



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, April 22, 1999**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Thursday, April 22, 1999

The House met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

• (1005)

[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 nine petitions.

\* \* \*

[English]

### COMMITTEES OF THE HOUSE

HEALTH

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, this week is organ donor week and today is national organ and tissue discussion day. On the occasion of both I am pleased to have the honour to present to the House, in both official languages, the fifth report of the Standing Committee on Health entitled "Organ and Tissue Donation and Transplantation: A Canadian Approach".

Pursuant to Standing Order 108(2), your committee proceeded to consider the state of organ and tissue donation and transplantation in Canada. The report was developed following intensive consultation and provides a comprehensive and national approach sought by numerous groups and individuals already working in the field.

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

I thank all of my colleagues on the standing committee, from both sides of the House, for the dedication and energy which they have put into this very important and comprehensive study.

\* \* \*

### CANADA FOOD SAFETY AND INSPECTION ACT

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.)** moved for leave to introduce Bill C-80, an act to revise and consolidate certain acts respecting food, agricultural commodities, aquatic commodities and agricultural inputs, to amend the Canadian Food Inspection Agency Act, the Agriculture and Agri-Food Administrative Monetary Penalties Act, the Health of Animals Act, the Plant Protection Act and the Plant Breeders' Rights Act, and to repeal and amend other acts in consequence.

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

\* \* \*

### INCOME TAX ACT

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP)** moved for leave to introduce Bill C-496, an act to amend the Income Tax Act (medical expenses).

He said: Mr. Speaker, I thank the seconder of this bill, the hon. member from Burnaby—Douglas. In summary, we hope that this private member's bill will assist thousands upon thousands of Canadians who obtain their medical prescriptions from a licensed physician.

The purpose of this enactment is to expand the list of allowable medical expense deductions in the Income Tax Act to include expenses incurred due to a herbal remedy prescribed as a substitute for a prescription drug that would qualify as a medical expense under the act, but which a person cannot use because he or she has severe allergies or environmental sensitivities to that drug.

I wish to thank the environmental health clinic of Nova Scotia, which is in my riding, in Fall River, for helping us to draft the legislation and all those people in Canada who have supported the bill.

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

*Routine Proceedings*

• (1010)

[*Translation*]

**CANADA ELECTIONS ACT**

**Ms. Caroline St-Hilaire (Longueuil, BQ)** moved for leave to introduce Bill C-497, an act to amend the Canada Elections Act (reimbursement of election expenses).

She said: Mr. Speaker, I am very pleased to introduce this, my first, private member's bill in the House. It amends the Elections Act by allowing a registered party reimbursement of part of its election expenses, when at least 30% of the total number of elected candidates endorsed by it are women.

I believe that concrete mechanisms must be put in place immediately, which is why I am proud to introduce this bill. As I have already said, this bill constitutes a major step in relation to the presence of women in politics. I would remind my colleagues that 52% of the population are women. Now is the time to act.

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

\* \* \*

[*English*]

**AWARDING OF THE ORGAN DONATION MEDAL ACT**

**Mr. Reed Elley (Nanaimo—Cowichan, Ref.)** moved for leave to introduce Bill C-498, an act respecting the establishment and award of an Organ Donation Medal to commemorate a person for the posthumous donation of an organ.

He said: Mr. Speaker, it is a pleasure to rise on this very special day when the health committee will be introducing its report.

I want to thank my hon. colleague from Dewdney—Alouette for seconding this bill.

I rise to introduce my private member's bill, which I call the organ donation medal act. If passed, the bill will serve to formally recognize posthumously those who have given of themselves through organ donation so that someone else may live a richer, fuller life. This medal would be awarded to a family member to recognize the gift of life.

Today over 3,000 Canadians are waiting for life-giving organ transplants and Canada has one of the lowest donation rates in the world. We know that needs to be changed. As a parliament and as a society we can take steps to change this.

This bill is without precedence and I hope that through this small step we can ensure that more of those 3,000 people will be able to

receive the organ donation which they so desperately need. This bill would help those people.

I hope that all members on all sides of the House will give this bill the non-partisan support it deserves.

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

\* \* \*

**COMMITTEES OF THE HOUSE**

## FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. Svend J. Robinson (Burnaby—Douglas, NDP)** Mr. Speaker, I move that the seventh report of the Standing Committee on Foreign Affairs and International Trade, presented on Thursday, December 10, 1998, be concurred in.

**The Acting Speaker (Mr. McClelland):** I want to admonish the House that members who rise to speak under motions will be asked to be strictly relevant to the motion on which they rise.

**Mr. Svend J. Robinson:** Mr. Speaker, I should inform the House that I will be dividing my time with the hon. member for Winnipeg—Transcona.

I have moved concurrence this morning in the seventh report of the Standing Committee on Foreign Affairs and International Trade. The report was presented to the House on December 10, 1998, which was International Human Rights Day.

The report is profoundly important. It concerns nuclear disarmament, nuclear non-proliferation and the role of NATO. The report raised a number of profoundly important questions and made a series of serious recommendations.

• (1015)

Moving concurrence in that report today is timely. We are literally on the eve of the 50th anniversary of NATO's founding. There will be a major NATO summit meeting in Washington, D.C. tomorrow.

My New Democratic Party colleagues and I call on the government to use this as an opportunity to put forward visionary and forward thinking proposals. It should show leadership particularly on two fundamental issues, on the issue of the review of NATO's strategic concept and on the response of NATO to the ongoing humanitarian and military tragedy in Kosovo and Serbia.

I should say parenthetically that clearly in the context of a debate around NATO there are obviously broader questions as well. But bearing in mind the admonition of the Chair not to venture onto that turf I will not do that.

*Routine Proceedings*

My colleagues in the New Democratic Party and I historically have taken the position and continue to take the position that given the dissolution of the Warsaw pact and the growing irrelevance of NATO, Canada could play a far more constructive role working within the framework of the United Nations and other regional security bodies. Canada should withdraw from NATO.

We note as well with sadness the fact that a number of profoundly important issues around NATO, including the fundamental issue of the expansion of NATO, were never addressed in any meaningful way by this parliament. However, that is a debate for another occasion.

With respect to the issue of the recommendations of the parliamentary committee on nuclear disarmament and non-proliferation, as my colleague from Regina—Lumsden—Lake Centre stated, Canada has failed to show any serious leadership in this area.

There is no question we welcome the call of Canada for a review at the NATO summit tomorrow of NATO's strategic concept. But on the fundamental key issue that is involved in that strategic concept, NATO's absurd and destructive clinging to a policy of first use of nuclear weapons, what does the Government of Canada have to say? To this day we do not know what the government's position is.

In a background document on the NATO summit prepared and circulated to members of the House, all the government says is that Canada believes that nuclear weapons are far less important to NATO's strategy than in earlier years. It is time we had far more leadership than that and that Canada took to the table a clear policy of no first use of nuclear weapons.

The committee urged the government to move ahead to support the call for conclusion of a nuclear weapons disarmament convention. There again the government has failed to respond positively. The committee made recommendations as well around MOX fuel regarding the total unfeasibility of that as a concept. Here the government has shown contempt for parliament in moving ahead with that.

My colleagues and I are urging the government to show leadership with respect to the issue of the nuclear weapons test range at Nanoose Bay. Just this week four very distinguished Canadians, Dr. David Suzuki, Dr. Michael Wallace, Elizabeth May and David Cadman, urged the Canadian government to seek an advisory opinion from a Canadian court to determine whether the activities at Nanoose Bay are in fact in defiance of international law, and in particular a decision of the International Court of Justice. I urge the government to respond positively to that request.

With respect to the issue of Canada's strategy in Kosovo and Serbia, this weekend at the NATO summit Canada does have an opportunity, and my colleagues and I believe a responsibility, to show leadership. Instead, as the leader of the New Democratic Party pointed out yesterday, Canada is blindly following a consensus instead of showing any leadership whatsoever.

Canadians are asking a growing number of questions about NATO's whole approach to this humanitarian and military disaster. Just what are NATO's objectives in these air strikes?

• (1020)

Initially we were told that it was military targets. We know now that the bombing has expanded far beyond that. We know now that NATO is bombing party headquarters in the heart of Belgrade, Milosevic's home, and a PVC and VCM plant at Pancevo in Yugoslavia which proposes a profound threat to the environment. We know they have expanded far beyond military targets and are bombing many non-military targets. There have been tragic losses of civilian life in convoys in Kosovo, trains in Serbia and elsewhere.

What are the guidelines? What is Canada saying? Has Canada voiced its concern about this very dangerous expansion beyond military targets? We know that the United States, the so-called supreme command, is making the decisions.

Canadians are asking if Canada is speaking out forcefully within NATO. Will we speak out this weekend about the uses of depleted uranium in that conflict? We know that the A-10 helicopters are going to be there and they use depleted uranium. This poses a very grave long term environmental and humanitarian disaster as we have seen in Iraq and elsewhere. What does Canada have to say about that? Absolutely nothing.

What about the refugees within Kosovo? There are some 400,000 desperate people with no food, no water and no shelter. NATO's only strategy appears to be to keep bombing and it could last for months. In the meantime what does Canada have to say? What is Canada's position with respect to this? Are we prepared to talk about getting desperately needed food in? The Greeks have made a proposal which would lead to getting some food on the ground. Where is Canada's leadership? There is silence here as well.

Finally and most important, what concrete diplomatic initiatives is Canada putting forward? At the foreign affairs committee this week we heard from Jim Wright, a director general and spokesperson for the government in this area, that the key to a negotiated settlement is getting Russia on board. Indeed the Russian special envoy, Viktor Chernomyrdin, is in Belgrade now. We also know that the key issue for Russia is the composition of the international peacekeeping force. Jim Wright said that that was the only outstanding issue.

Why is it that our government refuses to take to the NATO summit a clear proposal that that international peacekeeping force cannot be a NATO led peacekeeping force. It must be a UN led peacekeeping force. Why is Canada not showing leadership on this front which could mean that we could return to the table? Why is Canada not urging to move forward with the uniting for peace

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resolution at the United Nations similar to that which Lester Pearson moved forward?

Let me say that Canada has failed abjectly to show leadership here. The United Nations Association in Canada has urged a number of proposals. It has urged NATO to consider a temporary halt in the bombing, urgent consultation with like-minded states, moving ahead within the United Nations.

Canada cannot simply blindly continue to follow. We have an opportunity tomorrow at the NATO summit to show leadership. My colleagues are calling on the government to end its following, to stand up and show leadership on behalf of Canadians.

**The Acting Speaker (Mr. McClelland):** Before we go to questions and comments the title of the report to which the concurrence motion refers is "Canada and the Nuclear Challenge: Reducing the Political Value of Nuclear Weapons for the Twenty-First Century".

When ruling on relevance, that is what the Chair will be ruling on in the questions and comments and on debate.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I sit on the committee and took part in the nine months plus of listening to witnesses from across Canada. A lot of questions were raised. I believe all parties could agree with a lot of the questions and issues that were raised, like the dangers that MOX fuel might possess and so on.

I disagree with parts of that report and I would like to hear the member's comments. So much of it seemed to me to deal with an idyllic world. All of us would like to get rid of all the nuclear weapons. That goes without saying. The reality is that we are going into a more dangerous world in the 21st century than we came out of after the cold war in the early nineties. I would like the member to address that.

• (1025 )

I also wonder from some of his comments whether he believes that Canada really does have an agreement already with NATO in terms of our plans for Kosovo. The third and final point is on the big problem with the international force and having talked to the Russians as recently as this morning, Milosevic refuses to have the Russians as part of any force as well. He does not want any force in there, peacekeeping or otherwise, made up of anyone, including the Russians.

**Mr. Peter Adams:** Mr. Speaker, I rise on a point of order to question the relevance of the questions.

**The Acting Speaker (Mr. McClelland):** The first part of the question is relevant.

**Mr. Svend J. Robinson:** Mr. Speaker, with respect to the issue of nuclear weapons, the committee's proposal was that the committee call on the Government of Canada to urge a review of NATO's strategic concept. It is not a particularly revolutionary concept.

Some of us on the committee wanted to go further. Some of us clearly suggested that Canada should show leadership within that review process and urge an end to the policy of first use of nuclear weapons. The World Court ruling, the International Court of Justice ruling was a very compelling and very powerful argument in support of that. It was a very compelling and very powerful argument in support of negotiating a nuclear weapons convention.

What Canadians are absolutely appalled by is the position of the Reform Party which is that NATO should not even review its strategic concept on nuclear weapons. That is absolutely unbelievable. That is the position of the Reform Party. That is the position of the member. It was not even do not call for an end to first use of nuclear weapons. The Reform Party with its head in the sand, back in the cold war, said "Forget about that. We do not think NATO should be reviewing its strategic concept at all".

If we want to talk about a failure of leadership on the part of the government, that is an abject and shameful failure of leadership by the Reform Party of Canada.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I think I should say a few words about why we moved this motion today. We feel that there has not been enough opportunity to debate the things which the foreign affairs committee report addressed. This is certainly one way of creating that opportunity.

The report deals not only with nuclear weapons but with the ongoing role of NATO and the need for NATO to review its strategic concept which includes a great many things. We have not had the opportunity in this parliament, when it comes to policies adopted by NATO, to have the kind of debate we ought to have in this place with respect to the review of the strategic concept. Presumably this will be done this weekend at the NATO summit.

Yet has parliament had an opportunity to debate this and express ourselves about the very survival of the planet and whether NATO which contains a majority of the nuclear powers on the face of the earth is actually going to take some bold step to review its strategy, in particular its first use strategy or not? Surely that is something this parliament should have had an opportunity to address itself to. This is what we are trying to do here this morning, however briefly, depending on what the government's response is to this, whether it wants to continue the debate or whether it wants to snuff out the debate by moving to go to orders of the day.

We were concerned, as I think we ought to have been, that there was no debate in the House about the enlargement of NATO. It was

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a major decision that was debated in every other parliament of every other NATO country. This is embarrassing. Are we a banana republic run by order in council and executive committee? Even in the U.K., where it was not required that they do so, they had a debate in parliament about the enlargement of NATO. In every other country it was a requirement that their congress or their parliament address this issue. Yet here in Canada we just read about it in the *Gazette*.

The same thing is happening with respect to a number of issues on this. The same thing is happening now with respect to the strategic concept, and whatever it is the government proposes to contribute to the debate at the summit about review of the strategic concept, about out of area operations on the part of NATO which we are seeing precedents set for in Kosovo, without there having been a debate in this parliament about the principle of out of area operations by NATO, and what grounds and what criterion would be used or whether or not it is a good idea at all to transform NATO from a defensive alliance into an alliance that sees itself as policemen of the world or at least policemen of Europe in this case. We have never had that kind of debate.

• (1030)

One of the things that the committee addressed itself to primarily was the whole question of strategic concept. In that there is the key question of the first use of nuclear weapons, which has been and continues to be one of the primary objections of the New Democratic Party to the way in which NATO understands itself, the way in which it conducts itself and one of the primary reasons why we have had a policy over the years of withdrawal from NATO. We think that a policy of first use of nuclear weapons, and let us call it what it is, is terrorism writ large. In the name of whatever interest it is that NATO might think of itself as defending, we would be willing, if not to destroy the planet and the environment, to destroy civilian populations in ways that make Hiroshima and the bombing of Dresden and other calamities seem insignificant.

Is this the moral high ground of the 20th century that our strategic concept rests upon waging war against civilians in a way unknown in human history and waging war against the environment, therefore not just against our own generation but against all the generations to come?

This is a question of intergenerational morality in the final analysis. This is fine enough or stupid enough or criminal enough if we wanted to destroy ourselves, but to destroy the environment for future generations and perhaps even to destroy the human prospect is, as has been rightly called on many occasions, a blasphemy to set ourselves up as God and say "We will decide the future of the planet. We will decide whether the human prospect continues".

It is in this deep rooted objection to nuclear weapons themselves, but also to a doctrine of first use of nuclear weapons, that the NDP raises this motion today. We think nothing could be more important than for parliament to address itself to this particular issue.

What about the question of MOX? The Minister of Foreign Affairs holds this up as one of the ways that Canada could contribute to the elimination of nuclear weapons. We could do a lot more to contribute to the elimination of nuclear weapons if we used what influence we have within NATO and at the United Nations to work for the abolition of nuclear weapons, not just some fine tuning of NATO strategic concept, and that may not happen in any significant way, but to work for the abolition of nuclear weapons. That is the way in which we could contribute to this process, rather than becoming a nuclear waste dump for the United States and perhaps for other countries as well, all in a way that is open to the charge that this is just a way of trying to keep the failing nuclear industry in this country alive by giving it some *raison d'être* or justification that is slipping away from it.

There is a lot to be debated here. I would hope that the government will seize this opportunity. It says we have an opportunity to do this because we have taken note of various things that happen, particularly with respect to NATO and peace-keeping. However, that is not enough. We do not get to vote. We could vote on concurrence in this committee report. The House could express itself as to whether or not it agreed with the committee or with the government on these matters. If it comes to a decision with respect to the deployment of ground troops, we could have a vote in the House about that. Surely parliament should vote on the important things and not just on what it suits the government to have parliament express itself on.

That is not playing into the hands of Mr. Milosevic or whatever silly thing the Prime Minister said. How could the genuine, authentic exercise of democracy play into the hands of someone who is anti-democratic? Every time we confront a difficult situation do we put our democratic values aside? This reminds me of what we did at APEC. Instead of showcasing democracy to the visiting totalitarian leaders by showing how we allow protesters and demonstrators to be seen by the people who they are protesting and demonstrating against, we hide them away. We become more like the people who we are allegedly trying to convert to our values.

• (1035)

Now we get the argument from the Prime Minister, "Oh, no, we don't want a vote in parliament. That might show division." It might, but we do not know yet. I do not think the Prime Minister should presume upon the judgment of the House. However, even if it did, what would be wrong with that? What would be wrong with showing that we are a country in which people hold a variety of views and that those views are expressed in the parliament of that country. I do not understand the government's reluctance when it comes to involving parliament in this.

I was struck by the irony the other night when President Clinton, responding to the massacre, the terrible tragedy in Littleton, Colorado at the Columbine High School said "We have to teach our children that we need to solve our problems with words and not weapons".

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This is what we are urging upon our own government with respect to Kosovo, that it go to NATO and say that the strategy that it employed and which we approved in the beginning under circumstances that have now changed and under criteria that have now been abandoned, has failed. That it seek to solve this problem with diplomacy because obviously what it set about to do in a military context has not worked. It is time to review that concept, not just NATO's strategic concept, but to review this very significant approach that was being taken by NATO in Kosovo and get back to the table, consider some of the things that have been put forward by Mr. Pearson's son, Geoffrey Pearson and others, and see if we cannot find a way out of this mess that does not bring back the threat of cold war and an arms race escalation.

The other day I got a letter from the Physicians for Global Survival saying that one of the things that NATO and others should be considering is de-alerting all the nuclear forces on the planet for the year 2000 because of the Y2K concern. This is one of the biggest concerns that Canadians have with respect to Y2K, not whether their lights will be off for two days but whether they will have nuclear bombs raining down on them by accident. This is something it should be considering at the NATO summit as well.

NATO could show leadership here and say it will de-alert and take all its bombs off alert until it is absolutely certain that the problem is settled. Better that it took them off and kept them off but at the very least it could do that. I would hope that would be something the government would take to that meeting in Washington this weekend.

[Translation]

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, I think the member who just spoke gave an excellent speech. He has a lot of experience in the House of Commons.

Whether they vote for the Reform Party, the Bloc Québécois or the Progressive Conservative Party, the people have the opportunity every four years to elect parliamentarians to the House of Commons to assume their responsibilities.

I think it is up to the House of Commons and to each of the members present to assume their responsibilities. One of our responsibilities is to know whether the government supports all NATO's decisions. If that is the case, it is a bit worrisome.

If NATO decides for the Government of Canada, and we as parliamentarians have no part to play other than to bow and nod in agreement, as the Prime Minister does without even consulting the House, it is worrisome.

This week, the Bloc Québécois presented a motion asking the government for the opportunity to exercise a very democratic right in the House of Commons: the members' right to vote and give the government the mandate to take its responsibilities in terms of honouring commitments made to NATO.

• (1040)

If NATO decided tomorrow to send 200,000 soldiers, would the Government of Canada have the resources and materiel to respond? Things are getting complicated. Are civilians going to be called on to meet NATO's standards?

In closing, I want to ask the member a question. I do not know whether he agrees with me, but I am sure the Prime Minister does not have the backing of his own government and he cannot take a vote, because he is afraid his own government will vote no, when decisions have to be made in the war in Kosovo.

[English]

**Mr. Bill Blaikie:** Mr. Speaker, I cannot say for sure what the mind of the Liberal caucus is on this or whether that is the reason the Prime Minister does not want to have a vote. It may be so, but I would not underestimate the power of the Prime Minister to bring all his members into line even if some of them were against it.

The hon. member raises a good point when he talks about the Prime Minister's response to the whole question of Canada's role in NATO. The Prime Minister said that he would not be the only one not to go along and that he is a part of team, et cetera.

Maybe we should unpack this team analogy for a few seconds because there are different people on the team. We can go all the way from the captain to the water boy. They are all on the team. What we are saying about Canada being a part of the NATO team is that we should have something to say in the huddle. To use a football analogy, we should have something to say about what the play is going to be and what we are going to do.

In this case, are we going to seek a diplomatic solution? Are we going to be open-minded about various other ways of creating openings to get back to the table? No matter how many guys are lined up, are we going to keep pushing through and trying the same plays over and over again regardless of whether or not they work?

The Prime Minister would do well to reflect on his own team metaphor for NATO. We know that Canada cannot be the captain. We know who the captain is. However, we can have members on the team who have something significant to say and something significant to contribute and that is what we ask of Canada in this regard.

**Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I am happy to join the debate. I move:

That the House do now proceed to orders of the day.

**The Acting Speaker (Mr. McClelland):** 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 yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. McClelland):** Call in the members.

• (1130)

[*Translation*]

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

(*Division No. 385*)

### YEAS

#### Members

Abbott	Ablonczy
Adams	Alcock
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Bellemare	Bennett
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Brown	Bryden
Bulte	Byrne
Caccia	Cadman
Calder	Cannis
Caplan	Carroll
Catterall	Cauchon
Chamberlain	Chan
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Chrétien (Saint-Maurice)	Clouthier
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McTeague  
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Myers  
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Grose  
Lefebvre  
Normand  
Proud  
Wappel

Augustine  
Bernier (Bonaventure—Gaspé—  
Bigras  
Chrétien (Frontenac—Mégantic)  
de Savoye  
DeVillers  
Kilger (Stormont—Dundas—Charlottenburgh)  
Mahoney  
Plamondon  
Tremblay (Rimouski—Mitis)

**The Acting Speaker (Mr. McClelland):** I declare the motion carried.

[English]

**Mr. Bill Blaikie:** Mr. Speaker, I rise on a point of order. I wonder if you could tell me whether the record will show that the Reform Party voted with the government to suppress a debate and a vote on foreign policy.

**The Acting Speaker (Mr. McClelland):** I do not think that will be necessary.

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## GOVERNMENT ORDERS

[Translation]

### PUBLIC SECTOR PENSION INVESTMENT BOARD

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.)** moved that Bill C-78, an act to establish the Public Sector Pension Investment Board, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Members of Parliament Retiring Allowances Act and the Canada Post Corporation Act and to make a consequential amendment to another act, be read the second time and referred to a committee.

• (1135)

He said: Mr. Speaker, I regret that the introduction of Bill C-78 was delayed by motions. This legislation is so important that it should be considered a top priority.

Bill C-78 introduces the first major amendments to public service pension plans in over 30 years. These amendments are critical to the survival of these plans as we know them.

Let me first address my comments to those who benefit from these plans, that is current and past government employees, because many false statements have been made regarding the

technical changes that our government is proposing to our employees' pension plans.

First, all the benefits for which our employees made contributions during their career will be fully guaranteed and maintained. Not only will these benefits be fully guaranteed and maintained, they will even be improved.

Therefore, current and past federal public service employees need not worry about the future, because it is precisely to preserve the financial future of these pension plans that the government decided to act.

The technical changes submitted to the approval of this House are based on our government's concern to ensure fairness to Canadian taxpayers, but also to our current and past employees. The existing public service pension plans were established some 50 years ago and they clearly must be adjusted to the new realities.

[English]

Let me explain. When the Canada pension plan was established it was agreed with our employees that their annual contributions to the public service plan and to the Canada pension plan combined would not increase over the percentage of their wages that they were then paying, which was 7.5% of their salaries.

The original contribution rate of employees to the CPP has risen over time from 1.8% in 1966 to 3.5% today. The CPP rate, as agreed by the federal government and the provinces together, will climb by 2003 to 4.95% of the wages and salaries.

However, each time our employees contribution rate to the CPP increases their contribution to the government's pension fund decreases since their total contribution cannot exceed 7.5% of their wages. Historically the government and its employees shared pension plan costs on a 60:40 ratio. With the increase in CPP premiums this proportion has gradually changed to 70:30 and it will be 80:20 in 2003 if we do not act now.

Members would no doubt suggest that the government could simply increase contributions, reduce benefits or let the pension funds accumulate shortfalls even if the benefits of the pension plans were eventually reduced. To all of these options the proper answer is no, and that is the whole reason for Bill C-78.

The three acts that govern the government's pension funds restrict contributions to the ceiling of 7.5% of earnings, prohibit the reduction of benefits, and require the government to cover all annual shortfalls in its pension plans.

Is it fair for federal employees to enjoy both the guarantee of always paying the same percentage of premiums and the guarantee of benefits that will never be reduced while Canadian taxpayers are constantly assured of paying a bigger and bigger share of the pension plan of government employees, as well as funding any shortfalls? The government does not think so.

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• (1140)

[*Translation*]

We must not forget that, ultimately, the government represents taxpayers who, in addition to having to save up for their own retirement, must also assume the costs of federal public servants' pension plans.

It is neither right nor fair that taxpayers are having to save up more and more for their own retirement, when public servants are contributing less and less. Fairness to our employees cannot take precedence over the fairness we owe Canadian taxpayers.

In recent years, public service, RCMP and National Defence services pension plans have built up a surplus of approximately \$30 billion. Regardless of what employee unions think, this money belongs to Canadian taxpayers.

Over the years, it is taxpayers who have absorbed all the deficits run up by government employee pension plans. It is taxpayers who have therefore assumed all the risks while our employees rested easy in the knowledge that their retirement was looked after.

The existing legislation provides for mechanisms to manage pension plan deficits, but none for accumulated surpluses. In other words, the existing legislation accounts for surpluses, but the government, and therefore taxpayers, must assume all deficits.

Bill C-78 will address surpluses and deficits alike, and will provide for mechanisms to dispose of future surpluses. Existing surpluses will gradually be reduced to an acceptable level over a period of up to 15 years.

People may wonder how we propose to dispose of any surpluses in the future. As things now stand—and this is what the bill provides for right now—Treasury Board will decide how these surpluses will be used.

However, if representatives of present and retired employees were to agree to share the risks with Canadian taxpayers, we are completely prepared to co-manage and therefore to share any future surplus.

We could, for example, decide together to give a contributions holiday to plan participants, or to the employer, or both, or to withdraw all or part of the surplus.

Bill C-78 will ensure the long term financial stability of our employees' pension funds. To that end, it will create a public sector pension investment board, which will be responsible for investing future employer and employee contributions in the stock market.

At present, contributions are used only to purchase government savings bonds. In future, their investment in diversified portfolios will give a better yield and thus will make it possible to offer a

better guarantee for the future, to limit the increase in costs, and eventually to improve benefits.

For example, a 1% improvement in the long term performance of the public service plan could reduce its overall costs by 15% to 20%. This new public sector pension investment board will be completely independent of the government and of plan participants. It will therefore be totally free in its investment decisions, having the sole objective of maximizing the holdings of the public sector pension fund.

Many other public pension funds in the country already make market investments. This new provision will enable more Canadian businesses access to a new source of financing.

• (1145)

[*English*]

This should be of the utmost interest to our employees. If the return on the investments which I just mentioned is lower than expected, employees would receive the same level of pension to which they had contributed during their careers, including 100% inflation protection. The government guarantees the integrity of the benefits of our employee pension funds and will continue to cover the shortfalls.

Bill C-78 is part of an overall plan. It re-establishes fairness between taxpayers and our employees in the funding of the pension plans. It strengthens the long term sustainability of the plans and will attempt to reduce the costs for all members.

For its part, Bill C-71, the budget implementation act, proposes improvements to the Public Service Superannuation Act, the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act.

Pension benefits will be calculated in the future using the average of the best five consecutive years of earnings rather than the best six consecutive years, as in the current plan, applying a five year average of the year's maximum pensionable earnings to calculate the CPP/QPP related reduction, rather than using the current three year average. In short, the government will increase employee pensions while freezing contributions to the employee plan for at least four years.

Bill C-78 also includes a series of technical changes to improve the benefits linked to federal employee pension plans. It will reduce the contribution rate of the supplementary death benefit plan, the government's group life insurance program, and increase the paid-up benefit amount. It will reduce by 25% the contribution rate of employees who contribute at the rate of five cents per month for every \$250 of coverage. It will double to \$10,000 the benefit to eligible employees having already reached age 65 and it will extend eligibility for paid-up benefits and delay the onset of coverage reduction.

*Government Orders*

All of these improvements will be made possible by a \$1 billion surplus in the supplementary death benefits account, due in part to increased life expectancies.

[*Translation*]

Bill C-78 will also award survivor benefits to same-sex spouses who apply for them. The applicable criteria will be the same as for common-law spouses.

The bill would do away with Treasury Board's discretionary power in relation to survivor benefits and will set criteria for eligibility for benefits.

The Government of Canada would thus be bringing its pension plans into line with those of the governments of Nova Scotia, British Columbia, Ontario, New Brunswick and Saskatchewan. We would also be in compliance with a number of recent decisions by courts favouring the granting of benefits to same sex partners.

These provisions would also apply to members' pensions. These changes will increase the number of people entitled to survivor's benefits under the terms of the three major pension plans to some 50 new beneficiaries a year.

Bill C-78 will also finally establish a separate pension plan for Canada Post employees. It makes sense for Canada Post to manage its own pension plan, as all major employers do.

The plan would come into effect on October 1, 2000 and would reflect the reform to the Public Service Superannuation Act. The value of past service for pension purposes will be totally protected. Employee benefits will be the same as under the Public Service Superannuation Act.

The terms of the plan would be negotiable under the terms of the Canada Labour Code after one year of activity. The negotiations would not affect benefits accumulated to date. However, in negotiations held after October 1, 2001, Canada Post and its employees' bargaining agents could negotiate change as they wish.

● (1150)

For the plan to be self-sufficient, future contributions by employees and the Corporation would be invested in the market in accordance with the Pensions Benefits Standards Regulations. Canada Post could set up an independent investment office to oversee investments. Under the bill, the Canada Post Corporation should also establish a life insurance program similar to the supplementary death benefit plan.

Canada Post retirees will also be happy to learn that Canada Post intends to establish a shared cost voluntary dental plan, which would cover their survivors and eligible dependants.

[*English*]

I want to assure members of the House that these measures are in no way an indication of plans to privatize Canada Post. Separate pension plans already exist for other crown corporations, such as the CBC and the Canada Mortgage and Housing Corporation. These plans have not been privatized, nor will they be.

I am convinced that our proposed technical amendments to the three public service pension plans are realistic and fair. They will be beneficial to all of the stakeholders, namely, our employees, the government and ultimately Canadian taxpayers. Some people will blame us for having acted unilaterally in determining these major changes to our employees' pension plans. However, we have to remind the House that we have consulted with our partners over many months on the challenges that I have just described, but unfortunately we were unable to reach an agreement on the necessary reforms.

The time to act is long overdue. The action we are taking is being taken in a spirit of fairness, both toward our employees and toward all Canadian taxpayers. As I have tried to show in the past few minutes, this bill will modernize and improve the public service pension plans.

I am proud of our public servants and the work which they do on behalf of all Canadians. I am convinced that the majority of them believe we are acting to protect their future retirement.

Lastly, I hope that all members of the House will support the government and will vote in favour of Bill C-78.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I am pleased to rise this morning to take part in this initial debate on Bill C-78, an act to establish the public sector pension investment board, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Members of Parliament Retiring Allowances Act and the Canada Post Corporation Act, and to make a consequential amendment to another act.

I listened to the minister's comments with some interest. In his concluding remarks he mentioned that he felt this legislation was fair. I suspect it would be most fair for the government in its administration of the affairs of Canada, and perhaps least fair for the Canadian taxpayers. On that basis I would like to focus the majority of my time today speaking to several of the technical aspects of the bill before us. I am sure that a number of my Reform colleagues later today will focus on other specific aspects of the legislation.

The purpose of this bill is to establish an independent public sector pension investment board with a mandate to invest employee

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and employer pension contributions that were made under the public service, the Canadian forces and the Royal Canadian Mounted Police pension plans.

This bill, if passed, will become effective on April 1, 2000. It would also allow the Canada Post Corporation to establish an independent pension plan by October of next year.

• (1155)

This bill would amend these present plans so that the employee contribution rate under each is set independently from those under the Canada pension plan. It would de-link the CPP from these plans, as it was originally linked when the CPP was established. Employee rates under each plan would be frozen until the year 2003, but would rise from 10% to 40% of the cost of the plans in the year 2000.

While the government would pay 60% of the cost, it would also claim all of the surpluses. While the government would be responsible for all actuarial deficits, and we can expect that there will be actuarial deficits in the years ahead, the main benefit to the government would be the ability to claim the present \$30 billion surplus. I will talk about that a bit later.

The three existing pension advisory committees would be changed so that employees would have some say in the design, administration and funding of the plans, and there would be employee representatives on these committees. I try to give credit where credit is due, but unfortunately this bill does not go far enough. In the balance of priorities it falls short. Employee representation is a far cry from the employees administering the funds, and that is not what we are calling for. Would the advice they offer be accepted or rejected? What influence would they really have? Is this mere window dressing?

Other proposed changes include improvements to life insurance components of the public service plan and the extension of survivor benefits. This is again on the plus side. This includes the extension of benefits to same sex partners, but it does so without any reference to gender. The convoluted wording and the ambiguity in the bill in this respect is unacceptable. When reading this section of the bill we do not really know what the government means at all with respect to who is entitled to benefits.

The cost of extending survivor benefits is not large, but rather small, amounting to a quarter of one per cent or approximately \$5 million a year. However, as I am sure members are aware, these changes have been anticipated for some time now and like many of my colleagues I have received correspondence on this issue from concerned pensioners who are worried about the proposed changes. There has also been a significant amount of press coverage on this issue. I am sure that as we debate this issue over the next few weeks we will hear even more from people who are concerned about the proposed changes in Bill C-78. I invite Canadians to continue to

raise their concerns with their members of parliament and with the government itself.

For those who are unaware of why this is such a volatile issue, I can sum it up in one word, "surplus". There is a \$30 billion surplus on which the government is itching to get its hands.

I recently read Paul Polango's book, *The Last Guardians: The Crisis of the RCMP and Canada*. He makes an interesting point. In the funding he shows that in the years 1996-97 the budgeted costs for the RCMP were \$1,925,700,000. The receipts, though, which do not go to the RCMP but into general revenues, come to almost three-quarters of a billion dollars. Therefore, instead of \$1.9 billion it comes out to \$1.2 billion as the net cost of the RCMP to the government. This is not really reflected in the costs of the RCMP because revenue to the RCMP is not balanced off against its account but goes into general revenues.

In a sense that is what is happening here too. It is estimated that the surplus for this pension plan hovers at about \$30 billion. With the way in which this pension is structured the money is more like a paper IOU rather than ready cash, but it still accounts for approximately one-fifth of the government's massive \$6 billion debt.

• (1200)

Over the past decade the government has already raided approximately \$10 billion of the surplus and used that money to help to reduce some of the huge deficit racked up during the high spending eighties and nineties while still allowing for the wasteful spending of taxpayer money on programs such as the great Canadian flag giveaway.

Like they are doing with the massive employment insurance surplus that has built up in recent years, government members are saying this money is theirs and they have a legitimate claim to take from this fund whenever they need a little extra cash because they would be responsible for shortcomings in the future. They fail to take into account, however, the burden the taxpayers have carried in helping the government overcome the difficulties it had resulting from its shortsighted and cynical attempts to decide for Canadians what is best for them.

Organized labour representatives, on the other hand, state that this is their money as their members have contributed to the plan in the past and will need the funds in the future. The money should be theirs, they say. They are calling what the Liberal government is doing legalized robbery. Some have even taken legal action or have threatened to take legal action to stop the government from taking these surplus funds. At this time I note that the existing legislation Bill C-78 would amend does not address who has any right to any surplus.

The unions are also upset that the government is not only raiding the surplus but is at the same time raising premiums. Under the bill

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the employee contribution would rise to 40% of the total contributions to the pension fund. The unions are supportive of their members paying their fair share of pension contributions. These changes will bring it more in line with other pension plans. They are in agreement that with more benefits the rise in their members' share of the contribution is acceptable. However, with the government's decision to take the surplus in the pension fund, the unions feel that the government has crossed the line of what is acceptable.

It is the position of the official opposition that these surpluses belong to neither the government nor outright to the unions. It is the taxpayers who are the forgotten partner in this debate. It is the taxes they have paid over the years that give the government the money it has to satisfy its 70% obligation to these pension contributions. Taxpayers have also over the past few years helped pay down the federal deficit and now the debt, with the enormous taxes the government has forced upon them. In the past taxpayers have covered \$13 billion shortfalls in the pension plans and are on the hook for any future shortfalls.

The government is wrong to raid this money from the pensioners who have contributed to this fund over the years, as have Canadian taxpayers contributed to this fund. We believe that the fair and smart thing to do with the pension surplus is to leave it inside the pension plans, not only to guarantee the solvency of the plans for the members but to cushion taxpayers from any potential shortfalls in the future.

Although the current surplus is quite substantial, there still exists a strong possibility that it will be eroded so far that the pension fund will go into a deficit position. It has happened before and it will very likely happen again given the volatility of the global economic environment.

The bill would establish the public sector pension investment board, a 12 member board situated in the national capital region. It would be mandated to manage the funds in the best interest of the recipients, ensuring a maximum rate of return on the money that would be transferred to the fund, as stated in the bill, from the Canadian Forces Superannuation Act, the Public Service Superannuation Act and the Royal Canadian Mounted Police Superannuation Act. That varies from the current way plans are managed. They are currently in long term government bonds, which in reality provide very little return.

● (1205 )

The board would manage or supervise the management of the business and affairs of the funds administrators including an annual written statement of investment policies, standards and procedures for each fund they manage; monitor the officers of the board to ensure that they meet these standards; prepare both quarterly and

annual financial statements for each fund they manage; set up conflict management procedures; establish a code of conduct for officers and employees of the board; and have someone monitor both the application of this code and any conflict of interest procedures. These are all described in considerable detail in the bill.

Members of the board and the officers who are delegated by the board would have the obligation to act honestly and in good faith with a view for the best interest of the funds and to act with care and diligence. They are to bring with them any outside related knowledge, skill or education that they have and employ that in the best interest of the board in the application of their duties. The directors and officers are to abide by all the bylaws and guidelines that have been established by the board.

If a director, agent, officer, employee or auditor of the board or subsidiary makes a false statement or gives deceptive information, he or she would be guilty of an offence and could be liable on summary conviction for a jail term of less than a year and/or a fine of \$100,000.

Bylaws may be made by the board if they are consistent with the act in assisting or guiding the conduct and management of the board's business and affairs. They can deal with the board's administration, management or control of their property holdings; the calling of meetings; the functions or duties of directors, employees or officers; and the establishment of committees.

Bylaws will be in effect when passed unless otherwise stated and are to be given to the respective ministers and will then be forwarded to parliament.

The act also sets up the power to delegate certain powers or duties of the board of directors. However, there are specific limits as to what cannot be amended such as the adoption, amendment or repeal of bylaws; the establishment of investment policies and standards; any vacancy; the remuneration of board members; or the approval of any financial statements of the board.

The nominating committee would be established by the President of the Treasury Board after consulting with the Minister of National Defence and the Solicitor General of Canada. It would be chaired by an independent chairperson who has not or is not entitled to pensions from either the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act or the Public Service Superannuation Act.

Other members of the nominating committee are to be chosen as representatives from the public service, the Canadian forces or the RCMP. Nominating committee members could be reappointed after their five year term expires and removed at any time by the minister who appointed them. Nominating committee members would have a variety of influences which would aid in the

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guidance of their decision including the disqualifying factors they should look for in directors.

The act also sets out a formula for the selection of directors who would be appointed by governor in council on the recommendation of the minister from a short list submitted by the nominating committee. Directors would hold their office for a renewable term of three years and could be removed by an order in council. There would be staggered terms of office so that no more than one-third of the board's term would expire in the same year.

The act also sets out the guidelines for the resignation, vacancy and remuneration of board members, as well as the structure for the appointment, duties and removal of the chairperson who is to be chosen by the responsible minister.

The act is very specific in stating who cannot be considered as board members, listing several instances in which individuals are considered disqualified persons. They include individuals who are under 18 years of age, those found to be of unsound mind by the court, an agent or employee of the government, an MP, senator or provincial politician, an individual who may receive or has received pension benefits that are covered by this act or from the consolidated revenue fund, an employee or agent of a foreign country, or a non-resident of Canada.

• (1210)

As we have seen so many times since the government began its mandate, the opportunity exists with this legislation for the government to use the board as a patronage reward for those who have supported the party in one way or another.

The government insists that the board is to be independent and at arm's length from the government. However, like we have seen time and again with the government, it does not always honour its word in this respect. I am hoping that I am being a bit cynical. However the Liberal past practice in this regard has been most disappointing. The high degree of cabinet and ministerial discretion this act allows makes it hard for me to believe that they will not take advantage of this as another patronage opportunity.

The fiscal year of this board would be the same date as that for the government. Bill C-78 would establish the procedures and parameters for the financial books and systems of the board. They are to have quarterly and annual financial statements that are to be approved by the board. There is also to be an auditor chosen annually by the board of directors to audit the financial statements of the board in accordance with acceptable accounting procedures. One wonders what the definition for acceptable accountable procedures would be considering the debate now going on between the government and the Auditor General of Canada.

The auditor of the funds could be removed at any time by the board. The bylaws are to be made public and are available at the

board office. The auditor has access to any documents from current or former board directors, officers, employees or the like in the preparation of the audit.

The ease with which the board could change or dismiss auditors is a concern for me. I am concerned that the board holds the power to change auditors at its whim, which may not be in the best interest of pensioners. The manner in which it can appoint and change auditors also does little to ease my concerns about the accountability both to parliament and to the pensioners to whom the board should be ultimately responsible.

The quarterly financial statements are to go to the responsible minister, as well as to the minister of defence and the solicitor general, within 45 days of the end of that quarter. Annual reports are also to go to these ministers within 90 days after the end of that fiscal year and are to be tabled in parliament no later than 15 days thereafter.

This annual report is to include the financial statements, the auditors reports as well as the objectives of the board for the past year and for the foreseeable future. A summary of its policies, standards and procedures; its code of conduct for officers and employees; and the report of any special audit is also to be included in the annual report.

Other than the annual report there is little reporting to parliament. I have some difficulties with this especially considering the high degree of power the minister and the cabinet have with relation to the establishment and the operation of the board.

The board in effect is entrusted with the pension funds of some 300,000 retirees and 345,000 members of the federal public service. I would have liked to have seen more accountability to parliamentarians in the bill so that we could ensure the best interest of pensioners affected are indeed being looked after. With the government priority to raid surplus funds, what is the government's priority for its retirees? As I mentioned throughout my speech today I have serious concerns about the overall lack of accountability to the pensioners covered by the legislation.

Another area I would like to briefly highlight today and will elaborate on during later stages of the debate is the exemption of the legislation from the information sought through the Access to Information Act. Why is the government so afraid of public scrutiny? What is being hidden?

• (1215)

What is intended to be kept from public scrutiny? This secrecy is very disturbing. This does not ensure us that the board members are totally accountable. By not having access to this very important tool, the Access to Information Act, this legislation is not as transparent as it must be. I believe the government should seriously

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reconsider this omission and make the Access to Information Act available through this legislation.

Also in this bill, the minister may appoint an auditor to do a special audit on the board or subsidiary, or may also cause a special examination to be carried out to ensure that it has met the requirements of the act. This special examination must be carried out at least every six years, and before this takes place, the minister must consult with the minister of defence and the solicitor general. The cabinet may also make a variety of regulations respecting the application of the board and subsidiaries.

The Reform Party of Canada is opposing the bill. I would like to outline five significant reasons, among many, why I will be opposing the bill. I will summarize them.

First, the bill allows the government to raid the fund's surpluses beginning with the existing \$30 billion surplus. This raid reminds me of the infamous national energy program where the federal government helped itself to an excess of \$60 billion of petroleum revenues that belonged to the affected provinces, primarily the province of Alberta. Bill C-78 gives the federal government authority to claim pension money for its general revenues and, in effect, another surtax on public service employees and Canadian taxpayers who are contributing to these pension funds.

Second, the bill would give the government authority to provide new same sex benefits without debating family and same sex relationships that would be affected. I think this is a back door way of dealing with the issue, and it is not acceptable. Public policy must be changed in the open and not in the back door through a bill like this.

Third, the bill provides an open door for the government to make unchallenged patronage appointments.

Fourth, while the bill would provide parliament with after the fact reports from the minister responsible, altogether too much business will be conducted behind closed doors with no provision to use even the Access to Information Act. Such secrecy is not acceptable.

Fifth and last, why is the auditor general not the auditor given the mandate to annually audit this fund and the administration of these funds? Why is it not in the open for the auditor general to make his examination and report to parliament?

These are changes that I believe need to be made.

I would, therefore, like to move a motion at this time. I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-78, an act to establish the Public Sector Pension Investment Board, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the

Members of Parliament Retiring Allowances Act and the Canada Post Corporation Act and to make a consequential amendment to another act, be not now read a second time but that it be read a second time this day six months hence.

• (1220)

**The Acting Speaker (Ms. Thibeault):** In my opinion the amendment is in order.

[Translation]

**Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ):** Madam Speaker, I welcome this opportunity to express my opinion and that of the Bloc Québécois regarding Bill C-78, which was just tabled by the government, and the amendment that was just moved by the Reform Party member.

I first want to quote many people who wrote to us to express their disgust in seeing the government try to get its hands on the pension fund surplus to which they contributed and still contribute.

I am asking the ministers to listen carefully. This is a rare opportunity for them to be in contact with the reality in this country and to learn first-hand what voters think of their government.

The letter to which I am referring begins like this:

The government wants to plunder my pension fund.

I should point out that it is the author of that letter who uses the word "plunder".

**The Acting Speaker (Ms. Thibeault):** The hon. member is well aware that quoting from a letter is no excuse for using unparliamentary language. Therefore, I am asking her to be very careful.

**Mrs. Pierrette Venne:** Madam Speaker, I will continue quoting from the letter nonetheless:

I have always been proud to work in the public service.

Personally, I think this pride has definitely taken a beating recently. I will go on reading this letter, which was written by a Quebecker whom I will not name, because I did not have the time to contact him to ask for permission.

It is not always easy because, as is now the case, the public service is the target of ambitious but petty politicians, such as—

He then gives the name of the President of the Treasury Board, which I obviously will not read. The letter goes on:

Our salaries have been frozen and the government has passed arbitrary back-to-work legislation instead of negotiating fairly.

What does the writer conclude?

We are still the victims of political ambition.

And he goes on to say:

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The Minister of Finance wants to become Prime Minister.

It is no longer any big secret that the Minister of Finance wants his boss's job. The writer then says the following about the Minister of Finance:

He has his eye on the pension plan surplus, which he sees as easy money for lowering the national debt. He wants to make a name for himself as the one who lowered the debt.

The government should listen to this message. It is an impassioned plea from a public servant who is fed up with the government's offhandedness.

• (1225)

He continues:

It is unfair for the government to put its hands on the public service pension plans in order to reduce the debt.

We cannot do otherwise than to agree with this. The author of this letter adds:

Unless it also proposes to do the same to the surpluses in a number of private plans.

I wonder: is this prophetic? We shall see.

In the meantime, I would ask you to listen to the way the author ends his letter—and he has taken the trouble to underline these words, which goes to show how important he felt that his message was:

Tell these arrogant characters to keep their hands off my pension fund.

I will repeat this message, so that everyone will understand it clearly:

Tell these arrogant characters to keep their hands off my pension fund.

It is clear. I want this Quebec public servant to know that he is not the only one opposed to the government's attempt to get its hands on his pension fund. We are vehemently opposed to a number of the reforms proposed by the government in Bill C-78.

This bill is supposedly designed to ensure the long-term viability of the public sector pension funds. This is an in-depth reform of the administration of these funds as we now know it. The bill is going to modify the way plans established under the Public Service Superannuation Act, the Royal Canadian Mounted Police Pension Act and the Canadian Forces Superannuation Act operate.

The focal point of the legislation is the creation of the Public Sector Pension Investment Board to be responsible for administering the pension funds, which will in future be partially invested in the stock market. The government is announcing that the bill is improving the financial management of pension funds and employees' and retirees' benefits.

Obviously, blinded by its own all too obvious arrogance, this government was not going to reveal all the unfortunate consequences of this bill to us. Should everything in this bill be pitched? No. It even contains some good ideas and some good initiatives.

The bill in fact contains some things that will improve the situation of workers in the federal government. Former employees, now retired, will also enjoy certain benefits.

The first improvement is in the number of years of service used in calculating the basic benefits a retiring public servant is entitled to. At the moment, basic benefits are calculated on the salary of the six best years of uninterrupted service. The calculation will now be based on five years, rather than six.

I would also point out the change in the formula for calculating the public servant's pension benefit to shrink the amount of the pension benefit reduction when he reaches age 65 and receives as well his Quebec or Canada pension.

The main positive change involves the investment of contributions in public markets. For a long time now, a number of stakeholders, including employers' organizations, have been suggesting that pension funds be invested on the stock market. That is already being done in a number of countries, and the return on this sort of investment is higher than if the money had remained in government coffers.

In 1994, the Auditor General of Canada examined the connection between the management of our debt and employees' pension plans. In his report, he pointed out the following:

Financial managers, actuaries and government officials generally agree that, in the long term, a diversified market security portfolio generates higher rates of return than the interest credited to pension accounts.

The auditor general even retained the services of consulting actuaries to compare the theoretical return on investment of the pension fund on the markets to the investment strategy in notional bonds, which was adopted for pension plans during a 31 year period, from 1959 to 1990.

• (1230)

These consulting actuaries came to the conclusion that a market investment strategy would have generated higher annual rates of return, by 1.5% to 2.3%.

That component of the reform should ensure a higher return than the existing rate for the public service pension plan. This is a step in the right direction, since the bill will ensure a return that will more closely match that of private pension plans. There will be an independent fund with real money in it.

But—and there is always a but—this is by no means the perfect solution. Some provisions of the bill must absolutely be amended to avoid future disputes between the government and its employees.

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First, there is the appointment of the directors of the board. The President of the Treasury Board will appoint eight people who will form a selection committee. These eight people will provide a list of names to the President of the Treasury Board, who will recommend 12 of these people to the governor in council who, in turn, will appoint them directors of the board.

The problem is that while the bill provides that the employees' representative is appointed to the selection committee, there is no requirement for the President of the Treasury Board to then recommend that person for the position of director.

Let us see who the other members of the committee are. There is a chairperson appointed by the minister after consultation with a few other ministers concerned, specifically the Minister of National Defence and the Solicitor General of Canada. All signs are that this chairperson will be a friend of the Liberal Party and not an employee.

As for the other directors, it is more of the same, because there is only one public servant on the nominating committee. The government will not saddle itself with such a person on its board of directors if it does not have to.

I would suggest that the government follow the example of the Caisse de dépôt et placement du Québec. In addition to the director general of the Caisse and the president of the Régie des rentes du Québec, the Caisse's incorporating statute provides for nine other individuals to sit on the board of directors. Of these, two must be public servants or directors of a government body, another must be a representative of an employee association, and another must be a director of a co-operative.

Clearly, the composition of this board of directors is much more representative of the various stakeholders in the business world than what the federal government is paving the way for with Bill C-78.

One of the shortcomings of this bill is the lack of predictable representation of beneficiaries of the pension plans operated by the future fund.

Another shortcoming has to do with the use of any future fund surpluses. Bill C-78 amends the Public Service Superannuation Act by adding, among others, clause 44.4, which will leave the government free to take three possible courses of action in the event of a surplus.

First, it will be able to reduce employee contributions for the period that the minister determines. Second, it will be able to reduce Treasury Board contributions in the same manner. Finally, the surplus amount the Treasury Board determines may be paid out of the Public Service Pension Fund and into the Consolidated Revenue Fund, still on the minister's recommendation. Our fear is that this way of operating will turn the future fund into another cash cow for the federal government.

I am not in any way imputing motives to the government, for it has already stated its intention to get its hands on the surpluses in the public service pension plans. Public servants are continually calling for the government "not to be allowed to get its hands on our surplus", while the Treasury Board is busy manoeuvring in order to be able to do just that.

• (1235)

These surpluses are estimated at more than \$30 billion. As at March 31, 1998, in other words more than one year ago, the public service pension plan reported a surplus of \$14.9 billion, the RCMP's plan \$2.4 billion, and the Armed Forces' plan \$12.9 billion, for a total of \$30.2 billion.

This is a lot of money, and obviously it could repay part of the debt, or fund phase II of the millennium scholarship program. Obviously, getting its hands on such a sum would—as my correspondent whom I have just quoted pointed out—allow it to score a lot of points politically.

But the government is wrong. The minister responsible for the public service is wrong. By getting its hands on its employees' superannuation funds, the government is trying to score points politically. This approach did not succeed when it got its hands on the employment insurance fund.

It is immoral for the government, which happens also to be the legislator, to take advantage of the fact that there are no legislative provisions relating to the present surplus to dip its fingers into it.

At the present time, there are 275,000 people paying into the fund, 160,000 government retirees, and 52,000 surviving spouses, who are watching the government meddle with their pension funds. It is true that there is a legislative vacuum when it comes to handling the present surplus. The legislation to remedy that lack ought to call for part of the surplus to go back to the employees and the pensioners.

The government recently tried to justify its argument that any surplus belongs to it, because it is the one guaranteeing that public servants will get a pension. Indeed, the President of the Treasury Board recently explained that, since the government has had to shell out money in the past to ensure that public servants would have a pension when there was a deficit in the fund, it is only normal that the government should get any surplus. This is absolutely not true.

The normal thing to do would have been to lower employees' contributions, particularly when it was realized that a huge surplus was accumulating.

The argument used by the President of the Treasury Board is also indicative of inadequate management by this government. Indeed,

there is every reason to think that if, a few years ago, the government had set up a real retirement fund and had invested the money on the market, there would have been no deficit, or hardly any.

In fact, the Auditor General of Canada came to that conclusion in one of its reports released in 1994. He wrote, and I quote:

The higher rates of return that the pension accounts could have earned, had a market investment strategy been followed over the long term, could have substantially reduced or totally eliminated these actuarial deficits.

Consequently, the deficit and debt accumulation could have been lower if a market investment strategy for the pension accounts had been followed from the start.

Many employees have been asking for a long time that their superannuation fund be invested on the stock market, something that the government has so far refused to do. Now, these employees are being relieved of their fund.

The government should be careful, because it is sending two negative messages to society. First, it is telling the public that it does not believe in fairness. In this particular case, fairness requires that part of the current surplus be applied to the pensions of current retirees.

The President of the Treasury Board is certainly aware—but are the other members of his government?—that the average annual pension benefits paid to former government employees is \$9,680. These pensioners will not get rich on that kind of money.

• (1240)

In addition, the government is telling other employers that it is alright to use the money in their employees' pension funds. For instance, a municipality might have a road to build but not have enough money to finance the project. What could it do? It could use its employees' pension fund. A company might wish to eliminate a recent deficit. What could it do? It could dip into its employees' pension fund. The federal government is setting a dangerous precedent that may affect labour relations in Quebec and in Canada.

Starting today, the government must follow the example set by one of its own backbenchers, the member for Thunder Bay—Atitokan, who wrote in *The Chronicle Journal* as recently as March 29 that the government was again going to meet with public service employee representatives on the issue of pension fund surpluses in order to come up with an agreement acceptable to both parties. The member concluded his letter with the statement that he was confident that such an agreement would be worked out.

There is no doubt that the member for Thunder Bay—Atitokan, like many others in his party who dare not express their views for fear of being sidelined, will lose their trust in this government that

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refuses to negotiate with its employees, the most basic form of civic-mindedness.

So as not to lose the often too-blind trust of its party members, and the slowly but surely declining trust of the public, the government must scrap the provisions in its bill that allow the unilateral diversion of \$30 billion in surplus pension funds.

In addition to helping those who are now retired, future negotiations between the government and public service employees would lead to the conclusion that it is a good idea to transfer the present pension fund surplus into the retirement fund this bill sets out to create. The new fund would thus have start-up capital. This is the only way of ensuring the fund's viability vis-à-vis the many challenges it will have to face.

One of these challenges is the imminent retirement of the many baby boomers. The pension fund will be hard put to keep up. We must, however, remember that the current hiring rate in the public service is fairly low and that, accordingly, fewer workers will be paying into the fund.

The future fund must have a reserve of its own, in order to provide for a possible and probable need for money. Transferring the current surplus would seem appropriate to fill this role. The surplus will serve as well to cover unavoidable losses from investments in the stock market.

We will recall that a number of investment firms suffered in the recent Asian crash, primarily those whose portfolios were not sufficiently diversified. Even the auditor general's report for 1994 shows that, according to his findings, in certain periods—from 1970 to 1974 and from 1985 to 1990—a market investment strategy might not have produced the best results. It would have been useful to have a little room to manoeuvre, a bit of a surplus.

For these various reasons, I hope the government will return to bargaining with its employees rather than try to have this bill passed. It only partly resolves the current problems of managing a pension fund. Accordingly, the government can make off with the money, no doubt causing increased tensions between the government and its employees.

“Tell these arrogant individuals not to touch my retirement money”, said the letter I read earlier.

• (1245)

So, I am passing the message along to the President of the Treasury Board: “Do not unilaterally take over the surplus in the pension fund. Instead, put your bill on the back burner, while you reach an agreement with your employees on how to use the surplus. And, most importantly, stop governing autocratically”.

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**The Acting Speaker (Mr. McClelland):** We are now in the period of 20 minutes for debate and 10 minutes for questions and comments.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am happy to speak to the motion and to the amendment to the motion. I firmly believe that the hoist motion was a very good idea because six months time may add some measure of reason to what is going on. I am confident that within six months the two parties may reach the outcome that there be a negotiated settlement on what to do with the pension surplus in question.

I believe that the President of the Treasury Board is in for the fight of his political life if he continues on the road of moving forward with Bill C-78. In the short time I have been here I have not seen the firing up of so much interest over an issue. The idea of taking, clawing back, or whatever we want to call the grab for the \$30 billion surplus is such an emotional flashpoint with so many people across the country. I predict interest of the kind we have not really seen since Brian Mulroney tried to deindex the Canada pension plan.

When Brian Mulroney tried to deindex the Canada pension plan he started a grey hair revolution, a blue rinse uprising of senior citizens who demanded that it be stopped. Brian Mulroney and his government to their credit had the common sense to back off. They did not want to take on that group of people. They are the most powerful voting constituency in the country. Senior citizens, pensioners and retirees are well organized, well informed and they vote. They do not stay at home and grumble. They get on their feet, come out and vote at voting time. They are gearing up around this issue. As I said, I have not seen a level of interest like this on any issue since I have been here.

Today seniors organizations are on the hill. They are paying close attention to the first day of debate on Bill C-78. The Armed Forces Pensioners, the Association of Public Service Alliance Retirees, the Canadian Association of Retired Persons, the CLC, the Canadian Pensioners Concerned, the Congress of Union Retirees of Canada, the Federal Superannuates National Association are all here. I did a quick tally and they represent over 1.5 million retirees and pensioners. They are watching this debate in West Block in a room which I rented for them.

I really believe that the hoist motion is at least the first glimmer of hope that possibly we can add some voice of reason to this whole debate.

I did not finish the list. There are others, the Royal Canadian Mounted Police Veterans Association, the United Senior Citizens of Ontario Incorporated, the Ontario Coalition of Senior Citizens Organizations, the One Voice Seniors Network, and on and on. Do the President of the Treasury Board and the government really want to take on those people? They should think twice.

When the talks broke down it led to the introduction of this legislation. But the talks were not going that badly. Progress was being made. Virtually all of the clauses in Bill C-78, in the hundreds of pages of text, were agreed to by both parties. Some benefits were increased. Obviously the representatives of the pensioners were pleased about that.

Virtually everything else was agreed to, with the exception of this enormous, and I will avoid unparliamentary terms, grab of \$30 billion from the pension fund. I suppose the representation of the pension investment board was another hot point. But these were not insurmountable.

The representatives of the pensioners were quite yielding in their arguments. It is a basic tenet of the trade union movement that all pension surpluses are the sole property of the employee. They are not the employers' money to use as they see fit. They are deferred wages. It is our money, speaking on behalf of working people.

• (1250)

The representatives of the employees at the table were willing to move on that. I have heard figures. I will not mention them here but they were willing to share that \$30 billion, some going to improve benefits and some going back to the employer to use as they saw fit, but not all of it. That is where the impasse arose with the \$30 billion. There was no hint of increasing benefits to the retirees.

The previous speaker did a good job of pointing out what these retirees are really making. There are more women in that beneficiary group than there are men. The average woman with 20 years of service makes a pension of \$9,600 a year. Whoopee. It is a pension and I am sure they are glad to have a pension but it is not exactly a fat, lucrative pension.

This \$30 billion divided among all the beneficiaries would be \$30,000 a year for each of them spread out over the term of the period they collect. That could make a significant difference between living in poverty or living in some kind of financial security during their senior years.

It is ironic the theme the government chose for international women's day this year. Because it is the year of older persons the government chose "going strong, celebrating older women". It should be "going wrong, robbing older women" because that is what the government is doing with this \$30 billion grab of the pension surplus.

Bill C-78 is a history of failures. It is a failure to negotiate. It is a failure to reach a conclusion by negotiation which was within reach. It is a failure to manage the workforce adequately. It is a failure in developing satisfactory relationships with employees where the government could deal with an issue like this at the table as civilized people as should be done. It is a failure of epic proportions to live up to the promises of former Liberal governments.

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Les Barnes, a former PIPS leader, wrote a letter to the editor. Mr. Barnes was present in 1967 when a firm guarantee was made by the Pearson government that the terms and conditions of the plan would never be amended by unilateral government action. Never. That was the trade-off to keep it off the bargaining table.

Pensions are usually part of the collective bargaining process but the government wanted it removed and separated. The government did not want it to be dealt with at the bargaining table. Okay, it was a deal. It was an arrangement, a pact, a contract. The government would not talk about pensions at the bargaining table and the terms and conditions of the plan would never, ever unilaterally be altered. It is being done today in Bill C-78 and done very dramatically.

Mr. Barnes also talked about the Minister of Finance at the time, Walter Gordon, who wrote to the national joint council of the public service assuring its members that as a result of the integration of the plans, which is what they were trying to achieve then, there would be no increase in the rate of contributions.

Bill C-78 is jacking up the rate of contributions by 33%, from 30% of the total contributions to 40%, one-third of an increase. The government is jacking up the contributions and taking the surplus out in one fell swoop. It is no wonder the seniors movement is mobilizing and building up a good head of steam to come to Ottawa and tell this Liberal government what they really think of Bill C-78.

The minister made a very good and revealing speech. One of the first remarks he made was that Bill C-78 is part of an overall plan. You are darn right it is part of an overall plan. The government takes \$25 billion out of the EI fund from unemployed workers and then it takes \$30 billion from retired senior citizens, many of whom are living on an income of \$9,600 a year. It is a plan all right.

The Liberal government is going to pay down the debt on the backs of the most vulnerable people in the country, unemployed workers and senior citizen women. My mom is one of those senior citizen women. She is 82 years old and is living on a public service pension plan. She is glad to have it but she is not exactly living well. Who is next? The government will be stealing pencils from blind men's cups. It is getting ridiculous when we think of the choices the government is making in terms of the grabbing it is doing.

I talked about the Pearson years and so on and the current Prime Minister was part of that cabinet. He was a part of the promise to not ever unilaterally alter the terms and conditions of the plan.

In 1991 and 1992 the dialogue really began to amend this plan to make the changes that everybody agreed were necessary. At that time the union agreed to the private investment board, the 12 person board that was talked about earlier. Had we reached agreement at that time and started investing privately, God knows where that plan would be now. Those were some very good high

interest years. That \$30 billion might be \$100 billion and we could really make some changes to the benefits.

• (1255)

In 1996 the advisory committee made a report and it struck another committee, a consultation group to start fine tuning things. This is when the issue of the use of the surplus came to a head. In the last month of 1998 the consultative group broke down over the surplus and representation. Then in March 1999, rather than trying to pull the pieces back together, Bill C-78 was sprung on us. Really, it is an abrogation. It is an admission of failure or an admission of inability on the part of government to manage its concerns.

I could talk about all the nuances of the bill and a few of its good qualities. I will point out the things the retirees are glad to see in the bill.

There will be a dental plan for the first time ever, albeit a lousy dental plan because it has a \$200 deductible. I have been dealing with employee benefit plans all my working life as a manager of these plans and as a negotiator of union agreements. I have never seen a \$200 deductible in a dental plan in my life. I do not know what kind of deal has been made or who the carrier of that plan is.

The recognition of same sex couples we applaud fully. We are extremely critical that the government tried to sneak this in and wrap it up in a package of things that obviously no working person can support. It has been rolled in there to make it very difficult. It is a very cynical way of dealing with the good and the bad aspects of the bill.

The increase going from six years down to five years with two years vesting, all these things obviously we can support.

The big problem clearly is the use of the pension surplus and I will try to limit my remarks to that.

The problem lies in the attitude of senior officials and the minister himself. Here is a quote from Alain Jolicoeur, the chief human resources officer of the Treasury Board Secretariat in 1998. He said "Employees and retirees have no proprietary interest to the surplus in the superannuation plan".

Plain and simple, we are that diametrically opposed. We argue that all pension surpluses are the sole property of the employees to be used only for the improvements of benefits. That is what the whole purpose of a pension plan is. The other camp is diametrically opposed 180 degrees and says there is no proprietary benefit.

This argument is arrived at through a very convoluted bit of logic that the minister used again today. I would like to explain how the government arrived at this position that it assumes part of the risk.

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It assumes all of the risk for a deficit in the plan, ergo if there is any profit in the plan it is the government's to keep.

I would like to quote from a letter from Bob White to the President of the Treasury Board which was written in March. He puts it very well in one simple paragraph:

Typically employers have tried to justify the removal of surpluses on the grounds that because they take the risks involved in providing defined benefits, therefore they should get the reward of the surplus in the form of surplus removal or lower employer contributions. This commonly articulated relationship between risks and rewards is far too simplistic for two reasons. First, the actuarial assumptions that are used to value pension liabilities are chosen with a deliberate view to making experience gains and surpluses far more likely events than the losses and unfunded liabilities. Thus, the risk for which a surplus is supposedly the reward is limited. Second, if experience losses occur and employers are stuck with unplanned amortization payments, it is impossible to prevent the employers from lowering either the pension benefits of other parts of employee compensation from the levels they would otherwise have achieved.

In other words, the downside risks may be shifted to the employees despite appearances to the contrary. Really, there is very little downside risk.

The way the actuarial experts deal with plans, especially in a privately invested fund, it is far more likely that a surplus will occur than a deficit in the plan. I would say 10:1 and I am pulling that number out of my hat. If the tradeoff is "I will keep all the surpluses, but if there is a deficit, I will assume the risk there too", that is a very good bet, frankly. In a gambling hall that would be a very safe bet to undertake.

• (1300)

That is really the issue. That is what is going to fire up the country. It is only just beginning. This is day one of what will prove to be a very long debate. We are talking about a huge amount of money. We are talking about an amount of money that could make a huge difference in the lives of the beneficiaries of public service pension plans.

We should put some of the facts on the record. As of March 1998 the public service pension plan had a \$14.9 billion surplus, the RCMP plan had a \$2.4 billion surplus and the Canadian forces plan had a \$12.9 billion surplus. We should think about how we arrived at such huge surpluses. Nobody should be so bad at his or her actuarial research to arrive at such sloppy work.

The government did some very obvious things which led to very predictable consequences. The government froze people's wages for seven years. Obviously, the pension people receive when they retire is going to be a heck of a lot lower if the wages are that much lower for that period of time. It is kind of a double whammy, and even more so for women. When the government refuses to pay up on pay equity, obviously the women's pension calculations will be a heck of a lot lower than they would have been had they been receiving fair wages the whole time. There has also been a lower

than expected rate of inflation. We have an actuarial anomaly to wind up with this huge pension surplus.

I will talk about the net effect this whole thing is having on the morale of the public sector. This is a group of workers which has suffered indignity after indignity. Most people go into the public sector for a couple of reasons. They are willing to accept lower wages because they trade it off for job security. After all the cutting and hacking and slashing and butchering of the public sector there is not a whole lot of job security left. The sword of Damocles is hanging over their heads every minute. Job security is out the window. There is no longer any reason to work for the public security if job security is what you are after. Let us face it, everybody is afraid for their jobs.

Public servants are still plugging along. They can expect reasonable wage increases, but they have had six to seven years of no wage increases. They are falling way behind the private sector. Not only do they not have job security, what are they making? A carpenter makes eight bucks an hour less than an outside carpenter. I was a union carpenter making \$25 an hour and the guys working for defence or wherever as carpenters were making \$15 an hour. That is not bull. That was the difference.

At least people could take some comfort in the fact they had a pretty good pension plan. Pretty good? Nine thousand dollars a year for 20 years of service. That is not a pretty good pension plan.

Then, when there is an opportunity to sweeten the plan by taking that \$30 billion and giving it to the people who paid for it, it gets taken away too. It is no wonder there is poor morale in the public sector. If people are concerned about productivity, or whatever the buzzwords are these days, that is certainly something they could look at because public servants are demoralized and browbeaten. The government is pushing people too far. That is all there is to it.

I raised the gender issue once before. This is very much a gender issue. There are more women beneficiaries than there are men, and for good reason. In the public sector there are a lot of clerical-type jobs.

We have to win the argument on the whole issue of why that money is ours. We think it is ours. Obviously the minister thinks the opposite. Let us look at why we would argue that it is ours.

If there is a surplus in a private sector pension plan, the law of the province of Ontario is that 90% of employees have to approve any employer use of the surplus. Clearly that contemplates that it is the employees' money. Why else would they be required to vote on giving it away?

The other evidence is that during public sector negotiations, at the bargaining table, the employer, time and time again, says, yes, they are getting lower wages and, yes, we will not provide much of a raise, but look at the great pension plan. It clearly uses the

pension plan as part of the wage package. It uses it against the employees at the bargaining table and then reverses the argument when bargaining is over.

There is jurisprudence. Consider CUPE Local 1000 v Ontario Hydro. CUPE initiated a legal challenge in response to Ontario Hydro's attempt to take a contribution holiday and it won. It won fair and square because the employer did not have the right to use the contributions for anything other than the trust document dictated, which was to improve the benefits to the employees. It is there on the books and people should be looking at it.

• (1305)

Bill S-3, an act to amend the Pension Benefits Standards Act, received royal assent in parliament in June 1998. This legislation applies to private plans operating under federal jurisdiction. It requires a two-thirds vote of the employees before the employer is allowed to use a single penny of the plan for anything other than improving benefits.

That is some of the more obvious jurisprudence. I am sure there are many more who would argue that any pension surplus is the sole property of the employees who paid into the plan, whether the contributions are from the employer or the employee. It is part of the wage package. It is deferred wages for the employees' use and their use only.

**Mr. Tony Ianno (Parliamentary Secretary to President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, it is interesting to hear the hon. member give examples that are not relevant and do not have the same pension plan description.

I am sure the hon. member knows that this is a legislated plan that is guaranteed by the government so that all employees and retired persons will receive a pension regardless of the economic situation.

If there were to be a deficit, the government would have to guarantee it, as it did at the time of the \$8 billion deficit. Does the hon. member think it should be shared risk? Should the union participate in the new plan so that, in effect, if there is a surplus it can benefit by it and if there is a deficit it will contribute toward it? Right now it is the Canadian taxpayers who guarantee public service pensions to ensure that people receive the kind of income that has been guaranteed for 50 years.

**Mr. Pat Martin:** Mr. Speaker, when the hon. member talks about shared risk, one cannot help but talk about shared management. It has always been the goal of any pension plan to have joint trustees; representatives of the employees and the employer sitting on the same board, having some control and direction over investments made or the direction in which the plan might be going.

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I know this was one of the sore points at the table when talks broke down in December 1998. The government would not allow any input from employees in terms of ethical investment funds or control of the types of investments that the new public sector investment board would make.

What if the investment board wanted to invest in a janitorial company which had contracted with the federal government to clean the Wellington Building and, as a result, put public sector plan members out of work? Frankly, under the board's fiduciary responsibility, if that janitorial company was paying on the stock market one quarter of a point higher than the other investment, it would be its obligation to invest there. There can be no other consideration than to maximize the profits of the investment.

Most plans are run that way, but many pension plans qualify the fiduciary responsibility by saying that there are secondary objectives which they are trying to achieve. Maybe it is job creation for the plan members, or rural or regional economic development. There could be any number of purposes. When dealing with tens of billions of dollars of investment on the stock market, it could be directed to achieve secondary and tertiary objectives other than purely profit objectives. That fell apart.

The shared risk or responsibility dialogue was taking place at the same time. There is far greater chance of there being a surplus than a deficit because of the actuaries who are hired to run the plan. The way that any well managed pension plan is run is that premiums are set at a rate which will offset the liability at the other end. Premiums will go up. In the near future we will not see deficits, but rather humongous surpluses.

• (1310)

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, I listened with great intent to the member opposite. I am a little appalled by some of the statements that the member made specifically to try to stir up our seniors and to leave the impression that somehow their pensions are not guaranteed.

That is just not the way it should be done. I think the hon. member should go on record to correct that fact. We do not want to stir up people who, in good faith, have paid into the plan, have done the right thing and are counting on their pensions. He knows, or he should know full well, that these pensions are guaranteed.

Does the hon. member think it is appropriate to create this kind of mischief and fear among our senior population in this regard? Does he acknowledge that those pensions are in fact guaranteed and that we need not create this kind of fuss to stir up our seniors, as he is doing?

**Mr. Pat Martin:** Mr. Speaker, nobody has to agitate or stir up the most powerful voting constituency in the country. They are well

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informed. They are well organized. They can mobilize well and they can vote. That is what I was pointing out. This government should be served notice that it should be very cautious about taking on this particular group of Canadians because it would do so at its peril.

Frankly, this particular voting constituency could bring the government to its knees if provoked, and I have every reason to believe that they are being poked in the eye right now. They are being provoked.

At no time in my speech did I ever imply that the current defined benefit they are enjoying is at risk. What I was commenting on is that the \$30 billion surplus that is going to be taken out of the plan could be distributed amongst those low income retirees and their level of benefit would improve. Frankly, it is a defined benefit and it cannot even be negotiated at the bargaining table. The tacit agreement between the Pearson government and the employees at the time was that negotiations would never involve the pension. The pension would be fixed and defined by the House of Commons, not at the bargaining table.

There was a trade-off. The promise was that government would never alter the terms and conditions of the pension plan unilaterally, as it is doing now by jacking up the premiums and taking out the surplus. It is a promise broken. It is an agreement that has been torn up. That might be where the hon. member got mixed up, if he was not listening carefully.

**Mr. Tony Ianno (Parliamentary Secretary to President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, it is amazing how the NDP uses information. I am glad you understood what I was getting at when I could not find a word for "untrue" because that is not parliamentary language.

Nevertheless, in the legislation, as the minister stated earlier in his remarks, 7.5% is the number and it is not changing.

Having said that, I am curious if the hon. member believes that it is not important to get the best return for seniors, that it is not important to maximize their numbers. All he cares about is ensuring that the money is invested on a very "good feel approach", as compared to seniors' concerns. Once they have worked and contributed to a pension plan, they want to be assured that it is there, and the government continues to assure them that that is the case.

On the other side of the coin, we want to ensure that we have the best possible management to get the best rate of return, so that, in effect, the taxpayers of Canada will not have to invest as much and will still give the pensioners their guaranteed amount.

Does the hon. member believe that the rate of return is not important to seniors and pensioners?

**Mr. Pat Martin:** Mr. Speaker, certainly not. The trustees of any pension plan have an obligation to bring the best rate of return possible. That is their fiduciary responsibility.

All I am saying is that there are secondary objectives and that the beneficiaries should have some input into how that money is invested because some of the pensioners may not want to be making money by clearing out the last rain forest in the world, or in a sweat shop in Nicaragua that is using child labour, or any number of those things. The seniors deserve to at least be able to say "Only invest in ethical investment funds", which may or may not give a worse rate of return. Frankly, the ethical investment funds are doing very well.

• (1315)

I would never argue that we could be casual or cavalier about the investment practices but the employees, as in most private sector plans, deserve to have some say in the investment strategy of this huge pool of money.

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, it is with pleasure that I rise on Bill C-78. Let us be clear. The government suggests that the main objective of this legislation is to improve the financial management of the three public sector pension and superannuation plans. The government's intention is consistent with its intention since 1993 to further concentrate its power among a very few.

There has been a secular decline in the role of parliament in the decisions made that affect Canadians. It began actually in the late 1960s. This continues and in fact has been expedited by the government. Bill C-78 is a further example of the effort by the government to concentrate power in the hands of a very few.

Increased management by the government with this legislation is defined as increased control, increased power and increased domination. It is a common characteristic of every initiative undertaken by members of the government. The power that they want to increase for themselves comes at a direct cost to parliament and to parliamentarians.

The fact is that prior to this legislation any change in the contribution rate had to be approved by parliament. After this legislation that power will rest with the treasury board president at a time when Canadians are saying they want more accountability, more input, and parliamentarians need to have more responsibility.

I believe Mark Twain once said that a bad job is one with lots of responsibility but no authority. Effectively that is what parliamentarians are being given these days. We are given lots of responsibility in many ways but really no authority. This is one of the areas, the pension plans for public servants, where Canadians deserve better. Canadians deserve due diligence and parliamentary participation to ensure that in the long term these pension plans

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survive and are there for the future, and that the interest of all Canadians are represented in this public policy.

The bill effectively provides the mechanism for the government to withdraw the current \$28 billion surplus from the federal pension plan over a period of 15 years, and any future surpluses can be withdrawn. The legislation will permit treasury board ministers without parliament in the future to determine the use of these surpluses and to set contribution rates.

The projected surpluses starting in the year 2000 will be about \$2 billion to \$3 billion per year which is a large sum of money. To have that money again going directly into the government's discretionary spending or being put toward whatever pet projects the government wants to pursue at a particular time, particularly before an election, is exposing the Liberal government to a significant temptation.

It is a temptation the Liberals welcome. It is one they are actually preparing for with this legislation. They will have access to more money to spend on purposes that are important to them, to spend on the next election and to spend getting ready by bribing Canadians with their own money. It will not be spent on the types of policies that are important for Canadians in the future and that will provide for a better quality of life and greater competitiveness in the 21st century. Instead it will be spent on the types of policies that will try to convince Canadians in the short term that the government has their best interest at heart.

This legislation is another example of government contempt and lack of appreciation for parliament. As I mentioned earlier, under this legislation there is no provision for parliament to hold the government accountable for withdrawals and for changes in the contribution rates.

• (1320)

This is highly analogous to the situation with the EI fund and what has happened since 1993. The government has taken \$19 billion from the EI fund and at the same time has used that money to pad its books to make its own fiscal numbers look better than they actually are. It has maintained unnecessarily high EI premiums. At the same time it has reduced benefits in a draconian and cruel way in many sectors and in many regions of the country.

Currently in the EI fund, for instance, only 30% of those people who are paying into employment insurance actually qualify when they need to collect employment insurance. The government is maintaining this unfair practice simply because it wants access to that steady pool of capital, that influx of capital.

The government has an insatiable thirst for cold hard cash that it can spend on unrelated programs and policies. The government has a very circuitous approach to bookkeeping and a number of times has offended the auditor general with its less than straightforward

bookkeeping. In fact one would need to be a forensic auditor to understand some of the provisions in the recent budget.

The fact that the government would use the EI fund to facilitate spending in other programs is clearly unethical and regressive. The amount of EI premiums paid by a Canadian making \$39,000 will be the same as the amount of premiums being paid by a Canadian making \$300,000. It is an inordinately unfair tax on lower and middle income Canadians.

The government is comfortable with its practice because it is a pool of capital. It can try to hide behind the guise of having an employment insurance program with an EI premium which in fact is an EI tax.

The reason I am discussing government treatment of the EI program is that it is completely analogous with its proposed treatment through Bill C-78 of the superannuation funds. As I mentioned, the government has an insatiable appetite for money. It has a questionable approach to financial and bookkeeping practices. In this case we are not arguing with the government's legal ability to do this. The Federal Superannuates National Association has actually sought legal advice and has agreed that the government has the legal ability to do this.

The question is one of what is right, what is correct, from an ethical perspective. Traditionally 40% of the contributions have been made by the employers and 60% by the employees. If the government is proposing to take a withdrawal from this fund there should be a requirement that a commensurate reinvestment be made in improved benefits. For instance, if the contribution rate were 60:40 and the government were to choose to withdraw \$6 billion from the surplus, there should be a requirement that \$4 billion be reinvested in better benefits for those people who have paid in, the members of these plans. That is clearly fair.

That the government would not even engage in a dialogue on splitting the surplus with its partner, the employees who have paid into the program over the course of their careers, is actually appalling.

There are some improved benefits. The dental benefit has been improved in the programs, and we commend that. We also see recognition of same sex survivor benefits. This is one case where the government has acted pre-emptively to avoid court action. Numerous court precedents have been set recently in the interpretation of Canada's Charter of Rights and Freedoms which demonstrate quite clearly that the government is not in a position to discriminate based on sexual orientation.

• (1325)

The government in this case is moving, I guess one could say, one step ahead of the sheriff. That is better than being one step behind the sheriff or being dragged kicking and screaming into the 21st century, as we have seen governments in Canada in recent

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months and years effectively waiting for the judiciary to force them to take these actions.

This action is consistent with the realities of Canada in 1999. Governments have to lead on these issues, have to take positions such as this one and have to recognize same sex benefits as opposed to being dragged kicking and screaming by the court system.

The issue of the proposed investment board is one that on the surface looks very positive. We are pleased to see that the pension funds will be invested in external financial markets to maximize returns on behalf of superannuates.

It is laughable sometimes, though, when the government proposes an arm's length operation of these boards from the government. I would suggest that with the government arm's length relationships have very short arms.

The Canada Pension Plan Investment Board, for instance, has 12 members, 6 of whom are major contributors to the Liberal Party of Canada. If one works it out statistically, only 0.2% of Canadians are contributors to the Liberal Party of Canada. Perhaps it is even fewer for my party, but I am not bitter. It is no coincidence that so many members of the Canada Pension Plan Investment Board are Liberal supporters and contributors.

I expect when we see this investment board announced we will see a similar consistency in terms of Liberal political interference in the appointment process to these boards that will be making investment decisions for the future retirement funds of Canadians.

If there is political interference in the decisions applying to the appointment of the boards in these cases, Canadians should be concerned about political interference in the decisions and the investments made by these boards. That is a very significant concern to Canadians. I hope we consider it very carefully in the House because it is a significant risk.

Although the government purports to be trying to maximize the returns for superannuates through these changes, the fund will still be limited by the foreign content rule so that only 20% of the fund can be invested in foreign markets. The fact is that the Canadian equities markets have grossly underperformed competitive equities markets in other countries.

Since 1993 the Dow Jones industrial average has grown in value by 180%. The S&P 500 has grown by 172%. During the same period of time the Toronto Stock Exchange has grown in value by 60%.

Wealth is relative and if we deny Canadians an opportunity to achieve geographic diversification by investing as many global mutual funds do around the world to maximize the returns and to

spread out their risks, we are denying Canadians the ability to build maximum wealth and retirement income in the next century.

Another issue is one we have with government policy on RRSPs. We are increasingly saying to Canadians that they must plan ahead, that they must invest for their own retirements and that they must take responsibility. At the same time we are not giving Canadians the means and freedom by which to make the best possible decisions.

• (1330)

The superannuation fund will again be denied the opportunity to have a maximum level of growth and a reduction in the level of risk through geographic diversification.

It is estimated that the foreign content rule costs .2% of Canadian pension funds and mutual funds based in RRSP assets. In the long term that means a 3% to 4% reduction in pension benefits for Canadians.

Some people have argued against eliminating or reducing the foreign content rule saying it would take money out of the Canadian equities market, the capital that we need in Canada. I would argue that with the Canada pension plan reform, the Canada pension plan investment fund and the superannuation investment fund, which will be invested privately, it is a perfect opportunity to invest capital from these huge, copious quantities of quid coming out of these programs into the domestic equities market.

This is the perfect time for the government to take this step. It will help provide an ameliorative step to prevent any negative impact on the Canadian equities market. There will be more capital available for both the Canadian equities market and the foreign equities market. It can be phased in over a period of time.

If we are serious about improving the quality of life and standard of living for Canadians, the government should not be forcing Canadians to invest the bulk of their retirement savings into Canadian markets, which represents 1.5% of the global equities markets. It clearly defies the logic of good portfolio management. I have some concerns about that.

The legislation at hand will make available through a surplus about \$2.5 billion per year starting April 1, 2000. It will provide significantly more freedom in the future to a government to use this money for whatever purposes it wants. These pension funds were developed to provide for the long term security in retirement for the superannuates. They were not designed to provide slush funds for governing parties.

The government will say that this is a defined benefit and, since it is responsible for the payments of the pensions regardless, it has a right to do whatever it wants. We are not arguing with its legal

ability to do this. We are arguing with the ethics of doing it. When the members pay a contribution rate of 40%, there should at least be an acknowledgement that there should be a significant improvement in the benefits paid out prior to a significant reduction or withdrawal of the surplus.

The other thing I noted was that the CPP actuary will be making the recommendations relative to the setting of the premiums. I remember a chap by the name of Bernard Dussault who was a CPP actuary. If I remember correctly, the government fired him. The smoking gun that the government had, indicated that he was fired because of his inability or lack of desire to hide the truth about the future of the Canada pension plan.

The last thing we need is a system that creates more potential for abuse of power, more Bernard Dussault situations where good civil servants are fired for telling the truth, and situations where there are reductions in the power of parliamentarians in designing the type of public policy Canadians need and a commensurate increase in the power of the government to do whatever it wants with money because of its insatiable appetite for spending in any area.

• (1335)

We look forward to debating this issue over the next few weeks. I would hope that members of parliament take very seriously the potential wrath of seniors in the next federal election. I believe seniors are the people who deserve to be listened to, and in the next federal election they will make their case very clear.

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, part way through the member's speech, I think he said that we, on the governing side, had a questionable approach to finances and bookkeeping.

I find it odd that the member would talk about questionable bookkeeping. This country was faced with a massive deficit of \$42 billion in 1993 because of the mess left by this member's party. For him to talk along those lines is outrageous at best and ridiculous at most.

I also listened with intent while he was talking about EI. I noted that it was in 1986 when the then auditor general indicated that in fact that money was to be part of the consolidated revenue. That, again, was during the tenure of the member's party. I am not sure what point the member was trying to make, but he knows full well that the rules we operate under are the rules that have been set out by the auditor general.

When it comes to appointments to boards and commissions, there was no one in the history of this country who was better than his party leader, Mr. Mulroney, when it came to appointments and patronage. I can tell members that Canadians still look fondly upon Mr. Mulroney as the king of patronage, bar none, when it comes to those kinds of issues.

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This is an excellent piece of legislation despite what the hon. member says about trying to stir up and upset seniors over whether or not their pensions are guaranteed. The member knows full well that they are. It is important for us to indicate to our pensioners and senior population that they are not going to get any more, but they are also not going to get any less. We have that guarantee for them in place.

I was interested in the member's comments on the foreign content rule. Could he perhaps elaborate a little further on why he thinks there should not be at least some portion of investment here in Canada? Does he think it should be wide open and go far beyond other jurisdictions? I thought I heard him say that. What does he have against investments in Canada? I would be interested in his comments.

**Mr. Scott Brison:** Mr. Speaker, I will start with the last question first, relative to the foreign content issue. I guess the member did not hear what I was saying. Canada's equities markets have grossly underperformed those of other countries, but Canadians are not to blame for that.

I think Canadians, with the right type of leadership, could excel and create economic growth, jobs and so on but they need lower taxes. That is one of the reasons why in Canada our TSE, the Toronto Stock Exchange, has grown in value by only 60% since 1993 when this government got elected. During the same period of time, the Dow Jones industrial average has grown by 180% in the U.S. The Standard & Poor's 500 has grown by 172%.

During the same period of time, Americans growth and wealth, for those who participated in the market because of their mutual funds and pension funds, have become three times wealthier in terms of growth in economic wealth compared to Canadians. Wealth is a relative thing.

The hon. member opposite may be satisfied that Canadians are getting poorer while Americans are getting richer, but I and members of my party are not.

In terms of his comments relating to dubious bookkeeping, my comments reflected those of the auditor general a number of times over the past few budgets of the government.

• (1340)

The fact is that in 1984 the Conservative government of Brian Mulroney inherited a \$38 billion deficit, in 1984 dollars, from the previous government. At that time, that represented 9% of GDP. By the time the government left office in 1993, that had been reduced to around 5% of GDP, almost halved as a per cent of GDP. During that time that government implemented free trade, the GST and deregulated financial services, transportation and energy.

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I wonder what impact those policies had on this government's ability to eliminate the deficit. It was summed up very well in an article in *The Economist* last January. It said that the credit for deficit reduction in Canada belongs largely to the passage of time and economic structural reforms made by the previous government, including free trade, the GST, deregulation of financial services, transportation and energy, all those policies which were vociferously opposed by this member's party.

I heard one of the members from the other side of the House earlier today accusing the opposition of fearmongering. I see the hon. member has left the House he is so ashamed of his mistakes and his intervention.

During the free trade debate, I remember Roy MacLaren, the current high commissioner in London and past Liberal member of this House, actually saying that the Liberals would blame the Conservative government for every sparrow that falls. Well, it is because of those initiatives that a lot of sparrows have soared in Canada. It is this government's high tax policies since 1993 that have basically caused a lot of fallen sparrows and a lot of falling incomes, personal disposable incomes and standards of living for Canadians.

I would add that the member for Waterloo—Wellington has come back and has regained his composure.

**The Acting Speaker (Mr. McClelland):** Before we go to questions and comments, it is appropriate to admonish members that we do not refer to the absence or to the presence of members. Specifically, we do not impute motive for a members leaving the Chamber at any particular time.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, as the member knows, the debate today has to do with pension funds for civil servants. The debate is all about who owns the money. There are people who say that it belongs to the taxpayers since all of the money comes from the taxpayers.

As members of parliament, we could quite rightly concede that all of our income and pension, those members who have a pension, comes from the taxpayers since that is where the money originates. One could argue that we earned it, in which case it belongs to us, but it did originate with the taxpayers.

One of the debates raging in the country between the unions, the taxpayers and the government is about who gets the money. Whose \$30 million is it? Even for you, Mr. Speaker, that would be more than just your average weekend spending money. That is a lot of money.

Exactly where does the member stand on who gets the money? Is it fair for the government to claim that on behalf of taxpayers it is taking it? Does it all belong to the unions? Is there a split somewhere? What is his view on this?

**Mr. Scott Brison:** Mr. Speaker, we have to look at the contribution rates and the fact that 40% of the contributions to this plan are made by the members.

I believe quite strongly, particularly with the investment policies promoted by and provided for in the new legislation, that the returns for this fund should actually improve over a period of time. If the government were to withdraw 60% of the fund, 40% should go back into improved benefits.

I recognize the government's arguments relative to defined benefits, that there is a guarantee the government has, but the government is grossly overestimating and exaggerating that argument to deny reasonable benefits. There was a small improvement in benefits in this legislation. But the fact is that the improvements sought by the Federal Superannuates National Association go a lot further in terms of survivor benefits for instance and in a number of areas create a much more comprehensively fair package of benefits for its members.

● (1345)

I would suggest, before the government delves into this plan for general spending purposes, that it should look more seriously at improving benefits within the plan.

The other thing we should keep in mind as well, in response finally to the hon. member's question, is that over the period of time, particularly with investments in the equities markets, it is not a bad thing to have a reasonable surplus within the plan from a security perspective. We should always be cautious about withdrawing that surplus and then in the future asking the taxpayer to kick back in.

The correct answer frankly is some combination of what he has suggested. I do believe we need to call in some of the best pension experts and benefits experts in the country if not in the world to help design the most optimal combination. It is not one that we should define in parliament solely on a debate type format without reasonable diligence and research.

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, we have before us Bill C-78, an act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act.

The proposed amendments touch the full range of pension operations: benefits, contributions and plan administration. The underlying thrust of all of these proposed amendments is to ensure the long term sustainability of the Canadian public service pension plans.

I propose to direct my remarks today to one particular aspect of these amendments, the proposed changes to employee contribution rates. Before I discuss the proposed changes, I think it is important

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that I give a brief overview of the existing contribution rate provisions.

A review of the existing legislative provisions will provide a rationale and context for the proposed amendments. Under the existing legislative provisions, employee contributions to the Canada pension plan, CPP, and the public service pension plans are integrated. But what does integrated mean?

The existing integration feature is such that the total contribution rate for an employee is 7.5% of pay composed of both the contributions to the CPP and the public service pension plans. For an employee earning the average wage, the contribution to the public service pension plans would be 7.5% minus the CPP contribution rate, currently at 3.5% of pay, which equals 4% of pay. To the extent that the CPP contribution rates increase, there is an equivalent decline in the public service pension plan contribution rate to preserve the constraint that the maximum pension contribution equals 7.5% of pay.

In the past, with periods of relative stability in contribution rates, this integrated approach has served the public service pension plans well. However, under the integrated contribution rate structure, the increase in CPP contribution rates beginning in 1987 has distorted the distribution of employee contributions going to the CPP and the public service pension plans.

Under the integrated structure, the impact of the increases in CPP rates has been such that for employees earning the average wage, contributions to the public service pension plans have declined from 5.7% of pay in 1986 to 4% of pay in 1999. To reiterate, over the past decade, individual employee contribution rates for the CPP have gone up, while those for the public service pension plans have declined. What are the implications of this shift in the distribution of employee contributions between the CPP and the public service pension plans?

To this point I have discussed only employee contribution rates. The other side of the coin of course is the employer contributions, that is the contribution of the federal government in its role as employer.

• (1350)

Existing legislation for the public service pension plans is such that the employer must ensure that the various accounts for the public service pension plans are credited with an amount equal to the total cost of entitlements accrued by employees in that year.

In other words, the federal government is responsible for the total costs of the plan in a given year, less the employee contributions. As a consequence of the declining employee contribution rates, the federal government, and by extension taxpayers, has had to shoulder an ever increasing share of the cost of employee pension plans.

Let me use the pension plan under the Public Service Superannuation Act as an example. Over the last three decades the financing of that plan has averaged approximately 60% employer funding and 40% employee funding. More recently that distribution has shifted rather dramatically. For 1999 the distribution is approximately 70% employer and 30% employee. Next year in the absence of any changes to the legislation it is projected that the distribution of the financing of the PSSA plan will shift to approximately 75%-25% and by 2003 it will be 80%-20% in favour of the employee.

This ongoing shift in the cost of the pension plan to the employer is not sustainable. It clearly puts the viability of the existing plan at risk unless changes are made. It is our intention to introduce the necessary changes to the contribution rate structure in order to preserve the long term sustainability of the public service pension plans.

With the amendments proposed in Bill C-78, contribution rates for the public service plans and the Canada pension plan will no longer be integrated. In other words, the public service contribution rates will henceforth be set independently and there will be no overall maximum contribution rate. In addition, there will be a two tier contribution rate structure to more directly match contribution rates with the different benefit accruals below and above the average wage as defined by the CPP.

This government recognizes that there will be a financial impact on employees as a result of these changes. In order to facilitate the movement to a long term sustainable pension plan environment, the government is proposing to freeze employee contribution rates to public service pension plans over the period 2000 to 2003 inclusive. Over this period, employee contributions on earnings below the average wage as defined by the CPP will continue at the present 1999 rate of 4%. Contributions on earnings above that average will continue at the present rate of 7.5%.

It must be understood however, that even though federal employees will thus be spared any increases in contribution rates for their public service pensions from 2000 through to 2003, they will nevertheless be subject to Canada pension plan rate increases scheduled for that period, the same CPP rate increases to which all working Canadians alike will be subject. Through integration of contributions, federal employees in effect have been sheltered from such increases in the past. Now they will have to pay for them like the rest of us.

Fortunately the CPP rate is scheduled to stabilize in the year 2004. What of the public service rates then? Will they rise in 2004 after being frozen for four years? Possibly, but not necessarily.

For the year 2004 and beyond, Treasury Board will set the contribution rate structure with the ability to return the cost sharing ratio gradually to the historical average of approximately 60%-40% between the employer and employees. The employer would continue to assume the larger share.

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Employee contribution rate increases may or may not be necessary from 2004 on, depending on a number of variables. However, any necessary increases would be gradual. For example, the members of the pension plan under the Public Service Superannuation Act can rest assured that no increase in their public service pension contribution rate will be greater than an additional .4%, not 4%, but .4% in any single year after 2003.

• (1355)

If an increase proves necessary in 2004, the contribution rate will still not be more than 4.4% of salary up to the average wage and 7.9% of the employee's salary over that average, that is, the previous rate of 7.5% plus the maximum possible increase of .4%.

PSSA plan members can also rest assured under the amended legislation that their employee share of current service cost for their pension plan will never exceed 40%. In other words, their contribution rates will not be increased beyond the point where they are paying their historical average cost of 40%. The historical average therefore will also be a limit under the amended legislation.

As for members of the other two public service plans, that is those under the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act, the legislation will provide that their contribution rates will not exceed those of PSSA members.

Amendments to the contribution rate structure are one component of the package of changes required to ensure the long term sustainability of public service pension plans. This bill provides as part of a comprehensive package of amendments the required changes in the contribution rate structure to ensure that the public service pension plans will be sustainable over the longer term.

**The Speaker:** The member is about halfway through. He still has some time and we will return to him right after question period. We will now go to Statements by Members.

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## STATEMENTS BY MEMBERS

[English]

### THE BALKANS

**Mr. Jim Karygiannis (Scarborough—Agincourt, Lib.):** Mr. Speaker, I rise today and am pleased to inform the House and all Canadians a delegation of Serbian Canadians visited me in parliament last Friday to discuss peace in the Balkans.

During this visit the delegation was given the opportunity to express its views to the Prime Minister. The delegates spoke about

their concerns with regard to the ongoing crisis in Yugoslavia. They put forth their view that Canada should stop its bombing of Yugoslavia and convince its NATO allies to do the same. They believe that only through diplomatic effort can true peace be achieved.

The Prime Minister assured the delegates he has taken the initiative to bring a stop to the conflict and will continue to do so. He also said that he would raise the matter with the Chinese premier, which he later did. The Prime Minister concluded by saying that he shares their fears for the lives of the innocent population stuck in the conflict.

I and I am sure all Canadians are hoping that a peaceful solution to this grave crisis will be arrived at soon.

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## TAXATION

**Mr. Jack Ramsay (Crowfoot, Ref.):** Mr. Speaker, last year a 61 year old lady in my riding earned a total income of just over \$11,000. This is less than the accommodation allowance granted members of parliament. In addition to paying her Canada pension and employment insurance premiums, this lady had to pay over \$650 in federal income tax. The government also took another \$9.77 in surtax charges, leaving my constituent with just over \$10,000 to live on.

Why is the government taking over \$660 in taxes from a citizen whose income is dramatically below the poverty line? Why is this person paying any income tax at all? Is the government in such desperate need of money that it is willing to do this kind of thing to low income earners?

Is it any wonder that Canadians and Canadian businesses are on the verge of a tax revolt.

\* \* \*

## CRIMES AGAINST HUMANITY

**Ms. Eleni Bakopanos (Ahuntsic, Lib.):** Mr. Speaker, due to the work of my colleague the member for Brampton Centre three years ago, April 20th to 27th is officially the week of remembrance of the inhumanity of people toward one another.

[Translation]

Today I would like to greet all those who are of Armenian heritage, and all members of the Armenian community in Montreal. My congratulations for their exceptional efforts to raise a monument in my riding of Ahuntsic.

[English]

This monument is dedicated to 1.5 million Armenians who were victims as well as to all the martyrs of crimes against humanity. It

is a fine example, especially under today's events, of what can be achieved in remembrance and in reconciliation. It is also symbolic of the tolerance and social harmony that we all wish to achieve.

I call upon all Canadians to remember the legacy of this past century, especially in these times of the Kosovo crisis. In doing so, we must work together to write a new legacy which will be marked by reconciliation, peace and co-operation.

\* \* \*

• (1400)

#### ALZHEIMER SOCIETY OF CANADA

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, Ottawa is host to the 21st National Conference and Annual General Meeting of the Alzheimer Society of Canada. More than 300 men and women dedicated to finding a cure for this terrible disease are in attendance.

Over 300,000 Canadians suffer from Alzheimer's and related dementia. One in thirteen Canadians over the age of 65 are afflicted, as are one in three over the age of 85.

More than 50% of people suffering from Alzheimer's live outside of care facilities. Still the cost to medicare averages some \$15,000 per person per year, or some \$4.5 billion annually.

Early in the next century, Canada's 8.5 million baby boomers will be moving into the age group with the highest risk of contracting Alzheimer's disease. There will be unprecedented demands for health services in Canada as a result.

Today, conference delegates will be calling MPs to discuss the society's goals and the roles that legislators can play in their realization. I encourage all colleagues to meet with them.

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#### EARTH DAY

**Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.):** Mr. Speaker, today, April 22, is Earth Day. It is a day to remind us that we are stewards of this beautiful planet.

The environment significantly affects our quality of life. Every human being needs clean air and water, and safe food to live. We need a biodiversity of species to help the earth, itself, sustain life.

Earth's wealth of resources are vast, with energy and raw materials to fuel our economies. However, in 100 short years we have learned the hard lesson that these resources are also finite. Today, 86% of Canadians think cleaning up the environment is good for the economy.

Rural Canadians know the value of a healthy, natural environment. From the coastal communities who harvest sea life, to the 1.9

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million Canadians employed in agriculture and agri-food, our food supply relies on a renewable, healthy environment.

With grassroots-oriented programs like the Millennium Eco-Communities and the Natural Legacy 2000 initiative, the federal government wants the 20 million-plus Canadians who annually participate in nature related activities to continue growing.

On Earth Day, let all Canadians renew our commitment to a healthy earth. By example, let us teach our children to value and respect it.

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#### BALL HOCKEY

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, the media will never again beat up on Reform. Last night the official opposition defeated the best ball hockey players the Parliamentary Press Gallery could provide, not once, but twice.

The Reform Right Wings downed the Giants of Journalism 6-4 in a ball hockey challenge. The Stornoway stars beat the media by the same 6-4 score. One would think they would improve after the first thrashing.

Star media players like Eric Sorensen, Vincent Marisal, Jim Munson and Sheldon Alberts; defencemen like Daniel Leblanc, Gilles Toupin and Feschuk; and goalie Joel-Denis Bellavance, just could not beat Reformers.

In the final, the Reform Right Wings, playing with a 50-year old wonder kid named White, nicknamed "flash" for athletic reasons only, won the championship. If the Press Gallery can get prepared for a rematch, Reformers are ready to devastate them again.

However, the media should understand, we want no whining and we in turn will report the events accurately, as they sometimes do.

\* \* \*

[Translation]

#### EARTH DAY

**Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.):** Mr. Speaker, by planting trees, cleaning up water courses, saving energy and learning more about ecology, Canadians are today celebrating Earth Day, along with millions of others throughout the world. This is a symbolic moment uniting all those concerned about protecting the health and integrity of species and human communities.

A century ago, North America was in the throes of industrial expansion. Concerns about the environment were pretty much an unknown concept at that time. Now we know that human activity that is not controlled can destroy ecosystems, render whole species extinct, and do harm to the climate and to health.

*S. O. 31*

The new millennium is fast approaching. People are giving serious thought to the future, and to means of keeping the planet safe. Earth Day reminds us that, if we all work together, great things can be accomplished, and we can leave behind a healthy environment for the children of the next millennium.

\* \* \*

**ARMENIAN PEOPLE**

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, the ethnic cleansing taking place in Kosovo at the present time is one more reminder that the 20th century will go down in history as a century of bloodshed, a century of atrocities, a century of genocides.

If such atrocities, such genocides, are to be avoided, humankind must acknowledge its responsibility, for each time crimes against humanity are committed, they are committed against each and every one of us, and by each and every one of us.

It is therefore unforgivable that this parliament has not yet acknowledged the Armenian genocide, the first genocide to take place in this century.

• (1405)

The Liberal Party's obstinate refusal to acknowledge this crime is shameful, but still worse, it puts a heavy responsibility on our shoulders, for refusing to acknowledge the first genocide of this century makes us bear part of the burden of, and responsibility for, those that followed.

The Bloc Québécois recognizes the Armenian genocide, as does the Quebec National Assembly. The memory of this tragedy is a painful one, but it must be kept constantly in mind. Today, with the Armenians of Quebec, of Canada, and of the entire world—

**The Speaker:** The hon. member for Beaches—East York.

\* \* \*

*[English]***NATIONAL ORGAN DONOR WEEK**

**Ms. Maria Minna (Beaches—East York, Lib.):** Mr. Speaker, yesterday statements were read from both sides of the floor recognizing this week as Organ Donation Week and stressing the need for an improvement in Canada's organ donation rate.

The statistics clearly demonstrate the need for such improvements. Nevertheless, Organ Donation Week in 1999 offers a great deal of hope to Canadians that this situation can change for the better.

This morning, I and my colleagues on the House of Commons Standing Committee on Health released our report on the state of

organ donation and transplantation in Canada. Our recommendations highlight ways in which the federal government can work in concert with the provinces and hospitals to improve organ retrieval systems, information systems, and increase public and professional awareness.

Similar changes were implemented in Spain just 10 years ago and resulted in a radical increase in their organ donation rate. It is my sincere hope that our recommendations will lead to similar, perhaps better, success for our great country.

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**MEMBER FOR YORK SOUTH—WESTON**

**Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.):** Mr. Speaker, I am honoured to rise today in the House to pay tribute to the hon. member from York South—Weston on his third anniversary as an independent member of the House.

When the Liberal government broke its promise to scrap, kill and abolish the GST, it was this man who refused to be another Liberal sheep, bleating on cue.

When the Liberal whips forced their members to vote against the wishes of their constituents on the dreaded tax, it was this man who stood alone in the Liberal caucus and said "no way".

When the Liberals decided they had no room in their party for a man of integrity, it was this man who successfully convinced his constituents that they no longer need the tired Liberal label.

That is why tonight I am proud to join the hon. member from York South—Weston and the hon. member from Markham at the united alternative town hall meeting.

Tonight, we will mark the end of unaccountable, one-party dominance in the country and mark the beginning of a united alternative to an arrogant, out of touch Liberal government.

\* \* \*

*[Translation]***QUEBEC**

**Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.):** Mr. Speaker, this morning, the head of the Saint-Jean Baptiste society, Guy Bouthillier, and a former active separatist, Denis Minière, proposed to the Premier of Quebec that he start a new round of constitutional negotiations with the federal government.

They are looking for ways to get people to swallow the pill of Quebec's separation from the rest of Canada, an option twice rejected by a majority of Quebecers. The separatists have understood that Quebec's separation from the rest of Canada will not go down easily. And the year 2000 is approaching rapidly. They are getting restless. We wonder whether there is not a separatist

agenda hidden away somewhere in the boxes of Parti Quebecois organizers.

The separatist movement is a thing of the past. It is a concept that will lead to division, scorn and the loss of real benefits for Quebec in economic, cultural and social terms.

\* \* \*

[English]

### BILL C-78

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, maybe the government got away with taking \$25 billion from the employment insurance fund and unemployed workers, but with Bill C-78, it is taking on the most powerful voting constituency in the country, senior citizens and retired pensioners.

If the government thinks seniors will sit idly by and let it take the \$30 billion surplus from the public service pension plan, it would be well advised to remember what happened to Brian Mulroney when he tried to de-index the Canada pension plan.

Dozens of seniors groups are on the Hill today to show their opposition to Bill C-78: the Armed Forces Pensioners Association, the Association of Public Service Alliance Retirees, the Canadian Association of Union Retirees, the Ontario Coalition of Senior Citizens Organizations, the RCMP Veterans Association and many more representing millions of Canadian retirees.

All pension surpluses are the sole property of the employee. They are deferred wages to be used for nothing else than improving benefits. The message that these groups bring to Ottawa is simple, "Get your hands off our pension plan".

\* \* \*

• (1410)

[Translation]

### EARTH DAY

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am pleased to signal Earth Day today.

First celebrated on April 22, 1970, this day has today become the most important popular environmental event worldwide.

In over 100 countries, Earth Day helps promote projects to provide an awareness of the issues involved in the environment in conjunction with communities, organizations, business and individuals.

I encourage people to find out about ways of using energy, natural resources and chemicals in order to transform used material into new and to sign the reuse pledge campaign.

*S. O. 31*

Let us use this day to help make people aware that the resources of this planet are very valuable so we may keep them and pass on a healthy environment to our children and to generations to come.

By doing just one thing for the environment on Earth Day, we will be contributing to world change.

\* \* \*

[English]

### WOMEN IN THE WORKFORCE

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, the message is clear. Women are gaining ground in the workforce. Statistics show that since 1980 the number of women in the workforce has increased, their job tenure is longer and their salaries have risen.

The main reason for this change is that women are becoming better educated. More than ever, education is a prerequisite for success in the workplace.

Recent statistics show that the gap between men and women is closing, even in the upper ranks of corporate Canada. While the glass ceiling is still there, it is more permeable than ever. It is not unusual to see women in executive roles. Today, over 700,000 businesses are owned by women.

Through education, an entrepreneurial spirit, and a change in society's attitude, women are aspiring to and achieving greater career heights.

To all young Canadian women, especially to my daughter, Lara Treiber, and her classmates from Bishop Strachan School, "I encourage you to make the most of your education and soar to great heights in whatever career path you may choose".

\* \* \*

### KOSOVO

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, I would like to congratulate the government on so promptly agreeing to my motion in committee on April 15, and in answering my letter of that same date to the Minister of National Defence which requested that the government brief the SCNDVA committee members several times a week on a regular basis with regard to the Kosovo conflict.

It is appreciated that the Liberal government has decided to consult with parliamentarians about this ever-escalating war. We would have much preferred separate committee briefings because of the technical nature of the information, but any movement by the government is appreciated.

Once again, I would like to remind the government of the Somalia Commission of Inquiry report that called for a vigilant parliament. The importance of parliamentary oversight of the department of defence is a vital aspect of Canadian democracy. It also gives committee members an insight into the military

*Oral Questions*

profession, and an opportunity to show our unwavering support for our Canadian forces in this time of conflict as NATO stands on the precipice of further action.

\* \* \*

**DAVID MILGAARD**

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, David Milgaard served 23 years in Canadian prisons for a murder he did not commit.

To compensate Milgaard for that terrible injustice, the Saskatchewan government has made interim payments of \$350,000, which is to be deducted from the final settlement.

David Milgaard has waited nearly two years for the final settlement but the Saskatchewan government continues to drag its feet.

Forcing Mr. Milgaard to wait for the compensation due to him is just more injustice for a man who is already deeply scarred by a criminal justice system that went terribly wrong.

“Waiting for compensation”, says Milgaard, “is like another prison sentence”.

I urge and implore the Saskatchewan government to do the right thing, pay the compensation, close this issue once and for all and let David Milgaard get on with his life.

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**CRIMES AGAINST HUMANITY**

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, today marks the 84th anniversary of the Armenian genocide.

As a result of forced relocations and massacres, up to 1.5 million Armenians in the Ottoman Empire fell victim to the first genocide of this century. Such policies today are often called “ethnic cleansing”. However, the fact that these atrocities are still taking place should not detract from the horror of the Armenian experience.

Sadly, we know all too well that what happened to the Armenians was not the last time such things would occur and we should take a moment to condemn all crimes against humanity.

• (1415)

Some say perhaps people will no longer commit such atrocities and we must strive for this. The Armenian ethnic cleansing reminds us of the consequences of ethnic hatred. We must always guard against the forces that yield such evil.

I know the House will join me in remembering the victims of the Armenian genocide.

[Translation]

**MEMBER FOR BOURASSA**

**Mr. Paul Mercier (Terrebonne—Blainville, BQ):** Mr. Speaker, once again, the member for Bourassa has jumped at an opportunity to feign indignation at our party.

This time, he is incensed that last weekend the general council of the Bloc Québécois defined a Quebecker as anyone living in Quebec. Hardly something to get all hot and bothered about, is it?

The member for Bourassa has provided me with an opportunity to remind this House of a statement he made in May, 1996, about Mr. Nunez, a member of Chilean origin. He said that sometimes he felt like restoring the deportation act and sending back to their country those who spit on the Canadian flag. Such is the intolerance of this holier-than-thou member.

My colleague might like to know that I too should be sent back to my native land. I was born in Belgium. But, like Mr. Nunez, I have never spit on the Canadian flag, which I respect as the flag of a country with which a sovereign Quebec will want to be friends.

Until that wonderful day comes, I say to my colleague that I am a Quebecker through and through and proud of it.

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**ORAL QUESTION PERIOD**

[English]

**KOSOVO**

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the Americans are now talking about committing more than \$25 billion to the war effort in Yugoslavia. Our allies are planning and budgeting for an escalation of the war in Kosovo. Yet the government does not seem to have a specific plan. We want to make sure that our troops have the resources to be able to do their job over there.

My question is for the Prime Minister. Does the Prime Minister have an estimate of what the costs will be, or is he waiting for NATO to tell him how much to spend?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, as I indicated yesterday, the costs so far for the deployment into Aviano and for the other involvements of the Canadian forces have been a total of \$32.4 million to date. This started when the first six CF-18s were deployed into Aviano last June.

Since the air campaign began the total cost for the Canadian forces has been \$11.9 million. We are in the throes of putting together the figures of other costs. As soon as we have those costs and projections we will be happy to make them available.

*Oral Questions*

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, it has been some weeks now since we have been asking this question and there is still nothing coming from the government side.

Canada is on the verge of going into a ground war. Yet we still do not know how much it has cost just to involve ourselves in the air strikes. The defence budget has been cut by \$7.8 billion since 1993. The current budget leaves no room for air strikes. It leaves no room for ground defence. Our troops, and the Prime Minister will recall, were given axe handles to protect themselves in Macedonia.

What assurances can the Prime Minister give our troops that they will have the right equipment to go to war?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, our Canadian forces do have the right equipment and will have the right equipment to use in this air campaign and in any other involvement they have with respect to Yugoslavia, including our peacekeepers who are being prepared for a peace-keeping mission when that time should come.

I have indicated quite clearly what the costs are to this point in time. I do not understand what part of \$32 million or what part of \$12 million the hon. member does not understand. Those are our costs.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, we are not talking about incremental costs. We are talking about a total cost besides incremental.

The government budgeted \$103 million for the procurement of smart bombs. Our fighters have flown well over 100 sorties into that region. Obviously supplies are getting rather thin.

Would the defence minister inform the House as to what the supply situation is with regard to the smart weapons, what steps the government will take to replenish those supplies, and how much it will cost?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, we have the equipment that is necessary to do the job. I was just in Aviano. I have seen our equipment and our planes there.

Our Canadian forces personnel are doing a terrific job. They have the supplies that are necessary. The government is providing the funds that are necessary to make sure we do the job that needs to be done to try to give the people of Kosovo back their homeland.

• (1420)

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, no one in the House is more concerned about the Canadian armed forces than the official opposition. For years we have urged that additional funds be devoted to those forces. Now we are on the verge of entering the first ground war in 46 years.

When will the government put forward a spending plan to ensure, as Churchill said, that these troops will have the tools to do the job?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, they do have the tools that are needed to do the job.

We have made no decision. NATO has made no decision with respect to ground troops. We are sticking to the course on the air campaign. We are staying with that course. We are ultimately preparing when there is a ceasefire, when there is peace in Kosovo, to be able to move peacekeepers into that area.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, we all know that the Canadian forces have been starved for funds for years. Now we are at war. In fact we have been at war for a month now.

Will the government assure the House that the costs of the war in Kosovo will not have to be absorbed by the already inadequate defence budget?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I remind hon. members that we had in fact an increase in the defence department budget this year. We had an increase because the government wanted to make sure that we treated our people properly and that they had a decent quality of life.

If we go back to the last election, it was not that long ago that party over there was advocating a further billion dollar cut to the budget.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, we are 24 hours away from the meeting of leaders of NATO countries in Washington.

We know that the United States and Great Britain are giving increasingly serious thought to sending ground troops into Kosovo. At noon today, NATO's secretary general said that no decision would be taken in Washington.

Does the Prime Minister share the opinion of NATO's secretary general?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we will hold three days of talks, and all topics will be covered.

If NATO's secretary general says that a decision will not be made by Monday, we shall see. At this point, we are all on the same wavelength. We want to make sure that the massacres, the murders and the rapes are stopped, that peace is restored by removing Serbian troops from Kosovo and sending them back to Belgrade, and that the Kosovars can return to their homes.

*Oral Questions*

That is why we are continuing with the air strikes. We intend to keep on. If there is any change, I will so advise the House, as I promised to do.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, it sounds a bit like something Yogi Berra would have said “There is no change as long as there is no change”.

I would like him to be more serious and tell us whether he is going to stick to the position he is now taking. If he is, will he promise us not to change that position until it has been debated and approved by a vote in this House?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there will be 19 government leaders with responsibilities to fulfil.

Whatever the circumstances, I am going to assume the responsibilities one would hope a Prime Minister of Canada could assume. There has been a debate in this House. The House of Commons supports the government’s position. In my speech last Monday, I clearly set out all the conditions of our current participation in what NATO is doing.

I have the support of this House and I intend to speak on its behalf and on behalf of all Canadians.

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Mr. Speaker, yesterday, the Prime Minister said that the decision to send in Canadian ground troops had not been taken and did not need to be taken as long as NATO itself has not made a decision.

My question is for the Prime Minister. Are we to understand that the decision to send Canadian troops to Kosovo will not be made by the executive branch of the government, by the Prime Minister or by this parliament, but by the other NATO members, which would explain why the Prime Minister is refusing to hold a vote in the House on this issue?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the decision to send in Canadian combat troops will be made by the Government of Canada. There is doubt about that.

I said that no troops would be sent in without another debate in the House of Commons. My position is very clear.

As for a vote, this week they had an opportunity to move a motion on that, and we would have had to vote, but they did not have the courage to do so.

• (1425)

**The Speaker:** Once again, I remind members that they must not question the courage of other members.

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Mr. Speaker, in 1991, the Prime Minister was asking for moral authority.

Now, he seems to find it easy to do without such moral authority. The House can vote on all sorts of issues, but not on the most important one, that is our participation in a war.

Why is the Prime Minister refusing to hold a vote, if not because he would be embarrassed to have a definite position that would prevent him, at the NATO meeting, from blindly following what the others will tell him to do?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we will meet with 19 other heads of government, and we will discuss like adults.

On Monday of last week, the leader of the Bloc Québécois supported the government’s position. On Monday of this week, he had the opportunity to ask for a vote and force members to either support or reject the government’s position, but he did not do it.

The Government of Canada, through its prime minister, will defend Canada’s interests in Washington this weekend, and we will find a joint solution with the 19 other—

**The Speaker:** The hon. member for Burnaby—Douglas.

[English]

**Mr. Svend J. Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, my question for the Prime Minister is on tomorrow’s NATO summit. Russia has made it very clear that it will not join in a NATO led peacekeeping force in Kosovo.

NATO and the United States, however, continue to insist on this condition, which will mean more bombing, more deaths, more refugees and more environmental disaster.

Will the Prime Minister finally show leadership, not just follow Bill Clinton, and tell our NATO allies tomorrow that Canada supports a UN led peacekeeping force in Kosovo, not a NATO led peacekeeping force?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there is no such thing possible at this moment as a UN led force in Kosovo. We have worked on that and it is not possible. I talked with Mr. Chernomyrdin about working with the Russians and I talked with the Prime Minister of China but there is no such proposition at this time.

What we are faced with at the moment is that the murders, rapes and cleansing are going on. With the NATO forces we will keep bombarding until Milosevic stops that and brings his people back to Belgrade.

**Mr. Svend J. Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, I have a supplementary question for the Prime Minister. This week the Prime Minister announced that Canada will send ground troops to Kosovo if our NATO allies all agree.

*Oral Questions*

Since the Prime Minister has already made this decision and announced it to our allies, what is the point of a debate in the House? Why is the Prime Minister telling Canadians that he will listen to Washington, Bonn and Luxembourg but to hell with the elected representatives—

**The Speaker:** Please, my colleagues, be very judicious in your choice of words.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, those are the people who supported the government 10 days ago. They said we were doing the right thing 10 days ago.

Do they believe we should let Milosevic rape and kill the people, do nothing and hope that some day the UN might have the troops? We will keep doing what we are doing because it is the right thing to do for Canadians and all 19 countries in NATO.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, BBC World News reported that some British soldiers serving in the Balkans suffered a \$10 a day pay cut and German troops are getting an extra \$100 per day.

My question is for the Minister of National Defence. Will he assure the House that Canadian forces personnel are getting the pay they deserve for combat operations?

• (1430)

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, we just gave, as of April 1 of this year, the highest pay increases in decades to the Canadian forces. We gave it to people primarily in the lower ranks. We also increased the allowances for foreign duty. We increased the allowances for the very people who are over there now in connection with our campaign in Kosovo.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, that is very interesting, but there is a little more the minister has to do. Our Canadian forces personnel have been active in the skies over Yugoslavia for almost a month, but to date cabinet has not made them or their families eligible for veterans benefits through an order in council. When is this government going to do the right thing and initiate an order in council that would support these brave men and women serving in the Balkans?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, we just had an excellent piece of work done by the Standing Committee on National Defence and Veterans Affairs. It came up with a report on how to improve the quality of life for our troops and for our veterans.

In fact the Minister of Veterans Affairs and I just opened a new centre that will provide one reference point for veterans and for troops who are injured or troops who are looking for additional information on how they can improve the quality of life for themselves and their families. We have some 89 recommendations

that we are in the throes of implementing to improve the quality of life for all.

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**TAXATION**

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, for the record, Reformers have long advocated increasing the budget for national defence by a billion dollars a year.

I want to wish the Prime Minister a very happy anniversary. Because the MP for York South—Weston expected his government to keep its campaign promise to scrap, kill and abolish the GST, three years ago today the Prime Minister kicked him out of the Liberal caucus.

What is the Prime Minister more proud of, the fact that he broke his promise to scrap the GST or the fact that he kicked out the one Liberal MP who had the character—

**The Speaker:** The Right Hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, what I am proud of is that we eliminated the deficit in Canada in three years. We had a deficit of \$42 billion and it went to zero. We have had a 1% inflation rate for the past three years. We have created 1.6 million new jobs since we formed the government. Never have Canadians felt so good about their government than they do today. I know why the hon. member on the other side is so desperate.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, there is that Liberal arrogance again. I should remind the Prime Minister that he got 38% of the vote, which is hardly a huge mandate.

Not only has the government not scrapped, killed and abolished the GST, it is now using it to wring even more money out of taxpayers' pockets. The government now taxes \$6 billion more a year through the GST than when it promised to scrap it.

How can the minister deny that his broken GST promise is anything more than a Liberal tax grab? I would like him to answer the question instead of getting into this trading of comments, back and forth, about national defence.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, he is the one who tried to set the record straight. With respect to defence, I have the Reform 1997 election platform, which calls for reduced spending for the Department of National Defence on page eight of a book called *A Fresh Start for Canadians*.

It is the same thing in *The Taxpayers' Budget* of February 21, 1995 which the Reform Party gave to the public. It was the same thing on November 24. A \$1 billion reduction in—

**The Speaker:** The hon. member for Louis-Hébert.

*Oral Questions*

• (1435)

[Translation]

**CANADIAN ADAPTATION AND RURAL DEVELOPMENT FUND**

**Ms. Hélène Alarie (Louis-Hébert, BQ):** Mr. Speaker, the Canadian Adaptation and Rural Development Fund has just been approved for the next four years.

The \$240 million envelope and the objective remain unchanged. The shocking difference is that Ontario will continue to receive the same amount, Quebec will get \$16 billion less, and western Canada is the lucky winner in this lottery.

How can the minister justify this loss for Quebec?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I would refer the hon. member to the press release put out last week by the minister of agriculture for the province of Quebec, the Hon. Rémy Trudel, who complimented and congratulated the government for following the equitable formula on which to base the allocations to the provinces that was recommended by Quebec.

[Translation]

**Ms. Hélène Alarie (Louis-Hébert, BQ):** Mr. Speaker, the Canadian Adaptation and Rural Development Fund has been a development tool managed tightly by the Conseil pour le développement de l'agriculture du Québec in line with the fund's six priorities. The Conseil's management is the best in the country.

Why did the minister not look at the effectiveness of past management in approving new funds so as not to jeopardize ongoing projects?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the Canadian adaptation and rural development fund that was put in place four years ago was done at a different time, when some adjustments were made in different parts of Canada for different reasons.

It was felt, primarily because of the urging of the ministry of agriculture of the province of Quebec, that we should go to an equitable formula and treat all provinces the same across the country, and that is exactly what we are doing.

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**ABORIGINAL AFFAIRS**

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, B.C. Liberal leader, Gordon Campbell, has accused Glen Clark's provincial NDP of "dropping the guillotine on democracy" by cutting off debate on the Nisga'a treaty. He has said "It is wrong to slam the door on the public".

Does the government agree with Gordon Campbell, a Liberal, that Glen Clark's NDP has trashed the democratic process? Will it commit here and now not to table vitally important Nisga'a legislation until the people of British Columbia have had their full and democratic say on this treaty?

**The Speaker:** I rule the first part of the question out of order, but the second part is in order.

**Mr. David Iftody (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I would point out to the hon. member and to the House, and I find this quite interesting, that only a couple of weeks ago he was scolding the Government of Canada for moving too quickly ahead of the B.C. government.

Only two weeks ago at the standing committee the hon. member wanted us to increase the budget threefold to study the Nisga'a bill. He keeps changing his story. Every two weeks it is one way or the other. What does the hon. member want us to do? Let him clarify his question and not this side of the House.

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, it sure would be nice if we got an answer to a question once around here.

The people of British Columbia have been denied their democratic say on this treaty. Mr. Campbell, a Liberal, has said that the NDP have "dropped the guillotine on democracy".

Frank Calder, a respected Nisga'a elder, has said "Don't cut off the debate".

Will the government commit now not to table the Nisga'a legislation until the people of British Columbia have had their full and democratic say?

**Mr. David Iftody (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, we have never purported to interfere with the democratic process of the people of British Columbia and the due process that has to take place with respect to that legislation in their House.

What we have promised, through the Prime Minister and through my minister, is that when our time comes to do what we have to do in this House, we will do it, do it thoroughly, do it properly and live up to our obligations.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, the Minister of Human Resources Development is announcing, in conjunction with the Canadian Labour Congress, the striking of joint committee to address the problems caused by the employment insurance system.

*Oral Questions*

When that committee has finished its work, the minister claims that there might possibly be no changes, because of a lack of political will.

My question is for the Minister of Human Resources Development. Is the minister referring to his own lack of political will, or his inability to sell the cabinet on the necessity of improving the system?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, it is a good thing the Bloc Québécois members have no aspirations of forming a government some day, and are happy to form a perpetual opposition in this House, because I feel that they do not understand fully how government operates.

• (1440)

The Minister of Finance and I met with the Canadian Labour Congress yesterday, and they did indeed indicate their interest in taking part in a working group, along with employees of human resources development, as well as some from finance, in order to measure the impact of employment insurance reform on individuals and communities in Canada. I have every hope that this will be of use to all here.

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, does the Minister of Human Resources Development share the opinion of the Minister of Finance who stated, upon leaving that meeting with the CLC, that in his opinion the employment insurance fund is nothing but an accounting mechanism.

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, first of all, I would invite the hon. member for Québec to reread the *Toronto Star* article, because the Minister of Finance made no comment when he left yesterday's meeting. The comment was reported by others who were in attendance. She should, therefore, reread the article.

What I can say is that, rising above all the petty gossip and the petty politicking, there is a will within our government to serve the workers of our country well.

I am very pleased with the working group we are setting up in conjunction with the Canadian Labour Congress, and it is entirely up to the Bloc Québécois if they wish to prefer to stick with their pointless oppositional attitude.

\* \* \*

[English]

**ABORIGINAL AFFAIRS**

**Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.):** Mr. Speaker, despite the historical significance of the Nisga'a treaty, the NDP government of British Columbia has cut off debate with over a third of the treaty still not examined.

The B.C. Liberal House leader accused the B.C. government of trying to ram the treaty down the throats of the people without debate.

Will the minister commit to British Columbians that the federal government will not introduce the Nisga'a bill in this House until the people of British Columbia have had a full debate?

**Mr. David Iftody (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, here we go again.

I would only say to the hon. member that she may want to ask her lead critic why he stands in the House of Commons complaining and fearful that we might be acting ahead of the people of British Columbia, when in the standing committee he was arguing to have the budget tripled and to move quickly on the Nisga'a treaty. Which is it?

**Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.):** Mr. Speaker, to make the situation clear—

**Mr. Randy White:** That is a lie.

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

**The Speaker:** Order, please. I heard the hon. member for Langley—Abbotsford use the word "lie". I would ask him to withdraw it, please.

**Mr. Randy White:** Mr. Speaker, I believe that to be a lie.

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

**The Speaker:** We will settle it at the end of question period. The hon. member for South Surrey—White Rock—Langley.

**Ms. Val Meredith:** Mr. Speaker, Chief Stewart Philipp, the president of the Union of B.C. Indian Chiefs, described the B.C. government's action as "very aggressive, what we call the jackboot approach".

It is clear that all British Columbians, including B.C. Liberals and aboriginal leaders, want a full debate on the Nisga'a agreement.

Will this government commit to British Columbians that it will not introduce the Nisga'a bill until B.C. has had a full debate?

**Mr. David Iftody (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I said that the Government of Canada has made a commitment to the Nisga'a people and as a tripartite signatory to that agreement we will be introducing that particular legislation in the House at the appropriate time. We will have a debate on it, as we promised.

I reiterate that the member for Skeena asked for a tripling or a doubling of the budget of the standing committee on Indian affairs to bring in people and to hear witnesses on this particular issue.

*Oral Questions*

We will do it when the time comes and it will be done.

\* \* \*

[Translation]

**AIR TRANSPORTATION**

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, the Bloc Québécois did not start just yesterday to criticize the cost-benefit approach of Nav Canada and the lack of conscientiousness on the part of Transport Canada in closing regional flight information stations.

• (1445)

In December, seven people died in Baie-Comeau, and last week a plane crashed in Gaspé tragically killing four people in the middle of a snow storm.

My question is for the Minister of Transport. Does he not think that a flight information station in Gaspé would have been able to describe the weather conditions to the pilot more accurately and thus save four lives?

**Hon. David M. Collenette (Minister of Transport, Lib.):** Mr. Speaker, the Government of Canada regrets the accidents in Baie-Comeau and in the Gaspé.

As members know, Nav Canada is a not for profit corporation directing air navigation operations. It has a process for deciding whether navigational equipment is needed. The transport safety board is investigating the situation, and I will respond after the investigation.

\* \* \*

[English]

**KOSOVO**

**Hon. Sheila Finestone (Mount Royal, Lib.):** Mr. Speaker, last week while in Brussels, world parliamentarians from 136 countries addressed the horrendous events unfolding in Yugoslavia. Here in Canada the debate continues on military options in Kosovo while the ongoing humanitarian crisis destabilizes the countries in the region.

My question is for the Minister of Foreign Affairs. What is Canada doing to promote stability in the area and to assist refugees already in those countries?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I think it is fair say that the refugee crisis really represents the heart of what we are trying to address in the Balkan region.

In addition to the humanitarian aid, I am pleased to announce that the Government of Canada has established missions in both Skopje and Tirana which include representatives of defence, foreign affairs and immigration. Their specific task is to work with

the refugees coming across the border, to work with the countries that are accepting them and to see how they can provide assistance, stability and support in this very difficult time.

\* \* \*

**TRADE**

**Mr. Deepak Obhrai (Calgary East, Ref.):** Mr. Speaker, the government was aware for quite some time that Canada's favoured nation status as a defence partner with the U.S.A. was at risk. With over 50,000 jobs in Canada potentially affected in every region of the country and \$5 billion in trade at risk, why did the foreign affairs minister wait until things collapsed before getting personally involved?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, as we know, the U.S. congress has been applying a number of very severe restrictions on the administration concerning the release of information and technology transfer. We have had serious negotiations going on over the last three or four months. In fact we have had previous discussions.

Last Friday it tabled some new regulations which applied the requirement for an export permit for which we have had exemptions up to now. We think that is not the right step to take. We think it will have an impact on both industries. That is why when I am in Washington I will have a discussion with Secretary of State Albright. I think that is the proper response.

**Mr. Deepak Obhrai (Calgary East, Ref.):** Mr. Speaker, the fact of the matter is the government had ample time to head off this potentially explosive situation.

Frontec, an Alberta firm, risks losing over \$100 million worth of U.S. defence contracts over the next 60 days. This is just one example of over 1,500 companies that are affected. Will the foreign affairs minister tell Frontec's workers why he failed to act before the status was removed?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the first thing I will tell them is that there was nothing in those regulations that prevents trade of defence products between the two countries. There are some new regulations being applied to govern the nature of those trades. We think they restrict against the exemptions that have been established for many years. The kind of fearmongering by the hon. member that all these contracts being lost is simply not the reality.

We will talk to the Americans to see if we can restore things to the status quo.

\* \* \*

**KOSOVO**

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

*Oral Questions*

The Prime Minister has used the team metaphor to describe his understanding of NATO. We understand that. We also understand that teams have captains, water boys and everybody in between.

We want to know from the Prime Minister what he is taking to the huddle. We want to know that he is in the huddle. When he is in the huddle will he be saying that he approves of the growing range of targets being bombed in Yugoslavia, homes, offices and what-not? These are not the selective military targets that were talked about at the beginning of this episode.

• (1450)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the position of the government is very clear. We want Milosevic to make sure that his troops and his goons are no longer in Kosovo and that they will permit the return of the Kosovars to their homes. When Milosevic accepts these conditions, that will stop the bombing. Our position is very clear. We have to be effective as well. If we cannot use bombing it is better to stop. We want to use bombs to make sure Milosevic understands that we cannot tolerate what is going on in Yugoslavia at this time.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, the Prime Minister seems unwilling to acknowledge that the bombing has gone far beyond the selective military targets that were talked about at the beginning of the air strike campaign.

With respect to the team huddle that the Prime Minister is going to in Washington in a day or so, or perhaps even today, will it be the position of the Canadian government that the five points of NATO have to be adhered to? Will the Canadian government be going into the huddle with the position that some flexibility has to be shown with respect to those five points? What is the Canadian position?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, one element of the position is it is desirable that the peacekeepers not only be from NATO but from many other countries, including Russia. I said that last week and I repeat it today. I believe the Russians are to be involved. They know my position. I will make the point again. It is important to involve the Russians to make sure it is not only the NATO countries that are involved. We would like the other countries to help us make sure that the murdering, the raping and the killing by the Milosevic goons stop. We have to do what is needed—

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

\* \* \*

**NUCLEAR WASTE**

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, Canada has a long term nuclear waste disposal problem. The material is currently stored at temporary sites at Canada's 22 nuclear reactor

stations. According to the Seaborn panel, Canadians still need to be convinced that the solution is to bury it deep in the Canadian shield. Despite all of this, the government is looking at importing weapons grade plutonium from the U.S. and Russia to burn at Canadian reactors.

My question is for the Minister of Natural Resources. Does the minister have any plans to ensure that this imported plutonium will not compound Canada's nuclear waste disposal problems?

**Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I guess this is now the 19th time I have responded to the details of this question.

If there were to be a commercial MOX proposal, that would go forward. In addition to a number of other conditions that would need to be satisfied, all relevant environmental, health and safety regulations in Canada, whether federal or provincial, would have to be fully satisfied. On a scientific basis the waste that would be created by this MOX product is less than the more conventional product.

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, we do not have to be asked to participate in the program. The Prime Minister is practically writing letters to the President of the United States perhaps even demanding to participate in the MOX program. For something that we do not have to be asked to participate in, the government is spending an awful lot of money on it. The feasibility study performed by the government indicated that the plan to burn Russian and American weapons grade plutonium would cost Canadian taxpayers \$2.2 billion. The study itself has already cost Canadians \$1.5 million.

How much does the government have to spend before getting the support of the Canadian parliament? Is this really a spending priority of the Canadian people?

**Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, we are now on to number 20.

The fact is that the testing that may be undertaken later this year is fully within the regulatory authority and the regulatory licence afforded to AECL. It is covered within the financial arrangements provided to AECL. If there were to be a commercial program pursued after that, one of the conditions that I referred to generically in my first answer is that it would have to be on a commercial basis with no subsidization by the Government of Canada.

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**NATIONAL PARKS**

**Mrs. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, my question is directed to the Secretary of State for Parks.

*Oral Questions*

The national parks act which is presently before the House indicates that the primary mandate of Parks Canada is the protection of the ecological integrity of our national parks. Can the Secretary of State for Parks tell the House what Parks Canada is doing to fulfill this mandate?

• (1455)

**Hon. Andy Mitchell (Secretary of State (Parks), Lib.):** Mr. Speaker, maintaining the ecological integrity of our national parks is a priority for the government and I believe for all Canadians.

Just last year we put a new set of environmentally sensitive principles in place to govern commercial activity within our national parks. It has as its fundamental premise that any activity cannot have any negative net environmental impact.

We placed in front of this House legislation to create marine conservation areas. We have placed in front of the House legislation to create a new agency with better economic, financial and organizational tools. In the last budget we committed an additional \$35 million to create new sites within our national parks system.

\* \* \*

**TRADE**

**Mr. Charlie Penson (Peace River, Ref.):** Mr. Speaker, it is clear that negotiations with the United States over Bill C-55 are going nowhere. We know the Minister of Canadian Heritage hopes a Liberal appointed majority in the Senate will rubber stamp her bill.

In the meantime the U.S. has stripped Canada of most favoured nation status on defence contracts as the first shot across the bow in a potential trade war. Canadians are wondering why is the Minister for International Trade promoting the heritage minister's narrow agenda instead of standing up and doing his job for 30 million Canadians and \$177 billion of exports to the United States?

**Hon. Sergio Marchi (Minister for International Trade, Lib.):** Mr. Speaker, the Government of Canada not only is standing up for all that amount in trade, it also believes in its Canadian culture. That culture is also part of our exports.

It is also not correct to say that the discussions with our friends from the United States are going badly. We have completed seven meetings. There is one next week. If the truth be known, on both sides there is good faith and a good attempt to try to avoid what we believe are unnecessary trade slippery slope threats. We will continue to defend—

**The Speaker:** The hon. member for Mercier.

[Translation]

**ACCESS TO INFORMATION ACT**

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, “requests for access processed at a snail’s pace, more and more files revealed only partially, exceptions increasingly cited, more requests ending in justified complaints”, this is the picture painted by the Canadian Association of Journalists of the administration of the federal access to information legislation in the public sector.

My question is for the Minister of Justice. Does this very strong statement not confirm that power is increasingly concentrated in the office of the Prime Minister, subject to the whim of his office, and less and less under the control of Cabinet and Parliament?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, on the contrary. This government is extremely concerned about these files. In 1998, we established new procedures to expedite requests for access to information. We have cut the time involved by some 12%. We increased the percentage of responses given those applying, and the number of exemptions and exclusions has decreased since then.

\* \* \*

[English]

**HEALTH**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, it is clear Canada has a critical shortage of organ donations. It is also clear that Canadians want action and they want safety.

Under the government they get neither, no commitment to a national donor registry and a complete abdication of health protection by ignoring the Krever report and treating organs as if they were toasters.

Will the minister today commit to doing what Canadians want? Will he stand up for a national donor registry and will he commit to the strongest possible system of safety for organs and tissue?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the question provides me with an opportunity to express thanks to the members of the committee who worked so hard on this issue. They delivered a report today with constructive recommendations. I also thank Canadians, members of families who have been touched by this issue, who had the courage to come before the committee, sometimes with difficulty, to tell their stories.

I can assure the House that I will consider with great care the recommendations made today. I will be responding to the report later this year.

## TRANSPORT

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

Recently the Government of Nova Scotia and Transport Canada arranged a meeting to discuss the emergency measures aspects of hazardous transportation of radioactive materials through Nova Scotia. The material provided said that the sample of radioactive material which comes from Russia by ship will enter Canada in Halifax and be moved by road to Chalk River, Ontario early this summer.

• (1500 )

First, will the minister confirm that approval has been granted for this shipment? Second, will he indicate whether this meeting scheduled for tomorrow in Truro, Nova Scotia—

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

**Hon. David M. Collette (Minister of Transport, Lib.):** Mr. Speaker, there are some 800,000 shipments each year of radioactive material in Canada. It is not unusual for Transport Canada officials to liaise with local authorities and emergency response organizations to ensure that these shipments are carried out in accordance with the Dangerous Goods Act.

With respect to the planned meeting tomorrow it is obvious that some alarm had been raised. As my colleague the Minister of Natural Resources has said, there has been no request to transport this particular material and there has been no route decided so such a meeting was premature.

\* \* \*

## HEALTH

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, the hon. Minister of Health mentioned that he would respond to the committee's report by the end of this year.

Today there is a little boy waiting in the intensive care unit in Toronto on death's doorstep. His name is Robbie Thompson and he needs a new heart.

Will the Minister of Health respond to the committee report sooner? What is his position on the creation of a national registry of intended organ donors and potential organ recipients?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, I know the member will recall that it is this minister and this government that referred this issue to the committee for examination. It is this government that asked the committee to listen to witnesses, to find out why Canada is so far behind other countries in the rate of organ donation.

## Points of Order

We must do better. The greatest responsibility we have to that child waiting in that hospital for an organ transplant is to make sure we get the right solution, a durable solution that will provide opportunities not only for that child but for generations to come.

That is our commitment. This government will consider the report that the member and others worked so hard on. We will look at all the recommendations. We will bring forward the best, most effective—

**The Speaker:** That would bring to a conclusion our question period today.

• (1505 )

Today in question period we had the use of a word which in my judgment was unparliamentary. I did not want to stop question period when I heard the hon. member, who incidentally was not really involved in the question and answer but was an adjunct to it.

Many times in the House we use facts to support an argument and words sometimes come out that are not always intended that way but are used that way.

The hon. member who used the word is an officer of the House. In many ways that brings about certain responsibilities that we otherwise would not have. That is not to say any member should use words such as lie in the course of debate. After we have reflected on it for a little while we might reconsider.

I am going to direct my words directly to the House leader of the opposition who, as I have said, is an officer of the House. In that sense now that the question period is over, I would ask him respectfully to withdraw the word lie. All I want from the hon. House leader is yes, he will withdraw. Hopefully he will not say no, he will not withdraw.

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, with due respect to the Chair, I do withdraw the word.

**The Speaker:** I thank the hon. House leader of the opposition and the matter is closed.

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## POINTS OF ORDER

### QUESTION PERIOD

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I rise on a point of order. During question period the Prime Minister quoted from a document. I would like the government to confirm that was a Liberal document and I would like him to table the document in the House.

On the same point, I would seek consent of the House to table a Reform document which confirms that we are in fact calling for an increase in defence spending of \$1 billion.

*Tributes*

**The Speaker:** The hon. member has raised two points. In looking at the Prime Minister and listening to him today, he did quote from a document. We would ask that this document be tabled.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I will verify and have it tabled within a few minutes. It is a summary prepared by our own party of quotations from the Reform Party. I will gladly table the resumé of Reform quotes that we have.

**The Speaker:** That was the first part. We will have that document tabled.

The second part was that the hon. member wishes to table a document in the House. Does the hon. member have permission to put a motion to table this document?

**Some hon. members:** Agreed.

**An hon. member:** No.

\* \* \*

• (1510)

**PRIVILEGE**

## COMMENTS IN CHAMBER

**Mr. Mike Scott (Skeena, Ref.):** In five and a half years of being in this place I have never risen on a question of privilege before and I seek your guidance, Mr. Speaker.

When a member of the House actually states that another member said things the member did not say in any way, shape or form, it has huge ramifications on the positions we take on issues in various parts of the country. Because these proceedings are televised, it has the effect of leaving the public with an impression that is very wrong.

I need to know how we can end these kinds of untruthful or wrong impressions—

**The Speaker:** I am always reluctant to tell hon. members how to go about their business in the House.

When a statement is made that one hon. member does not agree with, one side or the other, usually the hon. member will rise in his place at the end and say that he did not say such and such. It is not really a point of order but it gets on the record. In that way it is dealt with because it is an interpretation of what one person or the other person used as facts.

If after reflection, after the hon. member has had a look at the blues, he wishes to do something like that then for a half a minute or a minute the House can take that kind of time.

**BUSINESS OF THE HOUSE**

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, given that we expect the Nisga'a agreement to come into the House, I would like the government House leader to advise the House of the nature of the business for the remainder of this week and next week, and whether or not the Nisga'a agreement will come into the House and whether or not his members will speak accurately about the—

**The Speaker:** The first three comments were not bad and the fourth one we will disregard.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am pleased to respond to the question asked by the hon. opposition House leader.

This afternoon we will continue with Bill C-78, the public service superannuation legislation. Unfortunately, as a result of a delaying motion that was introduced today, I think we might require an additional day on Monday to return to Bill C-78 as a result of this obstruction.

On Friday we will call the expositions bill, Bill C-64. Next Tuesday shall be an allotted day and next Wednesday we will debate the report stage and hopefully third reading of Bill C-66, the housing legislation.

Given the interest of the hon. House leader of the opposition to know the business for a slightly longer term, I will take this opportunity to inform the House that next Thursday morning there will be a special joint meeting of the Senate and the House of Commons to hear an address by His Excellency President Václav Havel of the Czech Republic.

This is the business of the House until Thursday of next week. Of course there will be the ongoing consultation and progress we always have with our colleagues across the way.

\* \* \*

• (1515)

**THE LATE FRANK MCGEE**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, today the House pauses for a moment to recall the parliamentary career of the Hon. Frank McGee who served as a Conservative member of the House from 1957 until 1963. Mr. McGee represented York—Scarborough, which in 1957 was an area of tremendous growth. I believe this riding is now comprised of seven seats.

In an age before members had offices or large staffs, Frank McGee had a quarter of a million constituents to represent, an awesome task. He did so on his own. He did research in the library.

*Tributes*

He did a lot of the legwork. His speeches remain a testament to his elegant speaking style and his Irish heritage of which he was so proud.

It is well known that he vigorously opposed capital punishment and worked for the repeal of provisions of the Criminal Code that allowed for corporal punishment and the use of the cat-o'-nine-tails, a practice like capital punishment, which he felt was based far too much on revenge.

Looking back at the Diefenbaker years it is difficult to recognize that Canada today. Mr. Diefenbaker introduced legislation to authorize the use of English and French on cheques and other financial instruments, which is difficult to believe in a time like today. In speaking to the bill Mr. McGee had this to say:

This measure touches on a larger issue, the issue of brotherhood, tolerance and understanding. That is an issue which cuts across many of the inheritances with which the pages of Canadian history unfortunately are soiled.

Frank McGee was a grand nephew of Thomas D'Arcy McGee, a Father of Confederation who was assassinated for his outspokenness. Frank McGee knew all too well of the diversities and the challenges posed by public life.

Mr. McGee was a vigilant and hardworking member of the House. To the qualities of brotherhood, tolerance and understanding Frank McGee added public service and political participation.

On behalf of the Progressive Conservative Party of Canada, we express our sympathies to his family for his loss and we send our gratitude that Frank McGee was willing to continue the great tradition that was started by his family.

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Madam Speaker, today I pay tribute to a late colleague, the Hon. Frank McGee. Through his distinguished career in public life Frank McGee helped guide Canada through the political and intellectual challenges of the late 1950s and 1960s.

Frank became involved in federal politics in 1957 when he was elected as the Conservative member of parliament for the riding of York—Scarborough. At that time the riding was predominantly rural and was the third most populous riding in the country.

Frank served as a member under the leadership of John Diefenbaker for seven years, being re-elected in 1958 and 1962. In 1963 he was made a minister without portfolio.

During his political career Frank advocated reforms in a number of legislative areas, including those affecting the role of women in Canadian society and divorce law. He was also an activist in the reform of our death penalty laws.

Frank McGee was a man whose abilities allowed him to serve in capacities going beyond those of a member of parliament. Frank

easily assumed roles of leadership in his local community, nationally, and in the media. Although he would not be a member of parliament after 1963, Frank's ability to provide leadership on public interest issues continued to place him in public life.

After electoral defeat in 1963 Frank worked as a political reporter for the Toronto *Star*. Although he no longer sat in the House, Frank was broadcast into Canadian living rooms as the host of the CBC television program *The Sixties*.

Unable to stay away from politics for long, Mr. McGee ran again for his party in the general election of 1965. One of Frank's very valuable contributions to public life came in 1984 when he was appointed to the newly created Security Intelligence Review Committee which reviews the work of CSIS. Through his five years as a member of this committee Frank was one of the initiators of guidelines and procedures put in place to monitor the sometimes delicate work of our domestic security agency at the end of the cold war era.

After his term on SIRC, Frank continued to work in public life as a citizenship judge after being appointed in 1990. It was during this period that Frank and I shared views on the evolving fields of national security and the citizenship portfolio. I would also say that Frank looked pretty good in those citizenship judge robes.

● (1520)

I pay tribute to this exceptional figure in Canadian political and public life. As the member of parliament for the riding of York—Scarborough, Frank McGee had a grasp of the evolving Canadian urban landscape that enabled him to play a leadership role in the demographic development of the Toronto suburbs of that time.

To his family and friends, my Liberal party colleagues and I extend our condolences in this loss. In keeping with his contribution here, we thank Frank and them for what he brought to Canadians through his service to the House and beyond.

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.):** Madam Speaker, I rise on behalf of Her Majesty's Official Opposition to pay tribute to Frank McGee.

I am moved to have this opportunity to pay respects to Mr. Frank McGee and his family because Frank McGee played a role in my early years as a member of parliament. In fact, Frank McGee played a very important and deciding role in the lives of a lot of Progressive Conservative MPs in the 1972 general election.

I will elaborate. On the evening of the 1972 general election Conservative Leader Robert Stanfield went to sleep confident he was the prime minister elect of Canada with a seat count of 109 for the Tories and 107 for the Liberals. By morning the seat count was 108 to 108. The governor general could have asked Mr. Stanfield to form the government but was unable.

### *Tributes*

A judicial recount in Frank McGee's riding of York—Scarborough two weeks after the election determined that Mr. McGee had lost his seat by four votes. Pierre Trudeau stayed on as prime minister in a minority government, supported by David Lewis and the NDP.

Frank McGee was born in Ottawa in 1926 and was destined for politics from birth. Both his grandfathers were members of parliament, something very unique: John McGee had been a member of Sir John A. Macdonald's government and his maternal grandfather, Charles McCool, was also an MP. His great uncle was Thomas D'Arcy McGee, a Father of Confederation who was assassinated in Ottawa in 1868. Talk about a political pedigree. It showed. Frank McGee was a determined, enlightened and effective member of parliament.

His political career started in 1957 after completing university at St. Patrick's College in Ottawa, signing up for the air force and then marrying Moira O'Leary in 1951 and moving to Toronto. He was elected in 1957 in York—Scarborough, then Canada's third largest riding. Mr. McGee won in 1957 by 18,946 votes, a handsome victory to an individual widely acknowledged as a diligent and dedicated person who had been called to public life.

His majority was the largest ever recorded up to that time for a Conservative member of parliament. He had to go back to the polls in 1958 and won that time by 35,877 votes in the huge riding of York—Scarborough. In fact Frank's riding was bigger than the province of P.E.I.

Frank McGee is remembered by many for his private member's Bill C-6 which he introduced in 1960, calling for the abolition of capital punishment. This seminal work by Frank McGee resulted in changes to the Criminal Code of Canada that ended the death penalty for almost all crimes. It was a statement of the tenacity of Frank McGee who faced much derision by his own colleagues that were opposed to abolition. In fact, Frank McGee's family faced death threats during the debate of that bill. He stood tall, devoted and constant in his belief during those very difficult times.

In the 1962 general election Frank won again. It was a minority government and Frank was sworn in as a minister in recognition of his ability and contribution to parliament and to his country.

In 1963 Mr. Diefenbaker and his Tories were defeated and Frank lost his seat. Frank moved to journalism and worked for the Toronto *Star* and hosted a CBC television series call *The Sixties*. He ran again in 1965 but lost. Frank went on in his contribution to public service by serving on the Security Intelligence Review Committee from 1984 to 1989 and in 1990 became a citizenship court judge. Frank McGee was a very accomplished man with a lifetime spent in the pursuit of public service in one form or another.

At the outset I referred to how Frank McGee touched the lives of many of us in the 1972 election and for that matter the role he played in the destiny of this nation. In the course of political life four votes can change the course of history.

Frank McGee is spoken of with warmth in these precincts. While determined, he was never dictatorial. While enlightened, he was never egocentric. While successful, he never lost his connection with his roots and with his values.

• (1525 )

On behalf of the Reform Party I extend our deepest sympathy to his wife Moira and to his children Maureen, Owen and Sheilagh. They have lost a good father and this country has lost a genuine example of a gifted politician and a man with a sense of duty.

[*Translation*]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Madam Speaker, I rise today on behalf of my Bloc Québécois colleagues following the passing of Frank McGee, a former member of parliament and federal Conservative minister who died on Sunday, April 4, at the age of 73.

Mr. McGee was born in Ottawa on March 3, 1926 and studied journalism at Carleton College, as the university was called in those days. He enlisted at the age of 17 and served during World War II from 1943 to 1945.

In the fifties Mr. McGee settled in Toronto. He worked for a while at Sears as a purchasing manager.

His political career began in 1957 when he was elected for the first time in the riding of York—Scarborough, which was essentially a rural constituency and the third largest riding in the country. Politics was probably in his blood because his grandfathers were both federal members of parliament.

Mr. McGee was re-elected in 1958 with a majority of 35,377 votes, then the largest majority in a federal election. He represented the riding of York—Scarborough again in 1962, in a minority government, and was appointed minister.

Mr. McGee's greatest contribution as a parliamentarian was undoubtedly the private member's bill he tabled in 1960 to abolish the death penalty. Private member's bills rarely become law in Canada, but that bill led to amendments to the Criminal Code that abolished the death penalty for all but a few crimes. The only people still facing the death penalty were those guilty of homicide when the victim was either a police officer or a prison guard.

Mr. McGee later joined the *Toronto Star* as a reporter specializing in political issues, and he hosted a television series called *The Sixties* on the CBC network.

Later on, he worked in public relations. He was appointed to the Security Intelligence Review Committee on which he sat from

*Points of Order*

1984 to 1989. Appointed judge at Toronto's citizenship court in 1990, he held this position until 1996.

On behalf of my Bloc Québécois colleagues I wish to offer my most sincere condolences to his family, his relatives and his many friends.

[English]

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Madam Speaker, on behalf of the NDP caucus I would like to join my colleagues in the House of Commons who have already spoken in paying tribute to Mr. Frank McGee and honouring his memory, the work he did in this place for his community and in other positions as well.

I particularly want to recognize the historic work that we know he did in respect of the abolition of capital punishment. It was work which he began and others finished in the 1970s. There was a movement to overturn this work in the late 1980s but it was not overturned. We still have a country in which we do not have the spectacle of capital punishment. That fact is a lasting tribute to the work of Mr. Frank McGee.

I also recognize the historic work that he did with others in seeking to change the divorce laws of Canada which were quite archaic at the time he entered parliament. We know that he collaborated with others at that time in exposing just how archaic they were and in bringing about changes.

Much biographical detail has been put on the record by others. I do not see any point in repeating it. On behalf of the NDP I join with other colleagues in extending our sincere condolences to the family of Mr. Frank McGee and our own appreciation for his life and work in this place and in his community.

\* \* \*

● (1530)

## POINTS OF ORDER

### QUESTION PERIOD

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I undertook a few minutes ago to verify the request made by an hon. member of the official opposition that a document from which the Prime Minister quoted during question period be tabled.

I have carefully reviewed the relevant citation in Beauchesne's and the rule of Beauchesne is quite clear. A public document, in other words a government document, that is quoted must be tabled. The document in question from which the Prime Minister quoted is not a public document. In fact, it is an internal document, not a government document.

If hon. members are interested, I can certainly indicate to them the sources from which the material came. One is known as A

*Fresh Start for Canadians*, at page 8. I believe that document comes from the Reform Party. Another is entitled *The Taxpayers' Budget*, of February 21, 1995, at page 43. I am sure that is a Reform Party document, if people are interested. The third document about reducing the budget of the Department of National Defence, referred to in the zero in three budget proposal, comes from a document which was apparently published November 24, 1994 and the relevant section is found at page 6.

I think that will assist hon. members in finding the information about the proposed cuts to the Department of National Defence that the Reform Party wanted to inflict upon that particular government department.

**Mr. John Duncan (Vancouver Island North, Ref.):** Madam Speaker, I was present during the earlier exchanges when we requested that this document be tabled. I think if we review the record of the proceedings from that time we will find that the government House leader offered to table that document, recognizing fully that it was a Liberal document. We took that assurance for what it was worth. Now we find ourselves in the position where the government House leader is suggesting that he does not want to table it, but is offering us other assurances. We would like that document to be tabled, as we were assured that it would be by the government House leader.

**Mr. Randy White (Langley—Abbotsford, Ref.):** Madam Speaker, here is the difficulty the official opposition gets into in this House. We have somebody quoting from a document that is, in essence, a party document from their side, telling the whole country that this is a document from the official opposition. The country buys it. The government is deliberately misleading people. It is no different than the statements that are made over there on other issues. It either has to stop or we will start using the word that the Chair does not like.

I think the government has an obligation to table all documents. I want to see them. We are not going to stop until we get them.

**The Acting Speaker (Ms. Thibeault):** I will take the matter under advisement until we have had a chance to look carefully at the blues.

**Hon. Don Boudria:** Madam Speaker, I do not mind seeking unanimous consent to table the document if the member thinks it is that important. However, I want the record to indicate that it does not meet the criteria found under citation 495 of Beauchesne's. However, if the House is willing to give me unanimous consent, I am willing to table the document. It will not create a precedent because I will be doing so with unanimous consent. This is not a document which satisfies the rule, but I am willing to do it nonetheless.

● (1535)

**Mr. Randy White:** Madam Speaker, I understand that the document was promised, in any event.

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If he wants unanimous consent, we will give unanimous consent for him to table it. However, I can assure the government House leader that this will be raised in a question of privilege, along with the other false statements that were made in the House today during question period relating to the Nisga'a, and he had better understand that very clearly.

**The Acting Speaker (Ms. Thibeault):** The hon. House leader has asked for unanimous consent. Is there unanimous consent to proceed as the House leader has requested?

**Some hon. members:** Agreed.

**Mr. John Duncan:** Madam Speaker, I am requesting clarification on my point of order as to whether the original document will be tabled. You said earlier that you would review the blues.

**Hon. Don Boudria:** We did it anyway.

**Mr. John Duncan:** That is not the original document. That is your set of interpretations that you just entered, is it not?

**Hon. Don Boudria:** It is a moot point.

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## GOVERNMENT ORDERS

[English]

### PUBLIC SECTOR PENSION INVESTMENT BOARD ACT

The House resumed consideration of the motion that Bill C-78, an act to establish the Public Sector Pension Investment Board, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Members of Parliament Retiring Allowances Act and the Canada Post Corporation Act and to make a consequential amendment to another act, be read the second time and referred to a committee; and of the amendment.

**Mr. John Duncan (Vancouver Island North, Ref.):** Madam Speaker, debating this piece of legislation reminds me of the question that we were just dealing with. It reminds me of our questions during question period about the Nisga'a debate that is going on in the British Columbia legislature, that the government would just as soon not have going on in that province because it

does not like that kind of scrutiny and it wants to control the agenda.

If it is a piece of legislation that it would just as soon not see the light of day, and if it does not want much attention to be paid to it, then it minimizes the time it is in this parliament. This bill fits that category. The government wants to have this \$30 billion fraudulent exercise, this tax grab, this attempt to take money from the workers' pockets buried as deeply as possible.

Whenever the government says it is taking a balanced approach to an issue we should hang on to our hats, hold on to our watches and grab our wallets because that is Liberal codespeak for taking measures that will either rob our pocketbooks, defer an issue until hopefully there is less attention being paid to it, or it signals other intentions of government that will take people where they really would rather not go.

One recent example of Liberal-speak is the changes to the employment insurance program. The so-called balanced approach taken by the Liberal government changed the eligibility criteria, which was promoted on the basis that more people, particularly part time workers, would be eligible for benefits. In reality, eligibility was cut in half so that people who unavoidably lost their jobs had only a 35% chance of qualifying for benefits under the new rules, where previously the figure was closer to 70%.

We are now going to have a surplus in the employment insurance program this year of \$26 billion, money taken out of workers' and employers' pockets by government misrepresentation. The government is still trying to justify the fact because it is trying to make its books appear better for the workers. The cold hearts over there are trying to make themselves sound warm.

• (1540 )

We also have the example of the balanced Liberal approach to taxation. That translates into the government creating so-called tax reductions which are more than offset by tax increases in previous budgets that suddenly kick in and are not announced this year because they were announced last year or the year before. We have things like bracket creep that occur insidiously with inflation. All of this makes government revenues go up while the government claims that tax revenues are going down. That is logically impossible, but Liberals continue to ignore the contradictory reality in their public utterances.

The issue of Bill C-78 is public sector pension funds. The government mandates that private sector pension plans must be actuarially sound and must protect the contributions from being raided by the managers of the plans. What it is planning to do with the public service pension plan would be fraudulent if done by others. So now we are talking about the so-called Liberal balanced approach codespeak to public service pension funds.

The paper value of the pension plan is \$126 billion. The current obligations are \$96 billion. The surpluses in the accounts are: the

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public service plan, \$14.9 billion; the RCMP plan, \$2.4 billion; and the Canadian forces plan, \$12.9 billion, for a total of \$30.1 billion. This surplus is not guaranteed into the future. In fact this plan has been in a deficit situation before. The people who are potentially on the hook in this whole exercise are the taxpayers. This government wants to scoop the \$30 billion to make its books look better. It is Liberal optics. The Liberals are putting the future taxpayer at risk as they have done in the past.

There is nothing wrong with a surplus, particularly when the surplus is there because of some recent circumstances and not through the good management of this government. The government should leave the surplus where it is. There is no guarantee and there are several indicators that this surplus will not remain a surplus over time, given such critical factors as interest rates and salary increases.

The government wants to seize the \$30 billion surplus. It wants to rob Peter to pay Paul. The Minister of Finance is trying to make his government's books look better by raiding the federal public service pension plan. The surplus belongs to and is meant to benefit current and future retirees. The surplus can and should shield the taxpayer from having to contribute extra money to the fund should it go into a deficit position as it has in the past. Taxpayers pumped \$13 billion beyond their yearly contributions into the plan to cover shortfalls over the past 30 years of the plan's existence.

There are some strong indicators that the pension plan will not necessarily be running an annual surplus in the future. One reason the plan is in a surplus situation now is that the fund is currently benefiting from the higher interest rates of the 1980s on the 20 year government bonds in which the fund is invested. Those 1980 interest rates were much higher than 1990 rates.

The government plans to move from low risk, long term bonds to higher risk market funds. That is a double-edged sword. That can lead to a very nice situation or it can lead to a very ugly situation, depending on what happens. It is not a low risk enterprise like government bonds.

• (1545)

I am not saying we should not go into higher risk, higher potential benefit plans, but in order to do so, one must do it with a running surplus for protection on the downside. The government is doing everything it can to increase the risk to taxpayers. It is not doing this on an actuarially sound basis. This is wrong.

I want to talk more about the way the government is dealing with people. We are talking about 300,000 retirees, plus 345,000 members of the public service, including military personnel and the RCMP. That is whom we are talking about. We are talking

about 645,000 Canadians, plus their dependants, who are affected by this piece of legislation.

I heard the government House leader on the Thursday question on House business earlier today say that the government would like to have this all done by Friday. It is not going to have this all done by Friday if I have anything to do with it.

The government has refused to properly fund or even bargain in good faith with our public service. I am talking about the RCMP.

There is a 10% vacancy rate in the RCMP in British Columbia and it was planned by this government. We have one-third of the country's RCMP officers in the British Columbia jurisdiction. The Regina training centre is basically out of commission because of this government.

We are looking at potentially a 50% plus turnover and attrition in the RCMP over the next several years because of the demographics of its workforce. Already it is planning not to fill positions in British Columbia. What on earth is the government trying to do to the RCMP? This is going contrary to the wishes of Canadians.

We have statements from within Canadian policing organizations that organized crime is more entrenched in British Columbia than in any other jurisdiction in the country. With a full slate of RCMP we did not have enough resources to address all of that and now we are going to run with a 10% vacancy rate in filling those positions.

I am sorry, but I have a great deal of problem in understanding why the government not only refuses to fund the RCMP properly, but now it wants to raid its pension plan as well. Talk about a morale destroyer.

One of the other sectors involved here is the armed forces. We have had great debate about that today. In order to do the minimum the government is requesting, we know that the military is over-tasked and underfunded as it is. We know that it needs a billion dollars a year to get up to speed. That is not forthcoming. We have not seen it. All we have seen are some quality of life changes. We are happy to see quality of life changes for the military, but it needs to be equipped.

The military should not have to cannibalize the air force in order to equip the CF-18s to do the job they are doing today. Essentially that is what had to be done in order to do its job for the last 30 days in Kosovo.

• (1550)

The operations in Kosovo should not be coming out of the national defence budget. It requires a separate budget. We are trying to get the government to address that issue and it is fudging it over. That is not appropriate in order to achieve what we need which is to ensure that we have a Department of National Defence that can function in Canada's best interests.

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For the third sector, our public service just went through a government imposed settlement. We had an all-night session in the House of Commons. At 10 p.m. on the night of the all-night session there was a negotiated settlement. We still went through that whole exercise.

What has become very clear is that the government refuses to go after final offer selection negotiations even at a time when the unions are agreeable. Those kinds of negotiations have a track record of success. The government mentality is to rely completely on back to work legislation in its labour negotiations. I call that bad faith negotiations.

Now the government wants to add insult to injury by going after the pension surplus. It has already nibbled at that pension surplus to the tune of \$10 billion. Now it wants the whole pie. Will this never end? This is the Liberal agenda, or is it the Liberal leadership agenda? Is this optics for the finance minister? Do we want to get that out of the way well ahead of the next election? I think so.

Let us talk about that \$10 billion, that nibbling around the edges. That is a pretty heavy nibble I understand, but there is \$30 billion at risk here. The government first started dipping into the surplus in 1996. Since then the federal government has taken \$10.1 billion by not making interest payments on the actuarial surplus.

We know that the auditor general has not accepted the questionable accounting practices of the government, I think in the last three budgets. We also know there is an opinion out there. I am not attributing it to the auditor general but there is an opinion shared by many that the actions taken on the \$10.1 billion are also a questionable accounting practice.

The civil servants have a valid argument. They are saying that a significant part of the surplus results from the fact that they were into a six year pay freeze. In some cases that is more like an eight year pay freeze. This freeze did several things, one of which meant that new retirees from that timeframe start out receiving little more than pensioners who had retired years earlier received. That was not what was predicated by the plan.

The union is basically telling its membership they have had six plus years of wage freezes, they have had job cuts through direct layoffs or privatization and they have had delays on issues like pay equity. On top of all that, now their public service pension plan is under attack.

• (1555)

I have a great deal of sympathy with that point of view given what I see in this bill. There is an expectation by the government that we all have short memories, that this bill will go through, that

the next election is two years away and in the meantime we will all have forgotten about this raid on the public service pension plan.

The government has been balancing its books not by cutting spending but by raiding surpluses and taxing Canadians higher and higher year after year. The taxpayer is the odd man out along with the public service for any future shortfalls and any future deficits in this plan.

The surplus in the plan should be left alone. Plain and simple, the government should not be using it for any other purpose than to ensure that the plan remains solvent now and in the future.

[*Translation*]

**Mrs. Francine Lalonde (Mercier, BQ):** Madam Speaker, Bill C-78 is a technical bill.

In fact, it is the basis for another federal government attack on its employees. It is, I would say, a new manifestation of its refusal to deal with its public service, in the broadest sense, since the Public Sector Pension Investment Board administers the pensions of several groups of Crown employees who are not, strictly speaking, public servants.

Once again, the government is showing that it does not want to negotiate, be involved in joint administration or create the partnership of which it has spoken in the past.

It would be terrible if we had to admit that the government is not capable of considering a joint administration of pension funds, discussed and negotiated with, and agreed to by, the unions, as there is in Quebec for example. That is my first point.

The second, and one I wish to stress, is that the federal government is taking advantage of a lack of clearness in the first act, in order to get its hands on all the surpluses. These are already beyond what is necessary, beyond what was recommended by actuaries to ensure that there will be enough money to pay pensions. The federal government is not the only one to contribute, but it decides that it will be the one who can dispose of this surplus.

In this case, public servants have, on several occasions, had to face layoffs and offers of early retirement, and this has had an important part to play in the feelings of discouragement among those who were left.

When I was on the Standing Committee on Human Resources Development, we heard repeatedly from experts that, when the remaining staff see their colleagues offered early retirement, they wonder "When will it be my turn?" This does a great deal to discourage them, and no doubt undermines to some extent their loyalty, a loyalty that is so essential if the state is to serve its people well.

• (1600)

These employees are already working under extremely difficult conditions in a context of diminished resources and conflict. We need only think of the last settlement and the last special law, the knife at the throat for a major group of employees.

We need only recall this to realize that once again, with the wounds barely closed and not properly healed, the government is using its absolute power—it is not only the employer but the legislator—to decide it will use the surplus over and above what is needed to make sure pension funds are paid out well according to current regulations.

This is the interpretation given this bill, and I have seen nothing that would lead me to say otherwise. That means that this decision deprives those already retired of increases.

I would like to make an aside. We are beginning to see the negative side of what appeared to be golden handshakes, the package offered those who agreed, under what seemed to be extraordinary conditions, to terminate their employment.

The money given them in exchange for their giving up their job security looked to be significant. However, we are beginning to see that a number of these employees, who were tempted to start up a small business or become self-employed have found themselves in difficult straits at an age where finding a job is infinitely harder. So they have added to the number of people in society looking for work and having a hard time finding it.

There are a number of other issues, and perhaps I will have time to address them, but I want to mention that the government wants nothing to do with treating its employees as managers who are involved in the security that must surround the management of pension funds.

In 1996, a joint committee was struck to try to make recommendations to guide the government, which, at that time, seemed to be of an excellent disposition. It is interesting to see that the committee had proposed that a board of directors comprise six members representing the employers and six members representing the workers and one retiree without voting privilege. This is what the advisory committee recommended in December 1996.

• (1605)

A little while later, the President of the Treasury Board said in a release that the government had accepted a certain number of these recommendations. He said:

A report, the result of four years of conscientious work by union representatives, retired public servants, and public servants who are still working.

Yet none of the recommendations made by this committee—which the minister said did its work conscientiously—was followed up on in any way.

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And yet, that is possible. A long time ago, I was on a negotiating committee that agreed with the Government of Quebec that the public sector employees' pension fund—and this was the case in the various unions and departments—would be co-managed, that we would agree on investment rules. In other words, unionized employees and workers would have a say in how their money was invested.

Sometimes, the maximum rate of return is sought, but at other times the goal might be a vehicle that not only has an excellent a rate of return but that has a more social goal, that emphasizes job creation.

Having a joint management committee for a pension fund puts the onus on both parties. Quebec has operated this way for a long time. During the public finance crisis, the parties jointly negotiated how surpluses would be used. It was not the government's first idea, but it finally realized that it was advisable to make it easier for those employees wishing to retire to do so under advantageous conditions. The unions were involved, and were in fact the first to come up with the proposal. A comment could be made, but the point is that this was the result of joint negotiations.

Why is it not possible federally to reach an agreement with employees, with pensioners represented, on how their retirement money is going to be managed, on improvements where possible, and on the sharing of risks? The committee agreed on how the risks and the surpluses would be shared.

I have gone through this bill, which creates a public sector pension investment board. There is the word board again. Not only is it not a body with equal representation, but a committee of eight members must first be appointed and then make recommendations to appoint a board of 12 directors.

Do unions enjoy equal representation on that board? Are they fully represented? No, and this is very unfortunate. The government is creating a board, which it claims will be operating at arm's length from the minister. That is what it claims.

• (1610)

The government claims that the board is not an agent of Her Majesty and is therefore not accountable. In fact, that board is appointed if not directly, at least indirectly, by the minister. It will be the minister who will choose the committee members who, in turn, will select directors. This is particularly true in the case of the chairperson.

One thing, among others, that struck me is how the investing will be done. The board's objects are defined as follows:

(b) to invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the funding, policies and requirements of the

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pension plans established under the Acts referred to in paragraph (a) and the ability of those plans to meet their financial obligations.

Then the bill provides that the governor in council may determine what percentage of funds is to be set aside to buy Government of Canada bonds, and what rules should be used to calculate that percentage.

Not only is the government using the surpluses already accumulated, which total approximately \$30 billion and are beyond what is necessary to maintain the pension plans, but it will also use that \$30 billion to pay its share of contributions. The government is giving itself 15 years. In addition, it decides on the rules governing the investment, in addition to giving a very specific mandate to the board to “invest its assets with a view to achieving a maximum rate of return, without undue risk of loss”.

We are living in a period where workers and social organizations are becoming increasingly aware that investments can affect the economy we live in.

The only mandate here is a maximum rate of return, “without undue risk of loss”. What does “undue” mean? If we take a big risk that could bring a significant return, is the risk undue?

In this current period, this provision bothers me quite a bit. I am sure many people in the unions will wonder why they have no say and why they too cannot make choices.

All that looks a lot like this government’s approach to managing transfer payments, where the government reduced its deficit by transferring it through significant cuts to health care, education and social welfare up to the latest budget. In this budget, it is far from returning the situation in these fields to what it had been, even though it has guaranteed investments over five years of \$11.5 billion. We are a long way from where we were before.

This is the same government that made major cuts to unemployment insurance programs. It reduced accessibility. It reduced benefits and the length of their payment.

This is also the same government that is now equipping itself to take the surpluses in the pension funds. Instead of agreeing to share the administration with the unions, it makes decisions by equipping itself with mechanisms which appear to put it at a distance.

• (1615)

Anyone reading this with care will see that the government is accomplishing indirectly what it does not want to do directly. It is hobbling the board to such an extent that it has no leeway, moreover I would not want it to.

I would be tempted to make use of a word that is unparliamentary. It means to try to appear to be doing something other than what one is actually doing. I trust that is clear. Saying that one is doing one thing, while doing another. The government is not keeping its

distance, but instead of managing jointly with employees, it creates a body to serve its interests, which is most regrettable.

We have had a number of opportunities in this House to speak of the government’s relationship with the public sector, and I would like in closing to make a comparison. The federal government’s inability to deal properly with public sector employees in something as natural as the pension funds, an area in which agreement should be reachable, reminds me of the way it treats the Quebec people.

**Mr. René Canuel (Matapédia—Matane, BQ):** Madam Speaker, I congratulate the hon. member for Mercier, who has left her mark as a remarkable unionist. She speaks of workers with the voice of experience.

We are talking about \$30 billion in surpluses: \$14.9 billion in the public service superannuation plan, \$2.4 billion in the RCMP plan and \$12.9 billion in the Canadian Forces plan. That is a lot of money.

When we buy life insurance, we do not like it if, at some point, the company changes the rules. This is money taken from the pockets of these people. My colleague put it very well: the government is indirectly setting up—it is even sneakier in a way—some kind of committee that will not be independent.

Money was taken from the employment insurance fund, and the minister opposite must have some regrets about that. He could at least make amends by putting some money back in the workers’ pockets. In my riding of Matapédia—Matane, workers come to my office and say “What is going on? In the spring, we are three or four weeks short”.

Can we draw a comparison between this and the theft in the employment insurance—

**The Acting Speaker (Ms. Thibeault):** I would ask the hon. member to choose his words carefully. He is well aware that the word he just used is unparliamentary.

**Mr. René Canuel:** I withdraw the word “theft”, Madam Speaker. I will use “spirited out” instead.

Can we not draw a comparison between what the government is going to do to public servants and what it did to other workers with the EI fund?

**Mrs. Francine Lalonde:** Madam Speaker, I closed my speech with a similar comparison. It is indeed sad to see the government using the surpluses instead of improving the pensions of those who will be retiring or are already retired.

• (1620)

Instead, the government is taking this money and using it. In any event, it is possible, through a complicated mechanism, to put it into the Consolidated Revenue Fund, since the latter will pay its

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premiums. But we know that the Consolidated Revenue Fund will be able to get its hands on this money.

That is why I said it brought to mind the federal government's whole management approach, which is to take everything it can get from workers. This is what it does with employment insurance, transfer payments and now this pension fund bill.

I would like to read part of a release issued by employees and pensioners. It said basically the following:

After a six-year salary freeze, massive job reductions through direct layoffs or privatization, and continual foot-dragging on pay equity rulings, the position adopted by the Treasury Board during the 1998 consultation on public service pension reform is of great concern.

They were right to be concerned, because I think that the bill as it now stands goes much further than they were worried about at the time.

[*English*]

**Ms. Louise Hardy (Yukon, NDP):** Madam Speaker, does the member of the Bloc see this a larger pattern of the current government taking public money away from the public good and putting it into private hands rather than back into communities?

[*Translation*]

**Mrs. Francine Lalonde:** Madam Speaker, actually, I believe we do not know what this money is going to be used for. What we know, though, is that it will not be used to improve the lot of present and future public service pensioners, even though the surplus is the result of their work.

We are seeing fights of this kind in the private sector. Private sector workers are extremely concerned by what is happening in the federal government. There is a close relationship between this federal policy and the policy non-unionized companies or companies where the unions are not strong enough will keep on following. I am talking about the private sector of course.

This is what concerns me because we know that people who had well paid jobs will have a relatively comfortable pension. But there are a lot of workers who are close to retirement and who will not have a very high income.

In the private sector, it is even worse. Workers who have worked all their lives will have a very meagre income, which makes no sense when we know all the efforts they made.

The government's action cannot be disassociated from a signal given to managers of pension funds in the private sector.

**Mr. Maurice Dumas (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I was listening to the hon. member for Mercier speaking of older workers in the private sector. This is, of course, not completely on topic, but since the hon. minister is with us in the House, I would like to point out that there used to be a fine

program that provided assistance to the older workers, one that no longer exists.

• (1625)

Does my colleague believe that the minister will some day do something to help older workers, whether this is POWA or something else?

**Mrs. Francine Lalonde:** Madam Speaker, the older workers' situation is often a dramatic one.

When people have a decent pension, they may still have problems, but what happens when the pension is a pittance, or nothing at all, when a person has not reached retirement age, and can no longer work? This is what happens to women over the age of 50.

We have all gone door to door campaigning. How many times were we told "At my age, I can no longer find work"? There is also the plight of older workers who have been laid off.

Increasingly, people will no longer have had job permanency. They will have had short term work, little McJobs. The problem of older workers will be raised more and more, and will become acute.

At some point there will certainly be a wide gap between those who can draw fairly decent pensions and those who will find themselves in dramatically reduced circumstances.

I could end by referring to all those whose health has been affected by their work. From my work in occupational health and safety, I know that there is no compensation for having been worn down by work.

[*English*]

**Ms. Carolyn Parrish (Mississauga Centre, Lib.):** Madam Speaker, I am pleased to have the opportunity to speak today in support of Bill C-78, the Public Sector Pension Investment Board Act.

Pensions are a complicated business and this is a very complicated bill. Much of it is about putting the pension plan for federal employees, the public service, Canadian forces and the RCMP on a solid financial footing. We know how important pensions are to all Canadians, but we also know that how we provide pensions for these federal public sector employees has to be fair to all taxpayers.

Other people will be talking in more detail about the financial arrangements that are being proposed in the bill. I want to take some time today to talk about the Canada Post section of it and how the bill affects the corporation and its employees.

What the bill says is clear and fairly straightforward. By October 1, 2000 Canada Post Corporation will establish a pension plan for its employees that are now covered by the Public Service Superannuation Act, the PSSA.

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The plan that Canada Post establishes has to meet the requirements of the Pension Benefits Standard Act and the Income Tax Act. Once the plan is established the PSSA will cease to cover Canada Post employees. On the day it is established the Canada Post plan has to provide the same benefits as the PSSA at the same cost to employees.

The funds now in the PSSA are there to provide the benefits that Canada Post employees have already earned and will be transferred to the new plan. I am told and I understand that the transfer of funds will be about \$6 billion. The benefits for the past will be exactly what they would have been under the PSSA and they cannot be reduced in the future.

A year after the new plan is established on October 1, 2001 it will become subject to collective bargaining, except those parts of the plan that deal with the service and benefits coming from the PSSA.

There are some other features in the bill that are important to employees, opportunities to count past service and a life insurance plan that is a mirror of the one employees are leaving, and some that are important to the corporation such as the right to determine how any plan surplus will be used and the right to establish more than one plan. These are the main features.

Why is this all being done? For Canada Post this is a decision based on business because of a number of factors. First, like all other corporations under the PSSA the employer costs for the pension plan will increase. For a corporation with a commercial mandate, the bottom line impact has to be looked at very seriously.

• (1630)

Canada Post operates under the Canada Labour Code. Under the code all terms and conditions of employment are subject to collective bargaining. As long as it was under the PSSA, though, it could not bargain pensions which are a significant part of total compensation. There is a real opportunity here for Canada Post to assume total responsibility for all aspects of its operation and its management but, and this is very important, the legislation is good for employees too.

First, it promises the same level of pension benefits as they would have under the PSSA. The guarantees in the bill about the benefits employees have already earned are very strong. Second, it makes pensions bargainable.

Some people will wonder why Canada Post employees will be able to bargain pensions when public service employees cannot and why they should be able to affect the design and management of their pension plan when public servants under the PSSA cannot.

As the President of the Treasury Board outlined in his speech, a consultation process took place over a number of months last year.

That process was intended to lead to a joint management structure for the PSSA so that employees could have shared in all the decisions around their pension plans. Those talks did not lead to a deal, but the government is still ready to talk to the unions about joint management.

For Canada Post and its employees, not being able to include pensions in bargaining is an unusual restriction for an organization that functions under the Canada Labour Code.

There may also be people who wonder why pensions are not subject to the labour code right away. Some people will say this is an exceptional treatment under the labour code, and they are right. However this is an exceptional case.

Some 50,000 employees are affected by the decision on the part of Canada Post to withdraw from the PSSA. These employees are located all across the country. The government is interested in the concerns of Canada Post and in helping the corporation to create a business environment where it can succeed.

It is also very interested in making sure employees can feel secure about their pensions. Employees can know by this legislation what their new pension will look like, what kind of benefits it will provide and how much it will cost. Employees need not have any uncertainty about these things. They are very strong guarantees.

The provisions of the bill affecting Canada Post Corporation and its employees do not look like a big part of the bill, some two or three pages, but they will help Canada Post move forward in its efforts to provide good service to all Canadians and will give it another piece of the framework for managing the people part of its business.

These same provisions give employees guarantees about pensions, a very important part of compensation, and give them the opportunity to influence how their pensions will evolve in the future.

Speaking from my very limited experience when I negotiated contracts as chairman of the Peel board back in another life in another time, the actual salary compensation was oftentimes less important than everything else negotiated in the contract. I found that people, particularly as the population of Canada is aging, were very concerned about their pensions and their pension rights. They wanted to have a say in how the money was being distributed and how it would affect their pensions.

I wholeheartedly agree with this legislation. It is giving power to the people and responsibility to the government.

[*Translation*]

**The Acting Speaker (Ms. Thibeault):** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be

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raised tonight at the time of adjournment are as follows: the hon. member for Lévis-et-Chutes-de-la-Chaudière, Shipbuilding.

[English]

**Mr. Gurmant Grewal (Surrey Central, Ref.):** Madam Speaker, we have noticed that the Liberal government has been slowly liquidating the surplus over the last few years.

When we talk about Bill C-78, we are talking about the government's intentions to take over or raid the surplus of this fund, which is about \$31 billion. That is how it has been able to balance the budget.

The last time we debated this issue in the House was when the government tried to put its hands on the surplus in employment insurance. It has not been balancing the budget by cutting spending or eliminating waste. Year after year taxes are increasing to balance the budget, and now the Liberal government is trying to put its hands on various surpluses in various departments.

• (1635)

Why does the government think it has to put its hands on surpluses which belong to corporations or the public? Why is the government trying to put its hands in the cookie jar?

**Ms. Carolyn Parrish:** Madam Speaker, I think this is a very fundamental issue when we refer to the EI plan and the pension plan.

One of the things all members of the opposition seem to forget is that during bad times the Government of Canada and Canadian taxpayers built up all the deficits in both the EI fund and the pension plan funds. The government is at the point where it has invested the money wisely and the surpluses being generated now are in fact the property of the Canadian taxpayer.

We are here to invest the money appropriately and to do what we can to keep this country healthy and a good global competitor. We cannot do that with deficits. We cannot do that by artificially pouring money into areas where it does not belong.

I have no problem with the member's question except to the point where the opposition always seem to start its questioning when we hit a surplus. It never goes back in history to when the government was topping up the deficits.

**Mr. Gilles Bernier (Tobique—Mactaquac, PC):** Madam Speaker, I have great respect for the hon. member. In her speech she was talking about the pensions of Canada Post employees.

Why should we be tampering with their pensions? In October and November 1997 we were in a contract dispute with Canada Post and the Liberal government legislated its employees back to work. It has been almost two years since the employees were

legislated back to work and there is still no settlement in sight. I would like the hon. member to comment on that.

**Ms. Carolyn Parrish:** Madam Speaker, I do not want to comment on contract disputes with Canada Post. We are here to deal with the pension plan.

The remarks I made today very definitely indicate that the bargaining unit for Canada Post will be discussing pensions and upgrading pensions. In the bargaining situation that will come up in the year 2001 those pensions will be looked at and readjusted according to the membership and according to the government.

I believe this is empowering the unions to have a say in how they would like their pensions upgraded or altered as part of the bargaining unit. I believe it is a very fair proposal, particularly for Canada Post.

**Mr. Gurmant Grewal:** Madam Speaker, Bill C-78 proposes to establish an investment board. The proposed investment board will not include any provisions for the auditor general to take an in-depth look at the books of the proposed investment board. Nor will the board fall under the provisions of the Access to Information Act.

To whom will the board be accountable? Who will ensure that the board will operate in a fair manner?

**Ms. Carolyn Parrish:** Madam Speaker, I will have to go back on my own limited experience at functioning on boards. Some boards have duly elected members from the public, such as the school board that I served on. Some have appointed members who are well respected members of the community.

Whenever a board is appointed its position has to remain neutral and fair. It has to listen to labour, to management, to the government and to the employees.

I have a lot more faith in publicly appointed boards than the member opposite seems to have. I think they are very limited. As a matter of fact I know of no boards that have been held up as gangs that are there to lean one way or the other. Publicly appointed boards serve publicly and have to account to the members they are serving.

• (1640)

**Mr. John Bryden (Wentworth—Burlington, Lib.):** Madam Speaker, I just wanted to make a comment on the member opposite's question of the parliamentary secretary.

I think the problem he is alluding to with respect to the transparency and accountability of this investment board is really a matter for the Access to Information Act. I think what we have to look at is not changing this legislation but making sure, when the time does come forward and when we have a chance to look at the Access to Information Act, it provides for accountability and

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certainly transparency for the type of arm's length board we have in this legislation.

**Ms. Carolyn Parrish:** Madam Speaker, I always agree with my hon. colleague from Hamilton. I will bow to his wisdom on this one and let his remarks stand.

[Translation]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Madam Speaker, I would simply, in the spirit of my other questions, ask the parliamentary secretary if she is not bothered by the idea of taking pension funds belonging to those who contributed to it. Finally, what will the money the government is going to recover be used for?

[English]

**Ms. Carolyn Parrish:** Madam Speaker, again I would like to reiterate my position. Because the minister happens to be sitting here, I would like to draw in the EI plan as well as the pension plans. We must remember in the bad times the government paid and paid and topped it up and built up a deficit and a debt which the whole country paid for. When careful management has built these funds up, in the good times it is time these funds were paid back to all taxpayers of Canada.

As long as the pension payouts are fair we are not doing it at the expense of the recipients. We are doing it because it is the proper and appropriate thing to do at this time in the economy.

**Ms. Louise Hardy (Yukon, NDP):** Madam Speaker, I feel it is very important to speak to this debate because it is such a change in public policy and a change that is done unilaterally, without the support of the unions involved, the public or other members of parliament.

As in most legislation Bill C-78 has much that is good and much that is bad. The bad far outweighs the good in this legislation which is part of a larger pattern of the government to take public money and transfer it into private hands. Once that happens the public good is not at the top of priorities to turn that money around and serve our communities through building roads, hospitals or schools.

I will deal with the good in the legislation first because, as I said, there is not that much of it. The good is that there is a dental plan for beneficiaries. Because we are thinking of people who are retired, this is a particularly important element. It is important to have and would be a very important change. The benefits will be calculated on the last five years rather than the last six, which would result in a slight increase.

It recognizes benefits for same sex couples. That section is a very dramatic change. It is long awaited and is indeed necessary.

It would increase the supplementary death benefit. Initially this was being negotiated, but unfortunately it broke down over what to

do with the \$30 billion surplus, over representation on the new investment board and joint management of the fund or some input from labour and plan members.

The government then decided to proceed with the legislation rather than continue to pursue a negotiated settlement. That is incredibly unfortunate because it means that it is not possible for the New Democrats to support the legislation.

• (1645)

There are two really important points. The investment board will be a 12 member board charged with the responsibility of investing funds on the open market. We are speaking about \$30 billion, an unbelievable and incredible amount of money, that will be put on the open market. These members would be appointed by the minister through a nominating committee of other members who might be retirees.

We need to be concerned that appointments to the investment board might be for purely patronage reasons. Who benefits from these changes? It will not be the pensioners because their actual pensions will not increase. They will not get any more, but they will not get any less. The employees will be paying more.

We have to question the rationale of these changes when the very essence of a pension plan is to deduct money from the employees and save it for them so it will be there when they retire. However, they will not benefit from the changes in this legislation.

There is a benefit for those who will be investing it and for those who will be receiving it. The flipping of capital will cost millions in brokerage fees. Bay Street will enjoy a windfall when shares and stocks are bought and sold but the employees and the pensioners will not.

Labour has always argued that pension surpluses are the exclusive property of the employees and retired plan members and should be used for nothing other than their benefit. This is a key issue. It is paramount and must be reinforced. As this surplus is all from deferred wages and part of the pay package, it should be returned to the employees.

The other change is that any surplus above \$9 billion will trigger either the cessation of employer-employee contributions for a period of time, a premium holiday, or government could simply take the surplus and use it for whatever it wants without any consultation with the employees or pensioners. This means it could be a very important source of revenue for the government when in fact it is the property of the employees.

Currently there is no provision to increase benefits other than by an act of parliament. It is a defined benefit plan that has an obligation to pay each recipient a fixed amount regardless of the condition of the fund.

I heard over and over today that the government takes all the risk so it should be able to do whatever it wants with the money when

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there is a surplus. It feels that because it has to assume the risk of providing a defined benefit, even if the plan was in a deficit, it deserves to keep the surplus when the plan is healthy. This is convoluted logic that we cannot accept.

The pension is part of the wage package. Proof of this is that the government uses the fact that there is a pension plan to justify relatively low wages. Even though the pension is not negotiated at the bargaining table, both parties refer to it and acknowledge it.

Additional proof that employees own the pension moneys lies in the fact that in a company under federal jurisdiction, workers have to vote by a two-third majority to let the employer take out any of the surplus. This law recognizes the surplus is the property of the employees who must vote on whether to release it. Obviously that is not happening here.

The government is acting unilaterally. It does not even want to share in the decisions. No agreement has been reached with the union, nor does the government have any plans to include the union on a joint union-management board. Instead, the government intends to appoint directors to the board. These actions reinforce the misleading view of who bears the risks and rewards of pension plans.

Employers have typically justified their grab on pension surpluses on the grounds that they take the risks so they should get the rewards. However, pension plan management makes it more likely that surpluses will accrue, so there are very few risks.

If we are going to think of it in those terms, let us imagine an individual who has saved money throughout his or her life in preparation for retirement, and a bank says "I want that money to pay my debts. You have kept it in my bank all these years and I have had the risk of storing it. It is my money and I will use it however I want. You have no say in it". What we are facing is our government telling us "What is yours is mine and what is mine is my own business, so you can just take a hike. We will do what we think is best". I have never seen democracy work like that. What we are facing is a raid or just plain piracy of a pension plan. That \$30 billion is an incredible amount of money, and the decisions made about it belong with the people who pay into it and the pensioners who will be receiving it.

• (1650)

I listened to a debate earlier on the Liberal side where a member said that the New Democratic Party should not be agitating and getting the seniors and elders all upset over this.

I found this incredibly patronizing because the seniors and elders I know can certainly read, write, think and analyse, and they do lobby and vote. They have come here and lobbied. They have made decisions and have analysed that this is not a good way to deal with pensions. They are not even doing this for themselves because their pensions will not change. They will not get any more out of this. However, they have the wisdom and strength to know that

these changes will have an effect on those who come after them. I always believed it was our job as members of parliament to be thinking of those who come after us, not of our own smaller interests but the greater interests of our country.

Another point that bothered me was when a Liberal member stood up and said that we had these crazy ideas about wanting to invest pension money in maybe ethical stocks or bonds, or that it should even be a consideration of what is done with the money.

I know a heck of a lot of people who do not want one cent of their money being invested in nuclear arms, in small arms, in factories where children are forced into labour and women are locked in for 14 to 16 hours a day to produce cheap goods, or in situations where the money they are saving for their retirement could be used to undermine their own jobs.

Consideration should be given to using the money saved in this country to build our own roads, hospitals, schools and universities and to do it at a good rate of return so that we can educate our children. Maybe we could help those in the far corners of the country who normally would not have any access to schools, roads or hospitals. That is a very good use of money and should always be a consideration when pooled money within a country is being distributed for whatever reason. We should be looking after our own people first.

The changes in the pension plan will disproportionately affect women. The average pension will be \$9,600 per year which is not a lot to live on. However, women have borne the brunt of a lot of changes that have happened through the Liberal government. They have borne the cost of our health cuts and the sexual abuse in our military. The government has denied them pay equity and, in many cases, they are denied unemployment insurance premiums.

What is it for? It is not for the common good of our country. It is not for the betterment of living conditions anywhere. These changes are indeed changes that would please the corporate titans of the country to move money away from those who need it and put it into the hands of those who do not.

Even though there are good changes proposed in Bill C-78, the bad far outweigh anything that the legislation would bring forward. It is very disappointing not to be able to support pension plan changes just because they will not benefit those who need them most.

**Mr. John Bryden (Wentworth—Burlington, Lib.):** Mr. Speaker, I listened with great attention to the member's comments and I would like to make a couple of observations.

One of the key points she made was that the surplus, to use her own words, was the exclusive property of the employees who contributed to the pension plan. I have to give her my perspective on this because I come from a riding where there are very few unions. I do not think there are unions of any size in my riding. In

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my riding it is mostly small entrepreneurs, farmers, people who are self-employed. They will have contributed to this surplus.

• (1655)

As I understand it, the government has been paying 70% toward this pension plan and the employees 30%. When the government pays money to anything, it comes from taxpayers. Every person in my riding who has been paying taxes and who does not belong to a union has been contributing to that 70% that has been going to this pension plan. In other words, the people in my riding would feel that they do have a stake and as a matter of fact they might even claim ownership of the \$30 billion of which we are speaking.

The member also said that the benefits in this whole \$30 billion is part of the wage packet of the employees. I point out she also said that the payout of benefits is determined by an act of parliament. We have a situation where the benefits are already determined and we have a surplus that is exceeding by far the amount of benefits that can be obtained by the employees.

Finally, it would appear to me, using that logic, that indeed that \$30 billion actually belongs to the ordinary citizens of Canada and not to the union, as long as the union is guaranteed that it does indeed receive the benefits that are part of the contract.

**Ms. Louise Hardy:** Mr. Speaker, those who are involved in private pensions get to have a say. Over three-quarters of them would have to vote to have a say on what that surplus is used for. The changes that are being made would not give the taxpayers that the hon. member mentioned any say in where the surplus is going. In fact, the federal government is using it however it pleases without the consent of either the taxpayers or the people paying directly into it.

Whatever the surplus may be or however or wherever it is invested should not be done just in terms of what the greatest return on that money would be. I think it is important that the money is spent first in Canada to benefit Canadians rather than outside the country in very risky endeavours. We have already seen what the market can do, what unregulated, totally catastrophic situations can arise with unbridled use of capital.

**Mr. Gurmant Grewal (Surrey Central, Ref.):** Mr. Speaker, Bill C-78 amends various acts, essentially replacing words such as spouse, wife, wives, widow, et cetera with survivor or survivors. In this 200 page bill which has about 231 clauses, the word survivor is mentioned 249 times. Of course it is defined in clauses 53 and 75.

The government's backgrounder on Bill C-78 states: "To ensure that the government's pension package for its employees is in keeping with the opinion of the courts, survivors benefits will be amended to extend survivors benefits to same sex partners". However, in 1995 the supreme court ruled in the Egan case that an opposite sex definition of spouse in the Old Age Security Act relating to spousal benefits was reasonable.

In the hon. member's opinion, why is the government ignoring this supreme court decision?

**Ms. Louise Hardy:** Mr. Speaker, when it comes to determining who the beneficiary for a pension should be, I think it is important to allow every individual to determine who their beneficiaries are, whether they are their children, their parents, their partner, their wife, their husband, their son or their daughter.

The Liberal motives for, as the hon. member says, ignoring a supreme court decision I would have to leave to the Liberals to answer.

• (1700)

Providing benefits for same sex partners is an important step. The government should do it straight out in the open and not try to sneak it through any back door because we have an obligation not to discriminate against anyone.

[Translation]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, unlike the Liberal member who spoke before me, I come from a riding 90% of which is unionized.

What gets to me in this bill is the make-up of the advisory committee. I think the management of this committee will not always be joint. Who will represent the unions on this committee? Where are the workers? Where are the former workers?

Only one person will represent the pensioners. If that means jointly with the workers, they should look again.

I would ask the member to explain her viewpoint and give her opinion on this.

[English]

**Ms. Louise Hardy:** Mr. Speaker, the whole appointment process is particularly troubling. When I was first elected I sat on the aboriginal affairs committee and we had a paper whisked in front of us telling us who the interim commissioner would be for Nunavut. To leave the appointment of a board to one person, our minister, with the input of a nominating committee of eight is quite wrong. Representation should be built in for the employees and the pensioners.

The whole idea of appointments and how we deal with them in our parliament is worthy of a debate. We could talk about how our senators are appointed and how judges to the supreme court are appointed.

This process continues the very exclusive nature of allowing power to be focused at the very top of the pyramid, rather than

giving any say or power to, or investing any responsibility with, the people who were elected. The government has the most seats and it will make its decisions as it sees fit. The whole appointment process needs a lot of scrutiny and I do not agree with the process which is being put forward. I do not think it will benefit us in the long run.

**Mr. John Bryden:** Mr. Speaker, I do not think the member for Yukon quite understood my earlier question. It is my fault I am sure for not explaining it very well. I will try again.

I have a great deal of difficulty, coming from a riding in which there are a few unions, understanding the logic that the union is claiming ownership of this \$30 billion of alleged surplus, even though it cannot increase its benefits because its benefits are fixed and even though this \$30 billion surplus has actually come from the taxpayers. It has come from the ordinary small people, the barbers and the grocery clerks and these small people in my riding who do not have the protection of a union and do not have a circumstance where they can put in \$30 and get \$70 from the government. However, that money from the government is coming from those grocery clerks and those small people in my riding.

That money could be invested more wisely and get a better return. We see the same kind of conflict we had with the Quebec pension plan which invested wisely and aggressively and is a much healthier plan than the Canadian pension plan which invested only in safe instruments. Is it not better for the small people, the ordinary taxpayers, that we try to use this money in a way that actually reduces taxes for ordinary Canadians?

**Ms. Louise Hardy:** Mr. Speaker, obviously I do not agree with the member opposite. What I understand him to be saying is that the Canadian forces, the RCMP and the public service should not have any say in the changes proposed in this bill, and I do not agree with that at all. Sure, everyone else should have a say as well, but this does not give them that say.

• (1705 )

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, I want to take a few minutes to talk about the RCMP. As you know, I have a very strong interest in policing matters. I was a former chairman of the Waterloo Regional Police. I think we need to ensure that all things are done in every way for our police services across Canada, wherever they may be, and I think it is important to highlight this fact.

I want to begin by pointing out that the government is aware that some members of the RCMP have expressed concern over the lack of RCMP input into the pension amendment package. It is true that the same degree of consultation did not take place with RCMP representatives as it was the case with public service employee representatives.

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I think it is fair to say that the government would have preferred to consult more widely with the RCMP on its future pension arrangements. I think that is clear. Most of the proposed changes, however, will address pressing financial issues facing all of the public sector pension plans, including the RCMP plan. I think we need to note that the superannuation plan in that sense will be fully taken into account.

For example, because of the way the RCMPPSA is harmonized with the Canada Pension Plan, RCMP members have been protected from CPP contribution increases since 1987, while the government's costs have been increasing. The urgency of addressing these financial pressures was a major reason for the government's decision to proceed as quickly as possible with the pension changes, including benefit improvements included in Bill C-71, the budget implementation act. The change to base the pension calculation on a five year instead of a six year average is an important change.

The government recognizes the fact that the RCMP is a unique organization and that consultation with members around plan changes is highly desirable. For these reasons, Bill C-78 contains a number of areas in which consultation can take place in the future. It should be noted that the solicitor general has ensured that the proposed amendments to the RCMPPSA contain flexibility to adjust the pension plan to meet the future needs of the RCMP. The areas where change will be possible are vesting, portability of pension credits, both in and out of the RCMPPSA, expanded elective service provisions and plan provisions for members working part time.

Present vesting periods are set at 10 years for regular members and 5 years for civilian members. The bill will allow these periods to be shortened by regulations if, after extensive study and consultation, such changes are indeed desirable.

Under the current provisions of the RCMPPSA, members wishing to increase their pensionable service can only do so if they have prior public service, or service in the Canadian forces, or service as a member of a provincial or municipal police force absorbed by the RCMP. The bill provides for greater pension portability for members joining or leaving the RCMP. The bill will make it possible to transfer pension credits from a previous employer, which is an important provision for police personnel. It is one that we should note and indicate that we are prepared to support.

For members leaving the RCMP in the future, a new option will be available to improve pension portability under conditions to be determined in new regulations. Members will be able to transfer the actuarially calculated value of their pension benefits to locked-in financial vehicles or to another employer's pension plan.

Currently, there are a number of RCMP members who are working on a part time basis. This bill will make it possible to accommodate such members through the making of new regula-

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tions. Again that is an important provision and one that is important to police personnel.

Another area in which future consultation between the solicitor general and the RCMP will take place is on the member contribution rates which will be in effect beginning in the year 2004. For the period beginning January 1, 2004, the Treasury Board will set the member contribution rates on the joint recommendation of the solicitor general and the President of the Treasury Board. Although the bill specifically states that RCMPSA member contribution increases cannot be greater than those of the public service, because of the unique nature of the force the contribution increases could in fact be less.

• (1710)

Finally, the solicitor general will be given increased powers under the new bill for the financing and funding of the RCMP superannuation plan. In addition, the solicitor general's pension advisory committee created under the RCMPSA is being given a strengthened mandate in Bill C-78. That is an important implementation provision and one that all members of the House should be prepared to support.

This strengthened mandate will ensure that members and pensioners will be able to use their pension advisory committee for the purposes of making recommendations to the solicitor general on the administration, design and funding of the pension plan. That too is an important area in which personnel will have valued input.

The solicitor general will rely on his pension advisory committee to assist him in carrying out his increased responsibilities. In addition, a stronger pension advisory committee will lead to greater opportunities for meaningful consultation with RCMP plan members in the future.

I think these are important areas that need to have the legislative background which will ensure that our police services and the RCMP in particular have the kind of provisions that are necessary. Bill C-78 does that. Therefore, I would urge all members of the House to support it because it is an important initiative and one that benefits RCMP, wherever they may be in Canada.

[Translation]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I have two short questions for the hon. member opposite.

Currently, there is no provision concerning the surplus of over \$30 billion in the funds' current accounts. With this bill, is the government trying to do exactly what it did with the surpluses accumulated in the employment insurance fund?

Does the government want to repeat what it did and use the surplus in the public service pension plan for the same purposes?

I would like to hear the hon. member opposite on this and I may then have other questions for him.

[English]

**Mr. Lynn Myers:** Mr. Speaker, I want to thank the member opposite for her question. Of course there is no real analogy to the EI fund as it exists. As members know, it was a decision of the auditor general back in 1986 to have that fund put into the consolidated revenue fund of the Government of Canada.

I think it is important to note that Bill C-78 is a strengthened bill that will enable us to move forward as a government in a very positive and meaningful way. It will ensure that pensioners and people looking forward to that income will be able to enjoy it in a way that is in their best interests and those of their families. I think it is important to note that they will not have to pay any more, nor will they have to pay any less.

It is important that we proceed with Bill C-78. It is an important piece of legislation which will ensure that Canadians on pensions will find the resources necessary to carry on with the quality of life necessary for their circumstances.

[Translation]

**Ms. Jocelyne Girard-Bujold:** Madam Speaker, I want to go back to the membership of the committee.

I do not know if the hon. member comes from a riding where there are many union members, but I want to ask him how he feels about the membership of that committee, on which unions members would not truly be represented, and on which pensioners would not be represented by a majority.

I find that the membership of that committee is tantamount to the minister telling people "I will do as I have always done. I will strike committees and appoint people who are on my side through a bogus process".

I would like to hear the hon. member on this point.

• (1715)

[English]

**Mr. Lynn Myers:** Madam Speaker, I think it is important to keep in mind and keep in perspective that the pension advisory committee and board, as the hon. member refers to it, will in fact be a much strengthened committee. It will underscore the commitment of the government to ensure that men and women from across Canada are placed in that position, to listen to all sides and make

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recommendations which are important to people who need that kind of advice and who are looking forward to that ability to give it.

I say to the hon. member that as usual, we on the government side will ensure that qualified people will be sitting on that committee and will offer the kind of assistance that is necessary for Canadians wherever they may live to ensure that their voices are heard and that the right thing at the end of the day is done on behalf of those people.

**Mr. Eric Lowther (Calgary Centre, Ref.):** Madam Speaker, Bill C-78, what an incredible piece of legislation brought forward by the Liberal government. I could not believe it when I first saw it. It seemed more like a page out of *MAD* magazine rather than serious legislation.

This bill will allow the tax and spend Liberal government to seize the money for more government spending which is currently held by public sector pension plans both now and in the future. A new government appointed—not necessarily qualified, just appointed—pension board with no employee representation will get to manage the funds. The board will operate without the scrutiny of the auditor general or parliament and will be exempt from access to information laws.

In addition to seizing the surpluses in the employee pension plans, this bill will also see the government increasing the employee contributions. If these pension plans have a shortfall in the future when the surplus has been spent or when the funds have been mismanaged, the good old Canadian taxpayer gets to make up the shortfall.

All this is crazy enough, but there is more. In order to appease the justifiably upset pension plan members, the government's bill states that "survivor benefits are extended to an expanded class of beneficiaries". It looks good from a distance, Madam Speaker, but before you trade in your old reliable car on the new improved model, take a closer look. Look past the flashy paint job and you will find that on the new model the tires are flat, the engine will not even idle and it is full of electrical shorts. The new improved model does not even run.

Bill C-78 proposes to extend pension survivor benefits not only to married couples but also to include couples who cohabit in a relationship of a conjugal nature. The words survivor or survivors replace all 249 references to spouse, wives, widow in the current legislation.

In Bill C-78, pension benefits of the contributor will be paid to the survivor. The definition of a survivor depends on the term "a relationship of a conjugal nature", that is, the survivor must be in a relationship of a conjugal nature with the contributor to qualify as a survivor. This is where it starts to get strange. Nowhere is this critical term "a relationship of a conjugal nature" defined in the bill. Yet other than married, survivor eligibility depends on it.

Without defining this term, Bill C-78 survivor benefit provisions will be subject to claims from individuals in all manner of relationships which they deem to be of a conjugal nature. If any two roommates regardless of gender who have lived together for at least a year qualify for survivor benefits, the cost of the plan could greatly increase and the good old Canadian taxpayer will be picking up the tab.

What does conjugal mean? I looked it up. The *Canadian Law Dictionary*, third edition states that conjugal rights are "the rights of married persons, which include the intimacies of domestic relations". The *Concise Oxford Dictionary*, ninth edition, states that conjugate means to unite sexually. To the extent that conjugal means having sexual relations, one wonders how the government intends to verify that the relationship is indeed conjugal in nature.

• (1720)

The profound irony here is that the party of Pierre Trudeau who was famous for stating that the government had no business in the bedrooms of the nation would now put forward a bill that seems to call for the establishment of some sort of government conjugality or sexual activity test or inspectors.

Perhaps it is proposing that some report be filed or a sign-off by both people. Maybe it could just be added to the Statistics Canada questions. Lord knows, they ask for every other kind of personal information. No doubt, someone would get the bright idea not only to report frequency but maybe quality. We could compare ourselves with the Swedes. We could boost Viagra sales. The mind boggles at the possibilities.

Interestingly, we do not have this problem with married couples, because there is a legal recognition of their life commitment. No conjugality assessment is required. This is probably a good thing, particularly for MPs with the hours we keep and the time away from home. I do not know about all of the other members, but I am sure this lifestyle does not necessarily have a positive effect on the conjugality component of our marriages.

How do these other relationships gain recognition as conjugal? Is it just because they say so? How many roommates will claim conjugality in order to get survivor benefits? What will the cost be? If taxpayers are backstopping the entire plan, should they not be informed?

There appears to be nothing stopping one from being in a conjugal relationship with more than one person. If a person cohabits with more than one person and they are "conjugal" with them all, it appears they would qualify for survivor benefits under Bill C-78. They all would. Conversely two roommates, the same sex or otherwise, who are close and maybe share expenses, but do not have intimate physical relations, do they qualify for survivor benefits? If not, why not?

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Are people included or excluded based on private physical intimacy? Is this the new policy of the party that said the government has no place in the bedrooms of the nation? The more one thinks about it, the goofier it gets to tie survivor pension eligibility for relationships outside of marriage on the conjugality of the relationship.

[Translation]

**Mr. René Canuel:** Madam Speaker, I rise on a point of order. I would appreciate it if the hon. member addressed the bill. Right now he is all over the map.

**The Acting Speaker (Ms. Thibeault):** In my opinion this is not a point of order.

[English]

**Mr. Eric Lowther:** Madam Speaker, Certainly this is Bill C-78 and I am quoting directly from the bill. I do not understand the hon. member's comments.

The more one thinks about this as I said, the goofier it gets. To tie survivor pension eligibility for relationships outside of marriage to the conjugality of the relationship without defining what that means or how conjugality will be assessed, who is included or excluded and on what basis, makes the whole terms and the whole test meaningless. Essentially anything goes.

There was one little ray of light. Somebody was thinking and there is one thing they did pick up on. The only thing they seem to have limited for survivor benefits is when the survivor is found to be criminally responsible for the death of the contributor. No survivor benefits will be paid in that situation.

I have seen some strange things done in the land of the Ottawa sun, but this bill is a blatant grab for unaccountable control of the surplus of the public sector pension fund. It is increasing employee contributions and extending survivor benefits using inappropriate and undefined terms and then placing all this mess on the back of the Canadian taxpayer to bankroll. The eventual screw-ups will be a wonder to behold.

• (1725)

The capper will be when every Liberal member, many of whom I respect in other circumstances, will dutifully vote in support of such an outrageous blank cheque on the taxpayers' account.

I can see that you, Madam Speaker, are as awestruck as I am. It is in that condition that I will take my seat.

[Translation]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Madam Speaker, I liked the beginning of my reform colleague's speech. He said

we had to ensure the long term viability of the system and that it could be done while respecting the thousands of Canadian and Quebec workers who paid into the plan. I agree. He also said he found it suspicious that this act will not be audited by the Auditor General of Canada.

I would like my colleague to elaborate on that. I would also ask him if he could draw a parallel between the treatment of the EI fund by the federal government and what it intends to do with the public service pension plan.

[English]

**Mr. Eric Lowther:** Madam Speaker, certainly I did say in my speech that we do not know if this board that is intended to be appointed is qualified for managing funds. They are just appointed.

It will be required to have an auditor but that auditor is in no way connected to the auditor general. These funds that now have the scrutiny of the auditor general, that have public reporting on how they are managed, will be hidden from public view and the view of the pensioners perhaps. This is tragic. This is similar to the EI scenario we saw this government use earlier to remove accountability from the public arena. It is wrong and it is part of the lunacy of this bill.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Madam Speaker, if we dress up a thief in a three-piece suit and tie and put him behind a desk and elect him to office and give him a fancy title, is he still not a thief?

We have seen the unemployment insurance fund being raided by government. It should be an insurance fund, but the government has turned it into another tax to go into its general revenues. The surplus in that EI fund is supposed to be \$20 billion but there is no fund. The money is not in the fund. It has been spent.

Now with Bill C-78 we have the government looking to raid the public service pensions, take the money in the fund and use it just like all other tax revenues. This is robbery.

Just because the Liberal government ministers are confiscating the money, taking the money that has been collected from civil servants and using it like any other tax money collected by government does not change the fact that it is theft. And we know what someone who commits a theft is called.

**Mr. Eric Lowther:** Madam Speaker, I cannot agree more with the intent of the question. Absolutely correct. This bill as I said in my opening comments was more like a page out of *MAD* magazine than a serious piece of legislation.

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

## PRIVATE MEMBERS' BUSINESS

• (1730)

[Translation]

### ISSUE OF CEREMONIAL STATEMENTS OF SERVICE ACT

**Mr. Réginald Bélair (Timmins—James Bay, Lib.)** moved that Bill C-453, an act to regulate the issue of ceremonial statements of service and recognition of duty, be read the second time and referred to a committee.

He said: Madam Speaker, first I would like to thank the member for London—Fanshawe for seconding my bill and for believing in what I am about to say.

This bill proposes that a certificate of service and duty be issued to all war veterans who, for one reason or another, do not carry tangible evidence of their service in war time for their country. This is a bit of an aberration.

The reason I am saying this is that for the 20 years I have been actively involved in federal politics, I have, on many occasions, encountered veterans who were frustrated to see that those who fought on the front or took a direct part in a conflict are carrying a health card that they cherish.

The reason they do is because they have something tangible that they can show, that they can leave to their descendants, proving that they risked their life so that we, their juniors, would always have our freedom and all our democratic rights.

The purpose of this certificate, which would take the form of a laminated card, like a credit card, would simply be to acknowledge that the bearer participated in a conflict.

Who would be eligible? First of all, veterans who went to the front, obviously; then, members of civilian groups that supported the Canadian armed forces, such as the Red Cross. Also eligible would be members of the merchant marine, who were recognized last year for their military participation during World War II. Other candidates would include members of UN peacekeeping missions and any other civilians who participated directly in a war or armed conflict.

I introduced this bill for the specific purpose of letting our veterans know that we greatly appreciate what they did during these extremely difficult times. Just like those with health cards, these persons were thirsty, afraid, hungry, cold, and just as courageous as those who were wounded, except that they were not fortunate enough, as it were, to earn that distinction and be able to carry this small card.

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This is a non-partisan and apolitical private member's bill. I appeal to the common sense of all members of the House to pass this bill.

In my discussions with them, I made it clear that there was no question of any compensation. This was a concern for the great majority of them. There is no compensation involved; this is simply a certificate recognizing participation.

It is not the policy of the federal government, the Department of Veteran Affairs or the Department of National Defence to give compensation to those who were not injured during these conflicts.

• (1735)

How many people are we talking about? All in all, we are talking about approximately 600,000 people who had some form of involvement in these conflicts, including 450,000 veterans, between 120,000 and 130,000 peacekeepers who served with units dispatched to maintain peace in various countries, and about 5,000 others, including nurses and Red Cross staff, who would be eligible for this card.

Who would issue these certificates? The Department of Veteran Affairs, obviously. It would approve the application made by the person who took part in the conflict or by a descendant in cases where the person is deceased. That is how the certificates would be issued.

In conclusion, Bill C-453 is relatively simple, non-partisan and apolitical. I am proud to introduce this bill in the House today so that I can promote it and ensure that all those who took part in a conflict on behalf of Canada are recognized, and not just a chosen few.

Such recognition is long overdue, and I sincerely hope the opposition parties will support this bill at second reading stage.

[English]

**Mr. Peter Goldring (Edmonton East, Ref.):** Madam Speaker, I am pleased to rise to contribute to this debate and commend the hon. member for Timmins—James Bay for bringing this issue to the House.

This is a non-votable matter, illustrating yet once again how it may be preferable that all business in the House be votable. The reason that all House business should be votable is that many important legislative initiatives come from individual members rather than from the government of the day.

We know from recent media commentary on House business that well thought out legislative initiatives may be procedurally scuttled by the government of the day based simply on the fact that it is the private member rather than the government or its ministers who is credited.

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If the efforts of individual members are non-votable, what transpires in the House is more of a discussion than a debate with the advantage that there is no need for position entrenchment. We are able despite our differences in political outlook to arrive at a consensus as to a direction that is generally positive and of benefit to Canadians. We may also air our differences without the rancour and partisanship that often accompany political posturing.

In the end the *Hansard* record acts as a permanent reference to a moment in Canadian history when a particular issue of merit was debated by members. It is up to us to make Canadians aware of the importance of what goes on in this place. Much is discussed that becomes fertile ground for historians 20 and 50 years hence but goes largely unnoticed by the contemporary Canadian populace.

The issues before us today go to the heart of respect for our history, the need to acknowledge service to Canada and the need to counter historical revisionism which denies that war is an imperative to historical progress. I wish we had a vote on today's issue although I would have to oppose it.

Why should the bill introduced by the hon. member for Timmins—James Bay be votable? It is because it raises the issue of ceremonial recognition of veteran and civilian contributions to Canada's war efforts. I would argue that any such recognition should not be generally given but rather limited to those who actually served in war.

In terms of recent developments in the House concerning our merchant navy, even those who served in war had to wait some 50 years before being accorded ceremonial recognition simply because they were not enlisted members of Canada's armed forces during World War II.

• (1740)

It may be said that during the two world wars some Canadians who contributed to Canada's war effort were not ceremonially recognized. In terms of subsequent conflicts it may be said that many Canadians have contributed to our peacekeeping efforts and that not all are ceremonially recognized.

In introducing this legislation last November, the member for Timmins—James Bay described his motivation as having to do with the fact that over the years he had met veterans on numerous occasions who had nothing to show for their participation in world conflicts. They may have been awarded service medals but one does not carry medals on a day to day basis. They may have been given lapel pins but some regard such pins as ostentatious regalia.

As I understand it, what the hon. member proposes is a certificate comparable to a wallet size health card that wounded veterans are now able to show to interested persons, much like a wallet snapshot. In the case of the health card, it becomes a snapshot of

past life of valour. For those who were not wounded in conflict there is no comparable snapshot to show someone and say "I was a veteran of this conflict and stand before you today as someone who has personally contributed to the defence of Canada's interest".

The bill however is flawed. First it is out of date. If the member would take a look at subsection 2(c) he would notice that it refers to the merchant navy under the old legislation. With the passing of Bill C-61 they will now be full status war veterans.

The idea of giving ceremonial recognition to those who contributed to Canada's war efforts is a noble one and worth exploring, but we must not be in too much of a hurry. The bill as it currently stands is too broad and will diminish the contribution of those who gave the most while elevating those who played a less important role.

At this moment the war in Kosovo is expanding in what many would regard as disturbing directions. Some have argued that Kosovo should more properly provide NATO with an opportunity to reassess its purposes and objectives. Yet a few short years ago our soldiers were addressing peacekeeping issues in Bosnia, Rwanda and Somalia. Many of these soldiers are no longer in active service.

It was only in the last parliament that the creation of a medal for service in Somalia was accepted by the House based on a private member's initiative, that of Mr. Jack Frazer, the former hon. member for Saanich—Gulf Islands and the predecessor to current veterans affairs critic of Her Majesty's Loyal Opposition.

Would it not enhance our sense of history and military service to Canada and the world if all such persons were able to carry a wallet size certificate acknowledging their service? In this regard, I am pleased to report to the House that subsequent to inquiries by my office of the War Amputations Canada, Mr. Clifford Chadderton, chief executive officer, communicated to me as follows:

The proposal to issue a ceremonial statement recognizing individual contributions to Canada's war effort should have far-reaching effect. Traditionally, veterans have been reluctant to speak about their military service. The issuance of a ceremonial statement of service may well serve as encouragement, so that future generations will know what veterans and other members of the military have done to preserve our freedom. However, as has been noted, the legislation is inclusive, rather than exclusive, through also permitting the ceremonial recognition of civilian contributions to Canada's war and peacekeeping efforts. I feel this is too broad a stroke to make.

Mr. Chadderton supports recognizing veterans and members of the military, but the bill has much more in mind. In section 3 it would allow any person who believes he or she helped Canada in a significant way in a war or armed conflict in which Canada took part or a veteran received recognition.

Does an armed conflict mean journalists covering the Oka crisis can get a statement of service? Under this piece of legislation it indicates that. All it would require is the individuals' belief and

they would get the recognition. They do not even have to be on the conflict side of the ocean.

Would members of the House who stood to speak about the Kosovo crisis believe they are worthy of official recognition for their contributions to peacekeeping?

• (1745)

Imagine how insignificant its true meaning would be. Under clause 3(2) any spouse or descendant can apply for a deceased person. Technically somebody could get certificates for their great-grandparents with respect to the war of 1812.

We can easily see there are some flaws. I have some serious questions as an individual. This has helped to formulate my opinion on this. I am sure we could think of other examples that are worth asking about.

One last analogy which came to mind on reviewing this bill is my own family. My elderly father who just passed away operated a factory in Toronto which supplied war materials during World War II. Was that a contribution to the war effort? Should he receive a certificate on my mother making application? Is this the same certificate that somebody would have who was actually engaged in the fighting?

With this in mind, I have to decline my support. I realize and respect the initiative. I believe this would be a much more commendable and worthwhile initiative if it focused on Canada's military. I want to thank the member for his initiative, but unfortunately I have to decline my support.

[*Translation*]

**Mr. René Laurin (Joliette, BQ):** Madam Speaker, it is also a pleasure for me to take part in this debate and I hope that the few comments I will make will be a positive contribution.

It is a very good idea to propose to reward or even only to recognize the service of certain persons during an armed conflict.

Of course I agree with the hon. member from the Reform Party that this would not make a big difference for our veterans, whose service is already recognized under the act, which, incidentally, now gives merchant sailors the same privileges as them.

But, many other persons distinguished themselves by their battle exploits or simple acts of courage or voluntary work. These are recognized with medals like the governor general medals, but for various reasons, there are other anonymous persons who would not qualify for such medals.

I think for example of a person who, during a war, would have taken a group of soldiers in for a few days to hide them from the

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enemy, protect them, feed them or treat their wounds. We know that many people did that during world wars.

They are not necessarily Canadians. They could be foreigners. In World War II, for example, Canadian soldiers on campaign in Normandy were taken in by French men and women who fed them and tended to their wounds. We should recognize not only Canadians, but extend that recognition to other persons as well.

What is more important in life than being recognized by one's peers? Those who work as volunteers never do it for money or other financial considerations, but rather for the love of the cause they believe in or for the sake of those they love.

Usually, these people do not ask for recognition, but when they do get it, they are both pleased and honoured. It is a bit like an honorary degree. When a university or a school decides to recognize, on the basis of merit, the action, experience, know-how, dedication or expertise of a person who is not one of its graduates, it awards this person an honorary degree.

Many people would deserve the same kind of recognition for their service at war or in humanitarian causes.

• (1750)

People are not asking for any kind of compensation, and the bill says so. Those who would receive a ceremonial statement could not expect any compensation, benefit, or financial consideration. The only purpose of the statement would be simply to recognize people for their effort, work, dedication, volunteer work or outstanding feats during a conflict in which Canada was taking part.

This does not entail any financial commitment. We not need pass any financial motion and the finance minister does not have to figure out how much it would cost. My understanding is that the bill introduced by the hon. member for Timmins—Baie-James is simply intended to provide some official recognition to those who deserve it because they served their country and their fellow citizens.

I am happy to support this bill. Although it is not votable, I hope that the comments and thoughts shared during the debate will bring the government to reflect on this and come back later with a votable bill this time.

As regards the concerns of the hon. member of the Reform Party about the bill being too broad, not addressing such and such point, or about the form this recognition would take, we can see that the bill grants the minister enough discretion.

Like any other good bill, this bill could be followed by regulations established by the minister. These regulations could define more precisely in what circumstances and according to what criteria the government could recognize that the actions of a citizen entitle this person to a ceremonial certificate of service.

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This certificate should not be a mere piece of paper. It should not be the kind that anyone can get. Otherwise, it would not mean anything. This certificate would be proof that the actions of a veteran were really extraordinary and special. It should be a document that is not easily obtainable.

The specifics could be covered in regulations. I do not believe it is necessary to put everything in the bill. The more you put in a bill, the higher the risks of making a mistake and leaving out certain circumstances.

This bill deserves support in order to show these people who are still living quiet lives, unnoticed, that Canada, the country to which they have made a great contribution, Canadians, Quebecers, are all grateful to them and acknowledge their contribution and their work.

We would like the world to know about it. We would like to see an official gesture showing that these persons have earned recognition of their fellow citizens, not just a few lines in a weekend newspaper or a little thank you when we happen to meet them. We would like to say that they deserve our gratitude and that we are pleased to set this recognition out in an official document called a ceremonial statement.

Once again, I congratulate the Hon member for Timmins—James Bay for preparing a bill like this. I trust that it will receive the greatest possible support in the days and weeks to come.

[*English*]

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Speaker, we on this side of the House wish to thank the hon. member for Timmins—James Bay for bringing this bill to the House for debate. Any time we talk about veterans it is very good.

I rise in support of this bill which would provide ceremonial statements of recognition to those who have helped Canada in a significant way in a war or armed conflict in which Canada took part. There are many veterans and civilians who have contributed much to this country through their efforts during wartime who are owed a debt of gratitude from all Canadians. It would provide one opportunity to show our respect to so many Canadians, many of whom still fight for the recognition they deserve from this government.

• (1755 )

I think of those who served with the Mackenzie—Papineau Battalion fighting fascism in Spain. Those brave Canadians have fought long and hard to get the recognition they deserve from a Liberal government that would rather act as though they did not even exist.

Recognition should also be given to the many who served with the segregated No. 2 Construction Battalion in World War I. There

are also many aboriginal veterans who have been terribly mistreated by the Canadian government who deserve recognition for their efforts in the two world wars and in the Korean war.

I am pleased that my New Democratic colleague, the hon. member for Regina—Qu'Appelle, is working to right this historical wrong. I do wish there was capacity in this bill to right a couple of terrible misdeeds of the Liberal government.

While this bill speaks of issuing ceremonial statements, it is sometimes essential to go beyond statements of recognition.

The Liberal government has turned its back on the Canadian veterans condemned by the Gestapo in the Buchenwald Nazi concentration camp. The issue at hand is the seeking of reparations by Canadian veterans who are members of the Koncentration-Lager-Buchenwald Club. Out of 15 countries with veterans condemned to Nazi concentration camps instead of POW camps, Canada sits alone in not having reached a proper resolution. We on this side of the House believe that is absolutely shameful.

After years of presenting their case for compensation to deaf ears in Ottawa, these veterans were presented cheques of barely over \$1,000 each. This compensation is nothing short of a disgrace. One of the veterans, Mr. Bill Gibson, wrote "refused" across the cheque and sent it back.

I just wish there were some way in this bill to force the government to do the right thing and provide just compensation for these veterans and successfully complete negotiations with the German government to ensure a proper resolution is reached.

As well, I wish this legislation could redress the enormous injustice done to Canada's merchant mariners. On November 24, 1998 in the House of Commons my hon. colleague from Halifax West asked the Minister of Veterans Affairs to finally commit to a just settlement with Canada's merchant marine.

The government has seen fit to provide an ex gratia payment to Hong Kong veterans who were Japanese prisoners of war of \$23,940 each. This payment was promised just last December and strikes me as at least an effort to achieve a just settlement.

It is simply a disgrace that the government has betrayed Canada's merchant mariners by refusing to compensate them for the discrimination the merchant mariners faced upon their return home from serving in Canada's war effort.

There are a great many Canadians who have done so much for our country and who have not had the recognition they deserve. I trust the government will support the bill, allowing for all of them some of the recognition that is due.

If I may also say on a more personal note, on behalf of my mother and father and my oldest brother Arnold who were rescued and liberated by the Canadian veterans, who are here with us today, and the many others who have already passed on, thank you. To all the veterans of that time, to all the current military personnel who

are fighting for freedom of our country and for liberation of free people around the world, my entire family will forever honour the statement, lest we forget.

**Mr. David Price (Compton—Stanstead, PC):** Madam Speaker, it is with great pleasure that I speak on Private Member's Bill C-453, entitled an act to regulate the issue of ceremonial statements of service and recognition of duty.

It is a fitting tribute to the unsung heroes of Canada's past wars. The member should be applauded for bringing this bill forward.

The purpose of the bill is to enable the Minister of Veterans Affairs to issue a ceremonial certificate of service to any veteran or person who in the opinion of the minister helped Canada in a significant way in a war or armed conflict in which Canada took part.

It is important for the Government of Canada to say thank you to Canadians. In our hearts we honour you for your service to this country and your fellow Canadians at a time of peril.

I am also pleased to see that the merchant navy war veterans were included. My colleagues, the hon. member for Saint John and Senator J. Michael Forrestall and Senator Jack Marshall, have worked long and hard to help these brave Canadians.

Sadly, during the second world war 80 merchant ships were lost. There were 1,509 merchant mariners killed and 198 captured. The merchant navy suffered a higher rate of casualty than any other service.

The Government of Canada on May 19, 1941 by order in council P.C. 14/3550 stated: "The merchant marine on which our seaborne commerce depends, is, under present conditions, virtually an arm of our fighting services, and the provision of merchant seamen, their training, care and protection is essential to the proper conduct of the war, and vitally necessary to keeping open of the sea lanes on which the successful outcome of the present conflict so largely depends".

• (1800 )

After November 1942 merchant seamen were officially called the Canadian Merchant Navy. Merchant mariners were treated as prisoners of war by the multinational agreement after 1942. Merchant mariners were subject to military law under admiralty orders and discipline by the navy JAG. Merchant seamen were subject to the "sail or jail" order by order in council P.C. 4751, the merchant seaman order of 1941, and P.C. 4312, the merchant seamen foreign jurisdiction order of 1944.

There are an estimated 2,400 merchant navy veterans left and that number is rapidly declining. They must be recognized for their war service. My party and I are hoping for compensation for these men and their families after years of neglect.

### *Private Members' Business*

We hope that the government will move forward immediately with compensation. The recognition of their services and other services to Canada in time of war has been limited. This bill would give further recognition to war veterans who have been marginalized and forgotten. I think it is important recognition for all of our veterans.

I have to say that the government has made another good move just recently. I had the pleasure of attending a ceremony two weeks ago for the John McCrae Medal, a medal brought out this year for veterans of the first world war, recognizing that it has been 80 years since that war.

In my riding there is a gentleman who is 102 years old who received this medal. He fought in both the first world war and the second world war. Also on hand for the ceremony was the Lieutenant-Governor of Quebec who read a letter from the Queen.

Recognition like this is important, not just for the veterans themselves, but for all of their families who attend these ceremonies.

In summary, this is a very simple bill. Thus, on behalf of my party, I support the bill.

**Mr. Bob Wood (Nipissing, Lib.):** Madam Speaker, I am always pleased to have an opportunity to speak about the contributions that are made by the men and women of this country, who since Confederation have answered the call to service whenever their nation has asked.

Except for Veterans Week or perhaps during debate on a bill, we do not often get the opportunity to speak to the sacrifices made by our forefathers and mothers in time of need and in time of war. Therefore, I thank the hon. member for presenting us with such an opportunity today.

This bill suggests ceremonial certificates for those who contributed significantly to Canada in a time of war or armed conflict. Although the bill presents several logistical and other concerns, it seems to me that its intent is all about remembrance and acknowledgement of sacrifice.

We who live in Ottawa and work on Parliament Hill are reminded of that sacrifice every day as we walk past the magnificent war memorial on the way to work. On May 21 this year it will be the 60th anniversary of its unveiling by His Majesty King George VI. One hundred thousand people showed up on that day, six decades ago, to witness the dedication. His opening words were "The memorial speaks to her world of Canada's heart".

Surely that is what this nation has done in two world wars, in Korea and in peacekeeping missions around the world. We spoke with our hearts and said no to tyranny and enslavement.

*Private Members' Business*

We who live in Ottawa and work on Parliament Hill are fortunate to be able to visit the memorial chamber in the Peace Tower to see the magnificent books of remembrance, books that contain the names of Canadians who fought in wars and died either during or after them. They commemorate the lives of the 114,710 Canadians who died since Confederation because of service to their country in battle outside Canada. They remain testaments to our past, for by their very title the books remind us never to forget the foundations of courage on which Canada is built.

Now, through the wonders of technology, Canadians can log on to the Internet to see for themselves the same pages which members of the House have the privilege of accessing in person.

• (1805)

We who live in Ottawa and work on Parliament Hill are reminded that it was not just the soldier, the sailor, or the pilot who risked their lives and shed blood; we are also reminded every time we walk by the nursing sisters' memorial located in the Hall of Honour in the Centre Block on Parliament Hill.

It tells the story of unyielding women who braved all the hardships of war to do their duty and serve their patients, and of those who nursed the casualties left in the wake of war. Every soldier who fell wounded by bullet or bayonet would often wake and the first person he would see would be the face of a nursing sister who bound up his wounds and soothed his fears. They truly were angels of mercy that no veteran would ever forget.

Of course, people do not have to live and work in Ottawa or on Parliament Hill to see memorials and reminders of sacrifice. In towns and cities across the nation are statues and monuments raised in praise and remembrance of those who paid with their very lives to uphold the values we hold so very dear in this country.

Of course, not all monuments are of steel and stone. We have a wonderful tradition in the provinces to name many of our mountains, rivers and lakes in honour of individuals who made the ultimate sacrifice. So in the natural beauty of this nation their names and our history are memorialized in perpetuity.

Canadians are also well recognized overseas. Unlike our American cousins, we have a tradition, like many of our Commonwealth neighbours, of burying our war dead near where they fell. To follow the contributions of Canada's veterans we need only to visit the cemeteries that are filled with simple headstones, laid out row on row across the landscape of Europe and the Far East.

We need only to see the great monuments at Vimy or Beaumont Hamel, at Cassino in Italy, Sai Wan Bay in Hong Kong, or Naechon in Korea to appreciate that our war dead are not forgotten. We need only to talk to the people and to the children and the grandchildren of those nations we helped liberate to understand that these Canadians will never be forgotten.

Those of us who have been fortunate enough to travel with veterans overseas on a pilgrimage have only to watch the expression in the eyes of a veteran when a child approaches. A flower, a kiss on the cheek and a thank you from a little one brings a tear to the eye and a true understanding of the notion of gratitude to anyone who witnesses such a scene, and the knowledge that these Canadians live on in the hearts and minds of generations of grateful citizens the world over.

At the dedication of the war memorial 60 years ago, His Majesty concluded with the following:

This memorial, however, does more than commemorate a great event in the past. It has a message for all generations and for all countries—the message which called for Canada's response. Not by chance both the crowning figures of peace and freedom appear side by side. Peace and freedom cannot be long separated. It is well that we have, in one of the world capitals, a visible reminder of so great a truth. Without freedom there can be no enduring peace, and without peace no enduring freedom.

We will always remember those who have gone on before, and as we pray today for the safety of our service men and women in Yugoslavia and for freedom for those who have none, we would do well to remember those words.

As I said earlier, Bill C-453 is all about remembrance and I applaud the member for Timmins—James Bay for his efforts on behalf of Canada's veterans.

**Mr. Réginald Bélair (Timmins—James Bay, Lib.):** Madam Speaker, I am pleased to say that I have accomplished a lot here today in the sense that four parties out of five recognize that indeed this is a very good initiative. There have been comments both positive and negative. I recognize also that in some instances the bill may be too vague and too open to interpretation.

• (1810)

Nothing says that in the future I will not bring it back. I repeat that this is a non-partisan bill. It is apolitical. Next time around I will ensure that individual members of parliament are given a second chance to reflect upon the value of the bill in order to recognize once and for all those from near or far who participated in world armed conflicts.

It should be a votable item. As all the members have mentioned one after another, it is not often enough that in this country we recognize the merits of those who went overseas to participate in war on our behalf, to preserve our liberties and our democracy, and not those who participated in a support manner and, as the parliamentary secretary has said, in many different ways. These people feel extremely important. They are proud of what they have done for this country and somehow they need to be recognized.

It is in this sense that some time in the future, maybe next parliament if there is a prorogation, I will bring the bill back. I am deeply convinced that good sense will prevail and that individual

*Adjournment Debate*

members of parliament will recognize its merits and will vote for it.

[*Translation*]

**The Acting Speaker (Ms. Thibeault):** As no other member wishes to participate in the debate and the motion was not selected as a votable item, the time provided for consideration of Private Members' Business has now expired and the item is dropped from the order paper.

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## ADJOURNMENT PROCEEDINGS

[*Translation*]

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

### SHIPBUILDING

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Madam Speaker, on March 11 of this year, I asked the secretary of state responsible for agriculture a question regarding shipbuilding, but I got an answer from the Minister of Industry instead.

I remind members that the Secretary of State for Agriculture and Agri-Food and Fisheries and Oceans is also the member for Bellechasse—Etchemins—Montmagny—L'Islet and that his riding is next to mine.

When there were 3,000 workers at the Lévis shipyard, 500 of them came from his riding. A lot of people from his riding have individually or collectively reminded him of that. I honestly think that the secretary of state responsible for agriculture, who is also a cabinet member, has tried to convince his cabinet colleagues to adopt a new shipbuilding policy.

I have noticed that other members in the House have tried to do certain things too, including the Minister of Labour who, recently, commissioned a study on the status of shipyards in Atlantic Canada.

Recently, I have seen a certain openness on the part of these two people. Being a member of the industry committee, I have also noticed recently a certain openness on the part of the Liberal majority, which accepted to include shipbuilding in a productivity study, and I am very happy about that. I obviously would have liked something more specific, broader, but it is an opening.

• (1815)

However, the Minister of Industry failed to be as open. Yet recently, he said "If the member for Lévis-et-Chutes-de-la-Chaudière has something to propose, other than grants, I will agree to examine it".

That is exactly what I did on April 15 when I introduced, like my colleague opposite did a while ago, a private member's bill, which may come up for debate.

People are mobilizing all over, and support has come from the Liberal Premier of New Brunswick, Camille Thériault, who has asked to meet the Prime Minister of Canada. This follows on the fact that his predecessor, Mr. McKenna, had put the same issue on the agenda of a first ministers' conference two years ago. Even activists in the Liberal Party of Canada, people from the Atlantic, managed to have a similar position approved.

When, once again, will there be real policy on shipbuilding with additional measures that will make Canadian shipyards more competitive?

[*English*]

**Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.):** Madam Speaker, I am pleased that the hon. member from Lévis has given me the opportunity once again to speak to the subject of shipbuilding.

The federal government acknowledges the important contribution the marine industry makes to our national economy. The hon. member is well aware of the generous package of measures the federal government provides, which in conjunction with provincial policies and sound industrial practices benefits shipbuilders.

This package includes an accelerated capital cost allowance which many industries would like to have, a duty on ship imports, a domestic procurement for all government shipbuilding and ship repair needs, Export Development Corporation financing, and a very favourable research and development tax credit system.

Despite this support the industry continues to face considerable challenges in international markets. For instance, at the December 1997 OECD workshop on shipbuilding policies it was reported that a substantial overcapacity exists. In fact the estimate for 2005 is 40%.

The Canadian shipbuilding sector went through a voluntary industry led rationalization process in which the government participated by contributing nearly \$200 million. Through the reorganization and streamlining of its operations over the past decade, the Canadian industry has been able to improve its productivity levels.

*Adjournment Debate*

Concerning shipbuilding in Quebec, the federal government invested almost \$1.6 billion in Davey Industries during the period of 1983 to 1996 in the form of contracts, contributions and loan guarantees. Moreover, commercial arrangements by the Export Development Corporation are currently moving forward to provide additional support to this company through a loan guarantee on the *Spirit of Columbus*.

In summary, substantial support has been provided to the shipbuilding industry in the past and we continue to support it through a variety of initiatives. If provinces wish to supplement

our initiatives, as has been done by Quebec and Nova Scotia, they are free to do so.

[*Translation*]

**The Acting Speaker (Ms. Thibeault):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.18 p.m.)

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