proposed the introduction of a 17% credit rather than a deduction. Only loans obtained under the Canada student loan program and equivalent provincial programs will qualify for the credit. Although the credit is not transferable, it may if necessary be carried forward and used in one of the five years following the year of interest payment. The government believes that the measure proposed in the 1998 budget meets objectives through reducing the burden of student debt for taxpayers with limited capacity to repay and limiting the possible risk of abuse.

• (1830)

The question is often whether it should be a credit or whether it should be a deduction. It is always an issue of debate when it comes to these types of issues. It has been argued that a credit is preferable to a deduction because it provides fair and equitable support to all taxpayers who are repaying loans. There are often many accountants who come before committee or many individuals who are familiar with the tax system who often argue in favour of a credit rather than a deduction because it is in the eyes of those individuals fairer and more equitable.

As I said earlier, the government fully supports the initiatives that will ease the debt burden of students and believes that the carry forward of unused credits should allow the full use of that credit.

The government agrees with the substance of Bill C-316 and that is why the government put forward the proposals it did in the budget and believes that it will provide targeted relief to the graduates who need it most. I to congratulate the hon. member for bringing this forward.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is a pleasure for me also to join in this debate on Bill C-316 presented by the member for London North Centre. Like others this evening, I congratulate him for bringing this bill forward.

The purpose of the bill is to allow those paying off student loans to deduct the interest on the loan from income for tax purposes. This bill is an attempt to deal with the increasing problem of student debt. All across Canada students in universities and colleges are facing steadily and steeply rising costs, increases in tuition and increases in other fees.

We know this is not something that can be solved by a single action or even by a few actions by government. The best way to deal with debt is to avoid it. I know the member for London North Centre knows this.

The government is making great efforts to help students avoid debt. For example, as the member mentioned, the changes in the RESPs now include grants so that families which are putting money aside in RESPs now get grants that match to a certain level the money they are putting aside. So we actually have grants which help students avoid debt.

The millennium scholarships have been mentioned in a negative way by the member from the Bloc. In effect the millennium scholarships are also grants. A substantial number of those scholarships, \$100,000 a year for 10 years starting in 2000, are in effect grants. They will be based on need. Some will of course be based on merit but many will be based on need. I cannot understand how the member from the Bloc can oppose such a program.

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Also to help avoid debt, the government has done its best to help students find work before they go to college or university, while they are at college or university and in their years immediately following graduation. For example, the federal government's summer job programs have increased greatly since 1994.

Another simple example of helping students find jobs is our increased support for the research grant councils, the NSERC and SSHRC and the Medical Research Council. Those moneys which go into research programs on our campuses rapidly produce jobs for students while they are in school, helping in labs with experiments and things like that, and jobs during the summers on research programs of various types. Those jobs provide money which helps the students avoid debt, but they also provide education. One of the greatest ways to learn is to work in jobs of that type. They also provide the students with this invaluable experience for when they graduate. They can get a job which will help them again avoid debt.

In our increased support for science in the federal line departments it is the same thing. An example, although it is not a department, is the National Research Council. Its funding goes to, among other things, helping students find meaningful work in science projects all across the country.

• (1835)

Another way we have tried to help students avoid debt is by simply eliminating the deficit and stimulating the economy and bringing the interest rates down. The unemployment rate in Canada now is at its lowest level in 10 years.

The renewed national youth strategy was announced yesterday in the west by the Prime Minister. All those things are designed to help students find jobs, have money and avoid debt. But when they are faced with it, which Bill C-316 addresses, the question is how to cope with it.

As he and others have said, we have already improved the Canada student loan program. There is a longer period of time after graduating before students have to start paying off the loans. We have special measures for students who find exceptional difficulties after they graduate in dealing with their loans. There are extra funds, as the member for London North Centre mentioned, available now for loans and more flexible ways for paying those moneys back.

Bill C-316 deals with the interest aspect. I agree with the member for London North Centre that this is an investment on the student's part. It is exactly like the business owner who gets a tax benefit on the interest for business investment loans. There is no difference. The member for London North Centre is right.

I understand there is a similar program in the United States which has been operating effectively for a number of years. The

Canadian Alliance of Student Associations, which I am sure would support this measure, has pointed out in its recent brief that it is not just tuition which is increasing. There are now many compulsory student ancillary fees. They are not really ancillary fees anymore. A student cannot go to college or university without paying these fees anymore than he or she can go without paying tuition.

The Canadian Alliance of Student Associations urges that student ancillary fees should also be tax deductible. I am sure that group of students at least, and many others across the country, would support the member for London North Centre and Bill C-316 in the first step which is to make the interest on student loans tax deductible.

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, I am delighted to say to the House and to the member who initiated this bill that I offer my congratulations and on behalf of the House and this side we are very grateful. We are indebted to the member for bringing once again the concerns of students and higher education into the forefront of parliamentary democracy.

We need more initiatives and good ideas to present to young people, in particular those facing significant student debt problems. This is one measure which the Department of Finance and Revenue Canada should be looking at very seriously. It complements a series of measures which the government has already implemented, measures which were described in detail by other members.

This is the type of debate that students are expecting of the House and the type of good ideas that should come forward.

• (1840)

Mr. Joe Fontana (London North Centre, Lib.): Mr. Speaker, I say to all members who have spoken and other members who have indicated their support for this bill how appreciative and encouraged I am by their support.

Some people have addressed issues that continue to be a challenge for governments, federal and provincial, relating to accessibility and affordability of education. But the fact that everyone talked about the importance of education is a highlight in itself. Everyone recognized education is the key to providing hope and opportunities for our young people. We know the economy of tomorrow demands an education. We have to look at all measures. The bill is not perfect.

I introduced Bill C-316 over a year ago and I am happy to see a lot of the provisions in the bill, including the deductibility of interest which has for the first time been introduced as changes to the Income Tax Act in our last budget.

There are a number of initiatives that our government has taken into account with regard to education. We know that education is a provincial jurisdiction. We know that the provinces set the tuition

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fees. We know that the provinces set the curriculum. What Canadians have told us is that regardless of the fact that government is really responsible constitutionally for education, parents, grandparents and young people themselves want all governments to work together toward education and ensuring that every person who wants to get an education is not deprived of getting that education through colleges or universities or other institutions by virtue of the fact that they do not have any money.

Surely we have learned that regardless of where you live, regardless of your socioeconomic stature, you should be provided the opportunity of education. We know education leads to a much more prosperous life. Hence the government's initiatives, including this bill, hope to address the question of student indebtedness, accessibility and affordability.

I look forward to the support of the House and the support of the government to move on the next part of my bill yet to be addressed by the government, to make sure that all student loans, not only the ones that are under the Canada student loans program, are tax deductible to ensure fairness and equity for all students, not only those who got the money through the Canada student loans program but who went to their banks, their credit unions, their trust companies or other financial institutions to borrow money to further their education and invest in themselves and in the country.

The Acting Speaker (Mr. McClelland): There being no further members rising for debate and the motion not being designated a votable item, the time provided for the consideration of this item under Private Members' Business has now expired and the order is dropped from the order paper.

Pursuant to Standing Order 30, the House will now proceed to the consideration of the next item under Private Members' Business as listed on today's order paper.

* * *

● (1845)

ENERGY EFFICIENCY STRATEGY

Mr. Pat Martin (Winnipeg Centre, NDP) moved:

That, in the opinion of this House, the government should invest in a comprehensive energy efficiency strategy, thus: (a) exploiting the considerable job creation potential of energy efficiency; (b) encouraging the development of high tech expertise and export opportunities; and (c) increasing the number of federally owned buildings (of which there are 50,000) retrofitted for energy efficiency through the Federal Buildings Initiative.

He said: Mr. Speaker, I welcome the opportunity to speak to this motion. I have been quite anxious to introduce and to encourage this concept of job creation through energy conservation for quite some time.

I start by saying thank you to the committee for ruling that this motion be deemed votable. I appreciate that very much. I understand that this is the only motion of the current batch of motions in Private Members' Business that was deemed votable in this round.

The concept is job creation through energy conservation. Although the motion could be worded better, I look forward to the opportunity to try to explain what that means.

We believe that the situation does not have to be jobs versus the environment as is so often the case. I would like to demonstrate how the situation can be jobs and the environment. In other words I point to, focus and showcase the enormous job creation opportunities involved in the energy retrofitting of our publicly owned buildings.

As a carpenter by trade I spent much of my working life building megaprojects. I built energy generating stations. For many years of my career it would be heresy to actually advocate harvesting units of energy out of the existing system rather than building new generating systems, whether they were nuclear power plants or hydroelectric dams. Obviously that was the kind of work that we looked forward to as tradespeople. Like many others, I would drive across the country to try to get on one of those megaprojects.

The original research paper on this subject was done in 1993. This idea came to fruition because the province of Ontario cancelled a huge energy purchase from my province of Manitoba. Thus the Conawapa hydro generating station which was about to be started had to be cancelled.

Many tradespeople were anxiously and eagerly awaiting Conawapa. This was something we were looking forward to. Five years of work for skilled tradespeople was nothing to be sneezed at. When the province of Ontario cancelled this project we were devastated.

At that time I was representing the carpenters union in the province of Manitoba. We had 1,200 members who were anxiously waiting to build Conawapa. It was something we wanted to do. When it was cancelled these people literally did not know which way to turn.

That led us to investigate other ideas. How would we put these people to work? We commissioned a study on the idea of job creation through energy conservation. We wanted to find out what kind of job opportunities there would be in harvesting units of energy from the existing system through demand side management techniques rather than building new generating stations.

We were happy to find out that there were as many as seven times the number of jobs per \$1 million invested, or per \$1

invested, in the demand side management of our energy resources than there were in building new generating stations. This came as a huge relief. We could now advocate a green environment by being good environmental stewards without shooting ourselves in the foot. It would have been heresy not too many years ago for a carpenter to openly promote this demand side management rather than build new generating stations.

This is what led us to this conclusion. For many years we have been pushing this idea. We have been training our people in anticipation of this idea catching on.

In this motion I point to the federal government owning 50,000 buildings. In its literature it is actually 68,000 building that the federal government owns and operates. It does have some measures under way. Nobody is trying to say that the federal government is doing nothing in this regard. There is the federal building initiative program. Its goal is to try and conserve energy within publicly owned buildings.

Of those 68,000 buildings the government owns and operates, the federal building initiative has only done about 100. With my motion, we are hoping to make the argument that we could do as many as a couple of thousand per year and put a whole industry back to work in this new and laudable concept of demand side management.

I do not believe that we are taking full advantage of this opportunity if we are only doing a couple of projects a year. The federal government's web page is almost a brag sheet about the federal building initiative. The savings are unbelievable.

• (1850)

One example I pulled off the web site shows that Public Works and Government Services Canada upgraded a 500,000 square foot building in Calgary. I believe it was the Harry Hays building. It resulted in an energy saving of \$300,000 per year. That is for one building. We created a lot of jobs. Obviously the manufacturing sector benefited as well because there was the installation of new lighting fixtures, HVAC systems and smart boilers, et cetera. And we saved \$300,000.

We spend over \$800 million in energy costs per year to heat, light and cool all those 68,000 buildings.

In the document "A Brighter Future: Job Creation and Energy Efficiency in Manitoba", research shows that we can achieve an energy savings of as much as 40% by introducing many of the high tech systems that are currently available. Many of the buildings the government owns and operates are old and outdated. They were built in a time when energy was not an issue, when energy was cheap and plentiful.

I remember the time when Ontario Hydro and Manitoba Hydro ran ads on TV advocating more use of energy. They wanted us to do

everything electrically, to turn on the lights. We cannot do that any more.

There is another upside to what I am trying to introduce here. First is the job creation aspect. As carpenters, that was our first motivation and the reason we got into this. The second is the cost saving for the owners of the public buildings of up to 40% of that \$800 million a year. The third very good argument is that we could help to meet our commitments made at Kyoto and Rio de Janeiro to reduce harmful greenhouse gas emissions.

The federal building initiatives web page lists not only how much money it is saving by doing these buildings, it also lists how many millions of kilos of harmful greenhouse gas emissions it is saving per year. Some of these buildings are belching out unbelievable amounts of pollution. If we are going to be examples to private sector businesses in asking them to clean up their act and reduce harmful greenhouse gas emissions, surely we have to start with our own buildings. Surely we can demonstrate to the private sector that not only is it a good idea and good environmental stewardship to reduce energy consumption and eliminate waste, but they can also save a fortune by doing it.

This is why I believe that the federal building initiative, the program which is already in place and which I am not critical of at all, should be expanded tenfold. If 100 buildings have been done so far and there are 68,000 buildings to go, what are we waiting for? We could put a whole generation of tradespeople back to work. We could finally get some young people coming into the skilled trades, which is a real problem.

In the trade that I represent, the average age of a tradesman is 48 years. These guys are looking for a way out by the time they hit 50. Their knees and backs are gone. Young people are not choosing the skilled trades as a career option because the work is so spotty. This project could be a decade long program to get our buildings up to world class standards.

Besides job creation, obvious cost savings and environmental stewardship, the fourth benefit is the research and development that goes into this new high tech field. We could show the world. We could be the centre of excellence for environmental stewardship in terms of living in a harsh northern winter climate and show that it is still possible not to be wasteful in our energy use. We could export the engineering and research that we do.

We are already leaders in many aspects. There is the window industry, for instance. I do not think anybody in the world makes better windows than our own companies, such as Loewen windows in Manitoba. They export all over the world. They are leaders.

There are other aspects of energy retrofitting. We embrace this concept but one caution I have is there is a real temptation when one gets involved in energy retrofitting to pick the low hanging fruit, the easy stuff.

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• (1855)

For instance, anybody can change the light fixtures to more energy efficient ballasts. That is okay. It is all very well and good and one might get a very quick payback on one's investment. But when one goes to do the building envelope, the much more expensive things, insulation, windows and doors, the payback might take eight years or so. Average the two together and there might be a three or four year payback on one's investment. Most property owners will tolerate that. But if one picks the low hanging fruit and only does the easy stuff and does not do a comprehensive energy retrofit, it renders the other details less economical.

The real clinger here, the real thing I hope to excite people with is that everything I have talked about so far can be done at absolutely no cost to the taxpayer. Free. Revenue neutral. Not a penny. Private sector investors are standing by ready, willing and able to finance all of these retrofits. As many as we can throw at them, they are happy to underwrite, to pay for and to be paid back slowly out of the energy savings.

It is called the ESCO industry, energy services contracting. Many private financial institutions are involved. It is a very high tech field. Some of the best engineering firms in the world are doing the energy audits first of all.

All the federal government would have to do is to let us use its buildings to create jobs, reduce its operating costs and reduce harmful greenhouse gas emissions. What are we waiting for? Instead of doing 100 of these projects over the five years that the federal building initiative has been in place, why are we not doing 10,000 of them? And why are we not doing outreach to show those in the private sector how it can be done and that they should be doing it too?

The whole idea of reducing our greenhouse gas emissions has been viewed in a very negative light. Here we can point to a very positive side of it and we can save a fortune.

The province of Manitoba spends \$3.2 billion a year on energy. Every dollar that is not spent on energy can be spent elsewhere in the economy.

The whole concept of demand side management and energy retrofit is almost too good to be true. It is such a win-win situation. Any unit of energy that we harvest from the existing system by demand side management measures is exactly the same as one produced in a generating station, except for a couple of important things. For one thing it is available at one-third the cost. One-third the cost. The American research shows this. It is on line immediately. At the same instant one introduces demand side management measures in a building, the energy is on line immediately instead of waiting five to 10 years for a generating station to be built and to get on line. No additional infrastructure is needed in terms of

distribution. And it creates seven times the number of jobs. One would think that would be really smart.

Frankly the Americans are way ahead of us on this. The Bonneville hydro authority has precluded the need to build seven nuclear power plants just by its demand side management program. Seven nuclear power plants at \$10 billion each. That means it does not have to borrow that money on the open market. It does not have to pollute the environment with seven more power plants, although it is arguable whether they pollute or not. The hydro authority saw the sense in this and really embraced it wholeheartedly. The Tennessee Valley hydro authority has similar statistics.

I do not know why we are so slow on this. We live in a harsh winter climate where energy costs are a huge issue. Why are we not showing them how it is done instead of the other way around? I believe this is possible.

People ask what the motivation is behind this. Frankly I sound like a broken record. I came to Ottawa in 1993 to pitch this at an energy efficiency conference at the minister's request. I was given the energy innovator's award by the then minister of natural resources. Everybody said that it was fabulous and great, that it was a public-private partnership.

One source of venture capital for this was union pension funds. We pulled together a pool of union pension funds dedicated to this project, \$150 million of dedicated capital ready to go. We said "We have H.H. Angus, one of the best engineering companies in the world to do the auditing. We have the financiers in place. Just let us use your buildings". Nothing. Frankly, it did not really go very far.

• (1900)

Other financiers are in place and are underwriting the 100 projects done by the FBI but at a much greater mark-up. They want a much greater rate of return on their investment. Pension fund investors are happy to have a slow, steady, guaranteed rate of return, which is what makes it such a good investment for them.

The study we did called A Brighter Future is in its fourth printing now. Groups as diverse as the James Bay Cree have been asking for copies of it because they have a vested interest in reducing the number of hydro projects given the impact they have on northern communities. In Manitoba we are still dealing with the flooding of South Indian Lake.

Building a hydro project on a river is radical intervention in an ecosystem. We cannot enter into that kind of project lightly. It is irresponsible not to do everything in our power to look elsewhere for our energy. Building another generating station should only be a last resort. Certainly we will build more generating stations someday, but until we harvest every unit of energy we can out of the existing system it would be crazy to borrow \$10 billion to build another dam. It is just irresponsible.

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There are many measures in energy retrofitting. Rather than getting into the complicated technical side of things, I would like people to think of their own homes. We have known for years that an energy saving shower head that is worth about \$15 can save \$75 a year, but how many of us have actually gone down to Canadian Tire, paid the fifteen bucks and screwed the shower head on at home? We are stupid if we do not. We can save \$75 a year for a \$15 investment. That is how painfully obvious the measures are. The measures that need to be taken in buildings like the Wellington Building are that obvious to engineers. Why do people not do that?

Now we have taken the last obstacle away. What if one does not have the \$15 to buy the shower head. We can do it free of charge, at no cost to the government, zippo, free, gratis. There would be hundreds of thousands of jobs with no charge to the taxpayer. We could reduce greenhouse gas emissions and save 40% of the \$800 million per year that we currently spend on energy to heat and light 68,000 federal government buildings. What are we waiting for?

The whole industry is anxiously waiting to get started. The carpenters union in partnership with contractors across the country are running courses on energy retrofit construction, new vapour barrier and insulation systems. They are eagerly awaiting and anticipating this volume of work. The sheet metal workers union is specializing in various HVAC systems, the heat exchangers, the balancing, et cetera. Electricians are one of the groups that has offered to use some of its union pension funds because it will create jobs for its members. It is an ethical investment and it is good work.

There is another advantage to having the work in demand side management measures rather than in the construction of new generating stations. When a hydro dam is built all the jobs are concentrated in some isolated bush camp in the middle of nowhere. With demand side management measures jobs are spread evenly throughout every community in the country. Everywhere there is a publicly owned building is where the jobs will be. There may be 30 jobs to renovate a post office or 30 jobs to renovate a building on a military base. Those jobs will be more evenly distributed. It would be a far more equitable type of project.

We could view it as a megaproject but it is spread over the country. It would put an industry back to work. It would help us to embrace the idea of public-private partnerships in a very positive light.

Let the industry pay for it. It just wants to use the government buildings. It wants to help the government meet its Kyoto targets and bring down greenhouse gas emissions. Job creation for energy conservation is an idea whose time has come. It is long overdue. I welcome the support of other members in this regard.

Ms. Carolyn Parrish (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, it

is interesting to listen to talk on a motion with which the government and I concur. It is an excellent motion. We will be supporting it when it comes time to vote.

I am pleased to speak to the motion brought forward by the member for Winnipeg Centre. We appreciate the opportunity to speak about the government's commitment to energy efficiency. We know we can do more. We thank the member again for bringing it to everyone's attention. My comments today will focus on the government's federal buildings initiative and specifically on the role of Public Works and Government Services Canada in this initiative.

• (1905)

Energy efficiency makes sense not only for government but for all Canadian homeowners, drivers, businesses and industry. Energy efficiency is a winning strategy for reducing greenhouse gases, for promoting a competitive economy and for creating skills, sustainable jobs and expertise in high tech fields as was pointed out.

The federal government must show leadership on this issue. The best way to do that is through action rather than words. The Department of Public Works and Government Services is a common service agency providing a wide range of services to federal departments and other agencies. The department's mandate provides the unique opportunity for helping client departments identify and implement best practices in the areas of procurement, fleet management, waste management, water conservation, land use management and energy efficiency.

As a major property owner in Canada with about 350 office buildings and close to 2,000 lease contracts within Public Works, it is a unique position to promote and implement energy management initiatives such as the federal buildings initiative. If the other 16 departments under the Government of Canada, such as Health Canada, National Defence and Revenue Canada, are added we either own or lease 50,468 buildings. We have downsized the government; maybe their statistics are a little older than mine. It is impressive to know that over 24 million metres square is under government control. Also we have 22,793 vehicles which should be energy efficient as well. The department has been an active player in the development of this initiative in concert with Natural Resources Canada.

The federal buildings initiative helps federal departments and agencies reduce their energy consumption and greenhouse gas emissions by improving the energy efficiency of their buildings. This is achieved through partnerships with the private sector and at no upfront cost to the taxpayer.

In these times of fiscal restraint it is fair to ask where the government is finding the money to invest in energy efficiency. The member opposite talked about trade unions and various other

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organizations which have gone into partnership to improve energy efficiency. The answer is to get a willing third party, an energy service company to find the money for us.

The company provides the capital, implements the project and assumes any risk associated with it. Once the project begins to reduce energy consumption, the energy service company recoups its investment from the dollar savings. After the company is repaid, which may take as little as two years, the savings then go to the taxpayers. This innovative financing strategy effectively means that energy efficiency retrofits are paid for through the savings they generate. At the end of the day everyone is a winner. The federal government gets to upgrade its facilities with modern equipment and technologies at no new cost.

I must make a brief aside. I have been married to an engineer for 30 years. His idea of energy efficiency is the new shower head. He has gone around the House and put a brick in the water tank of each toilet. I asked what he was doing and he said it was a very technological advanced way of saving water.

The federal government upgrades its facilities with a little more finesse, with modern equipment and technologies at no new cost. Energy management companies generate new business and make a reasonable return on their investment. Canada increases its global competitiveness by developing high tech expertise and a skilled workforce in this field. Energy efficiency upgrades require a combination of new equipment and systems, technological expertise and labour. That means more Canadians are being put to work, as the member opposite pointed out.

Job creation is a priority of the government. The growing demand for energy efficiency retrofits is helping energy service companies prosper and generate new jobs. Federal buildings initiative projects in the federal sector alone have a potential to create some 20,000 person years of employment.

I would like to share some very impressive figures. I think the House will be interested in them, not that it is jam packed. To date the Department of Public Works has signed 27 contracts representing about \$32 million in energy investment by the private sector. This generates over \$5.5 million in annual energy savings, reducing CO₂ emissions by 20,000 tonnes per year, 5.25% from the 1995 levels, and creating in the process 640 jobs.

• (1910)

By the year 2000 public works will have reduced energy consumption by approximately \$12 million per year and have reduced CO₂ levels by 14%. This is an important element in the government's initial response to meeting the greenhouse gas commitments made in Kyoto last year.

Through the federal buildings initiative Public Works and Government Services Canada alone will generate about \$60 million of

private sector investment and will create approximately 1,200 jobs in the private sector.

At the same time as the department of public works has been implementing federal building initiatives projects it has also proceeded with a unique project in a leased facility. The Place Vincent Massey building, a complex which is leased by the government, underwent an impressive \$1.4 million in energy upgrades which will achieve a potential \$200,000 annually in energy cost savings. As a result of this success, public works is now pursuing federal buildings initiative projects in all the leased buildings it manages. This means even more savings and more job creation.

I am pleased to report to the hon. member for Winnipeg Centre that included in the 27 projects public works has already signed, four contracts for 12 buildings were awarded in the western region. The member may also be interested to know that four of these buildings are located in Winnipeg. Overall these contracts represent an investment of close to \$4 million by the private sector, generating approximately \$650,000 of energy savings and creating 73 jobs.

The Department of Public Works and Government Services is not alone. Virtually every federal department that owns buildings has made a commitment to pursue this unique opportunity.

In addition to launching its own projects, public works will help other departments implement the federal buildings initiative by undertaking project management on their behalf. I think that is why the hon. minister we have now was put into his position. When we were first elected in 1993, he went through and slashed budgets. Nobody could paint offices. He was a real tough character. He has been put in charge of this initiative. With his broad expertise in energy management and wide range of property management services, public works is well suited to the task as is its minister.

What is particularly exciting about the federal buildings initiative is that it can be easily replicated by other levels of governments and other sectors of the economy. Public works has been working in partnership with other levels of government, federal, provincial, territorial and municipal. Let us not forget that businesses, hospitals, schools and universities can all use the federal buildings initiative approach too, and many are. In the end everyone benefits from the federal buildings initiative: the government, the private sector, the taxpayer and our environment.

I assure the member for Winnipeg Centre that the federal buildings initiative program is alive and well. The government is committed to seeing that the program is implemented whenever and wherever it makes sense. We welcome the hon. member's support and I encourage him to follow the federal buildings initiatives progress as we make our way through the full inventory of federal buildings.

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Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, after listening to the two previous speakers I cannot for the life of me understand why every small business and homeowner in the country is not busy retrofitting their homes for energy efficiency.

An hon. member: Motherhood and apple pie.

Mr. David Chatters: Yes, the issue is motherhood and apple pie. It is pretty difficult to say that it is wrong. The idea has a lot of merit, but I have some concerns with the member's motion and the federal building initiative it is based on.

I recognize and I applaud the hon. member who presented the motion on his demonstrated commitment to the issue and his efforts in working in energy efficient strategies for many years in his home province of Manitoba.

While I have some reservations regarding the simplicity of the motion and the specific program, the FBI the member endorses, I agree there certainly is a need in the country for his comprehensive energy efficiency strategy.

The development of long term strategies is one of the government's demonstrated weaknesses. One has to look for evidence only to its handling of the Kyoto conference last December, the issue of gasoline standards in Canada and certainly the issue of air quality standards in Canada.

• (1915)

The Kyoto example is certainly one of the better examples. Canadians everywhere were imploring the government to make its position and strategy known prior to going to Kyoto and this information was still unavailable right up to the day the delegation left for the summit. It was apparent that the government had no clear strategy going into the conference and was watching for other countries to lead.

Now, a full year later, even after Rio, the government still has no concrete plans or strategy for the implementation of the commitments made at Kyoto. Throughout the entire process the government presented a one-sided argument in an effort to sway public opinion.

While it was widely agreed that the measures needed to be taken and some commitments made, Canadians were only given half the information and were not and have not been invited to participate in the process. If this government is to develop a comprehensive energy efficiency strategy, as I believe it should, it must engage Canadians and open up the process so that Canadians get the full and honest picture of the benefits and costs.

This leads me to my first concern with this motion. The member for Winnipeg Centre endorses a retrofitting program called the federal building initiative. Through this program federal depart-

ments may retrofit federal buildings for greater energy efficiency. Departments pay the cost of the renovations out of the savings on energy bills over a negotiated pay-back period. At first glance this program seems ideal and it certainly does have merit. It would lead one to say "What is holding us back? Why are we not going at this full bore?"

However, it is impossible to make a fair assessment when only half of the information is available and has been presented.

Despite my interest in energy efficiency and my role as the natural resources critic for the opposition caucus, I have been able to get only very limited information about this program.

If the program is successful and worthy of Canadian support, why is more information not being made available? Too often the government aggressively promotes a program, only to ignore it after implementation or to provide only information that it deems to be supportive while it suppresses all other information. Programs fail to live up to expectations and are therefore kept from the public spotlight. Canadians deserve more in the way of feedback and regular updates on the success or failures of programs that cost millions of taxpayers' dollars.

When I began researching this program I asked for a cost breakdown of one or two examples of contracts that we might examine to assess it. I was curious about the size of the profit margin that would be incentive enough for a private sector energy service company to enter into a contract in which it is not paid in full for up to eight years. It was a simple enough request, but I have not yet received an adequate response.

I also requested complete information on the specific retrofitting projects identified as the government's success stories on its natural resources web site which other members have referred to. Three such examples were listed on the web page along with the annual savings reaped by retrofitting each facility. I was informed that a case study exists about one of the facilities, but I have yet to see that study in any detail. We were provided with only three pieces of information. The total annual savings were \$880,000 on that particular project, the amount of the contract was \$6.1 million and the pay-back period was 7.1 years.

I am hesitant to endorse this program until I have received more information about it. However, gathering information has certainly proved to be an onerous task.

I therefore have to question how the public can fairly assess such a program when information is so difficult to obtain. I can only assume that they will base their assessment on the relatively few facts provided by the government, thus making their judgment on partial information.

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This is a prime example of the lack of government transparency that is to be avoided in the development and implementation of a comprehensive energy efficiency strategy. The federal building initiative may be a raging success or it may be an abysmal flop for all we know from the information we seem to be able to get on it. Either way there needs to be greater public accountability through detailed reports showing the progress of the program.

I also have some concerns with the tendering process espoused by the federal buildings initiative. Through this program federal departments are given significant freedom in choosing an energy service company to retrofit their buildings. Unlike other government contracts, the awarding of a retrofit contract is not based on the lowest bid. Departments must take a number of factors into account and may place emphasis where they see fit. Energy service companies must be chosen from a qualified bidders list kept by Natural Resources Canada.

• (1920)

These features of the tendering process blow the doors wide open to patronage, whereby contracts can and likely will be awarded to friends of the government. To avoid or at least to minimize patronage it is necessary to open up the tendering process.

That being said, I would like to express my general skepticism regarding motions and bills introduced by the members of the New Democratic Party.

As a young man I was searching for a home for my political ideology and I looked at the NDP philosophy. It certainly appeals to many Canadians. However, assessing any political ideology is like the retrofit program: if we only get half the story it is pretty hard to make an intelligent and informed decision. Certainly the NDP motion that we are dealing with today fits into that category. Every Canadian wants to live in a free society with zero unemployment, a healthy environment with no poverty. All Canadians share those ideals.

However, I fear that these ideals are in direct conflict with the realities of the day. That is not to say that we should abandon those ideals, but we should be working toward the ideal while recognizing the reality.

Canada does not have a bottomless pit of money to finance government programs and initiatives. All programs come at a cost to Canadians. There are no free rides. In many cases the cost may be worth it, but that does not mean the financial side of the program can be ignored.

The motion points to job creation and the development of high-tech expertise through an energy efficiency strategy. It was my hope upon reading the motion that the member for Winnipeg Centre was talking about jobs created naturally in the private

sector, not through substantial investment by the federal government.

Contrary to my hope, in a report prepared by the member, to which he referred, "A Brighter Future: Energy Efficiency and Jobs in Manitoba", the member for Winnipeg Centre advocates federal funding in a number of areas, but particularly in training workers for the conservation industry.

The motion also calls for the development of high-tech expertise. Again I hope that the member for Winnipeg Centre is talking about encouraging private sector investment in research and development. However, if he is talking about government investment, it is very important that Canadians get a good return on their money.

If high-tech expertise is to be developed through government investment, that expertise must not be patented and sold by the private sector with no return to the taxpayers of Canada. I think the term is intellectual property.

Having expressed all of those reservations, this issue is motherhood and apple pie and certainly our caucus will be supporting the motion when it comes to a vote. However, I would like some of the issues which I brought forward to be addressed.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, the motion before us focuses more on the economic impact than the environmental impact of an energy efficiency strategy.

You may have noticed that the motion deals for the most part with the economic benefits associated with such a strategy. Basically, it suggests that an energy efficiency strategy would promote job creation while at the same time boosting export opportunities.

In that sense, the motion put forward by the hon. member for Winnipeg Centre hits the mark. There are undeniable financial benefits to energy efficiency. In this respect, the experience of Quebec is a case in point. As the Quebec minister responsible for natural resources, Guy Chevrette, recently pointed out, Quebec has successfully developed a whole economic structure around energy efficiency.

• (1925)

The latest available statistics date back to 1994 but nevertheless speak volumes. The commercial activities associated with the manufacturing, distribution and installation of energy-efficient products brought in nearly \$2 billion for Quebec businesses alone. And these activities created approximately 13,000 jobs for Quebecers.

We are talking about a real industry here, a business that is not only booming on domestic markets but also very promising in terms of export potential. In fact, Quebec's new energy efficiency agency, about which I will say more in a moment, has taken a proactive approach to international relations. This openness to the

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rest of the world is designed to preserve and reinforce Quebec's expertise in this respect.

In short, the economic basis for Motion M-300 is absolutely sound. However, this motion fails to address the environmental impact, which is unfortunate and rather surprising. More than ever, energy efficiency appears to be an inescapable way of meeting international requirements in relation to climate change and the greenhouse effect. Natural Resources Canada has already started implementing an energy efficiency strategy.

It is well known that the resources now devoted to energy efficiency initiatives are modest. Strategic tools are limited and Natural Resources Canada is focussing primarily on public awareness. The following question therefore arises: are existing initiatives well managed and are they having a real and positive impact on the environment?

In this respect, the 1997 auditor general's report identified the areas in which Natural Resources Canada's implementation of its energy efficiency strategy was weak. The auditor general pointed out that there is no clear link between federal energy efficiency initiatives, on the one hand, and Canada's environmental objectives, such as stabilizing green house gas emissions at 1990 levels, on the other.

Furthermore, the contribution of existing measures to the attainment of stabilization objectives is not being well measured. The department's performance data do not allow this specific input to be measured. Nor do they allow us to measure the overall success of existing energy efficiency initiatives. All this was pointed out by the auditor general in 1997.

Motion M-300 proposes that the government invest in a comprehensive energy efficiency strategy. Logically, the motion implies that the Government of Canada should launch new initiatives. Before doing so, however, the federal government should first ensure that its existing initiatives are having a positive impact, one that is measurable and verifiable.

The motion before us today does not say which department or agency should implement the exhaustive strategy proposed. Caution would dictate better management of existing initiatives before Natural Resources Canada or the new energy efficiency office is given responsibility for implementing new initiatives in this area.

As a Bloc Québécois member, I am particularly concerned about the question of jurisdiction. Energy is a provincial responsibility. This obviously includes energy efficiency. Furthermore, Quebec is in the forefront when it comes to energy efficiency.

Despite an increase in our population and in our economic activities, Quebecers use the same amount of energy they did 20 years ago.

• (1930)

This is a testimony to the considerable efforts made by Quebec with respect to energy efficiency. Quebec is leading the way in Canada with its energy efficiency legislation, particularly as it applies to new buildings.

In 1997, the Government of Quebec created the Agence de l'efficacité énergétique. This agency has the backing of all Quebecers. The legislation that created it was passed unanimously in the National Assembly. The agency will be the focal point for anything having to do with energy efficiency in Quebec.

Agency president Michel Dallaire shared his vision for the new agency last May. I quote:

Between now and the year 2001, the Agence de l'efficacité énergétique wishes to gain recognition as the key Quebec source of reference for energy efficiency and an unbiased promoter of its economic and environmental advantages.

One of this agency's mandates is to support R&D in energy efficiency technologies. This is, in fact, one of the main concerns in the motion by our colleague for Winnipeg Centre.

Of course, the Government of Canada regulates interprovincial commerce involving energy-consuming machinery and equipment. Through its spending powers, the federal government also devotes considerable resources to the promotion of energy efficiency, particularly in the areas of R&D and transportation.

Motion M-300 might be interpreted as being intended to encourage the Government of Canada to broaden its jurisdiction over energy efficiency. The Bloc Québécois certainly has no intention of helping the federal government to broaden its jurisdiction. The federal government ought not to be needlessly duplicating provincial efforts.

Any major federal initiative in the area of energy efficiency ought to start off by gaining the support of the provinces. The Bloc Québécois wishes to ensure that increased federal resources for energy efficiency will be used to support provincial objectives and strategies in this area.

If the federal government were to put new programs into place in this field, Quebec and the other provinces ought to be able to opt out of these programs with full compensation.

In Quebec, the Agence de l'efficacité énergétique would be responsible for managing the amounts in question, according to its own priorities and strategy.

In conclusion, the economic concerns underlying Motion M-300 are entirely laudable. Investing in energy efficiency can lead to the creation of thousands of jobs and open up new markets for businesses in Canada and in Quebec. The Bloc Québécois is not

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questioning this logic. However, economic logic should not be the sole criterion by which this motion is judged.

The primary *raison d'être* for an energy efficiency strategy is to improve our environmental performance. Unfortunately, the Government of Canada's track record in this regard is disappointing. Existing initiatives could be much better managed.

This is why we are reluctant to support the motion. Before investing more money, the government must ensure that existing programs are well run.

Furthermore, it is primarily for jurisdictional reasons that the Bloc Québécois has doubts about the content of this motion. Quebec has its own agency for energy efficiency issues, which will be responsible for all matters having to do with energy efficiency in Quebec.

We wanted to move an amendment to Motion M-300 that would have reflected provincial jurisdictions. Unfortunately, under the Standing Orders, such an amendment would have gone beyond the scope of the present motion and was therefore not allowed, leaving us no choice but to oppose the motion before us.

[*English*]

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, it is with pleasure that I have the opportunity to speak to the motion moved by the member for Winnipeg Centre. I will repeat the motion as it is very prudent for us to break it down into its parts.

The motion reads:

That, in the opinion of this House, the government should invest in a comprehensive energy efficiency strategy—

The Progressive Conservative Party indeed agrees with that.

—thus: (a) exploiting the considerable job creation potential of energy efficiency; (b) encouraging the development of high tech expertise and export opportunities; and (c) increasing the number of federally owned buildings (of which there are 50,000) retrofitted for energy efficiency through the Federal Buildings Initiative.

• (1935)

I want to talk about the primary origin of why this particular debate is becoming very topical. It comes down to the fact that just over a year ago the industrialized world and emerging nations attended a conference in Kyoto to make a tangible approach to cut down carbon dioxide emissions and fight the serious challenge of climate change.

Over the last 40 to 60 years the use of fossil fuels which we use to heat our homes and drive our automobiles has proliferated the amount of greenhouse gases within our environment. We are now seeing a number of extreme weather events. Last year the ice storm affected my riding of Fundy—Royal. It affected our cousins in the United States and many of our cousins in the province of Quebec.

These severe weather conditions are products of what can happen with the continuance of global warming. It is prudent for us to look at this issue.

The government needs to engage in more energy efficiency. Canada has an export driven economy, an economy that relies on our natural resources and an economy that is industrially based. The industrialized world said just over a year ago that it would be investing in energy efficiency initiatives and research and development on renewable sources of energy in order to address the challenge of climate change.

President Clinton and Vice-President Al Gore touched on the fact that the Americans would be spending over \$7 billion on energy efficiency initiatives. This issue is just as much a trade issue from the Canadian perspective as it is an environmental issue. One thing we do know is that when the Americans want to engage in a particular topic they usually do it quite well. Given that the Americans will be spending over \$7 billion on energy efficiency and they can start spending that money before the senate or the congress actually ratifies the Kyoto protocol, it is a myth that we should wait until it is ratified.

Once the Americans start spending some cash on energy efficiency is when we have to begin. If our American cousins start running their industries in a more energy efficient and cost competitive manner, it would have some very negative implications on our country's competitiveness, on our ability to trade and on the ability of our industries to compete on a cost perspective with our American cousins.

The government speaks quite often about the need to reward early action in terms of climate change. Canadians would be very happy even with some action in terms of actually pushing to ensure that we follow the same initiatives as our trading partners in the EU and the United States.

We do not necessarily see this as an issue that has really caught on with respect to the public, even though the science is definitely very clear. I say that with a little jest because the current government, as we were reviewing the Canadian Environmental Protection Act, built an environmental coalition with the Reform Party. The Reform Party still disputes whether the science on climate change is real. That party probably would, on a different day if it thought it was advantageous, argue that cigarette smoking was actually healthy.

In 1987 a conference was held in Montreal, known as the Montreal protocol. The Canadian government was the principal government in the world and led the world community in making firm commitments to the reduction of ozone depleting gases. That said, ozone depleting gases became something that was in the forefront. The public mindset was that ozone depleting gases were

a bad thing for our environment. The government has yet to make that kind of initiative in terms of getting this into the public domain in terms of the need to fight climate change and reduce gas emissions.

• (1940)

I thank hon. members for the opportunity to speak here this evening. The Progressive Conservative Party will be supporting this motion by the member for Winnipeg Centre.

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, I am delighted to rise to address the House on the motion put forward by the hon. member for Winnipeg Centre. I want to thank the hon. member for bringing this matter before the House and commend him for his interest in energy efficiency.

This is a very important issue for all Canadians, for our economy, for our environment and indeed for our quality of life here in Canada. It deserves the careful attention of this House.

In Canada and indeed around the world there is a growing awareness that we need to use energy more efficiently. The combustion, the use of fossil fuels like coal, oil and natural gas produce greenhouse gas emissions that are contributing to climate change and to other environmental problems. Unless action is taken now, future generations will be left with an unmanageable environmental and economic burden.

I am pleased to say that Canada is a recognized world leader in energy efficiency. Between 1990 and 1996, a period during which our economy and population grew significantly, efficiency gains by Canadians resulted in annual energy cost savings that reached \$4 billion for the year 1996. Secondary energy use was 3.2% lower than it would have been without improvements in energy intensity. Of course that means carbon dioxide emissions were also lower than would otherwise have been the case.

In his motion the hon. member calls for the government to invest in a comprehensive energy efficiency strategy that will create jobs, lead to the development and export of innovative technologies and demonstrate federal leadership. I am here to inform the House that such a strategy is already in place and is having a clear and positive impact on Canada's economy and on the environment.

The Minister of Natural Resources is a champion of energy efficiency in the government and across the Canadian economy. He has demonstrated this most recently by establishing a dynamic new organization, the office of energy efficiency, which is mandated to strengthen his department's leadership efforts in this particular area. This new organization is an important part of the government's initial response to meeting the greenhouse gas commitments made at Kyoto last December.

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The office of energy efficiency is now delivering 18 programs designed to move the market toward increased energy efficiency, including three new programs launched this past April with a funding commitment of \$48 million over three years.

Some of these programs provide Canadian consumers and industries with the information they need to become more energy efficient. Others regulate minimum energy performance standards for certain types of energy-using equipment or show leadership through action.

The office of energy efficiency also delivers a financial incentive program to improve the energy performance of commercial buildings.

But market transformation, the changing of attitudes and the removal of market barriers is only one side of the coin. It is also critical that Canada develop technologies, processes and systems that will enable us to use less energy and produce fewer greenhouse gas emissions while maintaining our economic competitiveness in a changing world. Toward this end the energy technology branch of Natural Resources Canada delivers a wide range of programs to support the research, development and application of innovative energy efficiency technologies and processes in all sectors of the economy.

Every project undertaken by the branch is done in partnership with others in industry or the academic community so that taxpayers' dollars are being used to foster investments in energy efficiency. This is an excellent example of how federal spending in strategic areas can also provide value added benefits to society.

• (1945)

The impact of these NRCan programs has been very positive. While the debate has been mixed in the House among those who disagree with the fact that we should be spending any time or energy on energy efficiency versus those who would suggest that we should spend more, Natural Resources Canada is providing a healthy balance in providing market forces and market driven activities which will lead to successful, innovative programs and results.

The hon. member for Winnipeg Centre is quite correct to make the link between energy efficiency and job creation. Every \$1 million invested in energy efficiency projects generates 20 years of employment and millions are being invested each year.

The Acting Speaker (Mr. McClelland): The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

*Adjournment Debate***ADJOURNMENT PROCEEDINGS***[Translation]*

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

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I have already asked a question in the House on this issue concerning women in my region.

They have crewed for their husbands for the past 8 years and have always qualified for employment insurance. In recent weeks, the Department of Human Resources Development has refused employment insurance benefits to 40 of these women because of the arm's length provisions.

There is cause for concern about the way the Department of Human Resources Development interprets the arm's length provisions when it comes to people working for a family member.

As I said, these women have fished for their husbands for eight years. They got up at 4 in the morning, and put in their day of fishing, for 8 years. Suddenly the government decided to look into the situation and said "This is a matter of arm's length". It was the same last year, and the year before that. Then they ask them to repay \$15,000 or \$20,000.

Even today I asked a question in the House, during Oral Question Period. The government keeps giving us the same answer, that 78% of Canadian workers qualify for employment insurance. In the House they say things that are not true.

It is not true for the simple reason that only 38% of people paying into employment insurance qualify for it. That is unfair. That is why when I asked my question I had asked whether the government had something against women. Is this now discrimination against women?

They not only checked women married to fishermen, but the daughters of fishermen in certain cases. They did not check boys, sons working for their fathers. Why do it for a daughter working for her father? Why only the daughter or the mother?

This does not only occur in New Brunswick. In the Magdalen Islands, a lot of women work with their husbands. I find it really discriminatory to take it out on women the way they did. Even the investigators were saying it is a matter of time. Very soon, not one woman working for her husband now will get employment insurance.

Fishing is essentially a family business. Is the department telling fishermen they do not have the right to hire their wives?

• (1950)

I find the way the government is going after these people completely intolerable. They get up at 4 a.m. and head out fishing. They stay out until 2, 3 or 4 p.m., and fishing is not easy.

There is one investigator who told a woman that she had not been out fishing on the morning in question, but never went to talk with her at the time. How could he know whether it was a woman or a man under all that fishing gear? How can they base a decision on someone telephoning them to say that the woman had not been out fishing, or whatever, without any proof?

The government should conduct another investigation and allow these women to collect EI.

[English]

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, the hon. member has raised an important question. He has basically made the allegation that the Department of Human Resources Development Canada is discriminating against women, specifically in the choices it makes during the evaluation of eligibility for employment insurance benefits.

The people involved in the member's concerns are a group of women who participated in the fishing industry in various forms. They basically came to the hon. member with what I would call a serious complaint. They felt that they were not receiving due process.

It may be worth pointing out that the people in question received what appears to be due process in that the Department of Human Resources Development Canada received complaints from members of the community in which the hon. member is actually a resident himself. When there is an allegation that a person may not be fulfilling the requirements under the arm's length provisions of the employment insurance eligibility criteria, the department has a responsibility to review it. It is quite often referred to Revenue Canada for investigation.

Departmental notes show that under these circumstances the evidence did not indicate that there was full compliance with the requirements for insurable earnings. Again, these allegations of abuse came from the community members themselves. They were not generated by departmental officials per se, but in many instances came from the community.

[Translation]

EMPLOYMENT INSURANCE

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I have only four minutes in which to speak about the aberrations of the employment insurance fund, in particular the aberrant responses of

the Minister of Human Resources Development. That is far from enough.

Last October 20, I asked him how he was going to improve the program. I also asked whether he was going to allow the Minister of Finance to dip into the employment insurance fund. I am sure he had given some thought to the response he gave us, because the Minister of Human Resources Development is a great thinker, such a thinker that he does not meet our expectations. He does not act. I am certain that his inaction is evidence of his refusal to budge on the issue of the employment insurance fund surplus.

His reply to me was that this new "employment insurance lite" met the needs of the unemployed. He also told me that those who were not covered are those for whom the program was not intended, people who have not worked and therefore have not contributed.

According to Statistics Canada, 38% of the unemployed received employment insurance in 1997. On the other hand, the Minister of Human Resources Development's magic figure is 78%, that 78% of those who have lost their jobs are eligible now.

Looking at the table of employment insurance coverage, we can see that some people are excluded. One hundred thousand are excluded because they left their jobs without valid grounds. The only reason that is accepted is sexual harassment, and even that has to be proved.

A total of 142,000 people are excluded because they do not meet the eligibility requirements and another 35,000 have exhausted their benefits.

• (1955)

We know that many people are disqualified because of the tougher criteria.

So, all the while, there is \$20 billion building up in the EI fund. The government is quite happy to dip into this fund but, at the same time, it wants to give the rich greater tax breaks.

What we are asking is that the system be improved. The Minister of Human Resources Development has been boasting about the millions of dollars he is putting into two programs. He keeps telling us how wonderful the transitional jobs fund and the youth employment strategy are.

He has invested only \$300 million over three years in the transitional jobs fund and another \$150 million over three years, compared to the billions that are being taken from the employment insurance fund. It is shameful. That is what the great generosity of the Minister of Finance boils down to. We know very well there is a flow between the consolidated fund and the employment insurance fund.

I suggest to the Minister of Human Resources Development that he step down from his limousine and visit the ridings that are

affected by employment insurance. He will discover the welcome is not so warm and his answers to our questions are insignificant and insipid.

He is also telling us the Bloc Quebecois wants people to be unemployed. When we were defending economic issues in order to keep jobs in the Quebec City area, such as Quebec 2010, the Quebec-Nova Scotia gas pipeline and the cruise ship casinos, did we hear from this minister?

We did it to protect jobs in the region, not to make people unemployed, as the minister says in his senseless answers. I could provide a few other examples, such as the shipping policy, MIL Davie, where the government showed up too late. I could have used four minutes more.

[English]

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, I think if we had 40 more minutes there probably would not be too many more new ideas coming forward from the Bloc. Members of the Bloc Quebecois have repeatedly tried to mix and match figures to suit their particular purposes when it comes to discussing this particular issue. They have not wanted to look at the true facts.

The Bloc Quebecois fails to mention that the recent analysis on EI coverage clearly concludes that the EI program is indeed meeting its key objective of providing temporary income support between jobs to workers in Canada. It concludes that about 78% of the unemployed who lost their jobs or quit with just cause were indeed eligible in 1997; not 43% or 42% as alleged by members opposite, but indeed 78%.

The employment insurance system is a major tool to help unemployed Canadians, but it is just that. It is a tool. Contrary to what the Bloc and the opposition insists, employment insurance is not a panacea and is not for all unemployed Canadians who are not automatically covered. For example, people who are not entitled to EI are people who have never worked, people who have quit their job to go back to school, or people who are self-employed and do not pay EI premiums.

What the Bloc has consistently failed to mention is that in addition to the significant measures under the EI program to help put Canadians back to work who are indeed eligible for this particular insurance, the Government of Canada is also providing additional benefits and support through the youth employment strategy, through the Canadian opportunities strategy, through the transitional jobs fund, through the post-TAGS program in many areas of Atlantic Canada and the Gaspé of Quebec, and indeed active employment measures through the Part II funds of the Employment Insurance Act, as well as the new hires program.

What members have failed to mention is that we are putting \$1.1 billion in employment insurance premiums back in—

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The Acting Speaker (Mr. McClelland): The hon. member for New Westminster—Coquitlam—Burnaby.

APEC SUMMIT

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, I asked on October 23 the following question and did not receive an answer. I asked:

The APEC issue is about the constitutional rights of Canadians; the right to speak out against injustice, the right not to be arrested for only political purposes, and the right to fair process before a tribunal. These things have all been suspended by the government. Now the fix appears to be in and the commission has been adjourned to November 16. We do not know where this is going to go. We need a judicial inquiry to clean up this mess. What will the government do to restore the constitutional rights of Canadians that it has tossed aside?

• (2000)

Most Canadians are very familiar with the ongoing saga of the APEC inquiry. The inquiry has been a sham since the outset, and today we know that the inquiry is in complete disrepute.

Reform is asking for an independent judicial inquiry and Canadians agree. The only group that disagrees are the Liberals and perhaps they are too afraid of what might be uncovered at such an inquiry.

The students who protested at the Pacific Rim summit of APEC leaders had every right under the charter of rights to do so. This was the premise of my question to the Deputy Prime Minister. The constitutional right of Canadians was suspended so the Prime Minister would not be embarrassed.

No place in the charter of rights and freedoms does it state that the rights of the prime minister supersede the rights of ordinary citizens. In fact the charter is mainly there to restrain governments.

The Deputy Prime Minister in his response to me outlined that I should have praised the Prime Minister for his part in establishing the charter of rights and freedoms. If the Deputy Prime Minister is so proud of the charter, perhaps he might want to go the next step and actually honour it, live by it, not just when it is convenient.

Section 2(b) of the charter speaks of freedom of expression. It guarantees that everyone has the right to express thoughts orally or through writing or through pictures. If the government restricts these thoughts it is trenching upon the guarantee. Many students had their banners torn down because the content was not in support of Suharto.

Section 2(c) of the charter speaks of freedom of assembly. The rights of an accused cannot be restricted on a speculative concern of danger. With the fear of something going wrong the RCMP used clean-up tactics the day before the motorcade event. This type of practice is commonplace in some other APEC countries but should

not happen in Canada according to the law but apparently not Liberal law.

Section 9 of the charter says everyone has the right not to be arbitrarily detained or imprisoned. Law student Craig Jones was tackled, arrested and imprisoned for holding up a sign that said "free speech, democracy and human rights". It almost seems that every section of the charter was overridden to save the Prime Minister from embarrassment.

When the RCMP went in to deal with these protesters the charter of rights was tossed out the window. Whether or not the Prime Minister gave the directive is a question Canadians hope will be answered in an independent judicial inquiry. However, the Prime Minister has always supported the action taken by the RCMP and because of this support has told Canadians that he is above the law and the charter.

Let me remind the government member who will be answering on behalf of the government that Canadians are interested in the truth. They want to know that the charter of rights works for them, not against them. Canadians want to know that they are able to speak their mind on any political issue without suffering punishment. If the government is so proud of the charter then it should prove to the House that it works and prove that the students in Vancouver had the charter on their side.

The question remains: What will the government do to restore the constitutional rights of Canadians that it has tossed aside?

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, the charter also protects parliament and the operations of parliament. Quite frankly the public complaints commission was enacted and brought into being by an act of parliament.

The allegations that are constantly being brought forward by this member and members of his party do not reflect the fact that a specific complaint was lodged against a specific police force. There is an act of parliament which governs, enshrines and protects the laws of Canada. It has been brought into force to review the particular complaint in that situation.

We are asking, and I am quite confident we have the backing of all Canadians, to let the commission do its work. That is a very simple request. It is within the scope and the purview of parliament. It has been enacted by parliament. It operates at arm's length from the government. We have no active role. That is all we are asking for, to answer to the specific complaints and the specific allegations.

The posturing, the rhetoric and the ill conceived political grandstanding that have been constantly the trademark of the

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particular party across the way cannot interfere with the due process that must proceed and should proceed. The process was formulated by parliament in a non-partisan way. It was voted upon and enacted by parliament and should be outside the purview of parliament. It should proceed on its own merit and in its own way.

I simply ask for due process and justice to let the matter proceed.

[*Translation*]

The Acting Speaker (Mr. McClelland): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24.

(The House adjourned at 8.02 p.m.)

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