

CANADA

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OFFICIAL REPORT (HANSARD)

Thursday, November 25, 1999

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, November 25, 1999

The	House	met	at	10	a.m.			
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ROUTINE PROCEEDINGS

• (1005)

[English]

GOVERNMENT RESPONSE TO PETITIONS

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

[Translation]

COMMITTEES OF THE HOUSE

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OFFICIAL LANGUAGES

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the first report of the Standing Joint Committee on Official Languages.

[English]

CITIZENSHIP OF CANADA ACT

Ms. Elinor Caplan (Minister of Citizenship and Immigration, Lib.) moved for leave to introduce Bill C-16, an act respecting Canadian citizenship.

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

INCOME TAX ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-338, an act to amend the Income Tax Act

(deductibility of expense of tools provided as a requirement of employment).

He said: Mr. Speaker, this bill is something that mechanics have wanted for a long time, which is the right to deduct their tools as a legitimate expense of their employment.

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

* * *

INTEREST ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-339, an act to amend the Interest Act (interest payable on repayment of a mortgage loan before maturity).

He said: Mr. Speaker, once again, this is a wonderful bill which would allow consumers to pay off their mortgages ahead of time, if they have the money, and to do so without penalty. Obviously, it is very sensible.

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

* *

BANK ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-340, an act to amend the Bank Act (bank mergers).

He said: Mr. Speaker, this bill arises as a result of the bank merger debate of a year ago. It basically says that before any bank merger should be allowed in this country it must be debated and approved by the House of Commons. Obviously, it is a very sensible idea.

The Deputy Speaker: I must compliment the hon. member for Regina—Qu'Appelle for the example he is setting with the succinct explanations of his bills.

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

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PENSION OMBUDSMAN ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-341, an act to establish the office of

Routine Proceedings

Pension Ombudsman to investigate administrative difficulties encountered by persons in their dealings with government in respect of benefits under the Canada Pension Plan or the Old Age Security Act or tax liability on such benefits and to review the policies and practices applied in the administration and adjudication of such benefits and liabilities.

He said: Mr. Speaker, this bill arises from the fact that we all receive a lot of representations at our offices from people having problems with the Canada pension plan and other pensions. There is a need for an ombudsman to work on behalf of the people of this country.

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

* * *

• (1010)

BANK ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-342, an act to amend the Bank Act, the Insurance Companies Act and the Trust and Loan Companies Act (repayment of a mortgage loan before the maturity of the loan).

He said: Mr. Speaker, once again, people who are paying off a mortgages, if they have the money to do so, should not be penalized by a bank, an insurance company or a trust company if they want to pay off their mortgages ahead of time. This is obviously supported by the member from the Northwest Territories.

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

* * *

CREDIT OMBUDSMAN ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-343, an act to establish the office of Credit Ombudsman to be an advocate for the interests of consumers and small business in credit matters and to investigate and report on the provision by financial institutions of consumer and small business credit by community and by industry in order to ensure equity in the distribution of credit resources.

He said: Mr. Speaker, this bill would give not only the consumers of Canada but small businesses in this country an avenue in terms of problems they may be having with credit vis-a-vis the large financial institutions of the country. Again, it is a very sensible idea.

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

PROPORTIONAL REPRESENTATION REVIEW ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-344, an act to provide for the study of proportional representation in federal elections and a national referendum on the recommendations that result from the study.

He said: Mr. Speaker, this is a bill that we should adopt very quickly. It would require a study to be done on proportional representation to come up with a formula for proportional representation that is relevant to our federation, which would be put to the people in the form of a referendum. The end result would mean that every vote in this country would be equal, that there would be no such thing as a wasted vote and that the vote of the people of Canada would be mirrored in the House of Commons, which is not the case under the first past the post system.

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

* * *

CANADA PENSION PLAN

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-345, an act to amend the Canada Pension Plan (early pension entitlement for police officers and firefighters).

He said: Mr. Speaker, we have all been lobbied by firefighters who have explained that they have a very dangerous occupation. Early death and injuries result because of toxic chemicals and the like. They are asking for the right to have early retirement so they can enjoy their pension benefits.

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

* * *

[Translation]

NATIONAL CAPITAL ACT

Mr. Pierre de Savoye (Portneuf, BQ) moved for leave to introduce Bill C-346, an act to amend the National Capital Act and to make consequential amendments to other acts (federal capital).

He said: Mr. Speaker, the purpose of the bill I am introducing today is to amend the wording in legislation referring to the national capital to read federal capital.

We are in a federal parliament here. We are federal members of parliament, the legislation we pass is federal and will be applied by federal departments and financed by federal income tax, which everyone pays. It is both natural and obvious for a parliament as federal as ours is to sit in a capital that is of necessity federal.

Moreover, my colleague from Quebec, who supports me in this bill, commented to me that the Americans call Washington their federal capital. Let us make things the way they always ought to have been. I am convinced that everyone will be happier as a result. (Motions deemed adopted, bill read the first time and printed)

* * *

(1015)

[English]

PETITIONS

IMMIGRATION

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour of presenting the following petition signed by dozens of concerned Canadians.

Current immigration sponsorship requirements are very high for an average person. Specifically, maintaining an adequate income to support an immigrant is excessive for the person to bear.

Therefore the petitioners call upon parliament to ask the Department of Citizenship and Immigration to review existing income requirements to allow all potential sponsors not to be unduly burdened by them and request that more than one person be allowed to sponsor the same individual and share the responsibility of financial support for the immigrant.

CHILD PORNOGRAPHY

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Mr. Speaker, I have three sets of petitions to present today.

The first one deals with child pornography and arises out of the issue in British Columbia. The petitioners feel that the well-being and safety of children are put in jeopardy as a result of the British Columbia court decision and appeal.

They therefore ask that the government invoke the notwithstanding clause in order to set things right. I am sure all decent people will feel the same.

IMMIGRATION

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Mr. Speaker, the second petition deals with immigration. This one is largely arising out of the situation with the recent boat people coming into British Columbia.

In this case the petitioners are asking that the government invoke changes to the Immigration Act to ensure that bogus refugees are dealt with swiftly and surely.

CHILD POVERTY

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Mr. Speaker, the final petition deals with child poverty.

Routine Proceedings

The petitioners point out that in 1989 the House of Commons unanimously resolved to end child poverty by the year 2000 and that notwithstanding that resolve it has actually increased.

They therefore call upon parliament to use the federal budget for the year 2000 to introduce a multiyear plan to improve the well-being of Canada's children.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 9 and 31.

[Text]

Question No. 9-Mr. Gilles Bernier:

With respect to Order in Council 1999-0957/00, approved on May 27, 1999, which dissolved Canada Post Holdings Limited, a wholly-owned subsidiary of Canada Post Corporation: (a) for what reasons was this decision taken; (b) which corporation will continue to hold Canada Post's shares in PLC Courier Holdings Inc, and Purolator Courier Ltd.; and (c) how will Canada Post continue to provide separate information on Purolator Courier's operations in its financial statements?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services): Order in Council 1999-0957/00 authorized Canada Post to wind-up its wholly-owned subsidiary, Canada Post Holdings Limited. Canada Post plans to act upon this authority before the end of this calendar year.

- (a) Canada Post has decided to wind-up Canada Post Holdings Limited for organizational simplification and, more importantly, for normal commercial income tax management purposes. Canada Post Holdings Limited has unexpired non-capital losses that it has been carrying forward and that will begin to expire in fiscal year 2000-01. As per normal commercial practice for taxable corporations, Canada Post is permitted to wind-up Canada Post Holdings Limited so that these non-capital losses can be utilized as tax deductions by Canada Post Corporation rather than have them expire in Canada Post Holdings Limited.
- (b) Canada Post Corporation will continue to hold 22.9% of the outstanding shares in PCL Holdings Inc. while 2875039 Canada Limited, a wholly-owned subsidiary of Canada Post Corporation, will hold another 72.9%. The remaining 4.2% is held privately. PCL Holdings Inc. holds 100% of Purolator Courier Ltd.
- (c) Canada Post Corporation's annual report will continue to provide separate financial and operating information on Purolator Courier Ltd.

Note: As of June 23, 1999, the name of PCL Holdings Inc. has been changed to Purolator Holdings Limited.

Question No. 31—Mr. Leon E. Benoit:

With regard to the groups consulted by the Standing Committee on Citizenship and Immigration on Bill C-63 in the first session of this parliament during the period from February 1999 through to May 1999: (a) which of the groups received government-issued grants and/or subsidies; (b) what was the total grant or subsidy; (c) what was the reason for the grant or subsidy; and (d) which government department issued the grant or subsidy?

Hon. Elinor Caplan (Minister of Citizenship and Immigration): With regard to groups consulted by the Standing Committee on Citizenship and Immigration on Bill C-63 in the first session of this parliament, organizations listed below received contribution funds in fiscal year 1998-1999 through May 1999, fiscal year 1999-2000, under one or more of the following Citizenship and Immigration Canada settlement programs:

Language Instruction for Newcomers to Canada, LINC, which provides training in one of Canada's official languages to adult immigrants;

Immigrant Settlement and Adaptation Programs, ISAP, which provides a variety of settlement services to immigrants, such as orientation, community information, interpretation-translation, para-professional counselling and employment-related services;

Immigrant Settlement and Adaptation Program B, ISAP-B, provides indirect services which improve the delivery of services for LINC, ISAP, or Host, such as national conventions or national publications. Proposals must involve more than one region and support national priorities;

The Host Program, which matches immigrants to Canadians who help them with various aspects of life in Canada.

(a) Organization	(b) Total \$ Contribution	(c) Program
Citizenship Council of Manitoba	\$64,000	Host
Citizenship Council of Manitoba	\$252,565	ISAP
Citizenship Council of Manitoba	\$21,167	LINC
Mennonite Central Committee	\$44,791	ISAP
S.U.C.C.E.S.S.	\$977,624	LINC
S.U.C.C.E.S.S.	\$682,875	ISAP
Canadian Council of Refugees CCR	\$34,400	ISAP B
Windsor Women working with Immigrant Women	\$135,574	LINC

Contribution agreements are signed for a total amount which covers the duration of the agreement. As the period of time for which the funding information was requested does not coincide with the periods covered by the contribution agreements, the amounts will be higher than the dollar figures for the exact period requested in the question.

[English]

Mr. Derek Lee: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

MUNICIPAL GRANTS ACT

The House resumed from November 19 consideration of the motion that Bill C-10, an act to amend the Municipal Grants Act, be read the second time and referred to a committee.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Mr. Speaker, I am very pleased to speak to Bill C-10 today. I will start by dealing with a bit of a problem that opposition members have with various bits of government legislation.

When I first came to parliament I made what is euphemistically known as my maiden speech. I am surprised feminists nowadays have not insisted we change that name. In any case, I made my speech in which I said that I was not here to oppose for opposition sake, that if the government came forward with good legislation I would be the first to congratulate it. If it came forward with legislation that had merit but could be improved, I would try to suggest constructive improvements to it. Only when it was clearly bad and virtually unfixable would I then try to oppose it very strongly.

One of the other problems we have is what to do with legislation in which there is a bit of good and a bit of bad. What do we do in that situation? Do we really congratulate them because they have actually come out with some good? Or, do we criticize them for all the things that are missing and the things that are wrong in it? In the case of the particular bill I will do both and I will do it concurrently because the merits and the deficiencies of the bill are intertwined.

• (1020)

Under the bill interest may now be paid by the federal government to municipalities. This is one of the good parts of the bill.

However, it is only if in the opinion of the minister the payment has been unreasonably delayed. Likewise, supplementary payments can be made but only if the payment has been unreasonably delayed as defined by the minister.

Some government property is currently leased to non-government third parties. In some cases these parties do not pay their taxes. Of the hierarchy of people who get tax revenues, the ones that can least afford to be hit are the municipalities, cities, and particularly small towns.

Bill C-10 proposes that the Department of Public Works and Government Services would make payment in lieu of taxes at the end of the taxation year, provided the taxing authority has made all reasonable efforts to collect the taxes and there is no likelihood they will ever collect them, if in the opinion of the minister the necessary conditions have been met. At this point I think everyone can clearly see what kind of pattern is starting to appear.

In 1983 the Minister of Public Works and Government Services established a municipal grants review committee. Its function was to provide advice on resolution of disputes between the taxing authorities and the federal government. The advice was non-binding and thus most people felt it was meaningless. We hope that this will finally be corrected under Bill C-10. Essentially Bill C-10 puts this whole process into legislation.

However, let us look at exactly how it does so. The minister hand picks the members and appoints the chair as well. With this kind of control over the advisory panel, its recommendations are non-binding to the minister. This is really a lot of show because we can see the predominant pattern once again.

Schedule IV of the Municipal Grants Act lists corporations involved in profit oriented activities and therefore pay both property and business occupancy related payments in lieu of taxes. The joint technical committee on payment in lieu of taxes recommended that Canada Post Corporation and the Royal Canadian Mint be added to schedule IV. This recommendation has been ignored.

As we know Canada Post now has a mandate to make a profit and has indeed been making a profit. Even more notoriously the Canadian Mint has been going nose to nose against private sector companies for the minting of not only Canadian coins but foreign orders and business as well. It stands to put an Alberta company out of business because the highly subsidized Canadian Mint is going into competition with it and using the stature of being a crown corporation, on top of the subsidies it gets, to compete against this private sector company.

This certainly sends a message to those who might wonder how the minister will deal with other non-binding aspects of the bill. If he ignores this recommendation, why would anybody believe he would follow a recommendation in favour of a taxing authority in any of the other circumstances I have previously listed?

At the beginning of my speech I implied that the bill had some good points. In review, those good points are so softened by the discretionary powers of the minister to suggest that they are worthless. However these problems could be fixed and could be fixed very easily.

All we need to do is remove the discretionary power of the minister and make interest for late payments a requirement for payment of delinquent third party taxes, recommend that the recommendations of the advisory panel be binding, and include Canada Post and the Royal Canadian Mint in schedule IV of the Municipal Grants Act. It is that simple and that fair. I hope the government would seriously consider putting these kinds of amendments into its bill.

• (1025)

Sometimes it is a stretch, but I have to assume that the government actually wants to write good legislation. When we see things like Bill C-68, like the Nisga'a legislation and a lot of others, we have to wonder if in fact it wants to write good legislation. In this case I think there has been at least a half hearted effort to write something with some decency in it. Perhaps it will consider these amendments.

Also the legislation gives cause to look at another situation which is in direct conflict with the alleged intent of Bill C-10. Bill C-10 sets out certain rights for local taxing authorities which in essence are local, civil, municipal or regional governments. It also makes clear that those rights are extremely limited and given only through the discretion of the federal minister. This means they can be taken away or never even granted in the first place despite the legislation.

What a contrast this makes to the unprecedented constitutionally enshrined self-government powers of the Nisga'a under the Nisga'a treaty. The Nisga'a will have the only recognized government outside the federal and provincial governments. What a comparison when we compare Nisga'a rights against those of the small towns in my riding. Towns like Oliver, Osoyoos, Grand Forks, Trail, Castlegar and Nelson will get absolutely no guarantees of anything under this legislation. Neither will large cities like Vancouver, Calgary, Regina, Winnipeg, Toronto or Montreal.

The Nisga'a legislation gives powers to approximately 2,000 people living on Nisga'a lands. It gives them the ability to direct even the federal government in certain areas. They have powers in terms of such things as schooling, policing and a variety of things over which municipalities have no say whatsoever. They even have

in their treaty a special provision for future potential taxing rights which no other town, city or municipality in Canada has.

Would it not be interesting if we went to the Nisga'a and said that there were a lot of payments they should be getting from the Canadian Government but we have made them discretionary and will decide on a case by case basis whether or not we think we should pay them? If we think we should not pay then we will not and they will have absolutely no say in it.

Let us compare that to what the Nisga'a actually get and what all the other towns I have listed get. These are towns like the ones that everybody in parliament represents. If the government wants to be fair it has to remove that discretionary consideration and at least give some pretence of giving something not only to small towns like those in my riding but even to the largest cities.

Right now the mayor of Toronto is talking about seceding from Ontario. The Bloc must have really loved that when he came out with that one. Toronto would secede from Ontario and set up a new province of Toronto. Heaven only knows it has enough people. I suspect that it would probably be the fourth or fifth largest populated province in Canada.

As it stands on the edge of expressing a desire to do this, even Toronto does not have the powers the government is giving to 2,000 people living on Nisga'a lands. What a comparison when we start talking about discretionary powers where the government may make some payment to a town or a municipality under Bill C-10.

I would like to end my comments by making an analogy that gives some perspective on Bill C-10. It promises certain things to municipalities and towns but in fact is only teasing with it because they may never see it.

I said the bill had good things and bad things. I would like to leave members with the picture of going out to a store and buying a great big meaty bone for a dog. That is good thing to do. The dog will be happy. Animal rights people will be happy. They will feel good about the good thing they have done. Then if they bring the bone home and use it to tease the dog by dangling it in front of it and snatching it away every time it reaches for it, that would be bad. That is exactly what the bill does.

• (1030)

The bill issues a potential of living up to its obligations to the municipalities, of making the payments that many of the municipalities desperately need, because they are providing services to crown owned properties inside their areas. The federal government is saying "Here is this tax. We think we will give it to you but if we think that you do not deserve it, we will not pay and there is not a damn thing you can do about it".

The government has started with something that has a little bit of potential. I hope it has the integrity and fortitude to make the changes and turn good intentions into reality.

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, the member for Kootenay—Boundary—Okanagan has made many important points relating to Bill C-10.

Grants in lieu of taxes have been a thorn in the side of municipalities for many, many years. The question always raised by the municipalities has been why the federal government does not pay its taxes like all other Canadians.

There is no doubt the approach federal governments have used for the last 20 years is very divisive. It certainly does not bring Canadians together. My hon. colleague indicated that this approach basically creates situations where mayors of large cities are calling for their own special status, whether it be in the form of creating new provinces or new city states.

With the new millennium approaching, Canadians need a new way of dealing on a level playing field in how they are taxed. There is no doubt that the Municipal Grants Act tends to give the federal government special status in the area of paying property taxes to the municipalities.

I ask the member for Kootenay—Boundary—Okanagan, should the federal government give itself special status and how does it relate to the whole principle of equality in Canada?

Mr. Jim Gouk: Mr. Speaker, I thank the hon. member for his question. He raised a couple of important points, including the whole concept of special status. He asked if there should be special status for the federal government. No, there should not be special status for anyone.

During my speech I raised the Nisga'a treaty as an example. One of the biggest objections we have to the Nisga'a treaty is that it provides special status for some. The word equality is used all the time. We hear it used by both sides of the House, yet the government grants special status to the Nisga'a under the Nisga'a treaty. It grants special status to itself under Bill C-10. Now we can see where it is coming from when it had no problem with that aspect of the Nisga'a treaty.

There is an old adage about things that flow downhill. We know what that is and where the source is. There has been a lot of downloading. The federal government has downloaded a lot of costs for things onto the provinces. But the provinces are also taxing authorities so they keep it flowing downhill until it reaches the municipalities.

In their own respect, municipalities, towns and cities are also taxing authorities but they are extremely limited. They have no actual power. It is a delegated power, unlike that of the Nisga'a who have actual self-government that is entrenched in the constitution. Municipalities have only those powers delegated to them by higher authorities.

The government with this bill is saying it may pay or it may not, and because the government has power over the municipalities it will decide whether they get paid or not. It is extremely unfair for the biggest brother in Canada to download on the little brothers, the provinces, who then download on the non-status towns and municipalities throughout the country while saying it is transferring all of its costs downhill.

For the federal government to look good it passes it to the provincial governments. For the provincial governments to survive, having lost the money but which are still expected to provide the same services, they download some of it to the municipalities. Now big brother back in Ottawa is saying it is downloading but it may not, and in some cases likely will not, pay its share of the bill. When I say likely, and in some cases definitely, I mean Canada Post in particular. The mint is also in that category but it is somewhat isolated. Canada Post is all over the country, and for the government not to put it in schedule IV is an absolute download on municipalities and towns with no hope of their collecting.

• (1035)

It is a shameful thing when the government forces new costs on those small areas and then refuses to pay its bills.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I appreciate the opportunity to speak to a piece of legislation that perhaps is not quite as sexy and certainly not as controversial as a lot of the legislation that comes before the House. However, it has a spot which is very close to my heart.

The bill deals with municipalities and the Municipal Grants Act, which now is going to be called the payments in lieu of taxes act. The reason I say it has a spot close to my heart is that as the majority of members in the House are aware, I came through the ranks of elected municipal officials. I had the opportunity and the great pride and honour to represent the city of Brandon as its mayor for three terms. Prior to that I sat on council for the city of Brandon for three terms.

Our caucus also has the distinction and honour of having a number of members who have also served honourably on municipal councils. The member for Saint John was a mayor of great renown. The member for Richmond—Arthabaska was a mayor of that community. The member for Compton—Stanstead was the mayor of that community. As well the member for Markham was a councillor of that municipality. There is a lot of experience among my colleagues with respect to municipalities, municipal requirements and certainly municipal issues.

Government Orders

This piece of legislation as was mentioned before has some good qualities to it. One of the thorns in the sides of municipal leaders all over this great country is the way the federal government looks down on municipalities and does not deal with them the way municipalities feel is right and necessary.

Even though I am standing in the House right now, I still believe very strongly that the grassroots of the first level of government is that of the municipal governments. It is accessible by its constituents. It has elected officials who are very close to the issues most important to Canadians where they reside. Canadians depend on that municipal level of government to provide them with services that are close to their needs and requirements in their homes, their municipalities and their constituencies.

Let us talk about some of those services. A municipal council and its elected officials are responsible for delivering the services that are so in need, such as sewer and water. It would be awful if we turned on a tap and nothing flowed. That is a municipal responsibility. Protective services, such as police, fire and ambulance, are needed on a daily basis by our constituents. They are provided by municipal councils. When garbage is taken away from our front steps and put in a landfill, it is the responsibility of the municipality. Roads, bridges and any other type of capital infusion or capital requirement at the municipal level are municipal responsibilities.

I mention these services because the only way a municipality can generate the revenue necessary to provide those services is through property taxes. They are services to properties and are paid for by property taxes. This is very important in this debate because property tax is levied on properties, whether they are apartment buildings, residential buildings, commercial buildings, single family homes, or buildings owned by the federal government.

Because municipalities are not recognized in the constitution, the federal government does not recognize taxation to municipalities. That is terribly arrogant.

• (1040)

Municipalities feel that they are better than that. They should first of all be recognized in the constitution as being a level of government, certainly not the first level because the federal government on the benches across the way feel that that is its right and due. There should be a recognition for municipalities.

Because the federal government does not recognize taxation as such and because it does not recognize the jurisdiction that is levying that tax, it has what is known as a grant in lieu of taxes. It is not a grant. It is a payment for services delivered to the property. In this proposed legislation it is changing it to payments in lieu of taxes. That is a little better, but why not just simply say taxes?

The normal process with respect to taxation is that everyone who owns property in jurisdictions and municipalities is assessed a taxable rate levied by the municipality. An assessment value is placed on the property by assessors, whether it be provincial assessors or municipal assessors. I as an individual have the opportunity and right to question that assessment. I have the right to go to a court of appeal, usually a municipal court or board of revision and question the assessment that is placed on my property. If I do not like that, then I go to the next level. In Manitoba it is the municipal board where I can then argue that the assessment is either right or wrong. If I lose at that level I can then go to the Court of Queen's Bench and argue that my assessment is out of whack.

The federal government however does not follow those rules. It simply says that it is arbitrarily going to change the rules and decide what the assessed value is on the property. Nothing changes in this proposed legislation to change that arbitrary distinction.

Mr. Speaker, I am splitting my time with the member for Madawaska—Restigouche. I understand that I have five minutes left.

As I was saying, the federal government does not have to follow the rules of the province of the jurisdiction where it is questioning that assessment. We could say that should be okay. The government in this bill has proposed an appeal board. From personal experience I can say that there is an arrogance at the bureaucracy level of the federal government.

I will give some examples where federal government officials decided that they did not want to pay the assessed value of a property. There was one instance in my municipality when I was sitting as mayor. The provincial assessors decided that there was a specific assessed value of a property of the federal government. Arbitrarily that value was reduced by 50%.

That is like someone with a residential property saying to the municipality, "I don't like the assessed value that you placed on my property. Therefore I am only paying half of what you are going to assess me in taxes". Unfortunately there are remedies for that. The municipality could then say, "That is too bad. If you don't pay the whole amount, we will take your property in a tax sale". The municipality cannot do that with the federal government.

Arbitrarily the government officials reduced the true value of the property to half of its level. We then had to go to an appeal panel. When I appeal assessments I like to look in the eyes of the people I am appealing to. The suggested approach at that time was to send a letter to the appeal panel that was going to be put in place by the federal government. There would be no opportunity to argue our position and the panel would make a decision. That is like appointing the judge, the jury and the executioner. There was no effective appeal.

The government has changed that now. It now has an appeal panel of 26 people minimum. Again they are approved and appointed by the federal government. Perhaps a lot of unemployed former Liberal MPs would like to find themselves sitting on that appeal panel, which I do not have a lot of faith at the municipal level of having an honest, fair and equitable decision being made. I am not happy about that area of the bill.

I am not happy that municipalities are not identified as a level of government. They provide more and better services than the federal and provincial levels.

Another thing I am not happy with is the way that the legislation has come forward.

• (1045)

As the mayor of the city of Brandon, I had the opportunity to sit on the board of directors for the Federation of Canadian Municipalities for some eight years. It is an organization that represents almost every municipality across the country. When the federal government brings forth legislation to put into place a very important aspect of taxation should it not sit down with the Federation of Canadian Municipalities and get its understanding, its feel and its approval for a piece of legislation before it comes forward? At the very least, should the federal government not inform the FCM that this piece of legislation is coming forward and what the make-up will be of the legislation? It did not happen and I have absolutely no idea or understanding as to why.

We will support the legislation going back to committee. We will support having full, open, honest debate and discussion at committee level. However, we beseech the government of the day to make sure it deals with this piece of legislation honourably and that it puts into place the necessary requirements to make sure that municipalities are treated properly and not with the arrogance that has been seen from this federal government toward the municipalities over the last six years.

[Translation]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, it is a great honour and privilege for me today to be able to speak on this bill.

My colleague said that he used to be the mayor of a municipality. The municipal level is very dear to my heart, for my father was the mayor of the city of Campbellton until his death a month ago. I can therefore say that today's bill is close to my heart, and that is why it is a privilege and a pleasure to speak to it.

[English]

In conversations with representatives from the Federation of Canadian Municipalities, the FCM, it is abundantly clear that municipalities and their organizations do not appreciate having the legislation rammed down their throats. Municipalities were not given any advance notice that the legislation was being introduced. No information, no background notes, no news releases, no summaries and no other materials were sent out to these various municipalities. These municipalities are on the front line serving our constituents. They are the front line government and I believe the most important government in our federation.

The municipal governments have not had time to study the bill and respond to it. In the case of the FCM, it has not had time to consult its members on the bill. This begs the question: If this is such a great piece of legislation, what is the rush?

We all know from experience that when legislation is rushed through the House mistakes often get overlooked. Quick legislation is bad legislation. As a member of the House and as a member of the committee, along with my colleagues, that will attempt to clean up the mistakes in the bill, I call on the government to allow more time for the House standing committee to work on the bill and more time for municipalities and other stakeholders to ensure that the legislation will correct past problems without creating new ones.

Speaking of past problems, the very fact that we have a Municipal Grants Act is a bit of an absurdity of history since the government does not officially recognize the existence of municipalities. Towns, cities and local service districts are not mentioned in the constitution. They have no official mandate. They are entirely a creation of provincial governments. Furthermore, the federal government has a constitutional exemption from paying local taxes.

The problem is that the federal government, which owns property in almost 2,000 municipalities across the country, benefits from all kinds of municipal services, such as water and sewage, roads and other infrastructure. Those services are not free. In spite of its constitutional exemption, the federal should pay for those services like every other good property owner in Canada.

● (1050)

This paradox was resolved in 1950 with the passage of the first Municipal Grants Act which has been updated and revised many times, most recently in 1990. Since 1980, there have been a number of issues pop up that the current legislation does not and cannot resolve. This is the basis of the bill that we have before us today.

For example, a couple of years ago, I remember that there was a dispute between the Department of Fisheries and Oceans and local municipalities as to whether the department had to make a payment in lieu of taxes on wharves.

Not too long ago, the federally owned Aéroports de Montréal protested a property evaluation by the city of Dorval. Ottawa

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re-evaluated the land at \$100 million less than the property assessment and told the city that if it did not like it, it could contest the figure before a federal government appointed tribunal.

In my home province of New Brunswick, the provincial department of municipalities estimates how much municipalities will receive from federal payments in lieu of taxes and pays them that amount. The department then goes about collecting the payments from the federal government, but it is only sometime later that the federal government actually pays the amount due and, in some cases, the payment has taken years.

In 1995, the city of Halifax yelled foul when, after increasing the evaluation of the Citadel from \$15 million to \$36 million, the federal government reduced its evaluation from \$15 million to \$1.2 million. Short of going to court, the two governments had no ways of resolving this dispute.

In 1992, the Government of Quebec gave municipalities the right to replace all or part of their business occupancy taxes with a new real property tax. The result was a sudden \$41 million increase in the federal payments to Quebec municipalities.

In Ontario, the provincial government eliminated its business occupancy tax. To make up the lost revenue, Ontario municipalities increased their commercial real property tax rates by an average of about 45%. These reforms cost the federal government as much as \$100 million a year more in payments in lieu of taxes in leasehold occupancy costs. Furthermore, crown corporations are paying approximately \$30 million more.

As well, a freeze on payments from 1993 to 1995 made municipal governments mistrustful of the federal government and made the current system unreliable.

Clearly, it is time to update the legislation to deal with these problems that have presented themselves in recent years.

The bill before us today proposes changes in a number of these areas. The bill would change the name of the legislation from Municipal Grants Act to the payments in lieu of taxes act, while references in the legislation to "grants" will be replaced with the word "payments". This is to better reflect the nature of the program and the relationship between the Government of Canada as a property owner and Canadian and municipal governments.

The bill proposes introducing compensation for late payments by the federal government to municipalities. It also would give the authority to Ottawa to make payments when tenants on federal property default on their local tax bills. These are important changes under which the federal government accepts a position much closer to that of other property owners regarding its tax obligations.

It would establish a dispute advisory panel under the act with a minimum of two board members from each province and territory. The advisory panel would recommend solutions to the minister when disputes arise between municipalities and the federal government over the appropriate amount of payments.

Outdoor swimming pools, golf course improvements, outdoor theatres, residential driveways and employee parking improvements would be added to the definition of "federal property" and the bill would clarify the wording of the act as it relates to a non-building structure.

• (1055)

As well, Bill C-10 proposes to improve the predictability of payments for municipalities by clarifying how payments are calculated for federal farm property and how deductions are calculated when municipalities are unable or unwilling to provide the federal property with equivalent services to those received by similar private property or structures. It would also clarify the status of Parks Canada assets as federal property.

Although the bill does introduce some important changes, there is one important area where I have strong reservations.

Other than section 4 of the bill, which states the intent of the act and which I think is a waste of space as it accomplishes nothing, I would say that 90% of the bill is an improvement over the existing legislation. The important exception is in section 14, which would establish a new dispute advisory panel.

There are two major difficulties with the proposed new panel, the first being one of fairness and balance and the second being the composition of the panel.

Imagine a court trial in which the defendant got to pick his own jury, got to pay the jury and install himself as final judge with no chance of appeal. How would the defendant do? I suspect he would win just about every case. Would we describe this system as fair? I do not think so. Yet this is exactly the kind of dispute settlement panel the minister has proposed in Bill C-10.

Differences in opinion often arise between municipalities and the federal government over how much the crown owes for payments in lieu of taxes. These disputes are often based on the valuation of a property or the definition and classification of a property.

What the minister has proposed is that he should establish an advisory panel composed of a minimum of two persons from each province and territory, for a total of at least 26 members. The members will be chosen only by the minister, and we can just imagine who will be chosen. The minister will decide how qualified the members of the panel need to be. He will pay them \$125 per hour plus expenses and they will report only to him.

The minister can fire any of the members of the board at any time for any reason if, for example, he disagrees with their decision. He can completely ignore any decision of the panel if it suits his purpose and his decision is absolutely final. There is no appeal. Not a bad deal. So much for fairness.

On issues related to the composition of the panel, let us look at section 14 in more detail. Subsection 14(1) proposes, as I have said, a panel consisting of no less than two members from each province and territory with relevant knowledge or experience.

My first reaction was that once the bill passes, there will be 26 very happy Liberals across the country who will have brand new patronage jobs. After all, \$125 an hour plus expenses is a pretty good day's work.

I call on the other members of the House to support the bill at second reading so we can get it into committee and hopefully fix some of these problems.

[Translation]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, I am pleased to rise today to speak to Bill C-10, an act respecting payments in lieu of taxes to municipalities, provinces and other bodies exercising funtions of local government that levy real property taxes.

(1100)

What does that mean exactly for the ordinary folk? I refer to the bill's summary, which states:

This enactment amends the Municipal Grants Act to improve the fairness, equity and predictability of payments made under the Act. A statement of purpose is included. The enactment establishes an Advisory Panel to advise the minister on disputes concerning payment amounts. It addresses the issues of compensation for untimely payments, defaults on tax obligations by certain tenants of the Crown and the bijural nature of the Canadian legal system. The enactment also makes other amendments of an administrative nature.

The Bloc Quebecois agrees in principle with this bill. And even though we have concerns about some of the points we do not agree with, we will vote in favour of the bill. We disagree on some very specific points. First, on the need to pass this bill in a hurry. We know it has been around for two years. Now all of a sudden it requires urgent attention.

A number of municipalities are currently complaining about being unable to examine this bill in depth and to meet with their member of parliament. I would have liked to meet with the municipalities in my riding—there are 12 of them—to really find out what points bother them. Unfortunately, they are not being given the time to do that, since the government is moving quickly to get this bill passed.

There is also the minister's discretionary power. It is true that such power is found in a number of bills, but I wonder when the government will truly decide to give more power to those directly concerned, in this case the municipalities, and to reduce the discretionary power of the minister who, in the end, is the one who decides and who simply does as he pleases.

I will also talk about the advisory panel—a bogus panel, in my opinion—to which people will be appointed to give advice to the government, not to make any decisions. Also several federal properties are being excluded.

I must say that the new title of the bill is less paternalistic, closer to reality—something which is important to those concerned—and clearer. There is a lot of talk about clarity these days—I will get back to this later on—since, all week, the word clear was constantly being raised during oral question period. It is important to talk about clarity.

It is true that the title of this bill is a little clearer than the former one, which was "Municipal Grants Act". That title suggested that the federal government was giving grants to municipalities. A grant means a donation or a gift, but that was not the case.

Actually, these grants were used by the federal government to pay for services provided to its properties located on provincial and municipal land. The new title is a little clearer, a little more accurate than the former one, and the minister deserves praise for this giant step.

(1105)

Judging by the number of times it has used a gag order to cut off debate during the consideration of bills, it cannot be said that this government is always clear. Quite the contrary.

I think that some clarity is in order from this government, which wants so much clarity from the provinces, particularly the Province of Quebec, when it comes to past referendums and referendums not yet held. As recently as yesterday, during oral question period, the Prime Minister was working himself up and saying that he would not negotiate the morning after a referendum if the question was not clear, regardless of the supreme court ruling. Yet this was not what the supreme court ruled.

The supreme court said that it was not up to the Prime Minister to decide whether or not the question was clear. The supreme court ruled that he must negotiate, failing which Quebec could take action.

Speaking of clarity, here is another example. I remember the 1980 referendum, in which Pierre Elliott Trudeau, with the help of his henchman, told us that a yes meant no, that a no meant yes, that Quebecers were telling him they wanted change in the federal system, and that there would be change. He staked his life on it. With the sort of clarity that calls a yes a no and a no a yes, the results are not surprising.

Recently, in the great rally in Montreal just before the 1995 referendum, the present Prime Minister promised Quebecers that he would renew Canadian federalism. "Decentralized federalism" was what he called it. At the present time, we are faced with a

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centralizing and dominating federalism that no longer even recognizes this founding people, the people of Quebec.

Clarity is something this government was desperately in need of. That is why the minister must be congratulated on at least changing the title of the bill to make it clearer. The new title is less paternalistic and more realistic, as I said, and the Bloc Quebecois agrees with the change. As I have also said, however, the Bloc Quebecois still has questions on certain very specific points.

We have difficulty recognizing the discretionary ministerial power in this bill. Instead of appointing a panel to advise the minister, it would have been easy to give this panel real power.

As has been done in a number of areas, the municipalities could have appointed one person, the government another. These two could have appointed a third and, instead of advising the minister, the panel could have really settled disputes between the municipalities and the federal government. But no, the minister appoints the members of an advisory panel whose role is to provide him with information.

An hon. member: A panel made up of buddies.

(1110)

Mr. Maurice Godin: Mr. Speaker, as my colleague has said, this panel will very often be made up of friends or of candidates defeated in the last election. The panel will advise the minister, but it is the minister who will have the last word and make the decisions. It is not, therefore, surprising to see so much conflict between the federal and the provincial or municipal levels of government.

Another point that raises questions is all that is not included in the definition of "federal buildings", for instance:

- (a) any structure or work that is not a building designed primarily for the shelter of people, living things, plant or personal property or, for greater certainty, any structure, work, machinery or equipment in. . .,
- (b) any real property developed and used as a park and situated within an area defined as "urban" by Statistics Canada, as of the most recent census of the population of Canada taken by Statistics Canada, other than any real property acquired pursuant to the National Parks Act or the Historic Monuments Act or any real property that is occupied or used as a park and has been prescribed to be included in the definition "federal property" pursuant to...,
- (c) any Indian reserve, except for that part of the reserve
 - (i) that is occupied for residential purposes by an employee of Her Majesty in right of Canada who would not, but for that employment, live on that reserve. . .,

Follows a whole list of real property the government reserves for itself, perhaps because of the Constitution. However, I think the government could have used this bill to try to put some sort of order in all of this.

Why does it not pay for the services provided this real property? According to the Parliamentary Secretary to the Minister of Public Works and Government Services in her speech at first reading, and

I quote: "The government is provided with direct and indirect useful services in exchange for payments in lieu of taxes". So they recognize that it is really to pay for the services they receive.

Where is the statement found in the bill's summary I read earlier about improving the fairness, equity and predictability of payments?

Why does the government not pay its due to the provinces and municipalities, since we know that, in 5 years, it will have taken \$95 billion in surplus away from the provinces and the municipalities? This kind of money is certainly not growing on parliament hill. This money came from the unemployment insurance fund, from cuts to transfers to the provinces, and from higher provincial taxes because of a lack of indexing, not from parliament hill.

The government should have given this money back to the municipalities and the provinces, because they need it to manage and pay the services provided to federal properties. Again, it would have allowed them to balance their budgets.

Instead, the federal government keeps accumulating surpluses and investing the money in new programs it will eventually drop. But the provinces and municipalities will have to pay for and keep providing services which, some day, the federal government will simply drop.

The Prime Minister recently boasted about having surpluses and not knowing what to do with them.

• (1115)

This bill provided the Prime Minister with an opportunity to do something with these surpluses, if only he had given time to the municipalities to come and meet their members of parliament and if he had agreed to really pay for services provided to the federal government by the municipalities.

The Prime Minister had a golden opportunity to return the federal surpluses to the provinces or municipalities, where they are most needed.

In conclusion, we disagree on three major points, namely the discretionary power, the bogus panel that the government will set up merely to exercise its discretionary power, and the whole part concerning real property, properties for which the government could have transferred money to the provinces and municipalities. However, as I said earlier, just because some clarity has been put in the bill and openness was demonstrated on a number of points, the Bloc Quebecois will support the bill.

[English]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I found it very interesting to listen to some of the criticism by the Bloc of the bill. I have a few questions that I would like to ask in this regard.

It becomes abundantly clear, when one has been in the position I have been in for a number of years, that when funds are collected by the federal government the handling fee, so to speak, becomes very great. I know the Bloc is pushing for a lot of the money to be transferred back to the provinces and so on, but we are talking about municipalities.

Would the Bloc agree that it would be better not to have the money sent to the federal government? Would the Bloc agree that we should leave the money in the municipalities, leave it in the constituencies, and let the people decide the level of tax they want?

We in the Reform Party firmly believe, if we want effective government services, that the closer those services can be delivered to the people the better off they will be. I wonder if the member would agree with that. He talked about the federal surplus. What is wrong with reducing taxes? Why not leave the money in the pockets of the people?

Anyone who has studied this point has come to the conclusion that if we want to create real jobs we have to reduce the tax burden. The biggest tax burden is imposed by the federal government. That would do more to stimulate the economy in local constituencies than anything else.

Would the member agree that the money should be left with the people? We should let the people of Quebec, the people of the local municipalities, decide. A tremendous bureaucracy is developed in the federal government when it is allowed to tax at the level it has taxed, and there is a huge handling fee.

Property taxes in Saskatchewan are a huge problem because two-thirds of the component of property taxes go toward education. This puts an unfair burden on certain groups of people such as farmers who are trying to make a living from the land. Would the member not agree that if a certain level of government such as a provincial government handles education in a province it should be the one to equitably fund it?

(1120)

[Translation]

Mr. Maurice Godin: Mr. Speaker, I thank the member for his three questions.

The short answer is yes. I agree with him, and this is one of the reasons the Bloc Quebecois is here now. Since it is impossible to renew this federalism, we have no choice but to work toward the sovereignty of Quebec. Why? Because we feel that the federal system—and I agree with the member on this point—is costing a huge amount of money.

Why collect taxes from the provinces, transfer them to Ottawa and, according to the whim of the federal system, hand them back to the provinces, having taken a small cut? I agree with him 100%.

The other week, the Premier of Quebec said "Give us a federal system similar to that of the European Union and I will go for it

immediately". How does the European Union operate right now? It consists of autonomous governments that give a mandate to the higher organization and pay accordingly. I am in full agreement with such an approach. The provinces should collect taxes and pay Ottawa for the services they receive, as simple.

The federal government is introducing all sorts of services that are costing us a lot of money and doing us no good. This is money that could benefit the provinces.

As the saying goes, if you want it done right, do it yourself. My thought entirely. That is what the Bloc Quebecois is trying to do here, to move this outmoded federal system forward. If this is not possible, the only way left to us to achieve the goals mentioned by my colleague is by working toward sovereignty for Quebec.

[English]

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, it is very interesting the hon. member suggested that in the end they would support the bill. There are a lot of things in Bill C-10 that I would support. However there are a couple of questions I would like to ask him to clarify whether the hon. member would like to see the bill amended to meet some of the other requirements that ought to be in it.

For example, we are talking about crown corporations. Schedule IV lists all crown corporations that make money and are there for profit. One in particular is the Business Development Bank of Canada. That bank is included as a crown corporation that must pay business tax because it is in the business of making money for the Government of Canada.

Three corporations are also making money for Canada. They are the Canada Mortgage and Housing Corporation, the Canada Post Corporation and the Canadian Mint. These three corporations are excluded from schedule IV. In my opinion they ought to be included because they should pay business tax to the municipalities as do all other businesses in the area. Indeed there are other crown corporations that pay it.

The requirement in the bill is that the minister may pay business tax to municipalities for those corporations listed under schedule IV. Would the member agree that these three corporations—the Canadian Mint, Canada Post and Canada Mortgage and Housing Corporation—should also be included under schedule IV?

[Translation]

Mr. Maurice Godin: Mr. Speaker, I am totally in agreement with what my colleague has just said.

As I have just said, we are going to vote yes, but with a great many reservations on certain unfortunate points, the very ones he has just listed.

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This is why I said that this famous panel ought to have had greater powers, precisely so as to provide the municipalities with support in certain areas.

• (1125)

In my opinion, it is a cut and dried issue. If the federal government has buildings, or receives services in a municipality, then it should quite simply—particularly with the huge surpluses it has—at least pay for the services it receives, just like John Q. Public does.

This would enable the municipalities and provinces to breathe easier and to balance their budgets.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, I thank my colleague from Châteauguay for the clarity of his remarks, because this is obviously not a simple bill.

He made frequent reference to clarity. I know that I will have to be brief, because the ten minutes for questions and comments go by quickly.

Before I question him on the bill as such, I would like to put a question to him about the debate currently under way in the House of Commons, especially during oral question period and also in the media, on a clear question for the referendum.

Let me mention in passing that the Prime Minister, who apparently spends more time in the Ottawa area than at his cottage at Saint-Jean-des-Piles, I think, voted in that riding.

If the Prime Minister understood the referendum question in 1995, why, in his opinion, did the other Quebecers not understand in

My question on the bill before us today is the following. Why does the hon. member think it is urgent to have this bill passed in a hurry, when, in the case of a bill that could help municipalities develop substantial programs for the future—such as the infrastructure program—the government is dragging negotiations on or not beginning them in order to reach a rapid conclusion, instead of one that is expected in December 2000?

My questions are: Why act with all haste with this bill, putting the other issue on cruising speed, and, why, in his opinion, if the Prime Minister understood the referendum question would the other Quebecers not be at least as intelligent as he is and would they not have understood it too?

Mr. Maurice Godin: Mr. Speaker, I thank my colleague for his two questions. Since I must be quick, let me simply say that, regarding his first question, I am convinced the Prime Minister understood the question very well, as all Quebecers did. Let us not forget that 93% of Quebec voters actually voted in the 1995 referendum.

The Prime Minister understood the question very well and if he had won by 15 or 20 points, he would now be the first one to say that the question was very clear. But he won by 0.4%. And since I now know the number of people who voted at the very last minute, I do not think the federal government really won. This is why the Prime Minister is so intent on setting the rules governing the next referendum.

As for my colleague's second question, I too wonder why we must proceed so quickly. The other day, there was a question in which it was mentioned that municipalities were asking the government to get the infrastructure program going again. Last week, the minister told us that this would not happen until December 2000.

The government is taking its time regarding infrastructures, and yet they are urgently needed. However, as regards this bill on municipalities—and I see that the Chair is signalling to me—I will conclude by telling the hon. member that I too cannot understand why the government is in such a hurry, considering there are so many other urgent things to do.

The Speaker: It is my duty to inform the House that there will now be 10 minutes for debate, with no questions or comments.

• (1130)

[English]

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, it is always a delight to be invited to speak while Your Honour is in the chair, someone who truly understands the procedures of this place.

I would like to begin by expressing my opposition to the bill before us today, Bill C-10, an act to amend the Municipal Grants Act.

As we have heard, this bill purports to amend the federal government's relationship with municipalities. As we know by the original act of confederation, the Constitution Act, 1867, the federal government and its legal creatures were excluded from having to make tax payments to subsidiary levels of government, namely those of the provinces and the municipalities.

It has been common practice since 1950 for the federal government to assist municipalities in covering the cost of services provided to the federal government and its creatures operating in those places through grants in lieu of taxes or payments in lieu of taxes.

The bill seeks to regularize and modernize the payment of those grants. However, we believe it is filled with loopholes because it provides far too much ministerial discretion, as do so many other bills we see in this place. There is far too much discretion given to

the minister and the executive branch of the federal government to choose whether it will make adequate payments and grants in lieu of taxes to municipalities.

Let me begin by saying in principle that we in the official opposition, the Reform Party, believe strongly that municipalities are the first order of government. We believe strongly in the principle of subsidiarity, a principle deeply rooted in political theory, which suggests that the order of government which is closest to the people ought generally to provide the most services; that is to say, proximity to the people who are being served is the best criteria for determining whether a level of government should provide a service. We would tend to place a preferential option on municipalities. We think they are the most important level of government and that generally the role of the federal government should be reduced and minimized while the role of municipalities should be strengthened and upheld.

It is amazing how long it takes for this place and the federal government to work. I understand that this bill originally resulted from a panel of the public works department in 1992, which was an effort to review payments in lieu of taxes. Then it took until 1995 for the joint technical committee on payments in lieu of taxes to do its work. Here we are in 1999, virtually into the next century, before the legislation is actually introduced and acted upon. It has been eight years, with different governments and three parliaments, before action was taken. So often important legislation and important changes are just left to stew in the back rooms and these reports left to gather dust on shelves while we deal with less important priorities.

What really concerns me and my colleagues about the bill is the extraordinary discretion it gives to the minister of public works with respect to payments in lieu of taxes. The bill does not require the federal government to provide payments to municipalities in lieu of taxes. It leaves that up to the minister and his discretion. I refer specifically to the proposed subsection 3(1) of the bill, which states that the minister may, not must or shall:

—on receipt of an application in a form provided or approved by the Minister, make a payment out of the Consolidated Revenue Fund to a taxing authority applying for it—

That is to say, a municipality:

(a) in lieu of a real property tax for a taxation year, and

(b) in lieu of a frontage or area tax

in respect of federal property situated within the area-

If I look at the current act, which this bill seeks to amend, the wording in Bill C-10 is essentially the same. It is almost the same. We will not change the nature of the relationship between the federal government and the municipalities in this respect.

• (1135)

The Reform Party includes in its statement of policies and principles, its blue book, the statement that we will insist that all laws pertaining to individuals and the private sector apply equally to the Government of Canada, its personnel, its agencies and parliament. We believe that this should not be a discretionary matter left up to the whim and will of the minister, but rather we should recognize by act of parliament a positive legal obligation of the Government of Canada to pay for municipal services which it consumes, that it pay its fair share.

Not only does the bill give enormous ministerial discretion, but the bill also fails to include certain agencies and crown corporations of the federal government in Schedule IV of the act. We will propose at report stage or at committee that the schedule be amended so that the Canada Post Corporation, the Royal Canadian Mint, the Canada Mortgage and Housing Corporation all be added to Schedule IV so that they, as creatures of the federal government, be included in the system of payment in lieu of taxes.

It really disturbs me that it is not just in the bill that we see the government's tendency to treat itself to a different legal standard from the standard we impose and expect from other Canadians and other levels of government. For instance, I have a private member's bill on the order paper, which is now No. 29, which is an act to amend the Income Tax Act regarding allowances paid to elected officials. It will be of interest to Canadians to know that the same parliament which is not going to require the federal government to pay its fair share of municipal taxes similarly does not require members of parliament to pay their full share of federal income taxes. Believe it or not, by act of this place we exempt elected officials, alone among all Canadians, from school board trustees to MLAs, MPPs and MNAs, and members of parliament are allowed to exclude one-third of their real income, the equivalent of one-third of their taxable income, from taxes through the so-called non-receiptable expense allowances, which is just an effort to legally avoid the same tax obligation we impose on the rest of Canadians.

If members of this place take out their pay stubs they will see that they are not required to pay the employment insurance premiums which we impose on the rest of Canadians, the same employment insurance premiums which are operating now at a \$20 billion surplus, which is allowing the finance minister to pad his budget and cook the books.

We believe, as I said before, that all laws pertaining to individuals and the private sector should apply equally to the Government of Canada, its personnel, its agencies and parliament. That means that we must pay our fair share of municipal property taxes, and Bill C-10 should be amended accordingly.

It also means that members of parliament should pay their full share of income taxes and that all of our regular income from the

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federal government should be taxable, for full transparency, so we do not treat ourselves to a separate legal standard. It means that we should pay the employment insurance premiums that we impose by power of the coercive law of this place on the rest of Canadians. In fact, if we look at the members of parliament pension plan, there too we have treated ourselves to a different legal standard than is generally available to Canadians through pension plans registered under the Income Tax Act.

In all of these respects parliament should come back to the first principle that we should abide as individuals and as a government by the same laws that we impose upon everyone else.

Mr. Speaker, if you are a municipal property taxpayer, a corporation, a small business or a resident and you fail to pay your full share of property taxes to a municipality, there are legal sanctions. You could have that property taken away from you. If the federal government refuses to do so, if the minister fails to use his discretion, there is no sanction which those municipalities can impose upon us.

I call upon parliament to abide by the same law we impose on the rest of Canadian society.

● (1140)

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, it is a privilege to speak to Bill C-10, as it universally affects most Canadians, for we have become a nation of city dwellers, living within highly organized municipalities. Within these political city or municipal units the federal government and its crown corporations have vast holdings of land and improvements which are not subject to local municipal taxes. Nevertheless, the federal government began making payments in lieu of property taxes in about 1950, following years of persistent representations by the Federation of Canadian Municipalities. With 63,000 buildings and parcels of land the Government of Canada is the country's largest municipal property owner. The federal government makes payments in lieu of taxes to some 2,200 local governments.

There is a long history to the rule that a lower order of government does not tax the higher one. Municipalities are the creation of the provinces and certainly within their powers they have not been given the ability to tax federal lands and buildings, such as a local armoury or military base. This bill will amend the Municipal Grants Act, at it is claimed that it will improve the fairness, equity and predictability of payments made under the act from the federal government to municipal governments.

The enactment establishes an advisory panel to advise the minister on disputes concerning payment amounts. It addresses the issues of compensation for untimely payments when the bureaucra-

cy cannot get its job done on time, perhaps if there is an interpretation dispute or when there is a default on tax obligations by tenants of the crown.

Although its property is exempt from taxation under the constitution, the Government of Canada, through this bill, accepts the responsibility to pay a portion of the cost of local government in communities where it owns property.

In 1950, at the pleading of the Canadian municipalities, the government established a program of payments in lieu of taxes. Federal agent crown corporations also make payments in lieu of taxes and the corporations themselves manage the payments.

The point of tension between municipalities and the federal government has been longstanding in this area. The bill attempts to improve the practice of giving money instead of submitting to local taxation.

In one section of the bill the minister is given the authority to pay interest on payments in lieu of taxes if it is in his opinion that a payment in whole or in part has been unreasonably delayed. Through regulatory instruments and amendment to the crown corporations grants regulations, crown corporations may now make supplementary payments for payments that are unreasonably delayed. Is it not nice of them to be so benevolent?

Of course there is no legal requirement to pay or set penalties for not paying on time. Municipalities have such authority for the lowly homeowner, but the federal government would never submit itself to the same standards, especially to pay the full going rates of everyone else. There is no change here. The government is able to set its own property values and pay lower property taxes than might otherwise be levied.

The government also leases some of its property to non-departmental third parties. In the past, municipalities have experienced some difficulty in collecting property taxes from some of these third parties, with payments sometimes never being made. To correct the situation Bill C-10 proposes that if after the last day of the taxation year all or part of the taxes remain unpaid and if in the opinion of the minister the taxing authority has made all reasonable efforts to collect the taxes and there is no likelihood that the authority will ever be able to collect, then the property will be deemed to be an operational federal property and the government will pay the benevolence payments, for that is what they still are. The bill is very clear that there is no power to tax and no rights are created. However, the government says through Bill C-10 that it will be benevolent.

It is good that the bill proposes to include some structures and improvements that used to be excluded from payments, such as crown corporations. Schedules III and IV of the Municipal Grants Act outline the crown corporations that are eligible to pay benevo-

lence payments if they do not pay real property tax or real business occupancy tax. Those contained in Schedule IV are corporations involved in profit oriented activities and may therefore pay both property and business occupancy related assessments.

The joint technical committee on payments in lieu of taxes recommended that the Canada Post Corporation and the Royal Canadian Mint be added to Schedule IV, but surprise, surprise, they do not appear in the bill.

In the private sector disagreements about property values are handled through a formal appeal process and the decisions are binding on both parties, but in the case of the federal government this process is not used.

• (1145)

The value is used to calculate payments or to determine under federal authority the one who pays, and not within the jurisdiction of provincial and territorial tribunals. Would private companies not love to set their own rules for how much they are going to charge themselves for property taxes?

In 1983 to give municipalities a way of redress when they disagreed with the amounts of the payments in lieu of taxes, the minister established a municipal grants review committee, MGRC. This panel provides the minister with advice on the resolution of disputes between taxing authorities and the department concerning the valuation and classification of federal property. The decisions of the MGRC are given in the form of recommendations which the minister is not obliged to accept. This has given the municipalities the impression that the process is, to say the least or charitably, biased against them. It certainly is not a full independent delegated authority like a municipal board of referees for residential assessments.

Bill C-10 simply puts into legislation the status quo that was implemented in 1983, with the minister hand selecting the advisory panel from at least two members from each province and territory. The federal minister also appoints the chairperson from those members. Sadly, the recommendations are non-binding.

In summary the bill has some merit but warrants improvements, particularly regarding payments by crown corporations with the inclusion of the Royal Canadian Mint, Canada Post Corporation and Canada Mortgage and Housing Corporation in schedule IV to make them eligible to pay business occupancy payments in lieu of taxes. Additionally the minister and crown agencies maintain too much discretionary power. Reform has said for years "The Reform Party will insist that all laws pertaining to individuals and the private sector apply equally to the Government of Canada, its personnel, its agencies and parliament".

Bill C-10 still provides for ministerial discretion as to whether or not payments will be made by the government and there is no binding means of recourse in the event of a dispute. This is not the

(1150)

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case for the private sector where the payment of property and business occupancy taxes are mandatory and the decision of appeals are binding on both parties. The Government of Canada and its crown agencies still maintain their privilege.

The Liberal government has been verbose on the accomplishments of this bill. I do not need to repeat them. On the disappointment side, the minister and crown agencies maintain too much discretionary power. Recommendations of the dispute advisory panel are non-binding. It merely maintains the old ways of behaviour and entrenches into legislation the common practices that were put in place about 16 years ago. The Royal Canadian Mint, Canada Post Corporation and Canada Mortgage and Housing Corporation should be added to schedule IV in order that they may be eligible to pay business occupancy payments in the municipalities where they reside.

I give the final word to the Federation of Canadian Municipalities. More often than not, the Reform Party has a better idea because we listen and strive to be accountable. We have a clear notion of whom we are working for, unlike the Liberals. The federation said about legislation on federal payments that the Bloc, Liberals, NDP and PCs were all on probation on this count as their policies did not make the grade. Municipalities have maintained that the federal government has an obligation to pay its portion of property taxes like everyone else.

The Federation of Canadian Municipalities gives some credit to the Liberals for their efforts to negotiate improvements to the program, but it still places them on probation for failing to make an explicit commitment to respect future provincial taxation principles. However, the Reform Party passes its examination with our commitment to legislated accountability and to subject the federal government to the same general tax laws as everyone else.

With Bill C-10, the Liberals again show that they are slow to change. I hope they will permit sufficient amendments at the committee stage to fully respond to the Canadian public agenda of reforming and renewing the federation.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I would like to make a few brief comments before the debate on this bill is over.

I have looked at this bill and have done some studies on my own. I asked some questions of the lawyers who do research for us in this esteemed place. I asked them to examine some of the recent legislation in the House to find out which of those pieces of legislation take powers away from parliament and give them to the bureaucracy. They had never been asked a question like that. They were absolutely astounded when they finished examining the first six pieces of legislation and found that in every single instance it was taking power away from parliament and giving it to the bureaucracy. This bill is not any different.

One of the real problems the Reform Party has with what is sometimes called a housekeeping bill or legislation that is very innocuous is that it maintains or increases the power of the bureaucracy. That is the biggest problem we have with this bill.

One Reform Party policy states very clearly under the topic of parliamentary reform that we believe and insist that all laws pertaining to individuals and the private sector apply equally to the Government of Canada, its personnel, its agencies and parliament. That is one of the things the Reform Party stands for.

Bill C-10 still provides for ministerial discretion as to whether the payments in lieu of taxes will be paid by the government. There is still no binding means of recourse in the event of a dispute over payment. The power still lies with the federal government. This is not the case for the private sector where the payment of property and business occupancy taxes are mandatory and the decisions on appeals are binding on both parties.

The Government of Canada and its crown agencies maintain privileged positions. They are not relinquishing that in any way, no matter what the appearances are in this bill. That is a concern to us. That should be fixed with the proper amendments.

There are some good things in the bill. The interest may now be paid on late payments. Payments may be made on federal properties leased to third parties, if at the end of the taxation year they are still in a state of delinquency. Some types of structures, for example, outdoor swimming pools, golf courses and outdoor theatres have been added to the definition of federal property. There is an advisory panel that serves as a committee of appeal regarding payment disputes with crown corporations.

However, there are problems that need to be fixed. One of the things we have a problem with is that the minister and the crown agencies still maintain too much discretionary power. In other words, they can still do as they wish. Why not fix that? People should know what the rules are. Everyone in the country should follow them.

The recommendations of the dispute advisory panel are nonbinding. Why not? It merely maintains the status quo and entrenches some common practices into legislation that were put in place 16 years ago. If something is broken and there is an opportunity to fix it, why not fix it? That is what should happen in this legislation.

As my hon. colleague for Kelowna has mentioned, the Royal Canadian Mint, Canada Post Corporation and Canadian Mortgage and Housing Corporation should be added to schedule IV in order that they would be eligible to pay business occupancy payments in lieu of taxes.

We recommend that these problems with the bill be addressed.

I would like to review the purpose of the bill. The purpose of the legislation is to provide for fair and equitable administration of payments in lieu of taxes. It addresses the issues of compensation for untimely payments, defaults and tax obligations by certain tenants of the crown and the bi-jural nature of the Canadian legal system.

Additionally, it establishes an advisory panel to advise the minister on disputes concerning payment amounts. It also amends the title of the act to payments in lieu of taxes act. That is the essential purpose. Anybody watching this should know what is going on here.

• (1155)

I will mention one of the things I mentioned previously when I rose to ask some questions because it is of great concern to my constituents. When it comes to administration of some of the things within government, and it is not strictly tied to this bill, the services should be delivered by the agencies closest to the people. They should have more control over the tax burden that those people experience. At the present time the federal government has a tremendous power to tax.

One of the legitimate concerns that my colleagues in the Bloc have is that the federal government overrides the jurisdiction of the provinces. I do not sympathize very much with what the Bloc members have to say, but in this respect they make a good point that we have a federal government that intrudes into many areas.

For example, one area I am very familiar with is gun control. I know my reputation precedes me, but I think this is an opportunity for me to raise the issue when we are talking about municipal and provincial levels of government in relation to the federal government. This is an area where the federal government clearly intrudes into areas of provincial jurisdiction and it does it in devious ways. By going through the Criminal Code of Canada it can override the jurisdiction of the provinces in regard to regulation of property.

Bill C-10 is another example of that. We have to put some restraint on the bureaucracy in Ottawa so it cannot ride roughshod and arbitrarily over the rights of some of the municipalities in relation to some of these things. Mr. Speaker, I gather by the way you are listening very carefully, that probably nobody has made that point in the debate so far.

I have a concern that the federal government collects huge amounts of taxes. It collects them through some of its crown agencies, three of which I have previously mentioned. We have a concern that the government is collecting taxes when it should not be. It charges a huge handling fee for this kind of thing. The people

purportedly to whom the service is given do not reap the full benefit they could, judging by the tax burden that they are under.

I want to raise one other issue which does not tie in directly, but many farmers in my area are very concerned with the municipal property tax and the way it is administered. Much of this is a provincial matter, but it gives me an opportunity to say that there is an unfair tax put on farmers. It is the education tax that is tied in with the property taxes. Perhaps that is something we should urge the federal government to speak up on.

I am pleased to have had the opportunity to make a few comments in regard to this bill. While I would like to share my time with my colleague from Wild Rose, I understand I cannot do that. I will therefore end my speech and hopefully there will be some time for him to make a few remarks as well.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I have grave concerns about Bill C-10 and I will explain why.

Having been the mayor of Saint John for four terms, I always stated and still do that the local government was the government of the people. The grassroots people are there. Always, as far as I am concerned, the federal government should pay its taxes as well as all of the others in the private sector.

I look at what we have in our port. The federal government cut back on its taxes and it was going to give us a grant in lieu of them. The grant was going down, not going up. Taxes were going up for everyone else but the federal government.

The Federation of Canadian Municipalities, of which I sat on the board of directors, was very upset with the bill. It was upset at the speed at which the bill was being rammed through the House. It was not given any advance notice that the bill would be introduced.

● (1200)

The Federation of Canadian Municipalities represents all municipalities across the country. It is the one that does the research to see what should be the priorities, where we should be going, whether it is the provincial government or the federal government, and in which direction. It has not been adequately briefed on the bill and it was not sent a copy of the bill or the background briefing materials. It has also not had time to consult with its members across the country.

I cannot believe that we have really done this. The local governments and all the municipal governments represent all their people at the grassroots. They should have input and they should have had input into this bill.

When I look at the proposed new intent clause, clause 4 of the bill, I say to myself that this is a meaningless piece of propaganda and adds nothing of value to the bill. We have two major

difficulties with clause 14 of the bill, the proposed new dispute advisory panel, its composition and fairness.

I think it is great that we are talking about setting up a new panel of a minimum of two members from each province and territory. However, it should be the Federation of Canadian Municipalities that decide on who the members will be because it does not play politics. It keeps politics out of it. The president of the Federation of Canadian Municipalities should come in and give the minister two names from each province and the territories. Not one of those people would want \$125 an hour.

An hon. member: A day.

Mrs. Elsie Wayne: A day? This one says an hour. I do not care if it is a day or what it is, not one of them would ask for that. I cannot believe we are doing this.

With the federation of municipalities wanting to deal and co-operate with the federal government, more than likely its members would ask only for their expenses to be paid. They probably would ask for no remuneration whatsoever. But no dialogue took place with them on this issue.

The bill requires members to have relevant knowledge or experience but it does not define that term. If we want relevant knowledge or experience at the local level, all we have to do is take some mayors and councillors—and it does not matter if they vote Liberal or not—and put them on that committee. Perhaps it might be better if they did not vote Liberal. We might then be able to have someone with an open mind.

Presumably relevant knowledge or experience could mean any person who is a member in good standing of the Liberal Party, which concerns me a little bit. It would be much better, as I have stated, if the members were required to be a certified member of a professional organization as well. There are a lot of them who are members of the Federation of Canadian Municipalities.

I would not mind if the bill would allow public servants, including municipal employees, to serve on the panel, but I do not want them to be in a conflict because they are hired by the mayors and councillors. If they come back with a recommendation that is in conflict with what the mayors and councillors of the municipalities where they work are feeling on certain issues, then it would make it most difficult for them. I must say that at the local level we do have some very qualified people whose input could be used. When I look at the panel that is one of the major concerns I have.

There are two major concerns. I feel very strongly that the federal government should be paying taxes just the same as the private sector and everyone else. It should pay its taxes just the same as my family pays their taxes. Why should it be any different?

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It is the same as the provincial governments paying their taxes. If we were able to make everyone feel equal and feel that no one was getting any special treatment, the local people would have a better feeling about this issue.

The panel is supposed to be appointed by the minister. The panel will be paid by the government. The panel reports only to the minister and its decisions are not public.

• (1205)

I cannot believe we are bringing in a bill like this. If the bill does come in then the recommendations should certainly be made public. The next thing we know secret letters will go out to everybody else and somebody will get a copy that was not supposed to be made public. If we make it public it will not look like we are hiding anything.

When it says that the panel serves at the pleasure of the minister, which means the minister can say "I do not like what you have brought in so I am going to remove you and put somebody else in there", that worries me as well.

We are very much in favour of some parts of the bill, but there are concerns, and I feel very strongly that those concerns should be addressed. There is no question that there should be changes.

We also talk about grants in lieu of taxes. These are difficult times on the Hill because once again the government has seen fit to spend the money, perhaps in an irresponsible way, but the next thing we know the grants could be eliminated in lieu of taxes and nothing would be there for the municipalities. What would happen then? The local governments would have to raise their taxes to make up for what the federal government would not be giving.

I have a major concern with the federal government telling me and all Canadians that it will give us grants in lieu of taxes. This tells me that it does not want to pay the full tax.

The concerns that I have are concerns that my party has. We would like to see a legislative review. If that panel is put in place by the minister and he makes these appointments from all across Canada, we want to see a legislative review of the panel after five years to see if it is working well and to allow the House to make any changes that are necessary.

When we talk about setting up and paying someone \$125 a day plus expenses to sit on a committee, this is when people in Canada get very discouraged, they truly do. When we are at the local level, we get very discouraged with that. That is not necessary.

As I stated earlier in my remarks, this should go to the Federation of Canadian Municipalities. This should all be tabled until the Federation of Canadian Municipalities has been able to sit down, discuss this and have its total input into the bill.

I think this is probably the only government that has been in power that has never sat down with the president and the board of directors of the Federation of Canadian Municipalities when dealing with issues like this. I cannot believe that the Liberals talk about grants in lieu of taxes when they have not even had the input from those at the local level whom it will affect.

As far as the bill goes, I feel very strongly that it should be tabled until that input is there and until we hear back from the Federation of Canadian Municipalities as to whether or not it is in support of it or whether or not it feels there should be changes.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I am pleased to speak to this piece of legislation today.

I thank my hon. colleague from the Conservative Party for reminding me about the problems that we used to have as mayors at the municipal level, local level and grassroots level, the problems that we had for a number of years. I can certainly share those beliefs and those words with my colleague.

It is true that it has been happening for a number of years, including when federal governments were operated by both Liberals and Conservatives. Those are the parties that have been operating the government over the last number of years, and nothing has really changed in that respect. It certainly is time for some changes and there are some fairly decent changes that are brought about in the bill.

I really have a difficult time understanding why this particular government has a problem with trying to implement something equally across the system. Equality seems to be a word that is truly absent from its vocabulary.

• (1210)

It is my understanding that the Federation of Canadian Municipalities has not had one speck of input into what is going to happen to their jurisdictions as a result of the bill. A number of mayors and councillors are wondering what this is all about. Suddenly the bill is here zinging through the House of Commons and will become law before they even know how it will affect them.

This is another process that needs change. This is a process that constantly seems to prevail in this place where we know best and why should we bother conferring with other levels of government that will be affected by these pieces of legislation. I find that thoroughly disgusting and yet I am not surprised.

Having been in the House for six years, I have seen the amount of power that is handed over to the bureaucracies, as it will be done in this case. I have seen a number of bills that include the words "by order in council", "given ministerial discretion" and "full power" over many issues. Once upon a time, the idea of "by order in council" was for emergency situations, but it now appears in all legislation so many times that it is really scary.

If I am not mistaken, in Bill C-68, which we recently debated, the words "order in council" were used 74 times in that one piece of legislation alone.

The municipalities have to sit back and wait to see what the great central government in Ottawa will come out with and how it will affect the things they have to deal with.

When I was the mayor of my home town, I recall a couple of property owners wanting to subdivide their land and build a house and a quonset. They brought all the information to the local council. I, as mayor, and six councillors looked at the proposal. We studied it carefully, discussed it with other residents of the community and decided that it was a good deal and should work without any difficulties.

However, lo and behold, there was another level of government, the provincial government, which had not even seen the situation, was not aware of the situation had not discussed it with anybody, had only looked at a little drawing of what we were talking about when we had to get some authority to go ahead with this, and it flatly denied the proposal.

It was then that I had the opportunity to bring these people into town through a challenge that I would pick them up and bring them in. I told them that they had no business making decisions without at least looking at the situation. Once they got out there and had a word with the people, and once they saw with their own eyes what they were talking about, they were able to make some changes and allow it.

The problem we have in this place on a higher level, when these kinds of things come down, is making sure the power remains in the hands of the minister, the ministerial discretion, the federal government almighty power, and making sure the bureaucracy is loaded up with power galore. So we operate in a very difficult situation.

I have to ask myself "What's new"? The democratic process in the country does not exist in this place. We just voted on a motion asking for a referendum on the Nisga'a agreement. The mighty upholders of democracy, the believers in letting the people have a say, could not even support letting the people of British Columbia have a voice. Worse yet, aboriginal people living in British Columbia have been phoning my office day in and day out asking me to encourage the government to let them have a voice because there is no accountability on many of the reserves. These people are suffering and hurting. Yet, things are rammed through without any regard for the people themselves, without any thought about the effects it will have.

• (1215)

What kind of a situation will we be in with the Nisga'a agreement when they become a municipality or self-governing?

Will the rules apply in their situation in the same way as they do in small towns in Alberta or large cities in Ontario? Will there be equality? It is very difficult to say, but it is obvious to me that past history says that people should beware, wherever they live.

The government does not truly believe in a democratic process. Its members emerge for a vote in this place from behind closed doors after a private discussion among members of their party. Then they vote according to what the leader of their party happens to say. Their leader happens to be the Prime Minister of Canada and the puppets will obey the rule. They will vote according to what he says, and never mind what they are told in their constituencies or what people at the grassroots level have to say. They do not dare to cast a vote which does not express the view of the Prime Minister if they want to be part of the government.

If that is democracy we truly need some serious changes. I would like to see democracy reflected in bills such as Bill C-10 but it is not reflected. I would like to see it reflected in the agreements we make with our native people, the treaty agreements that have been made and the ones that will come up. Where is the voice of the people in all these things? Where does the power ultimately lie? The power of any real democracy should lie in the hands of the people. It is difficult to say that it is happening in Canada. There are too many examples that tell me it is not the case.

We have a bill before us today that gives ministerial discretion, a great power, to the federal government and to a huge bureaucracy. A panel is to be set up. We do not know for sure how the panel to observe all this will be set up, but we can almost bet it will be full of patronage.

Good old friends of the Liberal Party will make sure to fill those high places. They will serve on the panels because their view is that those of us who are not Liberal, who do not vote Liberal, are not smart enough to know what we are doing. We cannot let that happen, not in Canada.

Their attitude with regard to all kinds of legislation going through here is sad. We are at second reading stage of this bill and the fact that municipalities throughout Canada and the Federation of Canadian Municipalities have not even had an opportunity for input is a real shame.

I say shame on the federal Government of Canada, the leaders of this great nation, that it continues to bring forward legislation in this place and does not allow the real leaders of the land, the people, to have a true voice. That has to change, and may God grant it soon.

The Acting Speaker (Ms. Thibeault): Is the House ready for the question?

Some hon. members: Question.

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The Acting Speaker (Ms. Thibeault): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

● (1220)

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the bells having rung:

The Acting Speaker (Ms. Thibeault): The vote is deferred until next Monday at the end of government business.

* * *

CANADIAN INSTITUTES OF HEALTH RESEARCH ACT

The House resumed from November 23 consideration of the motion that Bill C-13, an act to establish the Canadian Institutes of Health Research, to repeal the Medical Research Council Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Madam Speaker, I am pleased to rise to speak to this bill today. I want to say at the outset that the bill to establish the Canadian Institutes of Health Research Act, introduced by the Minister of Health, is very positive. I will be supporting it and I believe my colleagues will be as well.

I should clarify that. I understand that their initial reaction is that they believe it is a very positive bill. They will support it until committee stage when they will have had an opportunity to listen to the research experts. They believe that the intention of the bill is in the right framework, but obviously they want to hear from the experts at committee stage. However, it is my understanding that we are supporting the bill at this stage.

There are a couple of points in the bill that I think are laudable. The bill will repeal the Medical Research Council Act, will bring forth more accountability for all budgetary expenditures and will be a vast improvement over the current system.

I listened to the Minister of Health when he introduced the bill. He talked about the brain drain and how the bill was an attempt to help the brain drain situation by bringing in more research dollars and by making sure most importantly that somewhere in the magnitude of 95% of the moneys would actually be used for research. I believe the goal is that between 4% and 5% will be used for administrative costs. That is a very positive aspect. It is so important for that the money issued for research actually gets down to the end user, the real benefit of which is to Canadian people in the areas of health research.

(1225)

I will touch on a couple of areas I feel very strongly about that are directly tied into the bill. One of them is the brain drain. As the Minister of Health stated in his opening comments, he is very pleased with the Canadian institutes of health research act, Bill C-13, because it will help alleviate some of the brain drain issues by putting more moneys into research for our universities in the areas of health and will attract people from our universities to stay here.

Hopefully this is the first of many steps to come. Without question the brain drain is the emerging crisis in the country. I listen to the constituents who come into my office on a regular basis to tell me stories about how their children have graduated from university and moved down to the U.S. There is no doubt in my mind that the biggest problem is that they are the very best, the brightest, the entrepreneurs of tomorrow, the future CEOs, the people who would be the economic engine of our country 15 or 20 years from now.

I was with the finance committee in Halifax a few weeks ago. One witness, I believe he was from Ryerson, stated that the top 10 graduates of 30 in one IT program had all gone down to the States. We hear this over and over again. We heard it again this morning in the finance committee. It is a huge problem. It is even exponentially more severe because of the numbers. It is the best, the cream of the crop, that are going south, those who would be crucial to driving the economy.

Bill C-13 to establish the Canadian institutes of health research will at least be a very minimal step, the first step to possibly provide an opportunity for some of our top researchers to stay in Canada.

The brain drain is a huge issue with respect to taxation. We hear that over and over again. The government talked about a \$95 billion cumulative surplus. I would argue that if we want to see

more programs such as this one, if we want the research dollars and if we truly want to attract the very best, we have to cut taxes. If we want the best researchers not only from Canada but from around the globe, the bill alone will not do it. We have to cut taxes. We are one of the highest taxed of the G-7 countries. Study after study and witness after witness came forward with that thought.

I will go to the second issue the bill touches upon. When I looked at the bill and saw what the government was trying to do, I was very pleased that it was trying to keep the administrative costs of the new health research system at 4% to 5%. It will be accountable for how health research dollars are spent.

This brings us to the Canada Health Act. They are directly tied together. There we have a huge problem. There are over 200,000 Canadians on waiting lists, some of whom are waiting for very serious operations. Some are matters of life and death for many people. Some of these 200,000 people will not live to see the operating rooms, the doctors or the procedures they need. Because of our health care system they will not make it. That is very tragic.

We have seen \$21 billion cut from the health care and social transfer payments to the provinces since 1993. When \$21 billion are taken out of the pie it has an incredible impact on the services that can be delivered. It is no wonder that some of the 200,000 Canadians on waiting lists will die. There is absolutely no mistake; that is an irrefutable fact which is very sad.

● (1230)

Here is the link to this bill. The positive part of this bill is that the government has focused on putting 4% to 5% on administrative costs. Unfortunately, that \$21 billion cut by the federal government from our health care system and social transfers has affected the end users, the patients, those Canadians who are on waiting lists for very serious medical procedures. Many families have a family member waiting for cancer treatment. We hear stories of people with lumps who are waiting for biopsies. The list goes on and on.

There are two things we need to look at. It was the government that agreed with the 50:50 split in the payment of our national health care system. Now it is contributing somewhere in the range of 10%. No wonder the system is crumbling before our eyes. The system needs to be overhauled. There are a few areas where that has to happen. Cash is not the only thing that is going to do it. We saw \$21 billion taken out of the pie. When that much money is taken out it has a huge and devastating impact on what happens.

It is crucial that there is accountability to ensure that the dollars are reaching the patient. What happens when that much money is taken out? I would argue that the administration stays the same, and in many cases it might have grown. It is the patients who are affected. The money is taken away from the line users, Canadians. It is so critical that we make the system the most efficient it can be,

that we maximize the money being put in, that we make sure it gets to the patient and that it does not get swallowed up by the bureaucracy or the administration.

Years ago when I was in law school, I looked at the new health care facility that was connected to the Vancouver General Hospital, which is a very old and incredible hospital. It was a brand new pavilion, a great big concrete tower, about 15 to 20 storeys high and very impressive from the outside. It can be seen when driving down Oak Street in Vancouver. This pavilion has been there for years. It is hollow on the inside because of a lack of planning, accountability and making efficient use of our dollars. It is not being used. That is frustrating.

It is important to give credit where credit is due. This bill is a very good first step with respect to health research. The government is focusing on the accountability portion and on having the administrative portion around 4% to 5%. That is a very good first step. I look forward to seeing what the research community has to say. When the bill comes before the committee for clause by clause review we will get its valuable input. Hopefully we will bring forward amendments at that time that will even strengthen this bill.

I am pleased to say that we will be supporting the bill but we cannot get stuck in a vacuum. We cannot forget to look at the real picture. We cannot forget that the Canada Health Act is failing the people of Canada. It is crumbling around them. There are 200,000 people on waiting lists and some of them will die because the Canada Health Act is failing them. It needs to be overhauled. There needs to be accountability. Most important, the dollars we invest in health must get to the patient. That is what has to happen.

The other issue which is directly tied to health research is the brain drain. I listened to the Minister of Health talk about this bill. He was pleased that it would help alleviate the brain drain problem and that some of our top research people will want to stay in Canada because of the new accountability and that 95% of the funds will be going directly to the research programs. That is wonderful. I support that whole theory but if he is not going to look at other problems of why people are going south to the United States in droves, if he is not going to look at the taxation system, this bill will not do it alone.

• (1235)

One of the witnesses in the finance committee this morning only three hours ago said that we are talking about a \$95 billion "surplus". I have always argued that there is no real surplus. It is not the government's money that it has taken out of the back pockets of Canadians. Canadians want it back. Until we give them that money back, that taxation surplus that is rightfully theirs, we will not be able to attract the top researchers the government wants to attract to the new Canadian institutes of health research. It will not bring those people here.

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The highest levels of brain drain are not only in technologies but also in our health care and engineering sectors. The very best, the very brightest, the cream of the crop, the leaders of tomorrow are leaving not only because of the taxation levels. They are leaving for a whole host of reasons.

The United States spends more on a percentage basis of GDP per capita on the health care system than Canada spends. That is a factual number. Sometimes we are very quick to criticize our neighbours to the south. We should make no mistake that they actually spend much more than we do in Canada. That is why people are going there. Their taxes are lower.

I will finish up by summarizing my two key points. This bill is a great start but it is only the very first step. If we really want to move forward, stop the brain drain and keep our best researchers here in Canada, if we want to attract people, we had better look at our taxation system. Until we do, there is not a hope or a prayer for us. People will continue to go south and the problem will grow exponentially. The unfortunate part is we will not see the impact of this for five, ten or fifteen years. That is when these top people will have reached their peaks in their careers. They will be the leaders of tomorrow. Right now they are going south.

It is not just the people that are going south. Another witness made this excellent point in committee. It is not just our top people that are going south; their positions are going with them and they are not coming back. Those positions are going south to the U.S. as well and they are not coming back to Canada. It is very important that we do not lose focus on that and that we deal with that.

Most important, all of this will be meaningless. It will have no impact. We can have the best research in the whole world and we can cut our taxes so that our researchers stay here. However, we must look at the Canada Health Act, bring in accountability, put the money back in so that those 200,000 people will not die on waiting lists. All of this will be meaningless if we do not bring back accountability, if we do not put back the \$21 billion that has been taken out of our health care system. If we do not put that back in all of this will be meaningless and more Canadians will continue to die on waiting lists.

• (1240)

Mr. Randy White (Langley—Abbotsford, Ref.): Madam Speaker, it is a pleasure to speak to this bill today.

I would like to talk about two particular instances which have affected me regarding Bill C-13, health care and health care research. I am much in favour of this bill, however, I have two concerns. They are the research and support for the drug issue in the country. I also want to talk about something that strikes very close to home with me, Lou Gehrig's disease. A friend of mine has been personally affected by this disease.

I would like to read a letter to the House that Ron Martens' wife Carole has sent to appeal to the Minister of Health. After I speak about this, I am going to hand the Minister of Health a video from Ron Martens, a victim of Lou Gehrig's disease, in the hope that Ron can get both an audience with the health minister and action regarding not just funding research but funding for this particular disease.

I went to the minister's office about four months ago to get some assistance for research into studies regarding assistance in the rehabilitation of teenage female drug addicts. I got a warm reception in the minister's offices at Tunney's Pasture by the minister's executive assistant. I recall saying, "Now, you are not just going to give me some lip service here, you are really going to try to help out a particular organization that is trying to rehabilitate these young drug addicts". "Oh, yes, yes", was the answer.

I was put in contact with a lady in Vancouver who was temporarily in charge of this. I called her a number of times. When I finally got through to her, I did get the impression that I was being a bit of a pain by even calling. Notwithstanding that, I did manage to get her to meet with the organization and since then I have heard nothing about it.

When I talk about health care research in this country and about bills like Bill C-13, I wonder once again, and I keep bringing this up in the House of Commons, will this truly be a bill that puts something worthwhile into effect?

I spend a lot of time trying to assist those who are addicted to drugs, and trying to change things for the better for them. It seems that every time I go to the Minister of Health's office, I either get lip service or really nothing much at all in terms of assistance. If we pass Bill C-13, what really will be done?

I did receive some very good letters, which I respect, from the University of British Columbia and other universities saying to pass this bill because they need the funds for research. While I agree we should have more money for research, I am not certain in my heart that the philosophy or the grit to really effect change in health care is with the Minister of Health. He has not shown me this.

I would ask him here today if he would at least look at the one situation that I have been involved with regarding drugs and the rehabilitation of teenage female drug addicts. Could he not find it within the billions and billions of dollars that are spent to try to put research dollars into that aspect?

• (1245)

Periodically announcements are made in the House that some money will be thrown at the drug problem or at this centre, or they are to put it in Toronto where they have lots of seats and that sort of thing. Funding drug rehabilitation and trying to help drug addicts has nothing to do with partisan politics. It has nothing to do with what area one is from. It has a lot to do with doing the best we can for young people.

I will vote for the bill, but I am here on behalf of many people across the country to ask that the minister take seriously the issues of concern with regard to young people on drugs.

That being said, I want to read into the record for the minister and for all Canadians listening a letter from Carole Martens. I know Carole and I know Ron, her husband. I know what a good person Ron is. I understand the difficulties he is going through. I try to understand what Carol and their children are trying to live with and what the people in my community are trying to live with. However I do not think the Minister of Health or the government understands the dilemma individuals with this disease face. If they did, more money would be put toward trying to assist those with the disease. I will read from the letter, which is dated November 17:

Dear Mr. Rock:

Thank you so much for giving 11 minutes of your precious time today. I'm sure every day there are many valid needs that cross your desk. This past year in May 1999 Ron Martens, my husband, and I flew to Ottawa in hope to meet you. As it was, you were not in that day, and we had a very special visit with your secretary. You may remember the note I left for you. You may also remember Randy White's letter on July 7, 1998, requesting a meeting with you and Ron to discuss ALS, Lou Gehrig's Disease, and the tremendous need for research funding.

The clock of life is ticking quickly, and as Ron's wife of 30 years, I'm attempting to communicate to the leaders of our country. Mr. Rock, will you consider the research dollars awarded to—

The Acting Speaker (Ms. Thibeault): I am afraid I must interrupt the hon. member. He knows full well that we do not call members by their names in the House. This is the second time.

Mr. Randy White: Madam Speaker, I believe your interpretation is incorrect. I am reading from a letter and I am not addressing any—

The Acting Speaker (Ms. Thibeault): The fact that the member is citing from a letter or any other source is not good enough. You must editorialize, I am afraid.

Mr. Randy White: Madam Speaker, due to the nature of the issue I am not going to pose an argument with you at this point in time. I will understand what you are saying. It continues:

(Mr. Minister), will you reconsider the research dollars awarded to the cause and cure for ALS?

If you were my husband, I would travel, call, phone or write to the men of importance in government, knowing that if we don't speak up strongly, this thing will never be beaten.

Ron was president of a restaurant chain in western Canada for 22 years, franchising 35 stores. He is a father, a son, a brother, an uncle, a husband, a grandfather, a colleague and a friend.

My greatest gift to Ron, as his wife, is my time. My love for him drives me to help him reach his newfound goal, and that is to see millions given to ALS research. This would give every ALS patient, caregiver and family, hope, which is so vital in pressing on through this cruel and devastating disease.

Last year, we both wept as we heard on the evening news, you awarded \$42 million additional dollars to AIDS research.

I'm so happy for them, but what about ALS? It is no longer an old person's disease. My husband was 47 years when diagnosed. This past weekend we had attended an "ALS international symposium" in Vancouver, where 500 scientists meet to communicate and pool ideas and findings, all for the great cause of ALS. I met at least 25 patients, all of them under 52 years of age.

And that's all I have to say. Thank you for your listening ears, (Mr. Minister). I leave you with these words from my heart. "Some days the stresses of life are so overwhelming that my heart can no longer hear a song and then I stop; knowing that I cannot hear a song, I also cannot sing a song. Without a song there is no hope. Please, please give ALS a song, a song of hope".

Thank you,

Carole Martens

(1250)

This is but one case. Carole and Ron are both trying to do what they can while there is time to convince people responsible for trying to help others to help research and fund the cure for ALS. I agree that there are many diseases out there that need funding, but it seems to me sometimes that we in Canada listen to the loud voice, the squeaky wheel, for instance AIDS. While I support much research for AIDS, I wonder why this is. I suppose those with ALS maybe do not speak loud enough. Maybe they do not cry out long enough. Maybe they do not have rallies like those who support the fight against AIDS. Nevertheless that does not preclude them from getting the same genuine support from a government that has the money.

I could spend time, perhaps be critical and show people across the country where the government fritters away millions upon millions upon millions of dollars. I have a long list here on my desk of projects on which it just escapes me why taxpayer dollars are even spent.

We are spending over \$800,000 on fireworks for the millennium. Yet if we talk about \$800,000 to ALS victims and researchers, we shake our heads at it. I cannot help but try to put this in perspective and wonder why that is. Why is it that we always seem to be spending our money on things that are not quite as devastating but have a higher profile, perhaps are more visible and make people feel good? We walk away with a good feeling, but the end result is that problems like ALS are really left to themselves.

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I know that UBC, a great university where one of my children went, will do much with research as a result of Bill C-13 on many things, but I still say we are overlooking some of the obvious things that happen. It is just because people inflicted with such diseases as ALS tend not to be those who are outspoken, creating protests, being visible and that sort of thing. They tend not to be like that because they are basically tied up in their own problems and trying to get them resolved.

• (1255)

One of the things the government is responsible for is genuine programs for all people, not just for those who holler loudest or holler longest, not just for those areas that vote Liberal, not just for those areas where there is a potential vote, not just on the issues where they think they can win the next election but sometimes on those hidden votes. Those are the votes of people who may never elect politicians, but deep down their votes are for trying to keep people alive and keep people going for just a bit more time.

I ask in the House today that the minister take the video I have and spend 11 minutes of his time looking at the contents to try to understand the plight of some people, without fanfare, without a grandstand or a soap box upon which to stand. He should take time in his office, put on this video and think about it.

No greater deed can be done by people in power and politics today with billions and billions of dollars at their disposal than that which can help people who do not have a large voice in society. If that is what Liberalism is about or Reform or any other politics, that is what must be done.

I have tried to give the minister two issues that perhaps will not be talked about in the House. In fact, I doubt very much whether drugs and ALS will even be discussed throughout this whole debate. They are two issues that I hold dearly, and I say that if we cannot help young people who are addicted, young people who do not want to be addicted; if we cannot help with those problems and consider them health problems, and if we cannot do more in research for them, we should not be here in the House of Commons. If we cannot help those with ALS who cry out quietly, we should not be here.

I ask finally one other thing. When agencies and organizations are set up in terms of health care and drugs across the country to help our citizens, we should always be looking at the best qualified people, those people with the skills, abilities, qualifications and past performance to head those efforts. We should not be in any circumstances putting our friends, those who work for us politically, into those positions. I do not believe it serves the client who is the drug addict, who is the ALS victim, who is a parent waiting for some assistance. I do not think it helps those clients whatsoever.

Having looked at a lot of the appointments lately from the government, it seems that what pervades our system in Canadian

society today are government appointments. I know in some of those cases that the people who are appointed to positions are not the best qualified.

I only ask these three things: (a) let us do a lot more for young people who are becoming addicted and who are addicted; (b) let us do something constructive, for a change, to try to do more for ALS victims and try to help people like Ron Martens; and (c) let us make sure that we appoint those in positions of responsibility on the basis of skills, ability and qualifications with regard to health care.

• (1300)

[Translation]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Madam Speaker, I congratulate the Reform Party member who just spoke on his excellent speech.

Like him, I am concerned about young people with drug problems. It is an issue that I care about. But I do not think that Bill C-3, the Youth Criminal Justice Act, will do anything to help these young people.

Like him, I think that a bill like Bill C-13 would be a good idea, although I have some reservations about the bill.

I would like the member to give me his version of the facts. Does he not think, as I do, that Bill C-13 interferes in provincial jurisdiction?

[English]

Mr. Randy White: Madam Speaker, I thank my colleague for the question. I agree with one thing. I believe that today drug addiction is a health problem and not a criminal problem. Individual addicts in this country, in this day, are driven to becoming criminals because of being addicted. I could cite case after case that I have been involved with which would prove that.

I believe that Bill C-13 is part of the answer for research and that is why I support it.

The question of whether Bill C-13 is a provincial responsibility or a federal responsibility is an interesting one. I think the federal government has a responsibility to participate in research. If it does, and if it helps addicted people, if it helps people with Lou Gehrig's disease, I for one will not be involved in any discussion as to whether this is a provincial or a federal issue. I for one will be saying to the government "Let's just get the job done and stop squabbling about who has ownership".

In the case of British Columbia, there are very few people who do not know that I have no use whatsoever for the provincial government of British Columbia, the NDP. It has taken our province into the lower depths of the economy and everything else.

However, when it comes down to a sloppy government like that trying to help with health care, I support it if it helps people with various diseases like ALS or even drug addiction.

I am no friend of these guys across the way here either, the Liberals, but when it comes to the federal government trying to help or the federal government properly putting funds into research, I have no problem whatsoever with it and I would not take sides. The only side I will take is that of the victim or someone waiting for us as politicians to get off the fight of provincial and federal and get on to the fight of trying to help others.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Madam Speaker, I thought the member made an excellent speech, in particular when he spoke about these things touching someone close. We tend to make statistics out of people. It is nice to get in touch directly with the plight of an individual person. It sometimes helps to put things in a better perspective.

One area of concern that I have with Bill C-13 is that it sets up yet another bureaucracy. The intent of the bill is that it will keep the administrative costs to 4% to 5% of the total budget. Reality says that is not what turns out. Once we start creating a bureaucracy, more and more of the money intended to help people ends up going to drive this great bureaucracy.

• (1305)

I wonder if my colleague could touch on that and advise as to whether he has any concerns about the way government structures these types of things and how it uses money which should be going to help people, such as those he described.

Mr. Randy White: Madam Speaker, I thank my colleague for the question. He is right. Four per cent to five per cent of the budget will be for administration. I do not think we have ever seen in this country a provincial or a federal government, no matter what party runs it, that has not been totally enamoured with the idea that there should be more bureaucrats than actual operations.

In most of the organizations I have been responsible for, the administrative costs have usually been around 3%. I think that 4% to 5% is high. If 4% to 5% of the total budget is used and the total budget keeps expanding, I have a problem with that. Five per cent of the original amount of \$374 million is a lot of money. But if we put more money into research it is not necessarily appropriate to have 5% of \$500 million or 5% of \$800 million. We are adding to a major bureaucracy.

I know the difficulties Ron Martens has as an ALS afflicted individual. For Ron Martens and many of the other ALS people, and for all the young people addicted to drugs, we have to get off the petty politics, we have to get off trying to build a bureaucracy and trying to appoint our friends and we have to get on with doing more research. We must find solutions to these problems.

I hope the Minister of Health is listening to me. This is what we expect. We do not have any authority to follow up on bureaucracy in this country. It seems to survive by itself. However, I hope for once we do the right thing and put the vast bulk of money into research and helping others.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I heard the member's speech from the lobby and I wish to congratulate him.

I ask him whether he shares my view that the government should have been much quicker to introduce a bill such as this, because Canada has now acquired an international reputation for trailing behind in research.

Does the member agree with me that the government was slow to act, that it should have introduced this bill when the House first came back and, finally, that it did not assume the responsibilities we were entitled to expect of it?

[English]

Mr. Randy White: Mr. Speaker, I thank the member for his question. I will go further than that. I think the government moved too slowly on this bill in terms of years. It should have been part of the 1993 election platform when the government first came in. The Conservative government before this government missed the boat.

We have been saying for years that not enough research is being done on many things, including cancer. Although additional funding has been provided to cancer research through heroes like Terry Fox, we still have a long way to go. Diseases are cropping up every day. This has not been slow in terms of months or weeks; it has been slow for years.

Let us not forget other research in this country. For goodness sake, we are trying to find answers to the combustion engine. We are just frittering around, with a few small companies looking at things like the fuel cell and that sort of thing. We should be spending a lot more money on research.

• (1310)

Where we should not be spending money is on those foolish damned grants that do nothing but pay off people who are friends and relatives and have helped out government parties. That is where we are going wrong.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I listened with great interest to what my colleague had to say. It seems to me that the Canadian institutes of health research represent not only a very, very large injection of new money into health research, and I agree with my colleague that it is needed, but it is a totally new way of looking at research across Canada.

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The hon. member just mentioned cancer. We have the Peterborough Cancer Society in my riding. I am sure there is a cancer society in his riding. I was the chair of our cancer campaign. Can the member explain how this new structure, of which I know he approves, will bring a group like the Peterborough Cancer Society into the research network of Canada?

Mr. Randy White: Mr. Speaker, I am not sure just how it would, but what I am sure of is that it would go some way toward the co-ordination of the effort.

The government has to understand what we are saying about administration. We have to establish a program, standards and ways in which co-ordination can take place, and we have to ensure that the money for research stays in the programs and develops. What we do not want is a bureaucracy that makes this whole process overburdened and awkward. It is hard enough these days to have research undertaken on anything. I think what we are looking for is simplicity, not complexity.

As far as co-ordination, it is not just the Canadian Cancer Society. I spent 15 minutes talking about ALS. There are too many problems out there for us to be wrestling with a large bureaucracy that looks after itself rather than the people it calls clients.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, it is with great interest that I rise to speak to Bill C-13, an act to establish the Canadian Institutes of Health Research, to repeal the Medical Research Council Act and to make consequential amendments to other acts.

Following on the speech by my colleague from Hochelaga—Maisonneuve, our party's health critic—and I will take this opportunity to congratulate him on the excellent job he is doing—I would first of all like to revisit what he asked our Reform colleague just now. He asked him whether he admitted that this bill ought to have been introduced long ago and that there ought to have been more investment in medical research.

This is an area of the utmost importance. I now understand, seeing the government members' lack of interest in commenting on it, why the Canadian government has not rushed to invest more in medical research.

Speeches and debate coming from the government side have been lacklustre debate. A few government members spoke for form's sake. The ones doing the work are the opposition members. Is this due to lack of interest, lack of courage or a bit of cowardice? One might well ask.

I would like to give a little scenario in connection with the bill. Last February, the present Minister of Health announced that he would be injecting new money into the creation of what may be termed virtual institutes of research.

• (1315)

It must be understood that no infrastructures will be created. There will be a kind of networking, as is already being done in certain sectors in each of the provinces. For the medical research laboratories, there will be an attempt to create a network so that these people can speak to each other and co-ordinate their research, in order to enhance its effectiveness.

The main thrust of the bill we are looking at today is the outcome of recommendations made by an interim committee, comprising 34 members of the scientific and academic community. Hon. members who heard the speech by my colleague from Hochelaga—Maisonneuve a few days back will recall that he listed the scientists and academics on that committee. These people have great reputations.

To simplify things, the Canadian institutes of health research will replace what used to be called the Medical Research Council. These institutes will have a broad research mandate. They will develop new approaches to research in biomedical matters and on issues more directly affecting the social sciences.

In his budget, the Minister of Finance announced that the government intended to double funding over three years for the health research institutes. Funding will amount to \$500 million in 2001-02. That is not insignificant, and we applaud this budget increase. The research laboratories needed it. The institutes' permanent governing council is expected to be operational by April 1, 2000.

What we understand from this networking is that the institutes will deal with four major sectors of health research. They will focus their work on various types of research in four sectors specifically.

The first sector is the very important and vital field of biomedical research. At least 60% of the biomedical research in Canada is done by pharmaceutical companies in Quebec.

The second sector is clinical research. It too is very important. It also plays a basic role in the discovery of pharmaceuticals.

The third sector is that of health systems. Currently, all provincial governments are dealing with health care reforms. They have had to move toward ambulatory care. They are trying to see if their system is well organized to make it as effective and efficient as possible, and thus provide the public with the quality of care and services it deserves.

The fourth sector covers cultural society and population health. Research institutes will bring about a strategic repositioning in health research to solve major medical issues. Moreover, we will also have to invest in research on heredity, genetics and the human genome.

The House had the pleasure of listening to the speech by the hon. member for Jonquière, who is intensifying her efforts to have a genetic engineering research institute established in her riding. It would be a good thing if the government such research could be carried out in the riding of Jonquière.

(1320)

In short, Bill C-13 seeks to formally establish the Canadian institutes of health research to organize, co-ordinate and fund health research at the federal level. It also repeals the Medical Research Council Act and defines the structure, role and mission of the institutes.

We support the bill as regards its purpose and the virtual establishment of such institutes. It is appropriate for the whole research network, all researchers and scientists to co-ordinate their efforts and talk to each other to truly ensure effective research, and we must also provide them with the most effective tools to enable them to carry out their research. We have no problems with that, and we agree with this way of repositioning medical research.

But we do have a problem with the preamble of the bill, because instead of recognizing the provinces' exclusive jurisdiction over health care, the government merely recognizes the fact that they play some role in that area. Indeed, the second "Whereas" reads as follows:

Whereas Parliament recognizes the role of the provinces in health care and that the Government of Canada collaborates with provincial governments to support the health care system and health research;

But it should have indicated that it is the responsibility of the provinces to manage health care services within their territory and that their agreement is necessary when their jurisdiction is involved.

The more things change, the more they stay the same. It is the same old story. Health care is a provincial responsibility. Why is the federal government always bent on extending its tentacles and constantly eroding provincial jurisdiction?

Health care and education are provincial responsibilities. In Quebec, we are determined that we will never allow the Liberal government to interfere in our areas of responsibility.

If any money is to be invested in medical research, it must take the form of social transfer payments, so that we too can double our grants to researchers in our universities and medical research institutions. So—

The Deputy Speaker: The hon. member has indicated that she would be sharing her time, so her ten minutes are now up.

Mrs. Pauline Picard: So, on that note, I will conclude. Right now, Quebec is in the process of reducing its deficit, trying to stimulate employment, maintaining its health programs and educating its children.

Why does the federal government always try to make things difficult for us? Why does it invade our jurisdictions and try to take away all our powers?

We are in favour of establishing CIHRs, but we would like the government to restore now the money it stole from us in transfer payment cuts. If it has any money to put into health care, it should give it back to us so that we can fund our institutes ourselves.

(1325)

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I would like to congratulate my colleague on her excellent speech. As hon. members are aware, she did a very good job as health critic for the Bloc Quebecois, from 1993 to 1999, if I remember correctly.

Since we are talking about health here, I would like to make a little announcement to my colleagues: I am going to be organizing a volleyball game along with Eric Plamondon, one of the pages in the House. The connection with the research institutes is that good health starts with physical activity. I appeal to all of my colleagues, particularly the Minister for International Cooperation, whom I see less and less often in the gym, to get active and keep fit. The game will be in February. You are welcome to participate too, Mr. Speaker.

Now, to a question for my colleague, without any further ado. I do not want any ambiguity about our belief in the Canadian institutes of health research. This must be perfectly clear, in my opinion. In his 1993 campaign, the current premier of Quebec, Lucien Bouchard, a man esteemed and appreciated in Canada and in Quebec, made research and development a plank in his platform.

I think that all my colleagues will recall that, since 1993, we have asked the government to invest massively in research and development. I do not know if members recall, but this was almost at the same time as the appearance of a report by the OECD, which said that, of all industrialized countries, Canada had the worst performance.

So, members will understand that, out of a concern for consistency, naturally, we agree with a bill like this one. When the bill has passed and the government has invested the full amount, \$500 million will be available.

That is not much to write home about. I want to remind members that the Government of Quebec is formulating scientific policy

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with Minister Rochon, also a talented man. If everything goes well, he will release it in February. The Government of Quebec has set aside \$400 million over two years. For Quebec alone, they are talking of \$400 million over two years for research and development, whereas here the government is proposing \$500 million to 2001.

Naturally, it counts for something, but I made the comparison to show the House the extent to which Quebec is maintaining the tradition of commitment to its scientific community.

Members no doubt know that about 60% of the biomedical industry is to be found in Quebec. Historically, very early on, Quebec, through the National Assembly, made a commitment to biomedical research. I ask my colleague to explain why Quebec has every reason to be in favour of the bill, knowing that, historically, it has been very supportive of biomedical research through its pharmaceutical industry.

In closing, I would remind the House there will be a volleyball game in February.

Mrs. Pauline Picard: Mr. Speaker, I thank my colleague for his question. I always congratulate him for his skills as a speaker, including his metaphors and his sense of humour in presenting his views on these issues.

First, investments in research and development are necessary, and researchers in hospitals and universities really want them.

In fact, a number of Quebec groups have applied for funds to the secretariat of the acting governing council for research institutes.

The Bloc Quebecois supports increased investment in research, including health research. As my colleague pointed out, 60% of all biomedical research in Canada is done through pharmaceutical companies located in Quebec.

• (1330)

It goes without saying that we are behind them, and we agree that they should get investments and funds from the government to bring their research to fruition.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I have listened to my two colleagues' speeches, and now it is my turn to speak of the institutes of health research.

For two years, I was fortunate enough to work with the member for Drummond, and I know that she has done some excellent work. I particularly remember her extraordinary efforts on the hepatitis C issue. I wish to thank her, and I know that many Quebecers and Canadians with this illness are grateful for all the work she has done on their behalf.

Now, she has been replaced as health critic by the member for Hochelaga—Maisonneuve, who did not wait till he was given this

new responsibility to plunge right into the fight against AIDS. Since being elected, he has spoken very regularly on this subject and I think he deserves credit. He is now continuing his marvellous work in this sector by frequently bringing it to the attention of caucus, and he is a most eloquent spokesperson both here in the House and in caucus. His view is that we can never say too much about health, and he is right.

I am a recreation specialist by training and I can say right now that I accept the invitation to the volleyball game in February. I would have liked to go earlier, but I will certainly be there in February, because there is a connection between physical activity and health. Unfortunately, we members may not always have enough time for physical activity.

I am a diabetic, and I know that there are several other members in the House with the same condition. Diabetes is an illness that often strikes very active people who do not perhaps pay enough attention to their health. It is true that diabetes is a hereditary disease, but there are ways to stave off its onset.

I now come to today's topic, Bill C-13. The Bloc Quebecois has presented its position well, through the two hon. members in question. No one can be against health research. If there are any members in this House who are opposed to health research, let them declare themselves, but I am convinced there are none. There can never be too much money made available for finding solutions, for finding remedies for disease. Life is worth living and, more importantly, it must be lived in good health.

In my opinion, one of the problems with this bill lies in one of the four sectors, that is, the assessment of health services provided across Canada. My colleague from Drummond has asked a good question: Who is it that delivers health services in Canada? The provinces.

It can never be said too often, and we must keep hammering at it, health care and the delivery of health services to the public is a provincial area of jurisdiction. This is no whim; it is in the Canadian Constitution. Health care management is an exclusive provincial jurisdiction. Even with this bill, although it may not be its main intent, we see the federal government again trying to interfere in the health field.

Yes, more money will be injected into R and D in the health field, but it is regrettable that, at present, Quebec receives only 14% of funding allocated to R and D.

I referred earlier to transfer payments to the provinces, but since the government opposite has made cuts to health, a cumulative total of \$3.4 million has been cut from Quebec since 1993. That is a considerable amount, and the Government of Quebec could certainly have done more in the area of medical research. There have, however, been problems, but there has been good news as well, such as the announcement by the hon. member for Hochelaga-Maisonneuve that the Government of Quebec will soon spend \$500 million in this area.

• (1335)

So much the better, but it might have been possible long before, had the federal government not cut transfer payments to the provinces in health care, among others.

Now, I am on the Standing Committee on Industry, and on this committee we often hear witnesses express concern about the brain drain. The brain drain obviously involves researchers. People from a variety of research institutes appeared before the committee, because it is the Department of Industry that is funding research agencies.

Canada ranks at the bottom of the G7 countries in this area. In the field of health, it is in last place among the OECD countries as well. I think one of the aims of the bill is to finally catch up somewhat. But the considerable delay and time involved is most regrettable.

In the meantime, many of our young researchers, and even more experienced ones, have left the country. They even left Quebec. My colleague from Hochelaga—Maisonneuve made a connection between health and physical activity. As an example, Dr. Bouchard, who ran the scientific research centre on physical activity at Laval University, left the country for the United States, because more money was available for research in this area. This is most regrettable.

It is not only a health issue, it is an employment issue as well. When we talk about the knowledge economy, here is a fine R and D opportunity in the health field. Here is a fine opportunity to concern ourselves with retaining our researchers, people who trained in university for many years and whose education Canadians and Quebecers have helped fund. When these scientists can finally do research, a number of them leave Canada for the United States. This is regrettable.

Let us hope that this tendency will be reversed, so that we can keep our researchers, because we are talking about quality employment here.

There is also the fact that economic spinoffs from R and D are greater in the field of health than in any other, because of the value added. We know that discoveries lead to the development of better drugs, products or equipment, all of which can be exported to other countries. Think of developing countries.

We must not forget these countries, which may not have the money to invest in research and development. However, once new drugs, equipment or products are discovered, these may help fight disease and improve health in all countries of the world.

This is very good for the Canadian and Quebec economy, and this is why, as a member of the Standing Committee on Industry, I welcomed this opportunity to add my two cents' worth to the debate today, to say that we should do more. In the minute that I have left, I would like to address another issue, which I would not want to overlook. I am referring of course to diabetes. The Minister of Health recently talked about the money to be allocated to fight that disease, but I think we should do even more about diabetes, because it is on the rise. Besides insulin, which does not treat diabetes but merely slows down its progression, possible cures are emerging, hence the need to invest more in research in this area.

One last area mentioned by researchers was social sciences. I have always been struck by the fact, which has apparently been verified, that children from zero to six with health problems stand a greater chance of experiencing social problems, including delinquency, later in life.

(1340)

I will conclude on this note, but we should not forget health research through social sciences.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I sensed hesitation, and I thank you for giving me the floor. I would not dream of wasting the time of the House. I think it important, however, that we share our views.

I would like to begin by thanking the member for Lévis-et-Chutes-de-la-Chaudière, who, since 1993, has made such a contribution to all the deliberations of the Bloc Quebecois caucus. When we think of the him, all of us call up an image of a profoundly compassionate individual, whose humanism is deeply rooted in the 19th century but who, throughout the years, has stayed very much in touch with the major problems of the day.

The member for Lévis-et-Chutes-de-la-Chaudière is a recreation specialist, as he himself just said. He is therefore someone who has always made a great deal of room in his life for sports and recreation. I repeat this because I do not want there to be any confusion. There are people, whom I will not name, but whom I will look at, who sometimes set out to muddy the waters. This has already happened. The Bloc Quebecois is not against Bill C-13. Once Quebec's concerns have been addressed and debated, we are going to put all our energy into getting the bill passed as soon as possible.

Between 10 and 15 CIHRs are going to be established. The sectors in question will be determined by a provisional governing council. Naturally, all Bloc Quebecois members have always been faithful to the strictest and least negotiable interests that exist in politics.

An hon. member: Those of Quebec.

Mr. Réal Ménard: My colleague tells me that these are the interests of Quebec and I think he has a very good handle on why we are here in the House.

Government Orders

The interests of Quebec demand that we ensure that it gets its fair share, particularly in the biomedical field. I would remind hon. members that the Medical Research Council has been in existence for 40 years, and is headed by the eminent Dr. Friesen, whose years in the service of research are well known to all, and for which I salute him.

Quebec has strengths in a number of areas, one of them the biomedical sector, because of our patent drug industry, particularly in the areas of cancer and of diabetes. Unfortunately that hit too close to home for my colleague, who has to deal with it daily, although he maintains his habitual good humour, his even temperament—in a word, his excellent character—regardless.

I would like to ask my colleague whether he agrees with me that the Bloc Quebecois has been, without a doubt, the best defender of the interests of Quebec and will continue to be, as far as health research is concerned.

Mr. Antoine Dubé: I most certainly acknowledge the role of the Bloc Quebecois. That is why we are here. We are, of course, promoting sovereignty because it is our feeling that the federal system has been out of order for years and that Quebecers are being disadvantaged by it. However, we are also here to defend the interests of Quebec, and I am here to particularly defend the interests of my region.

Not far from me is the hon. member for Louis-Hébert, who has a technology park in her riding. There is the Institut d'optique, the Institut de recherche scientifique which does research into water quality and many more areas.

• (1345)

At Laval University a great deal of research is being carried out in this field, as well as in my riding, at Lévis-Lauzon cegep. But more is needed.

As my colleague has invited us to do, each time I am asked to back a bill like this one, calling for additional investment in health research, I shall let the Bloc Quebecois health critic know in advance that I accept his invitation.

[English]

The Deputy Speaker: I should announce to the House that speeches hereafter will be of 10 minutes duration in this debate with no questions or comments.

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, I am pleased to rise today in the House to speak in support of the efforts of my colleague from Winnipeg North Centre in terms of ensuring that Bill C-13, which aims to establish a new framework for health research, becomes an effective piece of

legislation that will be able to redress some of the problems in linking health research to practice in Canada.

Along with my NDP colleagues, I applaud the efforts by all those who worked to create the new legislation. However, along with my colleagues, I have several reservations about the legislation and hope that these will be taken into consideration when this bill reaches the committee stage.

In order for the bill to achieve its goal, it requires a considerable amount of political will to ensure that the research that will be conducted in the 10 to 15 new health institutes will indeed reach the hands of health practitioners throughout the country. While the bill acknowledges the need for this commitment, it does not ensure that the government will remain committed and be one of the driving forces in achieving the goals of Bill C-13.

The bill talks about increasing links, but it does not go as far as to enshrine the will to accomplish these links. In light of the continued cuts to transfer payments, I have to wonder how the government intends the CIHR to achieve its goal.

Since 1986 federal cuts to health care funding have totalled approximately \$36 billion. The amount transferred via the CHST to my home province of Nova Scotia has been steadily decreasing since 1993 when this government came to power.

The bill does little to take into consideration the consequences of these cuts in transfers. These cuts have led to a diminished capacity of the health care system to care for its patients and new research findings have not been able to get off the ground and be applied. Because of these transfer cuts, problems have arisen throughout the country.

Take for example the tar ponds on Cape Breton Island, a toxic wasteland which has wreaked havoc on the health of the people in the local area and on the environment. People have died as a result of this toxic sludge. People have reported arsenic bubbling up in their backyards and basements. An entire residential street had to be bulldozed because it was considered extremely dangerous to one's health to live there. Even the government has recently committed another \$37 million for a clean-up effort, but still no toxic sludge has been removed from the tar ponds.

Even though all of this money was provided to alleviate a major health concern, it has not translated into a healthier step forward for the communities affected by the tar ponds. Study after study after study have shown the ill-health effects and have shown the dramatic increase in the incidence of cancer. The government, however, has lacked the political will and commitment or health infrastructure to act upon this.

The CIHR needs a clear mandate to intervene in these types of situations where hard research has proven that adverse health conditions and/or effects exist. The government also has to provide a real commitment to ensure that sufficient funding exists. I

sincerely hope that this issue will be examined in depth at committee. The CIHR will only be effective in working with its health practitioner partners if sufficient funding exists in the core health care system.

One of my major concerns with the proposed CIHR is its lack of clear commitment to an approach or framework of health care and service ethics. In this day and age with rapid increases in innovation and health care technology, it is absolutely essential that the ethical effects of medical research be given a high priority. Bill C-13 barely acknowledges this need.

The challenge we are faced with today is to ensure that, as with health care, we engage in preventive ethics, not just curative ethics. What I mean by this is similar to that old saying about an ounce of prevention is worth two of medicine. We need to be actively engaged in encouraging that ethical concerns are a priority in any new and ongoing health research and practice.

(1350)

Today there are many ethical dilemmas in health research. I will highlight a few that relate to women.

These days simply because the technology exists, many women who would otherwise not be able to have children can have them. This is a fantastic gain for so many. However, there are ethical concerns about how these reproductive technologies are being implemented by health practitioners. These concerns need to be widely debated. They are already hot topics for researchers but so far, because the government has not acknowledged the need for ethical responsibility in medical services, they have not come under serious discussion and consideration in the public health care system in Canada.

It would be much more beneficial if we acknowledged this need for ethical responsibility now rather than later. The CIHR could provide for ethical responsibility by engaging in a little of what I call preventive ethics. It will be so much easier to deal with ethical concerns if they are enshrined in the legislation and recognized by health researchers and practitioners.

The last point of concern I raise is a simple one. It has long been acknowledged that men and women have different health needs. What has been harder to acknowledge and achieve is a balance in health research to ensure the particular differences and the needs of women and their bodies are taken into consideration.

My suggestion for the committee that will be examining Bill C-13 is that we ensure it is not just the universal male body that is used in all of the interesting and exciting research to be done in Canada in the future. There is certainly room within the legislation to require that one of the 10 to 15 institutes be a women's health institute. All of the institutes created as a result of Bill C-13 should ensure that their boards and committees have gender parity and ensure gender analysis is a major priority.

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I reiterate that in principle I believe Bill C-13 is a very good start on the road to linking research and practice throughout the country. However to date, the government has done little to make me believe that it will provide a considerable amount of support including the political support that will be required to ensure the success of the Canadian institutes of health research, and that it is not just another empty handed gesture.

I call on all hon. members of the House to get the message to the government that we are serious about the need for a holistic approach to health care in Canada. We need a commitment from this government that it will provide an adequate budget and significant and stable funding for health research.

The Speaker: My colleague, I will let you begin your speech but I will cut you off after five minutes and you can take it up again after question period.

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I am pleased to speak to Bill C-13. It is a rare occasion when a member of the official opposition can stand in the House and actually congratulate the government on putting forward a bill that does contain at least a few very good points.

We are inclined to support this legislation because it has some very unusual and strange things, unusual and strange to the Liberal Party of Canada. One thing is accountability. It builds accountability into the new CIHR. It is really strange that it does allow for the governing council and the advisory board to be chosen by the research people themselves as opposed to simply being appointed by some Liberal patronage officer, which has been the case in the past with the Medical Research Council.

The Canadian institutes of health research will replace the current Medical Research Council. This is good for a number of reasons. One is accountability. Another is that the governing council and the advisers will be chosen by the researchers themselves.

• (1355)

Also, for anyone who does receive a research grant under this new set-up there will be an accountability requirement that goes along with the funding. That means that within six months and every six months subsequently, as I understand it, the researcher that has the funding will have to account for the work he or she has been doing and show why he or she should continue to receive funding. This is a good thing. It has not been present unfortunately under the current Medical Research Council and that has been a process that we have not been able to support.

Another good thing about the Canadian institutes of health research is that the administrative costs will only be in the range of 4% to 5%. This is another aspect of this unusual piece of government legislation that we can certainly support.

Most of the boards, commissions and governing councils that have been set up under a varying amount of Liberal appointments and structures have subjected the Canadian taxpayer to more and more administrative costs. At the bottom line it has been shown very often that these numerous boards the government has set up have simply been places for friends of the Liberal Party to spend the rest of their days in relatively nice comfort.

We are going into question period now and I will be very pleased after question period to talk about some of the features of the bill and why we will support it. I will also continue to remind Canadians that it is very seldom that the government puts forward a bill that the Reform Party, the official opposition, can actually support. This just happens to be one of them.

The Speaker: My colleague, you will still have six minutes when you come back and you can get a good run at it. It is almost 2 p.m. and we will go to Statements by Members.

STATEMENTS BY MEMBERS

[English]

THE JUNCTION

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, on Friday, November 12 I had the honour of celebrating with residents of a neighbourhood in my riding known as the Junction, the West Toronto Junction Team, and master of ceremonies George Chuvalo, a century of the history of the Junction and the Junction's rebirth and revitalization. The evening provided an opportunity to pay tribute to all those people who have played a role in the revitalization of this historic neighbourhood.

The ambitious revitalization project involves the burial of overhead hydro wires, the widening of main street sidewalks and the refurbishment of storefronts.

The Junction's revitalization was made possible as a result of a partnership between the Department of Human Resources Development, the city of Toronto, Toronto Hydro and the West Toronto Junction Team, a group of hardworking and dedicated volunteers who are spearheading this project.

The Junction is an exemplary model for community renewal. It is also a model of how governments working in partnership with the private and not for profit sector can successfully build strong and dynamic communities.

CANADA ELECTIONS ACT

* * *

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, the government House leader has wasted a once in three decades opportunity to modernize the elections act.

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Instead of guaranteeing freedom of expression, we have a gag law. Instead of encouraging participation by new and smaller parties, we have an illogical 50 candidate rule for a party to get its name on the ballot. Instead of returning officers being appointed on merit, we have a blatant political patronage system for the Prime Minister. Instead of planning for the future, we are denying the Chief Electoral Officer the opportunity to develop and utilize new voting technologies.

The bill has been opposed by newspaper publishers and broadcasters, small and emerging parties, anyone and everyone who is interested in freedom of expression, the Chief Electoral Officer, the official opposition and the voters themselves.

The very best thing the government House leader could do, even at this late stage in the process, would be to simply throw the bill away and start again from scratch.

JEFF HART

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I would like to take this opportunity to congratulate Jeff Hart of Baker Lake, Nunavut for achieving the Governor General's Academic Medal which is awarded to outstanding students throughout Canada.

● (1400)

Today is a very special one for Jeff Hart, his family, the Jonah Amitnaaq Secondary School and the community of Baker Lake, as he will be presented with the Governor General's Academic Medal in acknowledgement of his outstanding academic effort during the 1998-99 school year.

We all celebrate Jeff Hart's achievements and wish him all the best in his future endeavours. I know he will continue to aim for excellence in everything he undertakes. I say to him congratulations.

FORD OF CANADA

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Mr. Rick Limoges (Windsor—St. Clair, Lib.): Mr. Speaker, I am pleased to inform the House that Ford of Canada's Windsor workforce reported a record donation to the United Way this year of almost \$2.9 million. In one Ford plant, the Windsor engine plant, more than \$1 million was raised this year for the United Way.

This new record surpasses the previous high of \$2.4 million which was set last year by these same Ford workers. The amounts donated again demonstrate that these workers are the most generous people in North America. I know that all members will want to join me in congratulating Ford of Canada's Windsor's workforce for its exceptional generosity and sense of community.

This is yet another example of the tremendous sense of pride and community I see in Windsor and Essex County every day. The level of community participation and volunteerism is incredible. This is yet another example of how Windsor and Tecumseh represent the very best of what makes Canada such a great place to live.

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[Translation]

REFERENDUMS

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, this week, the members of the Bloc and their leader at the mother house, Lucien Bouchard, have wrongly claimed that this government wanted to give more weight to the federalist vote in the next referendum in Ouebec.

I have a few questions for them, however. What weight did they themselves give to the votes of Quebecers who voted no in the 1980 and 1995 referendums? Why do these votes not count for the Bloc Quebecois and the PQ? Why are they insisting on putting a question that holds no interest for Quebecers?

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[English]

CANADA ELECTIONS ACT

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, the government House leader wants to change the elections act to encourage more women to run for politics.

If the minister is truly serious about encouraging women to run for politics, I suggest he should start by eliminating the chauvinistic attitudes of some of his cabinet colleagues.

Perhaps he should tell his colleagues that it is demeaning to women when they rise in the House to be told that they are being silly. Why is it that when a male member asks a question of the minister of Indian affairs he receives the courtesy of a response, but when a female member asks the same question, she is told by him that she is being silly.

This is the problem with the Liberal government. It preaches one thing but practises the opposite. It is another example of the impotence of the Liberal government. It brings a backbencher into cabinet to rise to the occasion, only to reveal his shortcomings.

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OAK RIDGES MORAINE

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the Oak Ridges moraine runs for 160 kilometres across the northern boundary of the greater Toronto area. The moraine absorbs and filters rain water and serves as headwater to 30 rivers that provide drinking water.

It constitutes the last natural corridor in the greater Toronto area and hosts many rare species of plants and animals. It is accessible to the public and has many recreational uses. It is designated as an area of concern by the International Joint Commission.

The moraine is already under pressure from existing housing developments, yet new housing developments near Uxbridge are planned.

Mike Colle, a provincial member in Ontario, has introduced a bill proposing a provincial commission to oversee planning and development on the Oak Ridges moraine so as to ensure the protection of this unique ecological area. His thoughtful proposal deserves immediate attention, in particular because of the warnings the assistant deputy minister has given to the minister of municipal affairs in a recent report.

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[Translation]

MEMBER FOR VAUDREUIL—SOULANGES

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, so the member for Vaudreuil—Soulanges is very concerned that his own party could raise by 20% the number of Air Canada shares owned by a single shareholder, since, according to him, the Caisse de dépôt et placement du Québec could increase its holding of shares of this company to the point of taking control of it.

Imagine, and cover your face. An organization under the thumb, as he put it, of a sovereignist government would control Air Canada.

As far as I know, this member, who is concerned today, was not in the least concerned when the idea of raising the percentage was to permit an American company to control Air Canada. Better foreign takeover than Quebec takeover is the opinion of this Quebecer. None of us is surprised. On the contrary, his behaviour in this is so Liberal.

● (1405)

Could I go so far as to say that I was delighted by this statement by my colleague, which will make it a little clearer to our fellow Quebecers just where the Liberal members are coming from.

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[English]

RIMA ARISTOCRAT

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I rise to honour a constituent, an educator and a leader, Rima Aristocrat, president and chief executive officer of Willis College located in my riding. She is among those being honoured in *Chatelaine*'s Who's Who of Canada's Women.

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The special millennium edition of Who's Who recognizes the achievements of Canadian women. It honours their accomplishments and contributions and establishes the standards for the next generation of Canadian women executives.

A former concert pianist, Rima Aristocrat has been at the helm of the Ottawa area campuses of Willis College for the last decade. She has distinguished herself among her peers and served as an incredible inspiration to many.

I say congratulations to Rima on a job well done.

* * :

NATIONAL UNITY

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, for over 30 years we fought in the country over unity, leave or stay. We have squandered more time and energy on this subject than any other.

Quebec wants changes in the way Ottawa intrudes in provincial affairs. In fact Alberta wants exactly the same thing. What does our Prime Minister offer when tinkering with referendum rules? He offers absolutely no serious renewal of this federation.

Reform has an option on the table. We offer the troisième voie with specific changes to make our federation work better. There is an appetite for improving our country by grassroots changes. I ask everyone to pay close attention to the troisième voie.

* * *

VIOLENCE AGAINST WOMEN

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, today is International Day to End Violence Against Women. It is the beginning of a global campaign ending on December 10 to commemorate 16 days of activism against gender violence.

The International Day to End Violence Against Women was declared by women in Latin America and the Caribbean in 1981. The day commemorates the death of the Mirabel sisters who were brutally murdered in the Dominican Republic in 1960. During these 16 days let us also not forget the tragic deaths of 14 young women at the Ecole Polytechnique 10 years ago here in Canada.

Violence against women robs women of their lives and dignity, breaks the spirit of our communities, and fosters unacceptable social attitudes and behaviours toward women.

I call upon all my colleagues and all Canadians to join in activities in their communities to end the vicious cycle of violence against women.

* * *

NATIONAL UNITY

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, as one of the 10 or so MPs who has been in this parliament since

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before the first Quebec referendum, I would like to offer the following advice to the Prime Minister.

No one has ever saved Canada by trying to make themselves out to be the saviour. They only make things worse. The supreme court did not say that the political task was up to either a majority PQ government or a majority Liberal government in Ottawa. Canadians should not have to choose between a unilateral Liberal initiative that is provocative and counterproductive or Mr. Bouchard's musings about a UDI.

If the Prime Minister insists on proceeding, the opposition should be part of a meaningful process of constructive dialogue among ourselves and with Quebec. Anything less looks like using the court decision for partisan political purposes or an attempt by the Prime Minister to secure a place in Canadian history that may yet prove to be not what he has in mind.

[Translation]

The Prime Minister likes to say he is all alone. To date, it has not been hard to believe that he is all alone, because he has chosen to be so.

* * *

CHILDREN AFFECTED BY WAR

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, next year, Canada will host an international conference on children affected by war.

This summit will bring together officials representing governments, international organizations and various groups from all parts of the world. The objective is to develop a global plan of action for all problems experienced by children who are affected by conflicts.

I should point out that, two years ago, Canada helped create a similar coalition concerning the land mines treaty. I had the honour of being part of that delegation.

Canada is now hoping to start a process to protect children, who are hard hit by conflicts around the world.

* * *

[English]

EMPLOYMENTINSURANCE

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, the changes to the employment insurance system have made it much more difficult on part time and seasonal workers to qualify for benefits. These changes have made it very difficult for women, given that women have longer absences from the workforce than men. Nationally only 36% of the unemployed qualify for EI benefits. It is therefore no surprise that only 30% of unemployed Canadian women actually qualify for benefits.

● (1410)

The government has indicated that it will increase maternity leave from six months to a full year. Given that it is much harder to qualify for maternity benefits than regular EI benefits, that new commitment rings very hollow indeed.

The government's changes to the EI system were designed as an attack on seasonal workers in rural and Atlantic Canada, and sadly an attack on Canadian women as well.

* * *

HOUSING

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, Canada Mortgage and Housing Corporation has an unparalleled record across Canada for fine work in housing. Over the decades poor and not so poor Canadians have blessed CMHC for helping provide them with a home. In co-ops, seniors residences, special needs accommodation and ordinary houses in communities like Peterborough in every province, CMHC work ticks on.

The government is engaged in a transfer of authority over housing from the federal level to the provincial. I urge that this transfer not take place without the most careful preparation and care to ensure full protection of federally supported housing.

I urge that CMHC be maintained as a strong and viable federal agency so that it can continue as a national oversight authority in housing.

* * *

GASOLINE PRICING

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, Canadian consumers have heard reports that they may be paying 80 cents per litre for gas by Christmas because of rising oil prices. Something has been overlooked in the whole equation, the fact that roughly half the cost of a litre of gas is made up of taxes.

On August 26 my Calgary caucus colleagues and I handed out Ottawa gas tax bucks to Calgary residents filling their tanks. They were surprised to find that Ottawa takes \$300 million in gasoline taxes from Calgarians and nothing comes back to Calgary to help with its transportation challenges.

From municipalities across the nation Ottawa takes in \$4 billion a year in fuel taxes but less than six cents on the dollar go to highway renewal. The rest goes to more big government.

Municipalities like Calgary send billions in tax dollars to Ottawa and never see them again while they are forced to raise property taxes to pay the bills for maintenance of communities where overtaxed Canadians live. Calgarians want—

The Speaker: The hon. member for Brandon—Souris.

AGRICULTURE

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, Statistics Canada released figures today on farm income and federal government support for agriculture. I would like to put these numbers released today into perspective so people do not misinterpret them as the reality of life on the farm.

The picture that Statistics Canada paints of Canadian farmers and government support is a far cry from what is really happening out there today. The report talks about gross payments from government support programs reaching \$1.2 billion, up 54% from the previous year. This does not necessarily reflect an increase of support but more so reveals that the severity of the income crisis has triggered farmers to use most of their meagre income out of NISA.

The reality is that government support has been drastically cut since the Liberals took power in 1993. In 1993 in the last budget of the Progressive Conservative government there were \$7.1 billion in federal-provincial farm support. Today there are about \$3 billion less. This is an accurate reality on the farm today, not the rosy picture Statistics Canada paints.

* *

[Translation]

QUEBEC'S DIRECTOR GENERAL OF ELECTIONS

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, on November 9, Quebec's director general of elections received the Quebec award of excellence in public administration for establishing a permanent voters' list.

This award recognizes remarkable achievements in the public sector and is a tribute to those who are the architects of such achievements. Such an honour adds to the already great reputation of the Quebec electoral system, both as regards its underlying fundamental principles and its daily management.

Testimony to this is the public funding of political parties, which put an end to the not so transparent campaign funds to which corporations used to contribute heavily, and the appointment of returning officers and employees of the director general of elections based on merit, through public competitions, and not for services to the party in office.

This award confirms once again the excellence of the people responsible for Quebec's electoral system, as well as the credibility of the province's democratic institutions.

Congratulations to Quebec's director general of elections and his team.

[English]

ROTARY CLUBS

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, in the spring issue of the Rotary Club of West Ottawa, Mr. Bill Coombs wrote about the project of the children's home in Sumpango, Guatemala.

The Rotary Club of West Ottawa, with the help of the rotary clubs of West Town-Middleton, Madison, Wisconsin and Guatemala South, as well as aid from CIDA and the Canadian Rotary Committee for International Development, relocated a home for children from Guatemala City to the municipality of Sumpango.

• (1415)

The home is to care for children from a few months to 15 years old, whether they are suffering from malnutrition or homelessness. The home has been refurbished with a dental and health care clinic, as well as irrigated gardens to provide the fruits and vegetables the children need and, most importantly, a new well providing pure water.

I applaud the Rotary Club of West Ottawa and their partners and encourage them to keep working to help the poorest and most disadvantaged in the world.

ORAL QUESTION PERIOD

[English]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, yesterday I told the finance minister about a teacher who had \$81 of her \$83 monthly pay raise ripped off through higher taxes.

Today I want to talk to the minister about Eddy, who just started working at the Ford plant just outside of Toronto. He writes "I'm just doing my regular hours and already my taxes are incredible. If I go and do overtime, well it's not even worth it because I'll be working for free. Someone in government gets a raise that I worked for".

Why should the finance minister get that overtime pay when it is Eddy who is putting in the extra hours?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, why do we not take a look at what Eddy does not see on his pay stub. He does not see the \$11.5 billion that has gone into health care. He does not see the \$1.7 billion that we have put into the Canadian child tax benefit. He does not see the 600,000 taxpayers who have been taken off the tax rolls and who are no longer paying taxes.

Those are things that do not appear on his pay stub and those are also things that would not have occurred if the government had listened to Reform.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the minister is right, those things do not pass the pay stub test.

If the finance minister wants to dismiss Eddy, maybe he will believe Ian.

Ian lives in Vancouver and he just sent us the pay stub from his so-called incentive bonus. Of the \$309 Ian was paid, 49% of it was confiscated in taxes, leaving \$157 after the finance minister got his mitts on it.

Can the minister explain where the incentive is in sucking 49% out of a so-called incentive bonus?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the Reform Party wants to have a serious discussion, then it must be prepared to defend its own policies. Now, from fresh start and from the debate in the House, the fact is that Reform—we discussed it yesterday—was not prepared to cut EI premiums for employees, only for employers. Reform's basic position was that there would be no tax cuts until the year 2000.

We have brought in tax cuts in each of the last three years. The fact is that every one of those pay stubs would have a lot less money in them if the government had listened to Reform.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, you will notice that whenever the minister cannot defend his own policies, he attacks us.

Let us take a look at Ron's pay stub. Ron lives in Calgary. This summer he took early retirement after 25 years of working for Telus. He was owed \$18,000 in unused vacation pay, but after the taxman got hold of it, he was left with only \$10,000, \$8,000 was ripped off by the taxman.

Is ripping off \$8,000 from Ron's vacation pay this minister's idea of a retirement send-off?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what I am clearly demonstrating is the total lack of credibility of the Reform tax position and its ability to criticize the government. What Reform put forward consistently was a deficit plan that did not work. We put forward a deficit plan that worked.

Reform then deliberately said that there should be no action taken on taxes until the year 2000 and no action taken on the reduction of EI premiums for employees. We did not listen to Reform.

The question really is: How does the Reform Party dare stand up and try to defend Canadian workers when its position has been totally hostile to what they want?

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, in 1992, a Calgary firefighter took home a \$1,303 paycheque. Every year since then, this finance minister has given him a pay cut by taking an awful lot of tax. Today, this man's paycheque is only \$1,129; same job, but almost \$200 less than before the Liberals were elected.

(1420)

Why does the finance minister say he has cut taxes when the workers' paycheques prove he has actually raised taxes?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, we say that we have cut taxes because in fact we have. The threshold has been increased by \$675, the 3% surtax no longer exists and Canadian families are receiving, through the national child benefit, over \$2 billion a year.

We have put our plan out there. It is one that is working. It is reducing taxes.

The issue is: Why do Reformers think they can stand up in this House and play smoke and mirrors with the hopes and aspirations of Canadians?

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, it sounds like the finance minister is getting a little sensitive on this issue. He knows that Canadians cannot shelter their incomes in Liberia or the Bahamas like this minister can

Some hon. members: Oh, oh.

The Speaker: Order, please. I ask the member to put his question.

Mr. Paul Forseth: Mr. Speaker, this Calgary firefighter lost \$200 of take-home pay.

Instead of designing schemes to confiscate more money from Canadian, why will the finance minister not give Canadians a 25% tax cut and let workers take home a fair share of their hard earned money?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the intellectual bankruptcy of the Reform position is manifest in every question that Reformers ask.

We have laid out our tax plan. It is resulting in lower taxes for Canadians; by next year a 10% tax cut for individual Canadians, a 14% tax cut for families.

The issue is: If the Reform Party members believe what they say, why will they not stand up in the House and defend their position? Why do they not refute the claims that I have made in terms of their position? It is because I am telling the truth and the Reform Party knows it and it is afraid to defend its position.

[Translation]

REFERENDUMS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister has unveiled part of his referendum strategy.

Yesterday, he admitted that asking Quebecers whether they wanted Quebec to become a country would be a clear question for him. So separation or secession need no longer be mentioned in the question. Now, we would like to know the government's intentions with respect to what it would see as a clear majority.

Could the Minister of Intergovernmental Affairs tell us what he is thinking of when he says he wants to change the 50% plus one rule?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, change what? The 50% plus one rule to which the Bloc Quebecois leader refers appears nowhere in Quebec's Loi sur les consultations populaires.

In that legislation, a referendum is defined as a consultation. I quote from the 1977 white paper that was instrumental in the drafting of this legislation "Because of the consultative nature of referendums, it would be pointless for legislation to include special provisions with respect to the majority required or the necessary voter turnout".

A referendum is a consultation and governments evaluate, on the basis of clarity, among other criteria.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is not included because it goes without saying that it is 50% plus one, as it says in the supreme court ruling.

In fact a clear majority is often mentioned. It is mentioned so often that they did not say 50% plus one. It was obvious to them that that is what it was. Maybe the minister is telling us that we won the last time and do not know it.

By restricting the clarity of the process to the results alone, by failing to consider the quality of the debate and voter turnout, is the minister not adopting an attitude that is incompatible with the supreme court ruling?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, as I have already said, when the word clear is put before the word majority, it is because a simple majority is not enough.

Oral Questions

Yesterday, during a public debate, the Bloc Quebecois constitutional critic was asked the following simple question by an ordinary citizen "If 50% plus one is a clear majority, could you give us an example of a majority that is not clear?" The best answer he could come up with was "50% and 50%".

Fifty per cent and fifty per cent is not a majority, period.

• (1425)

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, in a legal opinion released by the Bloc Quebecois this morning, Laval University professor Henri Brun states that—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Beauharnois Salaberry.

Mr. Daniel Turp: Professor Henri Brun of Laval University states that the clear majority to which the supreme court refers is nothing more than the 50% plus one rule Moreover, Professor Brun bases his argument on the fact that the court refers to a qualitative majority.

Will the minister finally acknowledge that the court has never challenged the 50% plus one rule and that the qualitative majority of which it speaks relates to the referendum process itself and not the number of votes required?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, as for 50% plus one, in French when there are two choices, it is a majorité simple, a simple majority, not a majorité claire, a clear majority.

Some hon. members: Oh, oh.

Hon. Stéphane Dion: Second, Professor Brun is the same person who has always advised—

Some hon. members: Oh, oh.

The Speaker: Order, please.

Hon. Stéphane Dion: Mr. Speaker, I have spoken of a simple majority. Bloc Quebecois members do not need to feel that the word simple is being applied to them.

Quoting the court, "Democracy, however, means more than simple majority rule". This can be found in paragraph 149.

As for Professor Brun, he is the same person who has always advised the PQ government that the right to self-determination was synonymous with the right to secession. Now he realizes his error. Well, he is making another.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my colleague does not even know the difference between an absolute majority and a simple one. A simple majority is 38%.

Some hon. members: Oh, oh.

Mr. Daniel Turp: And that is what you got in the last election.

Some hon. members: Oh, oh.

Mr. Daniel Turp: Mr. Speaker, according to Professor Brun, a refusal to negotiate solely on the grounds that the majority in favour of sovereignty was not 60%, or 55%, or even 51% of the votes would be unconstitutional.

Does the minister realize that, by again challenging the 50% plus one rule, he is preparing to commit an unconstitutional act, an illegal act?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, it is evident that the hon. member does not have a PhD in mathematics, because when there are only two choices, a yes and a no, absolute majority and simple majority are synonymous.

Some hon. members: Oh, oh.

Hon. Stéphane Dion: Now, that said, Professor Brun has made a mistake, as I have said, and is still in error today. Those things happen.

But that is not the end of the story. The bottom line is that it is totally irresponsible to try to do something as serious as seceding when the population is split down the middle, and to try to negotiate. When the first difficulties appeared, support would be seen to drop below the 50% plus one level. What then? When one has the best interests of Quebec at heart, one does not plunge it into such a situation.

* * *

[English]

TRADE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister or the Minister of Foreign Affairs. It has to do with the WTO meetings in Seattle next week. The Minister for International Trade will be going there representing the government.

Can the government tell us whether the Minister for International Trade, at the meetings in Seattle, will be making it absolutely clear that Canada rejects the American position with respect to how health and education services should be dealt with at the WTO?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is my understanding that the Minister for International Trade has been asked this question several times in the House and has made it very clear that we consider that health is part of the basic protected services and will not be part of those negotiations.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, that is not the view that Ms. Barshefsky takes. I wish the government would make it explicit, that it rejects her point of view.

The Minister of Canadian Heritage said she desires a carve out of culture in which culture is not "WTO-able" at all, to use her words. Can the government tell us if that is the position the trade minister will be taking to Seattle, that culture under no conditions will be "WTO-able"? Right now it is, and we would like to know how she plans to change it.

• (1430)

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, as I just said, health is not a negotiable item and neither is culture. Canada has taken the lead internationally through the efforts of the Minister of Canadian Heritage and the Minister for International Trade to establish a new multilateral instrument that would promote the diversity of culture around the world. Canada is taking the lead on that matter and I think the hon. member should be supportive of that.

* * *

NATIONAL DEFENCE

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, two days ago the Parliamentary Secretary to the Minister of National Defence told the House that the maritime replacement program was on the minister's desk awaiting his decision. Today the Vice-Admiral of Defence Staff testified at our defence committee meeting that he signed off on the statement of requirements at the end of June.

Will the minister please stop saying that the Sea King replacement program is his number one priority and now make it his number one priority by initiating this program before the House rises at Christmastime?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, it is my number one priority, as I have quite clearly indicated, but it is not solely a matter of this department. It is also a matter for other departments and consultations that need to go on with other departments.

As well, because of the major nature of this government expenditure, it involves the elected representatives of a fully accountable government. We are going through that process and as quickly as possible we are going to purchase a new helicopter.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, according to what we were told this morning, everyone has agreed, with the exception that the minister has not signed off on this. We are talking about the lives of our pilots and the men and women who are in these helicopters.

Contrary to an internal department document received through access to information which informed the minister that a maritime helicopter replacement program would take eight years, the minister yesterday testified that the replacements would be active in five years. Obviously the minister has more information than we have.

Will the minister table in the House all of the exact details, including the time line of the Sea King replacement program that he has—

The Speaker: The hon. Minister of National Defence.

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, as I said a moment ago, the matter is not sitting on my desk. The matter is in full process toward a decision that will be made.

Yes, we will replace it by 2005. We have been able to streamline the procedures for procurement over and above what the Conservatives had when they were in government. We will be able, in a shorter period of time, to purchase the right replacement for the Sea King.

* * *

TAXATION

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, here is another chapter in the great tax rip-off carried out by the finance minister. This is a pay stub for Jean. Jean is a pipefitter who works in Fort McMurray. His gross pay was \$2,265, but by the time the finance minister got through with his paycheque, Jean took home about \$1,200, a 49% tax bite.

I want to ask the finance minister a very simple question. When is he going to give people like Jean, hard working Canadians, a tax break? When is he going to do that?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, Reform members' performance in standing is not going to confuse Canadians about the fact that the Reform Party is not prepared to carry through with what it is saying. The issue really is that Jean has got more after-tax disposable income today as a result of what this government has done than what Reform would have delivered.

The issue is, why will the Reform Party not stand in the House to defend what it has said in the prebudget debates and, in fact, in its election campaigns? That is the issue.

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, that is nonsense. Jean's family income has decreased over \$4,000 since 1993. His disposable income from his cheque has decreased over \$2,200 since 1993 under this finance minister's insatiable tax campaign.

Oral Questions

Jean cannot hide his income under some offshore foreign flag.

Some hon. members: Oh, oh.

• (1435)

The Speaker: Order, please. I ask the hon. member to please go directly to his question.

Mr. Richard M. Harris: Mr. Speaker, Jean feels the full impact of this finance minister's insatiable appetite for taxes.

I want to ask the finance minister, is he really proud of what he does to Jean's family? Is he really proud of how much tax he—

The Speaker: The hon. Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, is every member of the government proud that we put \$11.5 billion back into the health care system? Absolutely.

Is every member of the government proud of the national child tax credit? Absolutely.

Is every member of the government proud that we have taken 600,000 taxpayers off the tax rolls? Absolutely.

The fact is that we are prepared to stand in the House to defend what we have done.

Are Reform Party members proud of what they have said, that they would not cut EI premiums for employees? They are clapping. They are proud of it. Are they proud of the fact that they would not have provided any tax relief until the year 2000?

* * *

[Translation]

REFERENDUMS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday, I had occasion to quote the Prime Minister, who on referendum night in 1995, boasted of the merits of democracy, which gave him a 50.6% victory. Today, he is refusing to recognize 50% plus one as the rule.

Could the minister tell us where, in the supreme court opinion, he is asked to give votes different values according to their being for or against sovereignty for Quebec? In other words, where in the supreme court decision does he come up with the fact that clarity means 60,000 from Lac-Saint-Jean and 40,000 votes from Westmount?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, perhaps it is time for the Bloc to answer a few questions.

They were asked: Why in municipal referendums in Quebec is it not 50% plus one if 50% plus one is supposed to be the sacred rule?

They were asked: If 50% plus one is a clear rule, is a clear majority, what would a majority that is not clear be? The Bloc cannot answer these questions.

What counts most is respect for Quebecers' right to be fully Canadian, until such time as they clearly give it up. As Quebecers clearly want to be Canadians, the people opposite are looking for confusion.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, this week the minister gave the members of this House a lesson, saying that it was wrong to mix apples and oranges. I wonder what he is doing when he talks of municipal referendums.

Will the minister not acknowledge that the purely academic debate over a theoretical percentage, which he wants to be different from the way things are, is a desperate measure to come up with a way to avoid the constitutional obligation to negotiate the Supreme Court of Canada set for the government?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, if the simple amalgamation of municipalities requires more than 50% plus one, would such a majority be enough to break up a country? Has this ever happened somewhere in the world, outside colonial settings? Never.

There have even been cases where majorities of 60% did not lead to secession, as in the case of Western Australia and on the islands of St. Kitts and Nevis.

* * *

[English]

NATIONAL UNITY

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the only reason the Prime Minister stands alone on the national unity debate is because he is totally out to lunch. He does not even have the support of his cabinet.

[Translation]

This government seems to forget that Quebecers and Canadians want more than the status quo or sovereignty. Canadians want a renewal of the federation, a third route.

Why is the Prime Minister so determined to become one of the winning conditions of the sovereignists?

[English]

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, when it comes to the unity of Canada, the Prime Minister does not stand alone. Thirty million Canadians stand with him, except for Reform Party members, and they ought to be ashamed of themselves.

[Translation]

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, yesterday the Prime Minister boasted that his heritage and his selfishness were behind his actions in national unity matters.

What is more important, the Prime Minister's selfishness or Canada?

(1440)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, we reiterate that Canada is his priority, which is not the case with the Reformers, who want to play games with the separatists.

* * *

POVERTY

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, yesterday, while we were engaged in various activities to mark the tenth anniversary of the House of Commons resolution to end poverty, the Liberal members on the Standing Committee on National Defence and Veterans Affairs were moving that the defence budget be substantially increased.

My question is for the minister responsible for the homeless. Does she intend to approach cabinet and ask that funding to stamp out poverty be given priority over increased defence spending?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, as I have said time and again, if the hon. member would read the Speech from the Throne she would see that there are very firm commitments on the part of the government to support children and to help eradicate child poverty.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my supplementary is for the minister responsible for the homeless.

Yesterday, I asked the government for a specific, concrete and detailed plan to combat poverty, complete with numbers.

Has the minister responsible for the homeless finally finished travelling around the country and is she now ready to table a plan to end the poverty that has continued to grow since the Liberals took office?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, as the Minister of Human Resources Development said, we have programs in place for poor children, and we will pursue them.

As for the homeless, I wish to inform the House that, since my tour, we now have facilitators in communities who are working daily with the homeless, and we will continue to work for the

homeless in this country until all Canadian children have a bed in [Translation] which to sleep.

[English]

AGRICULTURE

Mr. Gerry Ritz (Battlefords-Lloydminster, Ref.): Mr. Speaker, the government continues to demonstrate a complete lack of understanding about the growing crisis in rural Canada. We in the west have come to realize that this government does not care. Tough love the minister calls it. Imagine my surprise today when members opposite voted against committee hearings for Ontario producers. Is the government now practising tough love for Ontario producers as well?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member opposite knows that committees are masters of their own business, and if he is trying to say that we should direct every committee from debates in the House at question period, need I tell him that that would be the wrong way to do it? He should know the rules of the House by now. He has been here long enough.

Mr. Gerry Ritz (Battlefords-Lloydminster, Ref.): Mr. Speaker, they are kind of hiding behind the rules. That was not the question at all.

The reality of Liberal agriculture policy is borne out by the Parliamentary Secretary to the Minister of Finance. He said: "Let's face reality. There are some farms in Saskatchewan that are not going to make it and maybe we need to put our efforts into those farms that are going to make it and try to help others move into some other transitional economy".

Is the finance minister going to decide who is viable and who is not viable? Is the finance minister planning a TAGS program for farmers? We all know how well that worked.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the government has demonstrated its commitment very clearly in the last year by putting nearly \$1.1 billion into a program. We have changed all of the programs, such as the crop insurance program and the NISA program. We have made them more accessible, we have made them more available and we have made more dollars available to Canadian farmers. We continue to look at those programs and at programs that will succeed them.

As I have indicated, and as we have demonstrated as a government, we are not done yet.

EMPLOYMENTINSURANCE

Mr. Paul Crête (Kamouraska-Rivière-du-Loup-Témiscouata-Les Basques, BQ): Mr. Speaker, a Canada Labour Congress report indicates that only one third of unemployed women between the ages of 25 and 34 qualify for employment insurance benefits. These are the same people who are likely to benefit from parental leave.

If the minister really wants to help women and their children, does she not think that before extending maternity leave to one year, she should allow a much larger number of women to receive maternity benefits?

● (1445)

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, as I have indicated before, we are looking at the data that suggest there are fewer women receiving employment insurance benefits. I look forward to receiving the next monitoring and assessment report to see if that trend is confirmed and then if necessary to take action.

IRAQ

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, this week Iraq cut off shipments of oil and apparently rejected an extension of the oil for food program.

Can the Minister of Foreign Affairs tell the House what Canada is doing to break the deadlock at the United Nations Security Council on the Iraq sanctions issue?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada has been very actively involved over several months to get a resolution that would recognize the humanitarian need as well as the need for arms inspection. I am pleased to report that I think we are very close, in the next two or three days, to actually having a compromise resolution at the security council. What is important is to have the Iraqis accept it.

We sent a special team of officials to Iraq this week to specifically work with the Iraqi government to urge it to go along with the UN request so we can begin to provide the necessary humanitarian assistance for that country.

CANADA ELECTIONS ACT

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, on Tuesday a constitutional lawyer told the government House leader exactly how easy it will be for the courts to strike down the gag law and the illogical 50 candidate rule in the new elections act. He urged members not to dump problems on the shoulders of our already overworked solicitor general by passing those parts of the bill

I ask the solicitor general, is he aware of the fatal flaws in the new elections act and has he recommended to cabinet the removal of the offending parts?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the provisions in question are not offending. The rules regarding third parties are based on the Libman decision of the supreme court. Everyone else in the House knows that. The hon. member knows it too. I have explained it to him at committee and informally in a one to one meeting as well. He knows that in fact is not the case.

Mr. Ted White (North Vancouver, Ref.): Mr Speaker, I can tell from the expression on the face of the solicitor general that he does not have a clue about the new elections act. It was very nice of the government House leader to try to help him out.

The fact is the minister's 24 hour publication of polls amendment was just tinkering around the edges of the act. Why did he not do something meaningful like get rid of the gag law, or get rid of the 50 candidate rule, or get rid of the patronage that is riddled throughout the act?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am quite prepared to have the debate again that we had in committee yesterday on the 50 candidate rule. The issue is presently before the court in an appeal. On the issue of the blackout, it is based on the Thompson decision. It respects the supreme court decision. The other one is based on the Libman decision.

I explained all three of these things to the hon. member yesterday.

GASOLINE PRICES

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, last month I warned the industry minister that rising gas prices would hike inflation, increase interest rates and throw the economy into a tailspin. He laughed it off then but now no one is laughing.

Not only do we hear reports of \$30 per barrel crude oil and 80 cent per litre gasoline by Christmas, but today we have an admission that the Competition Act is defective.

I ask the minister again, is he prepared to act on the competition problems in the gasoline retailing industry, or is he proud, as the Minister of Finance says, to see gas prices at record levels?

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, if members of the NDP are so interested in gas pricing, they should have been at committee today to bring up the issue. It was the Liberal Party and this member from Ajax that brought the question to committee.

The Competition Act is indeed acting. The Competition Act most recently addressed these issues. For example, in September 1999 Hoffmann-La Roche of Switzerland was sentenced to a fine of \$48 million. Also recently, in January 1999, eight snow removal companies in Quebec were fined close to \$3 million after pleading guilty to conspiring to share the market.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, it is the government that is supposed to be responsible for protecting consumers but it has not done one thing to stop price gouging at the pumps. It is sitting back and letting big oil companies bully the country into accepting these outrageous prices and the inflation and interest hikes that will come with them.

Why will the government not support my suggestion of an energy price review commission? Why will it not stand up for consumers instead of big oil companies?

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, we are standing up for consumers. It was the 41 member Liberal task force that commenced this activity.

If the member is talking about pricing, he should talk to his provincial counterparts. Pricing is a provincial jurisdiction. Even Premier Klein stated here that this is a dual responsibility.

* * *

● (1450)

NATIONAL UNITY

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, my question is for the finance minister.

In light of the Prime Minister's reckless and provocative attempts to recreate his own legacy, will the Minister of Finance inform the House if his department has or will undertake any studies on the costs to the Canadian economy and the effect on our dollar as a result of the unnecessary and ill-timed renewal of the debate over national unity?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, that is the most incredible question we may hear.

The premier of Quebec has been saying week after week that in his mind the referendum is a possibility as soon as possible. Does the Conservative Party want us to do nothing?

This country will never break up in confusion. Quebecers want to stay Canadians. They will never leave their country in confusion. This is the commitment of the Prime Minister.

* * *

[Translation]

REFERENDUMS

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, the Minister of Intergovernmental Affairs said there would be less poverty if there were no debate on separation. Is poverty a component of the downside of the referendum?

Things had been quiet for a while, but it all came to an end with the Prime Minister's statements on a clear question in the future, a clear majority in the future and a possible referendum in the future.

Does the minister not realize that he and the Prime Minister are the ones responsible for bringing the whole referendum issue back to the forefront?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, is it not the Parti Quebecois that is in office in Quebec City? Is independence not the number one issue on its agenda? Two statements were made this week, including one by the Prime Minister, who said Canada was divisible, but only in a legal fashion and with a clear majority.

The Premier of Quebec said he was prepared to make a unilateral declaration of independence. Everyone knows that such a unilateral declaration of independence would have no legal basis. The Conservative Party is blaming the Prime Minister but remains silent about the Premier of Quebec. When will the Conservatives wake up?

. . .

[English]

CHILD LABOUR

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, my question is for the Minister of Labour.

In June of this year, the general conference of the International Labour Organization unanimously adopted the Convention on the Worst Forms of Child Labour. This was to protect vulnerable children. Given Canada's human security agenda, I ask the minister today if Canada is planning to ratify this agreement. What are we going to do?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, in the Speech from the Throne, the Government of Canada

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underlined Canada's commitment to champion efforts to eliminate exploitation of children and to reach international agreements to protect the rights of children. We have already started working with the provinces and territories as well as our social partners toward Canadian ratification of the new ILO convention.

* *

CANADA ELECTIONS ACT

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, we know the government is already facing legal challenges on the new elections act.

This new act is also contaminated with the same old Liberal patronage system of appointing hacks as Elections Canada returning officers.

Why does the government insist on appointing Liberal hacks and buddies instead of letting the Chief Electoral Officer hire based on merit? Why is that?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I totally reject that accusation against the people who serve the democratic process in Canada as electoral officers. They are appointed. They are qualified people. The same process that is used at the federal level is also used in six provinces.

The Lortie commission, the royal commission on elections, recommended not to change the system from what it is now. Finally, the Chief Electoral Officer of Ontario said we would have to double the size of the bureaucracy in order to do what the hon. member is suggesting.

* * *

• (1455)

[Translation]

REFERENDUMS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I am looking in the *Vocabulary of Parliament* at a number of definitions that help us to a clearer understanding of the terms used in the House of Commons.

[English]

Under the heading of absolute majority, clear majority or clear-cut majority, is the following definition "more than half the votes or seats".

I ask the Minister of Intergovernmental Affairs, is that clear enough?

[Translation]

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, a clear majority is a majority greater than 50% plus

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one. If 50% plus one is not a clear majority, then what would an unclear majority be?

A good bit more than 50% plus one is needed to break up a country. A good bit more than 50% plus one is needed to move ahead toward the irreversible act of breaking apart a country, a decision from which there would be no turning back.

Yet the Bloc Quebecois claims that it wants to plunge Quebec into such a situation. That is totally irresponsible. At some point, there is a need to be a bit reasonable.

* * *

EMPLOYMENTINSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, because of the EI reforms brought in by this Liberal government and the Progressive Conservative government before it, only 30% of unemployed women are receiving EI benefits, compared to 70% in 1989.

A Statistics Canada study shows that EI cuts are the leading reason for the increase in poverty among families with children.

Is the Minister of Human Resources Development prepared to admit that, by reducing the eligibility of unemployed parents for EI benefits, she is increasing child poverty?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I have already responded to the way in which we are looking at this data.

I remind the House that although the hon. member opposite would have us believe that women are not making gains in the labour force, in fact, the opposite is true. The unemployment rate of 5.8% for adult women is the lowest in almost 25 years. Since we were elected in 1993, over 800,000 jobs have been created for women. Women's employment has grown faster than men's in each of the last four decades.

Without question the hon, member has said that the most important social program for a family is a job. We are working to ensure that women have them.

~ ~ ~

[Translation]

REFERENDUMS

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, the Minister of Intergovernmental Affairs is refusing to talk about the downside of the referendum. So through you, Mr. Speaker, I will put the question to the Minister of Finance.

Can the Minister of Finance, who has spoken about the downside of the referendum, tell us what impact the debate launched by the federal Liberal government is having on the financial, social and economic well-being of Canada?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, is there a downside to the referendum? Absolutely.

And we have experienced it in Quebec. Quebec's business community, those working in Quebec, have seen it for years, ever since the Péquistes took office.

When we look at the political uncertainty and see the impact on business and job creation, when we look at the social problems in Quebec resulting from the uncertainty surrounding the referendum, it is very clear that there is a downside, and that is why Canada will never break up.

* * *

[English]

POST-SECONDARY EDUCATION

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, last month the federal government announced the launch of Can-Learn Inter-Active. Can the Minister of Human Resources Development explain why Canadians need another Internet site? How is this new site different from the existing sites already offering information on learning?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, a couple of weeks ago I was very pleased along with several of our partners, including the Canadian students association, the provincial and territorial ministers of education and the private sector, to launch the Can-Learn site.

This is a unique site that allows interactive tools such as a student financial planner, a scholarship search and a tuition fees data bank to be available to those who are looking for information on post-secondary education. I encourage all Canadians who are interested in this to look it up.

* * *

• (1500)

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of two guests today: the hon. Pat Atkinson, Minister of Health of Saskatchewan and the hon. Helmut Giesbrecht, Minister responsible for the Public Service for the province of British Columbia.

Some hon. members: Hear. hear.

BUSINESS OF THE HOUSE

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I am not sure if this is fair or not. I get one question every three weeks and the government House leader has had three today alone.

I might as well proceed with a short question for the government remainder of this week and what legislation we will see for next

House leader and ask him if he would mind telling us in the House the nature and the type of legislation that we will see for the week. Perhaps he will also tell us when the House will recess for winter break.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, perhaps I could answer the last question first. Hopefully, soon. In any case, the tentative date is Friday, December 17. House leaders do negotiate from time to time on such issues.

Getting back to the business at hand for the next few days, this afternoon we shall continue debate on the health institution bill, Bill C-13.

Tomorrow we will consider the tourism bill, Bill C-5, possibly followed by a resumption of the consideration of Bill C-11, the Devco bill. I intend to consult House leaders on this item a little later.

For Monday, the first item to be taken up, if necessary, will be Bill C-13. This will subsequently be followed by the Canada Labour Code amendments, Bill C-12.

Tuesday shall be an allotted day.

On Wednesday, I expect that the House will be able to turn once again to Bill C-9, the Nisga'a legislation at report stage.

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, during question period today, I raised an issue with the Minister of Industry with respect to gas pricing and the Competition Act. The parliamentary secretary who responded made reference to the absence of a member during committee this morning.

I was at two committees this morning. That was not one of the three, but I did attend two. I am wondering if it is in order to comment on the presence or absence of a member in committee.

● (1505)

The Speaker: I thought about that when it came up, but I felt it was outside the House. Until I hear something in committee about it, I should perhaps advise the hon. member to bring it up in committee. If the chairman wants to bring it to the House in a report, I will look at it then.

In the meantime, I prefer that we do not comment on the absence or presence of any member. We will let that sit right there.

Government Orders

BUSINESS OF THE HOUSE

Mr. Bob Kilger (Stormont—Dundas—Charlottenburgh, Lib.): Mr. Speaker, discussions have taken place between all the party whips and, pursuant to Standing Order 45(7), I believe you will find consent for the following. I move:

That the recorded division that is to take place at the end of the time provided for Government Orders on Monday, November 29 on second reading of Bill C-10 be deferred until the expiry of Government Orders on Tuesday, November 30.

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

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

CANADIAN INSTITUTES OF HEALTH RESEARCH ACT

The House resumed consideration of the motion that Bill C-13, an act to establish the Canadian Institutes of Health Research, to repeal the Medical Research Council Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

Mr. Rob Anders (Calgary West, Ref.): Madam Speaker, I am pleased to speak today to Bill C-13, an act to establish the Canadian Institutes of Health Research and to repeal the Medical Research Council Act.

I will draw to the attention of the House some of the positive and negative things in the bill and how they relate to other things that go on in this place.

One of the positives of Bill C-13 is that those who serve on this Canadian institutes of health research board are elected by their peers. It also has accountability and peer review. Not only is someone elected by their peers, but they are reviewed by their peers. On top of that, only 4% or 5% of the entire budget is taken up in bureaucracy, which leaves 95% or 96% to be spent on the actual things the bill intends to do and the things that the Canadian institutes of health research intend to do.

• (1510)

I have just talked about elected by their peers, accountability, peer review and very little waste, in the amount of 4%. What

institution in this place and involved with government does this directly contradict and not match up with? I think of the other place, the Senate.

I have done a fair bit of research on our Senate as of late, being that I am the critic of that place for the official opposition. It is worthwhile to point out that Canada, in relation to countries such as Burkina Faso and Sierra Leon, still continues to appoint our senators for life. It was only a few short years ago that we said that no one could sit in the Senate after the age of 75.

That all being considered, I noticed that even in the Canadian institutes of health research act, Bill C-13, the president is to serve a term of no more than five years. We have the government agreeing to the very fundamental and basic idea of a fixed appointment, a fixed election and a specified term, not a position held for life. In comparison to the Senate, people can be appointed to the Senate at the age of 30 and sit there until the ripe age of 75. That would be a period of 45 years, nine times longer than the president of the Canadian institutes of health research would be allowed to sit in their posts.

A fair question to be put to the government is that if the president of this new board, the Canadian institutes of health research, can only sit for five years before having a formal review and is no longer allowed to sit and the position changes over, how is it that a fundamental basis of our Senate, this second House that forms part of the parliament, reviews legislation, can block legislation and can create legislation for the citizens of Canada, can have somebody sit for 45 years with no form of review.

I will tell the House what I think of that concept of having no review. We have a situation today where even if the Senate runs over budget, even if it spends more than what it has already been allotted, it cannot be called before the government operations committee to account for those things. I know this because I sat on the government operations committee. I well remember when the Senate went over budget and it wanted more money.

What happened? As members who are duly elected by taxpayers to be the watchdogs of the public purse, we tried to call representatives of the Senate to come before us in committee and we could not do it. Not only could we not do it, but the Prime Minister of this place would never take action against others in that place if he were to have trouble with them unless there was severe public pressure and condemnation by their peers?

As far as the actual terms and how long one should or could be sitting in the Senate, right now somebody could be appointed at 30, be there until 75, and serve an entire 45 years without any accountability to the Prime Minister, to the House of Commons or to any elector in any province any place in the country.

Alberta is a province that likes to generate new ideas every now and again. We did that with the Senate elections act. One of the things we did was tie senators who ran under that act to a fixed term. We set it at double the length of a municipal election term. What I mean by that is that we have elections in the province of Alberta, as do many provinces in the country, that are actually fixed election dates.

(1515)

This is something the Reform Party supports in terms of this place. We believe we should have fixed election dates, that it should not be up to the whim and the caprice of the government to decide when it wants to drop the writ and when it wants to call an election.

I am advocating that we actually have fixed election dates in terms of the elections act. Right now Bill C-2 is before a committee in clause by clause consideration. Then, for example, every four years we would know when the election would be. It would not be a matter of speculation for business in terms of how it conducts its activities, for the general population and constituents, or for the benefit of the government in terms of how it purchases time, buys advertising and all the rest of the things it can use taxpayer money for its benefit in putting out a good word about the government and the things it has done.

We in Alberta decided to go ahead and take that model of fixed election dates for our municipal elections that happen every three years and said that senators should be elected in every second one of them. In the last municipal election we held a Senate election in Alberta. We had more people vote in that Senate election than anybody has ever voted for any federal politician in the House, and certainly more than in the other place because nobody has ever voted for one of those senators aside from the Prime Minister and his sole vote.

We determined that we would be holding more of those Senate elections in conjunction with the fixed election dates in the municipal elections act. That is something I wanted to point out. The government recognizes those principles and puts them into things like the Canadian institutes of health research, but we do not see it being carried forward in the Senate.

When the Prime Minister campaigned in 1990 and spent his time issuing threats to the province of Quebec about 60% majorities being required for it to make a decision on its own, he said that he believed in Senate elections, that he wanted to see people elected in that other place. If he had carried forward on the intentions he laid out when he ran for the Liberal leadership, most of the people in the Senate would be elected senators by now. That is not the case because he did not follow through on his word, his promise in 1990.

I would like to touch on the whole idea of selection by one's peers. Instead of even being judged by fellow senators, appointment to the Senate is gained by the judgment of one man. Admittedly there was a rare exception in Canadian history when it was the judgment of a woman, but for the most part it has been one man, the Prime Minister of the country deciding who gets into the Senate.

Since he has not been a senator himself, we might ask what he judges or how he judges how one gets into the Senate? Like the people who might be serving on the Canadian institutes of health research, will he look at what kind of medical accreditation they have? Will he judge how they have practised medicine? Will he examine whether or not they have the support of their peers? Is any of that being done? No.

The way that someone gains a seat in the Senate is unfortunately based on how loyal they have been to a given prime minister. Are they dependable when the Prime Minister wishes to bring forward a piece of legislation that he knows will be very difficult for the people in that place to swallow, that may go against the popular consent of those he governs, that may not carry the popular will of the day? Will they be good, loyal soldiers, strap on their jackboots and carry forward with the orders?

Maybe somebody who has been a good loyal parliamentary secretary marshalling bills through committee and shoving the will of the Prime Minister down the throats of the people of the country would be the type of person who gets put into the Senate, the good loyalists.

Another way some prime ministers have judged is not just on the basis of loyalty and being good jackboot wearing parliamentary secretaries but on how much money they have raised. Many senators in that place have broken records and set the tone for being the biggest political fundraisers in Canadian history. People are judged in terms of how to get into the Senate on how many millions of dollars they raised for a leadership campaign.

• (1520)

Government members recognize that accountability, peer review, minimal waste and proper selection are important but not when it comes to the Senate.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I am pleased to speak to Bill C-13. I would like to take this opportunity to greet Mr. Gary Carter, who is here with us today.

I am pleased to speak to this bill that formally establishes the Canadian Institutes of Health Research. These institutes will be responsible for organizing, coordinating and funding health research at the federal level.

In his last budget, the Minister of Finance announced that these institutes would be allocated a \$65 million budget for their first year of operation. This budget is to increase to \$175 million the following year, in 2001-02, for a grand total of \$500 million, when combined with the funding already set aside for the Medical Research Council.

Government Orders

We are pleased to see that the federal government is putting more money into health research since it is a crucial area. I should say from the outset that we in the Bloc Quebecois—my distinguished colleague from Hochelaga—Maisonneuve included—will see to it that Quebec gets its fair share of those funds.

In the past, when looking at the distribution of federal funding for research and development—and we can go back 20 or 25 years—we could see that Quebec did not get its fair share, a share that reflected its demographic weight. On average, Quebec received about 14% of the federal funding for R and D, and so far, nothing has changed.

With the new funding provided by this bill and the money handed out year after year not only in various areas of medical research, but also in bio-food, high technology and other industries, we just want to ensure that Quebec is getting its fair share.

Someday, I hope the Quebec members of the Liberal Party of Canada across the way will rise and demand, as we have since 1993, that Quebec receive what it is owed. They were elected by Quebecers, but I have yet to see one of them take a single step to demand justice.

As I indicated earlier, we support the establishment of these institutes, especially since new funding will be allocated to one very crucial area, medical research.

However, we do have some concerns, which is why our eminent colleague from Hochelaga—Maisonneuve will be moving amendments on behalf of the Bloc Quebecois. For instance, we feel that Bill C-13 stints on the role of the provinces. Of course, members opposite tend to forget, as they did these last few years and especially in the throne speech, that health is an area of provincial jurisdiction. In Quebec, the province has jurisdiction over health.

This is a fact that is barely acknowledged in the bill. And since the bill is based on the constitutional divisions of power, the provinces are given short shrift. The bill says that the provinces and all kind of people will be consulted, and so on, but nowhere does it say that health is an exclusive jurisdiction.

For example, the bill states:

—consult, collaborate and form partnerships with the provinces and with persons and organizations in Canada that have an interest in issues pertaining to health or health research:

We would have like to see a statement recognizing that the provinces are fully responsible for health and that they will be the first partners informed and consulted, particularly with regards to the defining of the different health research institutes.

• (1525)

I emphasize that the Quebec government is finalizing a science policy. It will identify strategic areas in health research, including mental health, cancer, human genome and biotechnology.

One of the amendments that we will certainly propose will be to the effect that the Government of Quebec, like all the other provincial governments, must absolutely be consulted and that its research priorities must be taken into account in establishing the health research institutes.

There is another problem with the provision I quoted earlier. In the bill, the expression issues pertaining to health is used more often than the word research. This bothers us because the use of the expression issues pertaining to health leaves the door wide open for the federal government to interfere in various ways in the area of health.

One amendment we will certainly put forward will be to clarify this issue and to replace the expression issues pertaining to health with the word research, because what the government wants to achieve with this bill has to do with health research and not. We hope this is a mistake and that the federal government does not intend to interfere in the area of health, which is under Quebec's exclusive jurisdiction. We will clarify that, and my distinguished colleague from Hochelaga—Maisonneuve will work to make this bill clearer.

We support health research because it is fundamental, and this is something I cannot overemphasize. However, the few hundred million dollars that will be spent on health research over the next three years must not overshadow the fact that this government made huge cuts in the health sector. Cuts in transfers to the provinces, particularly for health care, have had devastating effects, the full extent of which is still unknown.

I always feel uncomfortable when the Minister of Finance rises in the House, which is a very solemn place, and tells us he increased transfers to the provinces for health, post-secondary education and income security, as this is not true. He did not even increase transfers. He keeps cutting them and he will continue to do so until 2003.

By then, this brazen Minister of Finance, who keeps spouting nonsense during oral question period, will have cut \$33 billion in transfers to the provinces. Half or close to half of that amount would have been allocated to health. This is not peanuts. In Quebec alone, there will be a shortfall of \$850 million in the health sector this year, while the cumulative cuts imposed by this brazen minister will total \$6 billion of which half, in Quebec, would have been earmarked for health.

On the one hand, the minister invests a few hundred million dollars in health research, while on the other hand he is cutting billions of dollars which should have been used to help the sick, to manage hospitals and to make more beds available.

We have been talking about oncology for a while now in Quebec, Ontario, and other regions of Canada. These billions of dollars could have been used for all that. But the Minister of Finance preferred to take that money from the provinces. He is the one

mainly responsible for the mess in hospitals, but that does not bother him in the least.

It takes some nerve to do what he did, particularly when he says, hand over heart, that he cares about the plight of the sick and of the poor children. This is sheer hypocrisy.

• (1530)

I have never seen such hypocrisy in this parliament as when the minister puts his hand over his heart while talking about poor children and sick people, when he contributed to making these people suffer even more.

The House can expect my eminent colleague, the hon. member for Hochelaga—Maisonneuve, to move a series of amendments to make this bill more acceptable.

[English]

Mr. Mark Muise (West Nova, PC): Madam Speaker, I am happy to rise today to speak to Bill C-13, a bill to establish the Canadian institutes of health research. Finally we see this government come up with a piece of legislation that deals with a very important part of our Canadian infrastructure, health care and health research.

This is the same government that bragged in the budget of February of this year that it was putting \$11.5 billion back into health care. What it failed to say, however, was that the \$11.5 billion was basically returning part of the \$17 billion it had cut from the health care system. It is good to see that at least there is some forward movement when it comes to health care.

I cannot speak today about health care and ignore what we saw in the last year in how poorly those afflicted with hepatitis C were treated by the government and the lack of support for these people. It was something that was truly not acceptable to our party, to me as an individual and to Canadians as a whole because they felt these people were truly victims and should have been given some compensation.

Let us look at the waste and the misuse of funds by this government. Take, for example, Bill C-68, the long gun registry. The government said it would spend \$85 million to set up this registry. It has spent well over \$200 million. The registry is not going very well. It is still not working as it should, and crime has not been reduced because of this so-called piece of crime reduction legislation. Had those funds been spent on giving our law enforcement people better resources, better computer systems and money to increase the number of policemen on our streets, those funds would have been better spent than wasting them on something that was more of a PR effort or a tax grab.

Canadians are not strangers to huge advances in medical science. Despite our small population of some 30 million people, we have seen very notable achievements within this country in health care. I think back to Banting and Best and their discovery of insulin. I think back to Sir William Osler, who wrote the medical text book *Principles and Practices of Medicine*. He basically introduced the idea of clinical care in our health care system.

We see that Canada has already had some notable people in the health care field. This piece of legislation will help to bring out some other people who could make a contribution to health care and health research.

We talk about the brain drain in this country. A lot of our bright young minds are going across the border to better paying jobs and better working conditions. One of the positive things about this piece of legislation is that it will help to keep some of those bright young minds in Canada. Not only will those people stay in Canada to earn their living, but some medical advances will probably be brought to this country because of them.

Prior to my entry into politics I spent over 15 years with the Life Underwriters Association of Yarmouth, the town where I worked for the past number of years, and every Christmas season we would raise funds for cystic fibrosis research. I know how difficult cystic fibrosis can be on the families of young people which demand the extent of care that is required for these people, the constant medication that they have to take, the constant treatment and therapy that has to be given so that they can continue living. Their quality of life is often diminished. Their life is not very long because this illness kills.

• (1535)

Research has isolated the gene that causes cystic fibrosis. The cure has not been found, but I think what it shows is that with funding and with research we can work toward a cure for some of our most serious health problems.

When I think of my home province of Nova Scotia, I think about the IWK/Grace Health Centre, which is a world renowned children's hospital. I know that a lot of research is done there. The centre has very bright minds, good researchers and good doctors. I know firsthand how caring the centre is. My youngest daughter has cerebral palsy and we have spent a lot of time there over the past 13 years. The level of care, the level of treatment and how that centre helps people is very evident.

Yet, because of all the cuts the government has made the people who work at the centre, along with many others, have had to work hard to raise extra funds. They have a telethon every spring to raise funds, just so they can continue to operate. These institutions should have the funds necessary to provide the services that Canadians need.

We get numerous calls and letters from people saying that health care is important, that we should work to make it better and not let

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it erode. If we are not vigilant, I am afraid that we will end up with something similar to what they have in the United States. I am not in agreement with that. We have a health care system in Canada that is by far the best in the world, but we have to be vigilant. We have to ensure that we keep it.

This is good legislation. There are, however, some things that concern me. As any legislation, it is not perfect. One of the things we have to do is ensure that we do not have institutes that are overburdened with bureaucracy. We have to ensure that the funds go to the researchers for research purposes and that the benefits go to curing illness and not to an administration that is top heavy.

Another point that has to be looked at is the transparency in the creation of these institutes. This cannot be another political plum given to supporters of the government. We have to ensure that these are institutes which are independent, which do their work, which do not waste funds on bureaucracy, and that the funds go where they are really needed.

This is legislation that is worthy of our support. I ask all members to support it so that it can go to committee where it can be studied properly.

Mr. Grant Hill (Macleod, Ref.): Madam Speaker, this is my opportunity to stand to speak to Bill C-13, a bill that will establish the Canadian institutes of health research and repeal the Medical Research Council Act.

I came to parliament with health issues on my mind, and of course they have stayed with me. This is an important subject.

● (1540)

As we are on the subject of research, let me spend a moment mentioning some things on which Canada really stands out. My colleague just mentioned Banting and Best and their work on insulin. I cannot calculate how much of a difference that made worldwide to the treatment of diabetes.

A colleague of mine, Lorne Tyrrell, a young man who graduated in the same medical class as I, has gone on to become the dean of my medical school. I met with Lorne about a month ago. We have had an opportunity to exchange information over the years. I was fascinated to hear about his research on hepatitis B, which was conducted in a Canadian institute at a very high level. Hepatitis B is a major illness worldwide. Lorne and his research group found a treatment that is now on the market. It has gone through all the testing. This treatment will revolutionize hepatitis B care. I am proud to know Lorne and to have associated with him. I am proud to call him one of my colleagues. His name will one day be known in the same vein. It is an important part of Canadian life. The improvement to health in an area like this is really quite dramatic.

I want to spend a moment talking about research funding and how it is divvied up in Canada. I was surprised to find when I came to Ottawa from Alberta that research funds were not apportioned according to the severity of the disease. I found that research funding was apportioned in somewhat of an ad hoc way. I was dismayed by that and I made these suggestions over and over again to the research community, and I will make these proposals again today.

I believe that a portion of research funding should have basic, specific criteria. These criteria could be expanded, but they would include the severity of the disease, the number of people affected, the number of people who die from the disease and the number of people who suffer from the disease. Those would be high on the list of priorities.

These criteria would also focus on what is the research expertise like in that particular disease in Canada. I do not believe we should be recreating work that is being done in Switzerland or Germany. I believe we should look at research worldwide to figure out where Canada's research dollars would be best placed. There are diseases such as cystic fibrosis and rheumatoid arthritis that get very little funding, yet they are very close to a cure. Canada has expertise in these areas. I wish and would hope that research funds would be directed to those areas.

For comparison purposes, let me lay out some of the funding with the recent figures I have. Diabetes, which affects a vast number of people in Canada, receives \$1.1 million in federal research funding. Schizophrenia, which is a disease of huge proportion, receives \$300,000 in funding. Crones disease receives \$100,000 in funding. One of the new diseases on the scene, which is a very significant infectious disease, AIDS, receives \$41.5 million in funding. When I look at the proportions, I think they are skewed.

Then there is the issue of keeping and attracting bright researchers. I have known researchers who have left our country. I have had the opportunity to ask them why. They told me that they left Canada for three reasons. Two of them were monetary. One was the value of their income, which was substantially enhanced in other countries. The second was taxation. They found that our taxation system was onerous. These people are high earners. If they earn \$100,000 and the tax man takes away \$50,000 and they find another jurisdiction where that is not the case, the draw is to go where their work is more appreciated.

• (1545)

The final reason was support for research. The bill moves toward supporting research. That is one of the reasons that I support it. Support for research in terms of equipment, spaces at the universities and research labs is substantially lower in Canada than in many developed countries. Some of the reason for that lies behind

decisions made by governments in years gone by: overspending, spending for the future and running up huge debts.

Let me digress a little and talk about some health matters that still are unaddressed. On hepatitis C, we are coming close to the second anniversary of Judge Horace Krever inquiry. Two years ago there was a major exposé on what happened to our blood system and people getting hepatitis C and HIV through tainted blood.

After all the debate, all the discussion we had in the Houses, it is interesting to note that not one single solitary penny of funds has been disbursed, not even to the people in the narrow area the government agreed to give funding to. Ontario gave funding to everyone. In Quebec it was the same. This is one of the saddest times in my time in parliament. I still shake my head over the issue of how a government that prides itself on its compassion could have been so lacking in compassion on that issue.

It is interesting to note, however, that in other countries where probes were taken not by the government but by law officers, by the legal system, charges have been laid. In France particularly there were charges laid against high officials in the government. We have an ongoing RCMP probe in Canada. Quietly behind the scenes RCMP officers are looking for the reasons that Canada was so far behind other developed countries in terms of looking at tainted blood. It is very close to opening another chapter in the hepatitis C saga.

Another point I cannot help but mention is that the Liberals made very specific promises on health care in their red book. I listened carefully and believed that their promises would come true. What did they deliver? My colleague said that they delivered \$17 billion in cuts. That is not accurate. The delivery was \$21.4 billion in cuts over five years.

Now the government is saying that it is doing so wonderfully it will be returning \$11.5 billion in the next five years. According to simple grade 3 mathematics it is obvious we are still deeply in the hole. We have the longest waiting lists for surgery in Canadian history. We have an exodus of some of our best nurses and lab technicians and in fact very poor technology in a host of areas.

What could be done? There are people looking for creative solutions for health care. I look for things that are not system related but patient related, things like a debit card to put funding decisions in the hands of the patient, like medisave accounts and like patient guarantees to give patients the opportunity to be sure they are not on a waiting list too long. Is the CIHR a step in the right direction on medical research? In my estimation it is supportive.

In conclusion I will simply say that I will be voting for the CIHR. I do hope the specific issue of apportionment of research funding will be carefully looked at by those who will run the CIHR.

• (1550)

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, I am pleased to rise in the House this afternoon to speak to Bill C-13, an act to establish the Canadian Institutes of Health Research and to repeal the Medical Research Council Act.

The part of the bill dealing with the objective clearly states:

The objective of the CIHR is to excel, according to internationally accepted standards of scientific excellence, in the creation of new knowledge and its translation into improved health for Canadians, more effective health services and products and a strengthened Canadian health care system—

I read through the bill quickly. It will warrant further scrutiny. I realize that its intent is good, but we have a lot of work ahead of us. That is normal. We are at the second reading stage and we have to debate the bill for a number of hours. Then, in committee, we will hear the views of individuals, groups or organizations concerned. That represents a lot of work.

It means that it is important to stress now, for the benefit of those who are watching and take an interest in this issue, the good points and those we see as more problematical, so that the organizations and the individuals who feel they can shed some light on our examination can do so in due course.

Scientific research is something at which Canadian and Quebecers excel. We have world class researchers, particularly in the health field.

I too am from a Quebec City area riding. There are world class research institutes and pharmaceutical research centres in our area. They have made discoveries and they are keeping on their good work. They can hold their heads just as high as anyone else.

At the same time, if we want to maintain this level of performance among our scientists, our researchers and our research institutes, we have to give them the resources they need. Often, it is money they need. Research is expensive.

It is expensive because researchers need well equipped laboratories. It is expensive, also, because the scientists who do this research deserve a decent salary; otherwise, they will go elsewhere to get it.

Let us be perfectly clear. These researchers, these Canadian and Quebec scientists, were born here. They studied here. They have were trained here first. Then, many of them have gone abroad to get greater skills and broader knowledge. They now work here and they accomplish a lot. If we want this to continue, we have to take certain steps.

Government Orders

The purpose of this bill is to establish measures dealing with some of these points, including funding, but not only funding. But I will come back to that later on.

The Bloc Quebecois agrees with the principle of the bill and even feels a certain degree of enthusiasm, seeing that this bill will support the advancement of scientific research in the area of health—and we certainly know how important it is.

However, there are some problems with this bill. For example, it is unfortunate that, in the preamble, instead of recognizing the provinces' exclusive jurisdiction over health, the government only recognizes the fact that they have some role to play in that area.

• (1555)

Health is exclusively under provincial jurisdiction. If we are to have a bill to improve scientific research, we certainly should make an effort to eliminate jurisdictional irritants.

This bill should not open the door to any potential jurisdictional conflicts because scientific research is far removed from all these jurisdictional issues.

In fact, the second whereas in the preamble to this bill, unfortunately, reads as follows:

Whereas Parliament recognizes the role of the provinces in health care and that the Government of Canada collaborates with provincial governments to support the health care system and health research;

This is a weak statement. It minimizes the inherent responsibility of the provinces, including Quebec, with regard to health. It should have been specified—and I hope an amendment will be made to that effect—that the provinces are responsible for managing health services within their boundaries and that it is necessary to obtain their agreement to do certain things.

I want to make a general comment that has obvious implications in our daily lives and particularly in hospitals.

Health research is not only about finding new drugs; it is not only about inventing new treatments or about designing new medical devices. It is also about planning for future needs in terms of personnel, institutions, skills, facilities in order to be able to take care of the people who will need medical attention in the coming weeks and years.

At present, in Quebec—and I am mentioning this only as an example—we have a problem with oncologists. There are not enough of them, but it takes six years to train one. Consequently, it is six years ago that we should have addressed the issue but, as we know, the shift to ambulatory care had been put on hold by the Liberal government of the day in Quebec, forcing Mr. Rochon to proceed with it, with all the delays that implies.

Health research is also, therefore, about knowing how to determine future needs. And since health is a provincial responsibility, if this bill does not recognize it, we will experience this kind of problem again. I know that everybody wishes this problem to be solved. This bill should ensure that.

I should like to make another comment that is relatively simple, but that is important. Bills are written in both official languages, French and English. And both versions have force of law, independently of one another.

Now, when the two versions are not equivalent, we have two acts that are interpreted, not one by the other, but independently of one another. In the French version, at line 10 of the preamble, we read the word "centralisé", and I will read the whole sentence to give you the context.

Attendu que le Parlement estime que des Instituts de recherche en santé doivent être créés en vue de coordonner, de centraliser et d'intégrer la recherche en matière de santé selon les principes suivants:

Co-ordinating health research is fine; nobody is against that. Integrate health research is also fine. But to centralize health research? The English version of the bill says focus, but the French version says centraliser. But, we must ask, centralize it where?

When I saw that, I thought it made no sense at all. Then I looked at the English version, which says:

[English]

Whereas parliament believes that health research institutes should be created to co-ordinate, focus and integrate health research.

[Translation]

Centraliser does not mean to focus. The English version says that the research effort will be focused on chosen subject matters, whereas the French version says research will be centralized. To centralize means to physically gather in one place. This is bad translation; we end up with two different pieces of legislation.

There is lots of work to be done before this bill can actually produce the expected results and before we can be sure that our first class scientists have all the necessary tools to do their job, because we really need those results, as the issue here is our health.

• (1600)

[English]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, it is indeed a pleasure to raise some issues that relate to this bill. I must say at the beginning that the government has been slow off the mark. This is something that should have been done years and years ago.

One of the concerns we have in agriculture on the prairies is the lack of research that has been done in relation to GMOs. Madam Speaker, I can see you are a bit puzzled when I use the term GMOs. Let me explain that.

A GMO is a genetically modified organism. It is something that scientists are able to do with an organism through the use of gamma rays or some such technique. They are able to bombard the essential ingredients of life and in some way mutate them and develop organisms that are resistant to certain diseases and which have certain characteristics that might take a much longer time to develop naturally.

There have been genetically modified organisms all throughout history because they occur naturally. The rays of the sun will create these kinds of things. Farmers have been growing genetically modified plants for years and years.

One of the problems that is developing is the fear campaign that is being spread by certain organizations. We have seen it in Europe. It is creating the concern that these are going to somehow impact our life and cause a lot of problems. We need research in that area and it needs to be done now.

I realize that most members who have spoken so far have supported this and by and large we need this. My concern with what the government has put forward is that if the guidelines are not implemented properly, the committee that is selected may just be another patronage haven for the Prime Minister. We have to make sure there is a complete balance in the membership of the committee that selects the particular members and that selects the various projects.

Consideration must be given to some of the concerns in rural Canada, for example, research that would address the whole area of GMOs. If the question of whether or not GMOs are harmful is not answered quite soon, it will hurt the economy of our country. That is why I say this is something that should have been done a long time ago. I am glad the government is doing it now and my hope is that the type of research that needs to be done will get done.

Bloc members have been arguing that this is an area of provincial jurisdiction. Research in some areas, such as the one I have just described which pertains to agriculture and the growing of certain crops and whether those crops have a harmful or helpful effect on us as human beings needs to be done. That kind of research would transcend provincial boundaries. That is a concern in more areas and possibly one could get around the concern the Bloc has by having provinces co-operate in this.

I also have concerns, as I mentioned previously on another bill, that this could develop a huge bureaucracy that would suck a lot of funds out of the system that could have gone to research. There has to be some check, some balance in the bill to ensure that does not happen.

I agree that research is very important and we need to have public input into research. Is the government willing to make some of the amendments that Reform is suggesting in regard to this? We have to work more co-operatively even in this House.

• (1605)

I realize that in this bill the government has broken some new ground. There is more public accountability. It is providing for this kind of thing. Why does the government not do that in other areas?

The Prime Minister makes 5,000 patronage appointments every year. We do not just need reform in the health care research area. We need reform in many other areas where there is more public accountability and input. I hope this bill will break new ground and the government will see this is absolutely necessary in many other areas. For the Prime Minister to have that much power to control that many organizations and to have that much input is not healthy in a democratic society. That is something which I hope will be raised more and more as we go along.

I bring up the topic of gun control. Madam Speaker, you may be a bit shocked as to why I would raise this issue in the context of this bill, but I have said on many occasions that the hundreds of millions of dollars that are now being spent laying a piece of paper beside every gun in the country, referring to the gun registry, is a complete waste of time. If we want to save lives, we should begin to divert funds from some of these ridiculous, useless projects implemented by the government and put them into health research. It is a no brainer as to what would save more lives. A gun registry does not save a life. It cannot. If we put funds into the health research area, it would genuinely do something to enhance our quality of life. I hope this issue will be raised. I hope the government is listening and will address that.

My concern in relation to this bill is that the government may lay down the rules for the various projects. If it is able to make some of these appointments, there may not be a fair hearing. The people who make the rules generally call the shots. If the government gets too involved in making the rules that these various projects have to follow, that could manipulate the process and some of the best projects may never be realized. The research that needs to be done may not be done. I hope that all segments of society will be well respected.

One of the concerns raised by my constituents over and over again is that much of the research is funded by private drug companies and in doing that, they determine the outcome of the research. The person who pays the piper calls the tune. I know the government says that it will collaborate with private industry and so on but the concern is that therefore if it does that, a lot of the research that would be very helpful to Canadians will not be done. Research into health food products, organic foods and the use of herbs in enhancing the health of people may never be done.

Government Orders

I want to make the point forcefully that we should be looking at alternatives to the medicines being used at the present time. The emphasis on drug research is not what we need in Canada. We need to look at many other areas. People in my constituency feel very strongly that the government is not doing enough research in that area.

We talked about the brain drain today. The government has been draining the brains of this country for a long time and it is going to take a lot to reverse that. I hope something like this will improve that concern people have. I cannot emphasize enough that we have to keep our young people at home. We have to get them researching these areas and making sure some of the benefits of organic foods, health food products, herbs and so on are recognized.

I come back to what I was saying at the beginning, that these genetically modified organisms and foods people are scared about will be properly researched. I am not aware of a whole lot of research that has been done. That will take a long time to do.

(1610)

I am going to watch this bill with interest. A lot of things still need to be ironed out. People have concerns about health care research. I am glad the government is addressing it, but we have to make sure that we keep on track and ensure that all Canadians have a voice in the research being done here and that it is equal and does not favour certain segments of society.

[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, I join my colleagues in supporting Bill C-13.

When we talk about the opposition, very often we think that it is difficult for it to agree with some bills. We have an example today where the Bloc Quebecois can be in agreement.

I will talk about some flaws in this bill. One of them is that it should have been introduced as early as in 1993, when the Liberals came into office, because there is an urgent need to invest into research and development to help researchers. We know that the United States are a few steps ahead of us, and that we need to focus on research and development.

It is very laudable to help Canadian Institutes of Health Research. Unfortunately, the money is not transferred to the provinces. This is another flaw, a major flaw, I would say. Why not give this money to the provinces so they can manage it themselves?

Earlier, I heard a Reform colleague ask "Will the bureaucracy be expanded? Will the money go directly into research or into framework and administration activities?" There is always this danger. When we create something, very often a large part of the

money goes into the administration and very little goes where it should. This is another flaw that I wanted to mention.

It is nice to agree that money should be provided for health research and development. But we should certainly not forget the \$7 billion that were cut from transfer payments to the provinces. The government says it will be generous and give some money back, but let us not forget this \$7 billion.

If the Rochon reform in Quebec did hurt—and is probably still hurting—one must look at the root cause: the \$7 billion the provinces did not get. Without money, no matter how good a manager you are, you will have a hard time making the system work. Mrs. Marois, who is certainly a remarkable health minister, needs money too.

I will never say this enough: the federal cuts are the root cause of the problems faced by hospitals in Quebec. These cuts are shocking, revolting, disgusting, odious and not worthy of any government. How could they make such drastic cuts?

In the area of health care, when someone arrives at the hospital and needs heart surgery or has cancer, leukaemia or any other form of cancer, the situation is urgent. Some patients have to wait for weeks, even months. In Quebec, patients had to be sent to the United States, not because we lacked expertise—we do have expertise—but because of the federal cuts. At times, you have to make do with what you have.

These thoughtless, irresponsible cuts have gutted health care in the other provinces too, but especially in Quebec, whose problems I am more familiar with. The cuts to the health transfers are the root cause of the difficulty Quebec is having in managing its hospitals properly.

The management and staff of the hospitals and CLSC in Matane, Maria and Amqui are performing near miracles to treat patients with dignity and speed. I visited these three hospitals, which are in my riding.

• (1615)

We really have no idea of all the work and the efforts we ask of our physicians, nurses and orderlies. They have always given their all, but now we are asking for even more. Why is it that we keep asking more and more from these people? We know that when people with tremendous responsibilities get tired and exhausted, medical errors can occur, but fortunately, so far, these have been avoided. These people should not be blamed.

The people to blame are those who cut provincial transfers. They are responsible for the way things stand today. For the 1999-2000 fiscal year, the estimated shortfall will be about \$1.7 billion. In Quebec alone, they will reach \$850 million. Since 1993, cuts to health care have totalled \$3.5 billion. That means that since our

election to this House, cuts of \$3.5 million have been made to the health care budget.

My constituents come to see me in my riding office of either Matane or Amqui and ask "Why are so many cuts in Quebec?" I tell them what I tell everyone in Quebec "Think about it. Who is responsible for this? Who is responsible for the lack of health care and the long waiting lists?" It is the federal government, and no one can argue about that. We have to keep saying this over and over again. Of course, when people go to a hospital, they are already in pain. They look around and see what is going on and, after one and two hours, they get tired of waiting and lose patience.

I have said it before, and I will say it again—because this cannot be overemphasized—if people have to wait for a week, two weeks or a very long time before an operation, it is not because of the physician or the hospital, but because the hospital is starved of resources and, as a result, the level of services has dropped. Those in charge are doing the impossible to give the best service.

Members opposite should be ashamed for their attack on the sick. Occasionally, members of the opposition in Quebec come up with special cases, but they do not have enough courage to explain why those cases do occur, and why people are on waiting lists. We know very well that inadequate budgets are the problem.

The finance minister is bragging that, in just a few years, he will have raked in a \$95 billion surplus. Yes, \$95 billion. People in my riding of Matapédia-Matane think it does not make any sense to have cuts in health care and accumulate a \$95 billion surplus.

In my riding, many seasonal workers and forestry workers have a hard time making ends meet. In the forestry sector, summers can be very hectic for men with a family—although I am sure some women are forestry workers too. They have to get up very early in the morning, and go to bed very late at night. On top of that, they are under stress because of employment insurance, which the people in my riding and I call poverty insurance. They wonder why they have to pay into this plan, which is just stressing them out. The level of stress is incredible.

• (1620)

When I speak of Bill C-13, when I say that money must be put into health, people may perhaps wonder why so much money is needed. Perhaps we need to find out why people are so stressed out. It is said that one of the things that causes cancer is stress.

This government is a past master at causing stress. It ought to examine its conscience and say "It is true that research must be carried out in order to eliminate or control certain diseases". I say that is all very fine, but what might be needed instead is a more general examination of the problem.

The Acting Speaker (Ms. Thibeault): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be

raised tonight at the time of adjournment are as follows: the hon. member for Bras d'Or—Cape Breton, Devco; the hon. member for Dauphin—Swan River, Agriculture.

[English]

Mr. Jason Kenney (Calgary Southeast, Ref.): Madam Speaker, I am pleased to participate in the debate on Bill C-13, an act to establish the Canadian institutes of health research, to repeal the Medical Research Council Act and to make consequential amendments to other acts.

Never let it be said that members of the official opposition oppose all government legislation for the sake of opposing. While we have an onus to oppose as the opposition in this adversarial parliamentary system, we frequently support bills which we think are in the public interest. We are pleased to lend our support to this thoughtful bill which seeks to improve the administration of grants and funding for medical and scientific research.

As we have heard in this debate, currently grants to finance medical research are administered by the Medical Research Council, an agency of the government established many years ago on the common bureaucratic model of such agencies, with a minimum of accountability and transparency and, many would argue, an excess of administrative costs and wasteful bureaucracy, money which ought to be directed toward real frontline, concrete, scientific research.

Following consultations with members of the medical research community and those involved in this field the government decided, I think correctly, to reform and streamline this process by creating the Canadian institutes of health research to decentralize the administration of these grants and the funding of this research and to make somewhat more accountable and perhaps less bureaucratic the structure of these new agencies.

The new institutes of health research will have one central co-ordinating body or governing council which will consist of a president and an advisory board of no more than 20 members. This governing council will be empowered under the bill to appoint a scientific director and advisory board for each institute, which will deal with particular areas of research, each incorporating expertise in their respective fields.

While we are pleased to see that the decentralized specific advisory boards will be appointed by the governing council and not by the cabinet or the government, we are concerned that the governing council of the CIHR will be appointed by the federal cabinet.

This is a point that we raise in virtually every bill that comes before us. We are as deeply concerned as most Canadians about the enormous, largely unchecked power of the Prime Minister through governor in council appointments to name political friends of the government to sensitive positions throughout the entire public service, agencies, crown corporations and the like.

● (1625)

Many objective observers have suggested that in Canada our executive branch, our Prime Minister and cabinet, exercises more power and more unchecked discretion with respect to appointments than any other parliamentary or republican government in the democratic world.

A case in point would be the recent selection by the Prime Minister through a governor in council appointment of the president of the Canadian Broadcasting Corporation. We could look to our mother parliament in the United Kingdom where such decisions as the appointment of the president of the British Broadcasting Corporation are delegated to the board of that crown corporation rather than retained and exercised by Her Majesty in council. I would strongly suggest that the government review how it could decentralize this appointment process for the governing council of the health research institutes.

I commend the government for its commitment, in the presentation of this bill, to spend no more than 4% to 5% of the operating budget of the CIHR on administration. However we would like to see some firm guarantees that this will be the case. It is a tragedy when scarce tax dollars are directed toward important agencies of this nature and are eaten up by bureaucracy and administration. Too often we see that happen. One would say that it is almost inevitable. It is almost the result of human nature that bureaucracies will tend to grow if given the opportunity.

I propose that there ought to be a legislated maximum of administration costs. Those administration costs ought to be defined and should be verified by the auditor general who is answerable to this place. That would be an important guarantee, a step toward reforming agencies of this nature in the public sector in general to ensure that the tax dollars we allocate actually go to frontline research.

This is critically important research. I am glad to see that the importance of medical research is recognized by all parties and, I would suggest, by all people across the ideological and partisan spectra.

Sometimes members of the Reform Party are accused of opposing government per se and in toto. It is alleged that we support the libertarian night watchman state and see no role for government agencies or programs. I would say, to the contrary, that in our last election platform and in our fiscal proposals of the past several years we have consistently supported increased funding for medical research and frontline real, hard scientific research, because we think that government is in a unique position to use public

resources to finance the sort of research that would not otherwise be properly financed through the private sector.

Let me be on the record as a frugal fiscal conservative in saying that even I strongly support the proposed budgetary increases from the Medical Research Council to the Canadian institutes for health research contemplated in the bill.

We understand that the government has proposed for the fiscal year 2000-01 to allocate a budget of some \$374 million to be increased in the following fiscal year to some \$500 million. Again we hope that every cent possible will be directed to real research of a practical nature rather than to administration and overhead.

I understand the selection committee estimates that approximately 200 more research grants will be awarded under the new institutes than will be awarded under the current Medical Research Council, which is a positive step forward.

We hope this new structure will incorporate the advice and active involvement of all so-called stakeholders in the medical research field, including academic researchers, researchers in the private sector, in pharmaceutical companies and in other health care companies, and researchers in government agencies and departments. Working together these various branches of society will be able to identify the most important targets for medical research.

• (1630)

We know that we have made enormous advances in the century now coming to a close, in finding cures and treatments for ailments and diseases which have plagued mankind throughout history. We see this reflected in the enormous improvement in vital statistics and life expectancy, lower infant mortality and the general quality of life that we all enjoy.

The kinds of medical treatment that have been discovered by modern medical research, which we often take for granted, were unthinkable for our ancestors who founded this country. We owe it to them and to the future to continue directing a substantial portion of our collective social resources to stamping out the scourges and diseases that remain unresolved, such as cancer and many other diseases that claim so many lives.

In closing, I am pleased to announce my support for this bill and commend the government for its introduction.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, I am pleased to take part in the debate on Bill C-13, an act to establish the Canadian Institutes of Health Research, to repeal the Medical Research Council Act and to make consequential amendments to other acts.

Until this summer I was industry critic for my party. For two years, I had an opportunity to see the representatives of universi-

ties, numerous research centres and of course funding councils that came before us. They came to tell us how underfunded research and development was in Canada, and how much the funding had dropped in real terms.

It would be important to look at the major trends in the way support to health research has been distributed. I have here a chart, which I cannot show to the House, but which was provided by the Medical Research Council of Canada. It shows that in Canada, while funding had been increasing by about 10% since 1991, in 1994, shortly after the Liberal Party came to office, this funding started to diminish to the point where it dropped below zero.

Meanwhile, the increase was 30% in France and in excess of 40% in the United States and in the United Kingdom. Other figures show increases of up to 80% in the United States.

The council also told us "public investments in health research have diminished by 10% since 1985, while they went up by 80% in the United States. This gap is increasing every year and is leading us straight to conditions that will prevent us from attracting the best researchers".

The situation lasted until just about now. Under these conditions, we can only be pleased to finally see money being invested in health research and development. Canada is seriously lagging behind and cannot make up for lost time.

I want to point out that, under these difficult circumstances, Quebec maintained the same level of funding, while Canada's was diminishing.

I do not have the figures for the health sector alone, only for the whole research component, for the research areas funded by the Quebec and federal governments. From 1984-85 to 1996-97, federal funding for these sectors dropped from 55% to 37%, while funding provided by Quebec remained at 23%.

• (1635)

The federal government cut. We can look at various figures, but it cut funding to health research. The Government of Quebec maintained its funding, despite the radical cuts by the federal government of up to 40% in education.

Under these conditions, obviously, and I could not not say this, the fact that money has finally been announced for health, is good news, excellent news. It is late arriving, though, but better late than continuing on this slippery and dangerous slope, which caused research teams to fall apart, with some attracted by the United States, not by salaries or lower taxes, as has been claimed, but primarily because they could have research teams and equipment. So, well done.

However, what is the government that has now decided to invest in health doing? It is not doing as it did before, that is, funding specific projects through the funding councils. Since 1993, there has been a new approach, which has now culminated in the health research institutes, the corporation created by this bill, which will create divisions. This is not my word, it is in clause 20. So the CIHR will, in turn, create divisions.

I have a number of concerns, the first being the very real potential for centralization as the bill now stands. Of course, the government can tell us that that is not the bill's intent. It is not what the officials or those who worked on the bill intended. Our responsibility as parliamentarians is to read bills, because we are learning that they can always be useful at some time or another, and even though the government or the minister claims to be acting in good faith, there is always the bill.

So, this institute gives sweeping powers to its governing council, which will establish divisions. The bill says that its responsibility is to maintain and terminate them, so the power is total and absolute, and determine the mandate of each. The council shall create an advisory board for each health research institute and appoint the members of the advisory boards, and it shall appoint a scientific director for each health research institute. Obviously, the governing council will itself be appointed by the federal government.

Compared to the earlier operating structure, I think it fair to say that the bill is trying to improve things. Nonetheless, the autonomy research groups used to have with respect to projects is not at all guaranteed in this bill, as I read it. That is my first concern.

My second is that the government is proposing—and this too is very clear—that an integrated health research agenda be forged. This appears in the objective of the CIHR: "forging an integrated health research agenda across disciplines, sectors and regions that reflects the emerging health needs of Canadians and the evolution of the health system and supports health policy decision-making".

The result of this objective might even be that the influence of this council on the organization could ultimately have an impact on health in Quebec.

● (1640)

Students will be trained there. Scientists will have their own teams, and we will build a body of knowledge.

There is another thing that is very worrisome, namely that the provinces are considered just like any other scientist or volunteer agency. The government says it will consult them.

One thing is certain, Quebec is not investing enough as it is, because of its dire financial situation, but it still invests in research and universities. A link must be established between the existing teams and the institutes to be created.

Government Orders

Which criteria will be used to choose the people who will create the institutes? Which ones will be established in Quebec, and what will happen to ongoing projects?

This bill raises all kinds of questions, and I know that our distinguished colleague, our health critic, will introduce the amendments we will insist on. After the drastic cuts the government has made in health research, we are not going to sit back; we will ensure that the money goes where it should and as it should.

[English]

Mr. Inky Mark (Dauphin—Swan River, Ref.): Madam Speaker, I am pleased to enter the debate on Bill C-13, an act to establish the Canadian institutes of health research and to repeal the Medical Research Council Act.

There is no doubt that health is the number one issue in the minds of all Canadians. It is unfortunate that over the last six years since 1993 the Liberal government has slashed \$21 billion from health and education. It is in a way ironic to be talking about health research and new spending because we know it is necessary. I wonder how many people understand and realize the damage that has taken place over the last six years with the reduction in health care.

If health is the number one issue, then I ask the government why it did that. Certainly there are ways of reducing the budgetary deficit other than cutting \$21 billion. It absolutely does not make sense.

As a country we not only promote but brag about our great health care system. Canadians expect good health care. Canadians also expect governments to deliver, to be transparent and to be honest in terms of how they govern.

It makes sense that good health care cannot exist without good research. Neither can good industries. Innovation cannot occur without good research and development.

In my own province, health care budget reductions have had a profound effect on the health delivery to individual citizens. I wonder if the government realizes the impact it has had on the little guy who needs health care, the grassroots Canadian. I know very well because I experienced it in my former position as a municipal leader. We had to wrestle with the whole issue.

Provincial governments because of health transfer cuts had to find creative ways of delivering health care. That usually meant if we had less money there was less we could do. What is the normal course of action for most governments? They consolidate, they regionalize, they sell a bill of goods saying that there is going to be the same service but at less cost, that it is going to be a more efficient system.

That is what happened in Manitoba. The problems that existed from the original cutbacks in health are still there today. I still meet

with municipal leaders and health officials to talk about the mess that the health sector is in, certainly in the riding of Dauphin—Swan River, and it is throughout the province.

• (1645)

One of the concerns with this bill is about the patronage appointments of people serving on the board. That is essentially what the provincial government did as well. It had a good system. The people were elected at the local level. The boards were smaller and the hospitals more varied, serving local communities, but they were elected democratically. We went to a regional board. Hon, members can guess how these board members were chosen. They were not elected. They were patronage appointments made by the provincial government. As it turned out, people are still talking about these patronage appointments. They really do not represent the people at the local area. They do not know the concerns.

This is one of the concerns with this legislation. The government continues to appoint people without giving the citizens a say. The bottom line is that the people of this country pay the bills. They should have access to decision making.

I would say the same thing about the heritage portfolio, for which I am the chief critic. Again, my biggest criticism is the numerous boards that are appointed by government. They are not appointed by the people they should be serving. Even if they were elected by national organizations, that would be a huge improvement. Even if the government had a part to play, even if it advertised to the public that these positions were available, that would be better.

With the recent appointment of the new head of the CBC I made that very point. In fact, the chairman of the CBC board agreed that the board should make that appointment, not the Prime Minister's office. Who pays for the operation of the CBC? Obviously, the taxpayers, to the tune of about \$900 million. Does the poor little taxpayer have any say in terms of who should run the corporation? Not at all. It is unfortunate. It is not real democracy. It is not grassroots democracy. It is hidden. It is not transparent.

My view is that the CBC position should have been advertised throughout the country. There are many well qualified people throughout the country who could have applied. It would have been a huge improvement if the CBC board would have done that, instead of having the Prime Minister's office or the Prime Minister decide who should be the head of the CBC.

I want to enunciate some areas of concern that Reform has about Bill C-13. Although the intent of the CIHR is to foster scientific research and promote Canadian initiatives, there has been little time to consult various scientific communities, to receive input, to scope the areas of research. Again, this is another example of a

government bill where an idea occurred and the government did not take the time to do the research or consult the community. We know that the expertise is in the community. It is out there. It certainly does not exist in this room. We are the catalysts that bring people together. I do not know what the rush is. If we are going to do something, we should do it well.

Will the applicants themselves direct the bulk of the research, or will the nature of the research be directed by the advisory boards, which will force applicants to apply for funding in areas dictated by a central body? That is a good question.

Although the CIHR will strive to ensure that only 4% to 5% of the total budget will be spent on administrative costs, the new institutes will require a bureaucratic infrastructure to perform necessary functions. Can the CIHR avoid the trend of having a huge part of its budget administered for bureaucracy and not have sufficient funds to administer the actual research which is dictated under its mandate?

• (1650)

Given the wide scope of its mandate, will the initial budgetary expenditure be sufficient to carry out its entire mandate? If not, will parliament be required to allocate additional funds for the creation of this institute?

The president of the CIHR will make recommendations to the governing council as to who should be appointed to the advisory councils. The president will make recommendations based on a public selection process, but will the president follow the advice of the public selection process or bypass these recommendations and appoint members based on individual choice?

There are many good parts to the bill. It appears to be an excellent model for an institute which will remain at arm's length from the federal government and conduct research independent of the government. The consultation process for appointments will draw on leading experts from every conceivable field of expertise, and this should reduce the influence of high ranking government officials. These and other details I have mentioned can be addressed before the committee when the bill reaches that stage. There is also a strong need to consult the scientific and health communities for input as to the direction of the CIHR.

[Translation]

Mr. Odina Desrochers (Lotbinière, BQ): Madam Speaker, I am pleased to rise today to take part in the debate on Bill C-13 at second reading stage. That is fortunate, because this bill needs a lot of amendments to be more in tune with the reality of Quebec and with the Constitution of Canada.

First of all, we know that health is an area of provincial jurisdiction. As my hon. colleague for Hochelaga—Maisonneuve

was saying yesterday, I am in favor of Bill C-13 in principle. However, I have some reservations as to its present wording.

Ever since I came to the House of Commons, I have had great difficulty trusting the Liberal government. In the beginning, we always hear the same cassette and see the same scenario. The government puts on a great show of democracy and says that it respects the Constitution. That is what we hear from the politicians opposite and that is the tone we find in the Speeches from the Throne, both the one delivered in September 1997 and the latest one delivered in October 1999.

Actually, what is the federal Liberal government doing? It makes itself look good in the media, then interferes in areas of provincial jurisdiction. Every time a minister stands up and tries to make us believe that the government respects the provincial jurisdictions, something just does not sound right.

I have difficulty understanding what federal Liberal ministers and members are saying. I remember the bad experience we went through when the social union framework was discussed. Fortunately, the Government of Quebec did not ratify it. We know the federal government will use this document to try to justify its having jurisdiction in certain areas when it goes to Seattle next week for the start of the World Trade Organization negotiations.

I also remember the sorry outcome of this social union framework. For health care, Quebec got \$55 million, while Ontario got \$1 billion. Because of this social injustice, Quebec is going through a difficult period in the area of health care.

One does not have to look very far. The numerous media reports on that subject clearly show the problem comes from Ottawa, because the money is in Ottawa. The Minister of Finance brags about having managed to eliminate the deficit, but any accountant could have done the same. It is very easy to grab the money and cut transfers to the provinces.

• (1655)

It is also very easy for a government to have a budget surplus when it dips into the employment insurance fund, taking money that was paid by workers and employers, as well as into the federal employees' pension fund.

What the Minister of Finance did is no miracle. These cuts, totalling \$7 billion, are hurting Quebecers. They are hurting seniors.

Recently, I had the opportunity to meet retirees. These people are often isolated and alone. They are worried and they are stressed out by the idea that they will have to wait a long time before getting test results. They have to be very courageous when they have to go to hospitals and to emergency clinics. All this is caused by the Canadian government.

Government Orders

I now want to get back to Bill C-13. If the federal government's intentions were so good, why did it do what it is doing with the Canadian institutes of health research? Why did it choose this approach? Because it is again taking the centralizing approach that implies Canadian standards. Once again, it ignored totally the situation in each province, including Quebec.

The situation is completely different in British Columbia, in the prairies, in Ontario, in Quebec or in the maritimes. When the Canadian constitution was ratified, the Fathers of Confederation decided that health would be a provincial responsibility. The closer the level of government is to the people—the provinces are much closer to the people—the better it can manage health care fairly. This is not the case at present, because we do not have enough money.

Let us look at the consequences. I will quote a few statistics. For example, Quebec's current health and social services minister, Pauline Marois, is short \$1 billion. This represents 20% of the cost of running all the hospitals in Quebec, accounts for the closing of half the hospitals in the Montreal area—and I am convinced the statistics would be the same, a little lower maybe, for hospitals in the Chaudière—Appalaches region—and is equivalent to the cost of caring for 370,000 patients.

As we know, the Government of Quebec is involved in negotiations at the present time. What does one billion dollars represent? The salaries of half the nurses in Quebec—and that is a lot of money—or the cost of running all the CLSCs. In his reform, Minister Rochon wanted to bring all primary care into the CLSCs.

We are short of money. This is twice the cost of all services to youth. This is the result of the federal government's social agenda and this is the situation in which the Government of Quebec finds itself, \$1 billion in the hole.

With Bill C-13, this government is trying to make us believe that it is going to respect provincial areas of jurisdiction. That is a joke, considering the way the Liberal government is acting.

There is a need for Bill C-13, because if we are to make progress as the years go by—and we are on the verge of the third millennium—we need money to support all those involved in research, particularly those who are seeking preventive solutions. That is the good thing about Bill C-13.

But when we see this government once again wanting to appropriate jurisdictions, although it is trying to make us believe that it is going to respect Quebec's areas of jurisdiction, I have a big problem with that.

I agree with the principle of the bill, but it needs a lot of changes. One need only look at the powers assigned to the governing council of this new federal body and the way the federal government behaves toward the provinces.

I trust that when the debate on second reading of this bill is over, we will be in a position to be listened to properly when it goes to committee. I trust that the Liberal members who will be around the table will listen attentively and will, once and for all, respect the Canadian constitution.

(1700)

They are very proud of the Canadian constitution, but they have a great deal of difficulty when it comes to understanding it, reading it and, in particular, respecting it.

Finally, there will be the recourses provided by third reading. Bill C-13 is good for research and for all those who want to advance medicine in Quebec, but the tools for so doing must belong to the province of Quebec, since it has jurisdiction over health.

The tools and the regulations relating to Bill C-13 must be clear in order to avoid having the federal government once again make use of a new institution in an attempt to standardize from sea to sea something as basic as this.

I hope they will listen, because we agree with the principle, but major changes relating to the mechanisms for implementation of Bill C-13 are needed.

[English]

Mr. Grant McNally (Dewdney—Alouette, Ref.): Madam Speaker, it is a pleasure to enter the debate on Bill C-13. My colleague from the Bloc hopes that Liberal members will listen. I hate to give him bad news but I doubt that will actually happen. However, we will keep speaking.

The bill goes in the right direction in some areas. I will quote a bit of its preamble wherein it says:

Whereas parliament recognizes that Canadians value health as central to happiness and fulfilment, and aspire to be among the healthiest people in the world.

I agree with that and I think all members of the House would agree with that. If that is something the government is intending to put into place, and we encourage it to do so, I believe it is necessary for it to take actions to back up those words.

If we take a look at the actions of the government going back to 1993 in the area of health, we see that the government has taken money out of the Canadian health care system. I believe a total of about \$21 billion in health care and education has been taken out since 1993.

Day after day in this place we hear the finance minister refer to what would happen if other parties were in power and all kinds of statements which deflect the fact that the government must stand on its own record. It is the case for any government that it will be judged on what it has done, its actions, what it actually delivered, and not just on its words.

We have seen time and time again in this place that the government will say one thing and do another. My colleague from the Bloc referred to that. If it can create the perception with the general public that it is doing something then it has won the battle. It does not seem to be interested in making the actual applications and changes in law that will have a direct impact and effect on the end user of any system. Bill C-13 goes in the right direction. We would like the government to take those steps in other areas as well.

I met with a constituent on Monday this week at home before I left to come here who had some really serious questions in the area of health care, which is what we are talking about in Bill C-13. He is a young man who was infected with hepatitis C through no fault of his own as a result of a blood transfusion. He is still a young man. He told me his story of what this meant to him and his family, how he had received a transfusion and years later when the issue came out was encouraged by his wife to get tested.

He put that off, understandably so, because of the ramifications that would impact on him and his family if he were to find out that he tested positive for hepatitis C. Finally he did get tested and it was found that he had hepatitis C. It has totally changed his life and perspective. I must compliment him. He is still a positive individual who is looking for changes in many different areas, particularly with the implementation of the new blood system, hoping it does not follow on the failures of the old system.

• (1705)

In his letter Peter Madsen asked me if I would relay some questions to the Minister of Health on the particular area. He has given me permission to share it with others. He wrote:

Why does everyone in the HCV compensation package, from the lawyers and actuaries and committees etc., get guaranteed money except for the victims involved?

He went on to write:

If this government is sitting on such a surplus, why is the compensation package not guaranteed? What do you say to the kids who may not receive compensation because the money has run out?

These are questions on the area of health from my constituent who is looking for answers. He went on to write:

Is the government going to fight the lawyers \$58.5 million asking price? This does not include the victims who must find lawyers to access their compensation.

Why was money taken out of the HCV funds to compensate secondarily infected HIV victims?

He concluded by writing:

Krever called for no-fault compensation. . .why then is the (Minister of Health) putting in as narrow a window as he thinks is the area of legal responsibility of the

government and using this window as legal point to ignore Krever and ignore the pre-1986 and post post-1990 people, contrary to Krever?

Mr. Madsen had these comments for the Minister of Health. He ended his letter by writing:

This compensation package was rammed down our throats with our lawyers telling us that if we don't like it...too bad. We could opt out but then we would have to (a) find a lawyer and (b) wait many more years fighting more government lawyers. This was a closed door negotiation process with the victims having no say whether they liked it or not.

Those are questions that one of my constituents asked the minister about on that particular area of health care.

There are other Canadians who have many pressing questions for the government on its delivery of health care. As I mentioned, Bill C-13 goes in the right direction of one particular aspect of fixing the system to make it more effective in the area of research funding. If the government could take that same kind of approach with the health care system in general, as it has with this bill, the opposition would encourage it.

While Bill C-13 is not a perfect bill and there are areas that could be improved on, it goes in the right direction. I am afraid we cannot say that the Minister of Health is on the same track in terms of the overall health care system within our country. There are vast areas for improvement that the minister could act on immediately. We encourage the government to act on what Canadians hold so dearly, and that is fixing the health care system. Many times we hear the government say things but not back up those words with actions.

The bill also indicates that parliament is cognizant of an historic opportunity to transform health research in Canada. I would argue that same historic opportunity is being presented to the Liberal government as well in the area of health care. It has an opportunity to repair the damage that has been done. Much of that damage was inflicted by the government through its reduction of transfer payments to the provinces in the area of health care.

It has an historic opportunity to make right the wrongs it has inflicted on Canadians through its approach and through its funding cuts in health. We encourage the government to look on this as an opportunity to make right what is so clearly in need of help in the country.

We also encourage the government to look at all areas of its responsibility and to look for ways to make effective changes that set a positive course for Canadians.

• (1710)

I believe that is what Canadians are truly looking for from a government. They are looking for a group of individuals who come to this place to set out a vision for the country and then act on it by

putting policies and platforms in place which would have the effect of what it says it will do.

In conclusion, if we walk outside this great place and look up to the bell tower we see engraved there, not far from where we are here, the phrase "Where there is no vision the people perish". I would argue that the government is lacking in its vision in many areas.

This is one bill that moves in the right direction, and I compliment the government for that, but I would encourage it to move in the right direction in more areas than one small one.

If the Liberals will not move forward and make positive changes, we will certainly work hard to form the government to make the changes necessary to set the country back on its feet again with a positive, forward moving vision.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, I am pleased to participate in the debate on Bill C-13. Since I am not the first member of my party to speak in this debate, you probably know already that the Bloc Quebecois supports this bill.

Our colleague, the member for Hochelaga—Maisonneuve, who is responsible for this issue as the health critic for the Bloc Quebecois, already announced that we would be proposing amendments. As all the members who spoke before me said, regardless of their political affiliation, even if we applaud heartily the government's decision to invest in research, we have some concerns about how the institutes will be established and managed.

Why do we applaud investment in research? For one simple reason. Since the 1993 election campaign, based on an OECD report that blamed Canada for trailing behind in research and development, the Bloc Quebecois has been using every opportunity to remind the government that it must make major investments in research in general, but more specifically in health research.

If we look at the figures provided to me by my colleague from Mercier, whom I wish to thank most sincerely, we can see—and there is a very significant table—that research investments made in Canada since the Liberal Party came to power in 1993 have fallen below zero and are now just over 10%, while they have increased by 30% in France, 40% in the United Kingdom 40% and 80% in the United States.

Unfortunately, under our rules and procedures, we cannot show this document, but it would be interesting if those watching could see how disastrous Canada's actions have been as far as investments are concerned since that party took office.

A Bloc Quebecois dissenting report, presented with the industry committee report entitled "Research Funding-Strengthening the

Sources of Innovation"—a report published recently, in June 1999—states as follows, and I quote:

From 1984-85 to 1996-97, the federal government's share of total government funding for the main fields of university research in Quebec fell from 55% to 37%, while the Quebec government's share remained steady at 23%.

Funds from the private sector made up much of the difference, as its share increased from 10% to 26%, primarily in the form of the partnerships that are the focus of the Committee's report.

(1715)

What information or lessons can be drawn from this situation? The Canadian government uses buzz words in its Speeches from the Throne—indeed, this was not the first time. It talks of managing knowledge. It has bored us stiff with that. For the government, managing knowledge means reducing research funds invested in the various sectors of research, allowing the private sector to invest even more money in research, with all the risks that represents.

Let us consider Monsanto, for example, which sponsors research by academics, then says "You have to answer our needs". With this sort of attitude, one has every right to be concerned.

Now, a look at the proposed organization chart for the governing council and the proposed organization for these institutes, we once again have a wall-to-wall, Canada-wide institute, which will cover all provinces and territories. We are told it will be more virtual than real and that it will link researchers within information networks. Wholly integrated buzz words, again, but what will it mean in reality and what will the result be?

Naturally we are told that the institutes will have to work from four perspectives, in each case: basic biomedical activities, clinical research activities, health services and systems and impacts on society, culture and public health.

We might ask what happens with these things. Let us look at a specific example for our viewers, who are wondering what it all boils down to.

In order to have some sense of the operations of an institute, let us take the example of an institute on ageing. Its multidisciplinary research program could concern the problems caused by the ageing of Canadians. As part of its mandate, the institute could work on Alzheimer's disease from biomedical perspectives in terms of the molecular mechanisms of Alzheimer's disease.

In the clinical field, what are the most effective drugs or treatments? In the case of health services: is it preferable to treat someone suffering from this disease in the community, and if so, how, or is it preferable to treat them in an institution? Health determinants, the fourth sector, are the societal, cultural and health factors involved. Are there elements of lifestyle, environmental factors or dietary factors that contribute to disease?

By bringing together researchers working on common goals, the institutes will promote creativity, generate new ideas in the area of health research and promote strategic policy to take Canada into the new millennium. That is what the government says. To that end, it is investing \$65 million and has already decided how it will be allocated.

In the meantime, however, what has this government done? It has cut billions from health care. It is probably assuaging its guilt. It has been doing so for a while. It cut nearly \$7 billion, to round off the figures.

(1720)

Again yesterday and today, the finance minister had the nerve to say "We are so generous that we reinvested \$11 billion". Hogwash, if members do not mind my saying so, since the government had announced it would make further cuts and that \$42 billion worth of cuts were still to come. And now the minister is saying "I am so generous, I am so good, I will only cut \$33 billion".

He wants people to believe he is putting money back in when in reality the government is still making drastic cuts there is \$33 billion more in cuts to come.

Since I am being signalled that my time is about to expire, I will say in conclusion that I believe the government is chiefly responsible for the difficulties the provinces are experiencing in health care. We will see to it, when the time comes for us to introduce amendments, that the bill gives a larger role to the provinces.

They have jurisdiction over health care, and we will defend the point of view and interests of Quebec, since Quebec has several areas of excellence and we want our scientists' contribution to the management of knowledge in Canada and Quebec to be properly recognized.

Thank you, Mr. Speaker.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témis-couata—Les Basques, BQ): Mr. Speaker, when I read Bill C-13, my first reaction was "Finally", because, since 1994, Canada has been the undisputed champion of cuts to research programs.

There is a very telling chart which shows that, between 1991 and 1998, for the United Kingdom, the United States, France and Canada, only Canada's investments in health research were lower than in 1991.

The figures for 1998 are in. For that whole year, Canada's investments were 10% less than what they were in 1991. Mean-

while, France increased its investments by 30% compared to 1991. The increase over the same period is 40% for the United States and 50% for the United Kingdom. This is why the Bloc Quebecois is saying "Finally". Let us not forget that, during the 1993 campaign, the Bloc Quebecois candidates and their leader asked that more money be put back into health research. In 1997, the Bloc Quebecois candidates and their new leader asked the same thing.

This shows that in politics, tenacity eventually yields results. The bill before us is a case in point.

In 1990-91, per capita expenditures in Canada were at \$8.71, compared to \$39.71 in the United States. In 1997-98, per capita expenditures in Canada were at \$8.23, compared to \$66.64 in the United States. So, there has been a drop of \$0.48 in Canada. We are now investing less than in 1991. No wonder there is a brain drain. Is it because we pay too much tax? Is it for some other reason?

Of course, if we do not invest in health research, health researchers will certainly go to places where they can get jobs.

We can applaud the principle of this bill. There were examples that were quite disturbing. Examples of the number of grants that are being given. In British Columbia, for instance, in 1996-97, there were 31 grants totalling \$1.96 million, for which there was no follow-up. In Quebec universities, at Laval, there were 40 grants, for a total of \$2.863 million. So there are examples that support the fact that some action finally had to be taken.

• (1725)

Our problem is that we realized that this bill, once we had read it in detail, requires many amendments. I tried to find where it mentioned the provinces and I found, in the mandate of the large institute, a reference to the provinces in clause 4. It says that in "encouraging health research", the institute will

—engage the provinces and voluntary organizations, the private sector and others, in or outside Canada, with complementary research interests;

However, the bill does not indicate—and this is rather astonishing, since, in Canada, health is a provincial jurisdiction—that the research projects will be selected according to the goals set by the provinces. Quebec is about to implement a science policy, and we would like this bill to consider the various aspects of the science policy that the government and the people of Quebec will be implementing.

The current wording of the bill gives us little hope, in this regard. I hope some members of the Liberal majority and of the other parties will be sensitive enough to amend the legislation to make it bearable, in order to avoid absurd situations where the federal government would be investing in some areas, while the Quebec policy would be supporting other research projects or options.

Government Orders

In my view, that would be totally unacceptable, because Quebec's priorities in health research may differ from those of Canada. In the past, we have discovered cholesterol problems and genetic diseases that may differ widely from what is found in other parts of the country. There are population changes and regional problems and concerns that may be unique to Quebec or unique to other provinces in Canada. In its current form, I do not think this bill is to our satisfaction.

I have a very specific concern and it has to do with regional distribution of health services. For example, clause 4, which states the objective, talks about "fostering the discussion of ethical issues". There are specialists in this field, in which the Université du Québec à Rimouski, among others, has developed an expertise. It has an ethics chair and professors who work in this field.

This is problem, particularly in the research field, and I have discussed it with some of our scientists. We must realize that getting a research contract is not like buying a chair. There are all kinds of representations that are made. Lobbying is an integral part of the process, and it is important that scientists in the various regions can have their say, the same way they would if they were in the national capital.

In that regard, lessons from the past have shown us that we will have to be vigilant and make sure that researchers, wherever they are, have an opportunity to get a research contract because it is also a development tool. Research contracts create a synergy which leads to the creation of other small businesses in the area. Small processing operations can get under way after 5, 10, 15 or 20 years. Hence our concerns in that area.

I also think we should make sure that institutes are not established in certain sectors without the consent of the provinces. We must make sure that, when institutes are established, it is done according to the provinces' priorities and that the members of the governing council are selected from lists provided by the provinces, so that they can be their eyes and ears. If, for example, a researcher in our region or at Laval University or the Université de Montréal is not satisfied with a situation or requires a clarification—there is a reference to transparency in the bill—there should be a mechanism in place to facilitate this.

—ensuring transparency and accountability to Canadians for the investment of the Government of Canada in health research.

For this to really happen, the members of the governing council must reflect the entire Canadian scientific community. In sectors such as health, their names must be provided by the provinces.

I believe what we have before us is a bill that is worthwhile in principle. I also believe that substantial improvements are necessary to make it into a tool for the development of health research in

Quebec, not just one for the development of health research for all of Canada.

We know that a worthwhile outcome is possible. There is much talk of international standards in this bill. There may be some outcomes of global interest to be presented to our international colleagues, but we also need outcomes in this country that must be

(1730)

The Deputy Speaker: I am sorry to interrupt the hon. member, but his time is up.

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

[Translation]

INDEPENDENT TRUCKERS

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.) moved:

That, in the opinion of this House, the government should explore the questions surrounding federal-provincial jurisdiction in the areas of labour law and transportation law as regards independent truckers in the province of Quebec.

He said: Mr. Speaker, on October 8, I was in Louvicourt, 36 kilometres from Val-d'Or, where I spent the day with Quebec truckers to find out about their claims concerning the road transportation crisis in Quebec.

I met Denis Martin and Vital Meilleur, who were representing truckers and who told me about commitments that the Quebec government made in 1998 but failed to honour. They included legislative changes and a promise to put pressure on the federal government to amend Canadian laws accordingly.

The Quebec government made a written commitment to adopt these legislative changes by January 1, 2000. I have here a copy of these commitments made on October 25, 1998, at 9.45 p.m., and signed by two ministers of the Quebec government.

One year after these written commitments were made, the government of Lucien Bouchard still has not taken any concrete action. Worse still, the Quebec Minister of Labour, Diane Lemieux,

announced her intention to postpone indefinitely the long awaited labour code reform for truckers in Quebec.

On October 8, truckers from Quebec and the Abitibi who were in Louvicourt told me that they have had enough of the unfulfilled commitments of the Bouchard government. The document was signed by two ministers of the Parti Quebecois on October 25, 1998, around 9.45 p.m., namely the Minister of Transport, Jacques Brassard, and the Minister of Labour.

That document includes 11 sections. It provides that a committee of experts must be set up. That was done and properly done. The Bernier report, a 200 page document, was submitted to the government in 1999.

Section 2 and the following provide:

- $2.\ Explore the questions surrounding federal-provincial jurisdiction in the areas of labour law and transportation law.$
- 3. Propose possible scenarios and evaluate their applicability to the labour relations between independent truckers and clients.
- 4. Examine the nature of the contractual relations between contractors and clients, as they relate to law 430 (division of responsibilities).
- 5. Define eligibility criteria for becoming an independent trucker that will ensure a harmonious transition for the holders of bulk trucking permits.
- 6. Analyse the working conditions of independent truckers, i.e. rates, contracting charter, driver pay, hours of work, etc.

We know that a number of things are now being done anyway. Quebec's transport minister, Mr. Chevrette, has set up a committee that includes a federal representative. Committee members are working very hard, but the year 2000 is fast approaching.

The truckers present confirmed to me verbally that they are sick of seeing their working conditions deteriorate in Quebec. Clients are imposing difficult conditions. There are also the consecutive fuel price increases.

Let us talk about the cost of gas. On October 13, I rose in this House to call on the Government of Quebec to regulate the price of gas in Abitibi—Témiscamingue.

I said:

The Canadian Constitution gives the provinces the authority to regulate prices. Only Prince Edward Island and Quebec have taken any action in this regard, although Newfoundland announced recently that it would look at the statute provisions that would permit it to regulate the price of gas.

Other provinces preferred to rely on market forces as the most effective means of determining the appropriate prices, while retaining the incentives that contribute to innovation and cost reduction.

The Government of Quebec has no choice: it will have to rely on the market forces and provide incentives for the people of Abitibi—Témiscamingue.

The time for study is past. It is time to get down to business-

In closing, I wish to say that the best way to placate consumers is to rely on market forces and provide incentives.

• (1735)

Here is an example for Abitibi—Témiscamingue: the wholesale price, including the margin of the Montreal refineries, is 25.4 cents a litre. Provincial tax represents 15.2 cents, the federal excise tax, 10 cents, and the retail profit margin, 5 cents.

Transportation, and this is important, because people say the cost of transportation to Abitibi is high, costs only 1 cent a litre. The cost without 7% GST and 7.5% PST is 8.2 cents a litre. The total cost at the pump, if competition were vigorous and effective in Abitibi—Témiscamingue, a vast region far removed from major centres, would be 64.8 cents.

On October 6, the price of regular gasoline was 75.9 cents a litre in Val d'Or. That contributed to the crisis with Quebec truckers and many residents of Abitibi, who considered themselves to be everyone's hostages.

Gas stations in Abitibi have nothing to do with this situation. They must submit to the orders of the oil companies and the Government of Quebec.

Whatever forces affect the price of gasoline, the people of remote areas like Abitibi, James Bay and Nunavik have the right to expect fair treatment in the market by the Government of Quebec. As of January 1, 2000, the entire trucking industry in Canada will be deregulated, and the sector will thus be opened up to competition among carriers from all provinces.

The Bernier report has been submitted to the Government of Quebec. The Bernier committee had to concentrate first of all on the element it felt was central and essential: the creation of scenarios and assessment of their applicability to the relationship between owner-operators and customers, as well as those elements directly related to it.

On July 21, 1998, in order to respect its commitments under the 1995 Agreement on Internal Trade, Quebec replaced its trucking legislation with the Loi concernant les propriétaires et exploitants de véhicules lourds. This act relating to the owners and operators of heavy equipment harmonizes with the federal Motor Vehicle Transport Act, 1987, which applies to trucking or motor coach companies operating out of province.

Bulk haulage in Quebec is part of a distinct economic framework under the Quebec transport act. Since 1972, the Canada Labour Code has covered independent truckers, as defined in section 3, because it considers them employees.

Quebec and Ontario are among the geographical entities with the most bilateral economic exchanges in North America. In large part, these exchanges stem from the considerable growth in Canadian exports to the United States and traffic to Ontario as an access route to Michigan, Illinois and upstate New York. For Quebec truckers,

Private Members' Business

this increase in interprovincial trucking has become an important dividend of the economic deregulation of their industry.

According to the latest news, an agreement will be reached between the Canadian partners of the Quebec transport industry to reduce the hours of work of truckers.

Quebec's independent truckers feel that the reduction in the number of hours worked is a good idea from a health and safety perspective. However, they are concerned about the impact of this piecemeal approach on the income of truckers who own their vehicles. If the rate structure remains unchanged, independent or exclusive truckers will simply earn less money.

The Quebec government will have to solve the income issue. It is in the process of doing that with a committee set up with the FTQ, the CSD and the CSN. The federal government is also present. They are trying to find solutions before the year 2000.

Since the deregulation of rates and licences, in 1988, it has been very difficult for truckers to earn a decent living in the Quebec trucking industry.

During the protest and blockade organized by truckers on October 8, in Louvicourt, I met many truckers throughout the day. The important thing is to listen to them. These drivers are always alone in their trucks and they travel long distances in Quebec, the United States, Ontario, the Atlantic provinces and the rest of Canada. They are always alone and they do not have time to see all the contracts. It is often their wife who pays the bills at home and who takes care of the family.

They told me that it is about time solutions be found, because the next crisis in Quebec's trucking industry will be serious. As we know, there is a project for bulk haulage.

• (1740)

I have here the 1997-98 annual report of Quebec department of transport, tabled by the minister. It deals with bulk haulage, and there is currently a bill on this, Bill C-89. There will be a fight, but solutions must be found.

The Quebec transport report states:

Together with other Canadian administrations, the federal Minister of Transport decided to postpone until January 1, 2000 the provision of the Agreement on Internal Trade Implementation Act (Bill C-19, clause 19), to give truckers enough time to adjust to a more open market.

The amendments are intended to comply with commitments Quebec made recently with other Canadian administrations to permit carriers from outside Quebec to truck within Quebec in certain sectors, primarily, wood chips and factory supply, since January 1, 1998.

As of January 1, 2000, out of province trucking firms may provide carriage within provinces without economic restriction. In the meantime, the local bulk haulage industry should restructure in preparation for deregulation.

What do we see in Bill C-89? It is no longer deregulation but regulation.

What counts today is to hear the other political parties and to see what they have to say for our friends the truckers when we meet them daily on the highway. And what is important: What are the working conditions in Quebec?

Quebec will find solutions, but finding solutions requires everyone working together. I will speak for all the people I met on October 8. It was my duty to move this motion in the House of Commons to help our friends the truckers.

[English]

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Madam Speaker, Motion No. 130 states:

That, in the opinion of this House, the government should explore the questions surrounding federal-provincial jurisdiction in the areas of labour law and transportation law as regards independent truckers in the province of Quebec.

First I want to start off by saying that at least to my knowledge, this is an area of provincial jurisdiction and I am not sure why we would be discussing it in this House. Second, why would we be bringing a motion into the House that is not for all of Canada?

Every single member in the House has a responsibility to look after the interests of Canada as a whole. We should not be doing it in a vacuum for just one part of the country. If there is a problem, we should be addressing it for all areas. There could be specific areas, but in my view we should not be phrasing something that is specifically targeted to one area.

Since we are on the issue of labour law, there are lots of areas we should be looking at. If there is a problem with transportation in Quebec which comes under federal jurisdiction, then we should be discussing it and I would support that. I have to admit I do not know the details, but I understand this is a provincial issue.

Let me move on to a problem within the labour laws which I think we should be looking at. We just witnessed this on the other side of the country on the British Columbia coast. The ports closed because of a labour dispute which was within the federal jurisdiction. It cost the entire economy of Canada \$85 million a day. That strike of two or three weeks in British Columbia cost the economy of this country almost \$1 billion. It did not need to happen.

There is a very simple solution and it is called final offer arbitration. It is something the House should look at some time in the near future. Final offer arbitration will allow collective bargaining. It allows both sides to try to resolve the dispute. That is absolutely necessary.

We should do everything we can to reach a negotiated settlement, much like the government has said before. The best option for everybody is a negotiated settlement. Failing that, if the parties are unable to come to a negotiated settlement, it is critical that we do not shut down something as vital as our ports. It is not just the \$85 million a day, or the \$1 billion it cost Canada's economy in two or three weeks. It also has a long lasting impact on the reputation of Canada and people look to other sources. Instead of the port of Vancouver, the busiest port in Canada—

(1745)

Mrs. Judi Longfield: Madam Speaker, I rise on a point of order. This is all very interesting, but the member opposite knows that we are debating Motion No. 130 and, except for the first cursory remarks, I have yet to hear anything that relates to what is before

The Acting Speaker (Ms. Thibeault): I will caution the hon. member to keep the debate pertinent to the motion before the House.

Mr. Gary Lunn: Madam Speaker, it says the "jurisdiction in the areas of labour law and transportation law". What did not come under transportation, the labour law and federal jurisdiction when we looked at the ports dispute? I do not know if I could find something that was more pertinent.

What I am offering is a positive solution to a situation, one that may have helped in a situation like this. I am doing this in is a very positive context. This may offer a solution to another situation in the future.

Let me explain the process of the final offer arbitration appeal and apply it to the transportation problem the people in Quebec may be facing. It may help them out. I will use the other one as an example. If both sides come to an impasse at the end of the negotiations that would obviously be the best solution. If they cannot settle the matter, then each side puts its best offer on the table. The employer would give them the package and tell them that it was the very best offer it could make. In this case I suppose it would be the truckers who would put their very best offer on the table and the arbitrator would be forced to pick A or B, nowhere in between. The advantage to that is that both sides would again get to try to negotiate a settlement but they would have to be reasonable in their final offers. If they are too far from the line, too far from where they should be, their offer would not be selected. The arbitrator would not be allowed to cherry-pick those options. In models where this has happened, the offers have crossed over. In fact, where the employer has offered more-

Mrs. Judi Longfield: Madam Speaker, I rise on a point of order. I will just suggest again that there is no strike. There is no labour unrest at this point. We are not talking about lock-outs or possible strikes, so final offer—

The Acting Speaker (Ms. Thibeault): I am afraid that is debate.

Mr. Gary Lunn: Let me just remind the parliamentary secretary that I am putting a solution forward, unlike the government which

waits until the problem is upon it and it has cost the economy of the country a billion dollars. We should be putting up solutions before

there is a problem. Here is a solution that would help labour, not just in Quebec but right across the country.

I cannot believe that the government member opposite wants to stand up and raise a point of order that the problem does not exist. Does the government have to wait for the entire country to shut down before it acts? It is incumbent upon us as members of this House to put solutions forward before the problem happens.

I will summarize the final offer arbitration solution in this case. First, it allows a negotiated settlement, the best solution.

Second, it eliminates the possibility of all strikes.

Third, it forces both sides in any dispute to be reasonable. It will not cost the economy any money because there is no possibility of a strike. Again, it would eliminate strikes forever. It supports collective bargaining.

I would only hope that government members opposite would listen to this rather than act as they did a month ago with the port strike and watch the economy collapse. They watched British Columbia and the country lose a billion dollars because of their arrogance.

• (1750)

We hear the Liberals stand up on ridiculous points of order failing to listen to solutions to problems because the solutions did not come from them. They have their heads stuck in the sand and refuse to recognize the problems. I think it is a disgrace that they would even stand up and make such ridiculous points of order.

I would invite them to listen to positive solutions to problems. and act rather than watch something happen and wonder why it happened. They have been sitting on their hands refusing to act on something as crucial as this.

I hope the Liberals will look at a solution like this and be willing to put forward positive solutions rather than sitting in their chairs and doing nothing as they have in the past.

[Translation]

Mrs. Monique Guay (Laurentides, BQ): Madam Speaker, I am pleased to speak today to Motion M-130 moved by the member for Abitibi-Baie-James-Nunavik.

First I must say that, in some respects, I was very disappointed on first reading this motion. I will read it again now so that members will understand why I have a problem with it. It goes as follows:

That, in the opinion of this House, the government should explore the questions surrounding federal-provincial jurisdiction in the areas of labour law and transportation law as regards independent truckers in the province of Quebec.

Private Members' Business

Why would it be left only to the government to explore the questions surrounding federal-provincial jurisdiction in the areas of labour law and transportation law as regards independent truckers in the province of Quebec? Why is there always this desire to exclude the opposition parties with respect to such important issues? Why does this government always have this condescending attitude to parliament? Why does it want to exclude parliament?

If the member had given two minutes' thought to the wording of his motion, he would have realized that it was unacceptable. Parliament and the opposition members, particularly the Bloc Quebecois members, have a say on matters as vital as federal-provincial relations and transportation law as regards independent truckers in Quebec.

Through his motion, the member is automatically excluding the opinions and ideas of 44 members who were duly elected by the people of Quebec, and this is all the worse because the motion is directly concerned with Quebec.

Of course, the Bloc Quebecois is in total agreement with the spirit of Motion M-130, but it is out of the question that it be excluded from the study of the problems mentioned in the motion.

Why not favour a review by a committee? Why not take the opportunity to explore the issues raised by the motion, with the help of experts in the field, who would testify before the committee? The member for Abitibi-Baie-James-Nunavik seems to make light of the all important issues of Quebec's transportation industry and of transportation law as regards independent truckers in Ouebec.

Let us have a closer look at the transportation industry in Quebec and Canada. In Quebec alone, trucking is a \$6.25 billion industry. Therefore, members will understand why the issue is far too important to be left to the federal government.

First, it is important to mention that under section 92(3) of the Constitution Act, 1867, transportation comes mainly under the legislative authority of the provinces. This being said, in certain regards, the jurisdiction can be shared between the federal government and the provinces.

Since my time is limited, I will focus on federal powers. Briefly, the authority of the federal government in the area of labour comes from its power to regulate certain matters, which are expressly assigned to it under section 91 of the Constitutional Act, 1867, or which are expressly excluded from the authority of the provinces under section 92. These matters are national, international or provincial in nature.

Contrary to the government, the Bloc Quebecois is not making light of the trucking industry in Canada. In Canada, trucking is an industry worth close to \$30 billion, that employs 400,000 people. Every year, over 20 million trucks cross the border between Canada

and the United States, and over 70,000 truckers are involved in cross-border transportation. Trucks move over 70% of the value of the total exports to the United States.

Since 1991, the number of trucking companies whose revenues come for more than 40% from cross-border transportation has increased by 70%.

(1755)

Considering the importance of the trucking industry both in Quebec and in Canada, it is totally justifiable for governments to want to assume their responsibilities. Quebec has assumed its responsibilities by initiating a vast reform of its labour code, including the status of independent workers.

However, the federal government, in its reform of part I of its code, preferred to stay away from clarifying the status of independent workers. Even though the problems with the trucking industry were dealt with at the provincial level in Quebec, let us not forget, and I mentioned it earlier in my speech, that a great number of truckers are governed by the Canada Labour Code.

This is why the Bloc Quebecois is asking that a parliamentary committee be set up to conduct a comprehensive study of the trucking industry, the never ending jurisdictional problems and the status of independent truckers in the province of Quebec. The member for Abitibi—Baie-James—Nunavik cannot be opposed to such an idea.

A consensus already exists among labour unions with regard to the fact that legislating at the provincial level only would not solve the problem, because trucking businesses and their clients would defy such legislation, claiming they are governed by the Canada Labour Code.

Theoretically, the federal definition of a dependent worker would allow truckers who qualify under this definition to unionize and to negotiate their working conditions through the collective bargaining process. But they would have to prove they are economically dependent on a business, which is almost impossible.

In that regard, I would like to read an excerpt from the report of the committee of experts on the status of trucker-owners, which was commissioned by the Quebec ministry of transport, and I quote:

Indeed, the jurisprudence states that for a trucker to qualify as a dependent contractor, the board would have to see economic dependence of the trucker on the client. Because truckers can work for many different clients, own several trucks and have their own employees do the work, the concept of dependent contractor does not apply in many cases.

So, the federal government will also have to assume its responsibilities and set up a parliamentary committee to consider these issues. In fact, we know that the labour minister has been approached by the executive of the Quebec union, the CSD. Unfortunately, as is often the case, the representations of the CSD were not all that successful.

It is always the same thing with the government across the way. One need only think about our bill on orphan clauses which, by the way, was introduced twice in this House. The Government of Quebec did live up to its responsibilities and is about to legislate on this crucial issue for our young people.

Quebec has created a parliamentary commission to hear everyone and anyone who has something to say about the orphan clauses. Quebec is developing a blueprint for our society by legislating on these discriminatory clauses. Here, in Ottawa, the Liberals refused to even debate our bill on orphan clauses. The federal government is much more anxious to pass legislation concerning young offenders.

There are many positive elements in the spirit of Motion M-130. The Bloc Quebecois totally agrees that the House of Commons, I repeat the House of Commons and not, as the hon. member suggests in his motion, the government, should explore in committee the questions surrounding federal-provincial jurisdiction in the areas of labour law and transportation law as regards independent truckers in Quebec.

This study is particularly crucial since, as of January 1, 2000, trucking in Canada will be deregulated, allowing competition among truckers from each and every province.

Under the circumstances, it is important that the trucking industry find a way to promote discussion among the various stakeholders and determine the conditions that would help truckers do their jobs, while considering the new climate that would be created following the upcoming deregulation and the increase in competition.

[English]

Mr. Norman Doyle (St. John's East, PC): Madam Speaker, I am pleased to have a few words to say on this particular motion.

The member's motion asks that the federal government explore the questions surrounding federal-provincial jurisdiction in the areas of labour law and transportation law as regards to independent truckers in the province of Quebec.

● (1800)

It is not a subject with which I am intimately familiar, so I am a bit reluctant to be any more specific than the member was in his motion.

I managed on short notice to obtain an English translation of the November 15 press release from the Quebec Coalition of Bulk Carriers and Related Business. The release states that Bill 89, recently tabled in the Quebec National Assembly, serves only to aggravate the situation between independent truckers and bulk

carriers and related business. The bulk carriers' release stated that the bill would conscript them into a closed association and would create a monopoly. I can understand how any group of independent truckers might feel if faced with competing with a monopoly.

I was also able to obtain a translation of a *La Presse* story, dated October 22, 1999, about a pending agreement between partners in the Canadian transportation industry to reduce truckers' hours. At a recent meeting in Los Angeles it was agreed that Canadian truckers' hours would be reduced from a 15 hour day, with 13 hours of driving, to a 14 hour day. These measures were undertaken as a safety precaution against driver fatigue. This is a proposal which involves all provinces and it would take some six months to implement.

It is hoped that the U.S. would follow suit with a similar arrangement for its truckers. However, independent truck owners have concerns that decreasing the hours without an increase in their income would only force independents to try to live with less income.

Similarly, bulk carriage truckers of the Quebec Professional Truckers Association feel that simply improving the hours without addressing the income issue would only force drivers to drive faster or carry heavier loads.

The bottom line is, since the deregulation of rates and licences, it is hard to make a living in the trucking industry. The professional truckers feel that a round table among the stakeholders in the trucking industry, including the various levels of government, is the way to seek a resolution. Perhaps the member is suggesting in his motion that we explore this area of federal-provincial jurisdiction.

Fast, efficient and safe trucking is essential to the continued prosperity of the whole North American economy. Reaching this goal must involve the U.S. government, the Canadian government, the governments of the provinces and the various sectors in the trucking industry. To the extent that the member's motion will foster constructive debate and problem solving in the trucking industry, including independent truckers, I think we should support the motion.

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Madam Speaker, I rise today to speak to Motion No. 130. The motion presented by the hon. member for Abitibi—Baie-James—Nunavik calls upon the Government of Canada to explore federal-provincial jurisdictional issues in the areas of labour law and transportation law as they pertain to independent truckers in Quebec.

The hon. member is obviously very concerned about the recent protest actions of Quebec truckers and I understand his concern. I wish to commend him for bringing forward this motion. I agree that the issues being raised by the Quebec truckers are serious and ought to receive serious consideration by members.

However, I have some problem with what the member is seeking to achieve by way of his motion. I wonder, too, if the motion is premature.

Perhaps some historical background to the actions of the Quebec truckers would be helpful. About a year ago Quebec truckers started to blockade major highways in the province and border points with New Brunswick, Ontario and the United States. The truckers, mainly local bulk operators, were protesting the upcoming deregulation of the interprovincial trucking industry. They were also protesting the deregulation requirements of the NAFTA, rising fuel prices and their inability to negotiate wages and working conditions.

(1805)

In response, the PQ government agreed to set up a committee of experts to study the industrial relations questions raised by the truckers. This committee was headed by a widely respected industrial relations professor and included representation from the parties involved.

There were renewed blockades in September and October 1999, after which the PQ minister of transport, Guy Chevrette, announced that round table discussions would be held to bring all parties together. Surprisingly, the PQ minister also said that 80% of the truckers, that is, 8,000 of the 10,000, fall under federal jurisdiction. How he arrived at this conclusion is not clear, and is not correct.

It should also be noted that major unions in Quebec have undertaken organizing drives among the truckers. Apparently, about 30 certification applications have been received by the Canada Industrial Relations Board from the Teamsters and the Confédération des syndicats nationaux, or CSN.

From this brief historical view we learn two things. We learn first that Quebec truckers have legitimate grievances regarding the deregulation of the trucking sector, regarding their labour relations status and regarding rising fuel prices. We learn second that a process has been established to address their grievances.

If a process has in fact been set out to study the truckers' concerns, would it make sense for the Government of Canada at this time to launch the kind of examination suggested by my colleague's motion? I think not.

It may be that at some future date such a study ought to be undertaken, but I do not think the government would be doing anything useful if it were to accept the hon. member's suggestion at this point. It is better to let the process already established run its course and see where it leads.

I want to speak for a moment on the industrial relations aspect of this matter. There are at least two significant industrial relations questions. The first concerns federal jurisdiction over labour

relations and working conditions encompassing any undertaking that connects a province with another province or extends beyond the limits of a province. The Canada Labour Code makes this very clear. Quebec truckers, when they travel to New Brunswick, Ontario or the U.S., fall under federal jurisdiction and, contrary to Minister Chevrette's contention, we do not yet know how many Quebec truckers do this.

Second, in his motion the member uses the phrase "independent truckers" to refer to the protesting truckers. Again, we do not yet know who are the independent truckers and who are dependent truckers. The Canada Labour Code states that the definition of employee includes dependent contractors, and the term dependent contractor includes owner-operators of trucks who work under contract to employees in the federal jurisdiction. The code permits employees, including dependent contractors, to unionize for the purpose of negotiating the terms and conditions of their employment with their employer.

On the other hand, truck drivers who are self-employed and who are independent owners of their vehicles are not considered to be employees under the federal labour code and therefore cannot benefit from its provisions.

These are two key issues that must be sorted out if a durable solution acceptable to all stakeholders is to be found. The member for Abitibi—Baie-James—Nunavik and I, I am sure, are in agreement here. Where we differ is how to sort out what is being done.

In my view, the Canada Industrial Relations Board is the appropriate body to determine whether a person is a dependent or an independent contractor and whether he or she is working for an employer in the federal jurisdiction. As I mentioned, there are about 30 certification applications from Quebec unions being reviewed by the board. I have great confidence in the board's capacity to come up with the right decisions on these applications.

The committee of experts which was established by the PQ government, to which I referred earlier, submitted some important recommendations regarding industrial relations in the trucking sector. The PQ government will need to consider these recommendations very carefully.

The committee recommended that the right of association be granted to owner-operators and that the Quebec labour code recognize the self-employed truckers' right of association. Also, this committee recommended that round table discussions be held to study the problem of the industry.

Two sessions have already been held and it appears that all stakeholders involved in the trucking sector are prepared to work hard to come up with ways to address their issues. Representatives from Transport Canada and the labour program of Human Resources Development Canada were present, as were representatives from the union and major trucking associations. This group is expected to issue a report on its deliberations next month.

(1810)

The point I am trying to stress is simply that a two track process is already in place that deals with the legitimate concerns of my hon. friend. We have the CIRB process and the process set up by the PQ government. Perhaps I could prevail upon my colleague to be a bit more patient.

I shall end by commending my friend and colleague for bringing forth his motion and drawing our attention to the problems of Quebec truckers. It seems to me that at this time all that should be done is being done. I do not think that further federal involvement is called for at this point, but like the member I shall be following the matter very closely and will call for additional federal action should it further warrant.

[Translation]

The Acting Speaker (Ms. Thibeault): As no other member wishes to speak, I will now give the floor to the hon. member for Abitibi—Baie-James—Nunavik for his right of reply. This will put an end to the debate.

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Madam Speaker, I am very happy to see that opposition members are here to comment on my motion, even at this late hour, which means that there are good things in there.

The Reform Party's position is that this is a provincial matter. There is one thing I should say from the start. On October 25, 1998, two Quebec ministers signed an agreement with truckers when we had the first crisis, the first blockade.

The second point in this agreement talks about assessing the problem of the federal-provincial jurisdictions in labour law and transport law. The agreement was signed by both Minister Brassard and Minister Rioux. These two ministers told the truckers "Both sides must reassess the problem".

But coming back to federal-provincial matters, on October 8, I was on the picket line with the truckers. On October 10, I was watching the RDI network when I saw my good friend Guy Chevrette, just back from Europe, make the following statement "You should go to the federal government. The trucking issue is a federal matter".

I understand that my good friend Guy Chevrette-

Mrs. Monique Guay: Madam Speaker, I rise on a point of order. This is supposed to be a federal issue, but the member is talking only about Quebec. If he wants to debate it in the national assembly, I have no problem with that, but we are here—

The Acting Speaker (Mrs. Thibeault): Order, please. I do not think this is a point of order, and we are getting into debate.

Mr. Guy St-Julien: Madam Speaker, I understood what the hon. member said earlier. They have millionaires living in the Mont-Tremblant and upper Laurentian regions. We do not in Abitibi.

The Bloc Quebecois member voiced her disappointment with my motion, and said I should have taken a couple of minutes to think about it. The fact is that I took four.

I have here remarks made by Guy Chevrette on RDI on October 10 or thereabouts. He said "Go to the feds. They are the ones concerned". I have notes here on my desk. I understand that he is a good pitcher because he has thrown a strike ball to the federal team. He also indicated that out of the 10,000 truckers concerned, 8,000 were subject to federal legislation and these ought to approach Ottawa to find some ways of getting around their inability to negotiate with their employer. I have notes on this here and it is important to know this.

I understand that the member for Laurentides would want all members to get involved. I agree with what she said about the need for a committee to be struck. That is a good point. But I did not appreciate her saying that I ought to have given it two minutes' thought.

In the current situation, it is impossible to confirm that 80% of the truckers in question come under the jurisdiction of the federal government until the Canada Labour Relations Board has finished its investigation and dealt with the demands of the third parties currently before it, which are to have Quebec truckers granted union certification.

The board will have to determine whether the truckers are employees, dependent contractors or independent contractors and, in the first two instances, if their employer is governed by federal legislation. Demands are being investigated and the date of the board's response is not known.

Another thing is really important. We must stand by the truckers. I appreciate the comments made by my colleagues tonight, even though we may disagree.

Of course, we could deal with the concerns of the truckers about working conditions, for instance, higher pay through collective bargaining, if union certification were granted, but there is nothing we can do, at the labour relations level, about the price of gasoline and the deregulation of interprovincial trucking as of January 1, 2000, pursuant to section 19 of the Agreement on Internal Trade Implementation Act.

• (1815)

What is important to remember, and I appreciate it, is that hon. members from the Reform Party, the Bloc, the Progressive Conservative Party and the Liberal Party have all taken part in this debate. At least, the issue is being addressed and things should look

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up for independent truckers of Quebec and their families. Solutions will be found, whether they come from Quebec, Canada or Ontario.

What is important here is to defend the truckers we see every day on roads and highways. I am proud of having put this motion forward.

The Acting Speaker (Ms. Thibeault): There being no further members rising for debate and the motion not being designated as a votable item, the time provided for the consideration of Private Member's Business has expired and the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

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

DEVCO

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Madam Speaker, the government has repeatedly refused to face the truth about the economic and social crisis developing in Cape Breton. This crisis is the direct result of its inability to show leadership and provide a sincere commitment to the people of the island. Not only is there an obvious lack of commitment to Cape Bretoners but the government continues to allow misinformation about the reality of the crisis to permeate.

Contrary to what one of my colleagues in the House proclaimed last week during the debate on Bill C-11 that unemployment rates were declining in Cape Breton, the reality of the matter is that unemployment is rising in Cape Breton with unofficial rates of over 30%.

The government's best effort to create jobs has been to encourage the conditions that often create low paying, part time, contractual jobs with no benefits. Nova Scotians are falling deeper into poverty with the average poor family living almost \$6,000 below the low income cutoff level. The Nova Scotia report card issued yesterday by Campaign 2000 reports that 67.8% of families without full time, full year employment are living in poverty. The same report card states that Nova Scotia children are doing better than the average Cape Breton child. Thanks to the Liberal government's generous cuts to EI benefits, less than half of Nova Scotians who are unemployed receive EI benefits.

Sadly, the government's inability to act has been the only consistency in the lives of the children of Cape Bretoners since 1993. We continue to face a crisis of increasing proportions. Coastal communities have suffered greatly from the devastation of the ground fishing industry. Devco's being shut down has already

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caused the loss of well over 1,000 direct jobs. Rural Cape Bretoners are being stripped of jobs, the most recent example being the reallocation of HRDC jobs from Port Hawkesbury to more urban areas.

This is the reality the children of Cape Breton face every day: poverty, job losses, a government that just does not care. What else could possibly explain why Cape Bretoners have been made into economic refugees at the hands of their own government?

The government would have us believe that the road show masquerading as a fair and fully participatory panel that is to decide the future of Cape Breton is somehow going to make everything rosy again. The government cannot really expect that the people of Cape Breton will accept this rushed and obviously partisan panel as an appropriate response by the government that is legally obligated to take all reasonable measures to reduce economic hardship. This crisis will not be solved overnight.

Given that the policies of the government continue to put their parents out of work, what other message does this send to the sons and daughters of Cape Bretoners except that in the eyes of the Liberal government they just don't count?

Mr. Brent St. Denis (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, the future of all families in Cape Breton will be brighter as a result of the steps the government has taken to build a solid foundation for tomorrow.

Following the transfer of the responsibilities of the industrial development division of Devco to Enterprise Cape Breton Corporation in 1988, Devco's sole focus became coal mining. At about the same time, successive governments began mandating Devco to attain commercial viability. Unfortunately that goal was not attained.

The government has initiated a process to reshape the coal mining industry on Cape Breton island with the objective of maintaining up to 500 jobs in a commercial private sector coal mining business.

• (1820)

Bill C-11, the bill to provide Devco with the authority to sell its operations is now before the House. I would like to note that the member for Sydney—Victoria has indicated that there are some good things in the Devco divestiture bill.

Passage of this bill and the finalization of a sale will remove uncertainty about the future of coal mining in Cape Breton. Most important, finalization of a sale will also confirm the continuance of good solid coal mining jobs in a commercial private sector operation.

It is also important to look beyond coal mining. Since 1967 the federal government has provided over \$500 million to diversify

the Cape Breton economy, first through the industrial development division of Devco and beginning in 1988 through the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation

Today the government continues to invest about \$20 million annually in economic development on Cape Breton through ACOA and ECBC. The goal is and will continue to be to diversify the Cape Breton economy beyond coal.

In addition to this, we have allocated another \$68 million to fund sustainable economic development initiatives in Cape Breton. The province of Nova Scotia is providing an additional \$12 million for the same purpose.

The Acting Speaker (Ms. Thibeault): I am afraid I must interrupt the parliamentary secretary as the time has expired.

AGRICULTURE

Mr. Inky Mark (Dauphin—Swan River, Ref.): Madam Speaker, when I asked the Minister of Agriculture and Agri-Food how he would transfer the money for farmers in crisis from the cabinet table to the kitchen table, he responded by saying "All the money will go through the process and the farmers will get it". Unfortunately, the process the minister has faith in does not work and the money has not flowed to the farmers.

Fifty-nine per cent of Manitoba farmers who applied for AIDA were rejected. Close to 3,000 claims remain unprocessed. How can the minister believe that his process is working? Three-quarters of the AIDA money is still in government coffers and not in the hands of farmers.

Farmers in my riding are crying for help. They are farmers like Phil Lewis from Minnedosa who said "AIDA is a wild card and banks do not like it". He has had 900 unseeded acres this year.

David Hamlin from Miniota said "We have been farming since 1972 on a family farm established since 1910. I will have to go out and get a job to stay afloat".

Dorothy Andrew from Rossburn, Manitoba said "Another machinery dealer was here today and he wasn't here to offer a decrease in the payments on the machinery".

Walter Stadnyk of Grandview said "Our forefathers worked hard to create the family farm. My two sons want to farm but won't be able to. It cost me \$500 to fill out the AIDA forms and I was rejected".

Maggie Creber from Newdale said "We the farmers are in trouble. We have no crops in and what was seeded at this date has very little chance to be a good crop. We are looking for aid and we shouldn't have to beg for it".

George Guley of Ethelbert said "AIDA does not work". He did not qualify and he cannot get work. What are producers like him expected to do?

Cam Flett from Angusville said "Many of your government grants are a terrible waste of money. The plight of farmers, health care and education are far more important and should be recognized as such".

Ross Matheson from Decker, Manitoba said "No farmer wants to have to beg our government for subsidies, but the economics producers face are seemingly impossible".

Herbert Christian from Kenville said "The AIDA formula does not recognize the extreme need of farmers who have had depressed incomes for several years".

I end by saying that John Puchailo from Grandview said that he is afraid that there will be a full-blown civil revolution to clean out the government because it just does not listen or care about the west.

There is no doubt that farmers in Dauphin—Swan River and in the west need help. We need to take away the politics. Let us help those Canadians who need help. Premier Romanow and Premier Doer came to Ottawa asking for help and were denied. What will it take for this Liberal government to help the farmers in crisis?

● (1825)

Mr. Brent St. Denis (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, the changes the government has introduced to the AIDA program will benefit many producers across the country.

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We will now be covering negative margins. Negative margins occur when a farm has a particularly bad year and the operation has insufficient revenues to cover variable costs like fuel, machinery repair and chemicals. These due dollars will go to those farm families that need help to cover their variable costs.

What will also help farmers to get through these tough times is that they now have the option to make a one-time choice in 1999 of the reference period on which the payment calculation for AIDA is based. They will be able to choose either the previous three years or three of the previous five years where the high and low income years are not counted.

This will be a real help to farmers as they will not need to count a low income year they may have had due to flooding, drought, or some other occurrence beyond their control. This will provide better stability and more effective support to those farmers who find themselves in this type of situation.

As well, we are committed to having all processing of the AIDA claims completed by Christmas in provinces where the federal government delivers the program, as is the case in Manitoba.

As of today, November 25, the total value of AIDA payments in Manitoba is \$33.7 million. These program changes and the total amount of money to be paid out by Christmas will help the farmers get through the tough times the hon. member referred to.

The Acting Speaker (Ms. Thibeault): The motion to adjourn the House is now deemed to have been adopted.

Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:27 p.m.)

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