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OFFICIAL REPORT
(HANSARD)

Tuesday, February 8, 2000

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, February 8, 2000

The House met at 10 a.m.

Prayers

• (1000)

PRIVILEGE

MEMBER FOR WENTWORTH—BURLINGTON—SPEAKER'S RULING

The Speaker: I will now deliver my ruling on the question of privilege raised by the hon. member for Athabasca concerning the use of his signature in support of Bill C-206, an act to amend the Access to Information Act and to make amendments to other acts, in the name of the hon. member for Wentworth—Burlington.

The bill was originally introduced during the previous session, on October 23, 1997, as Bill C-264. The member for Wentworth—Burlington gathered over 100 signatures in support of this bill, including the signature of the hon. member for Athabasca.

On June 11, 1998, by unanimous consent, a different text was substituted for the original text of Bill C-264. In the second session this bill was reinstated on October 14, 1999, in the same form as at prorogation.

In accordance with Standing Order 87(6) the bill, supported by 100 signatures, was placed on the order of precedence.

The complaint of the hon. member for Athabasca arises from the use made of his signature in helping to have his revised bill placed on the order of precedence. This support, he maintained, was limited to Bill C-264 in its original form and the use of his signature for any other purpose constituted “false representation to gain unjust advantage”.

• (1005)

[*Translation*]

The hon. member for Wentworth—Burlington claimed that he never intended to mislead the House by his use of the list nor did he feel that its use in support of Bill C-206 was illegitimate.

In his view, the signatures indicated only that the issue at which the bill was aimed was one deserving of debate. He further maintained that the revisions to the bill in the previous session were, for the most part, of a technical nature and that no one had indicated any difficulty concerning them in the 19 months since they were placed before the House.

[*English*]

I point out to all hon. members that the procedure at the heart of this issue is a relatively new one. Standing Order 87(6) came into effect on February 1, 1999, as part of a small number of changes to our standing orders designed to further increase the opportunities that private members have to present their initiatives for debate.

The first paragraph of the standing order reads as follows:

At any time after the holding of the first draw in a Session, a Member may file with the Clerk a list containing the signatures of one hundred Members, including at least ten Members each from a majority of the recognized parties in the House, who support a specific item, sponsored by the Member, eligible to be placed in the order of precedence.

An item supported in this way is then placed in the order of precedence provided that the member presenting it does not already have another item there and that only one such item at any time may be placed in the order.

As I said, this is a new procedure. The bill presented by the hon. member for Wentworth—Burlington is only the second to have been placed in the order of precedence pursuant to this standing order. There are no previous rulings to which the Speaker can turn for guidance in such a case, nor were comments made in the House prior to the adoption of these new standing orders which might be of assistance.

A member signing such a list does not appear to be seconding the item, for which we have other procedures, but the exact meaning of placing a signature on the list is not clear. Does such a signature represent support for the content of the item, or simply that the item be given precedence?

[*Translation*]

If our new procedures to increase the opportunity of members to present their own initiatives are to be a success, we must ensure that we proceed on the basis of a common understanding and agreement as to how the rules governing them are to function.

Routine Proceedings

While I have my own views on these matters, it is not my role as Speaker to impose them on the House. There does not, at first glance, appear to have been any actions carried out other than in good faith. However, given that important questions have been raised about how this procedure should work, I feel that it would be unfair to the House and to the hon. members concerned to simply turn our backs on this problem.

[English]

I am not disposed to give a final ruling at this time. This, in my opinion, is an issue which should be considered by the Standing Committee on Procedure and House Affairs so that the Speaker has guidance about how to proceed both with Bill C-206 and with future cases related to Standing Order 87(6). I would ask the committee to give its attention to this issue as an urgent matter.

In order to afford the committee time to examine the questions raised concerning this matter, I am ordering, pursuant to the power afforded me by Standing Order 94(1)(a), that Bill C-206 be dropped to the bottom of the order of precedence. When we have had the benefit of the committee's advice I will make a further ruling if it is necessary at that time.

I would like to thank the hon. member for Athabasca, the hon. member for Wentworth—Burlington, as well as the other members who contributed to the discussion of this issue which relates to the fundamental nature of our relations with one another in the House.

ROUTINE PROCEEDINGS

• (1010)

[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 Standing Order 36(8), I have the honour to table, in both official languages, the government's response to five petitions.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 14th report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of some standing committees.

If the House gives its consent, I intend to move concurrence in this 14th report later this day.

* * *

ORGAN DONATION ACT

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.) moved for leave to introduce Bill C-420, an act to establish a National Organ Donor Registry and to coordinate and promote organ donation throughout Canada.

He said: Mr. Speaker, today I am reintroducing a private member's bill which I tabled last fall. The purpose of this bill is to create a national organ donor registry and to co-ordinate and promote organ donations throughout Canada.

The bill is very important because it would provide the opportunity to save lives by co-ordinating organ donors and needy recipients across Canada.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent, I move that the 14th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

The Deputy Speaker: Is there unanimous consent for the hon. parliamentary secretary to present the motion?

Some hon. members: Agreed.

An hon. member: No.

FISHERIES AND OCEANS

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I move that the first report of the Standing Committee on Fisheries and Oceans, presented on Wednesday, December 15, 1999, be concurred in, which would allow the standing committee to travel to the west coast to discuss the Oceans Act, the aboriginal fisheries strategy and aquaculture studies.

The Deputy Speaker: 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: On division.

(Motion agreed to)

PETITIONS

LABELLING ON ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have two petitions to present to the House today. The first is on the subject of health warning labels on the containers of alcoholic beverages.

The petitioners draw to the attention of the House that the consumption of alcoholic beverages may cause health problems and specifically that fetal alcohol syndrome and other alcohol related birth defects are 100% preventable by avoiding alcohol consumption during pregnancy.

The petitioners therefore call upon parliament to mandate health warning labels on the containers of alcoholic beverages to caution expectant mothers and others of the risks associated with alcohol consumption.

CHILD POVERTY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition relates to child poverty.

• (1015)

The petitioners would like to draw to the attention of the House that one in five Canadian children live in poverty, that in 1989 the House of Commons resolved to seek to achieve the end of child poverty in Canada by the year 2000 and, furthermore, that since 1989 the number of poor children in Canada has increased.

The petitioners call upon parliament to seek to include initiatives in the upcoming federal budget to introduce a multi-year plan to improve the well-being of Canada's children.

[Translation]

TRANSGENIC FOODS

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I wish to table a petition. The petitioners are calling on parliament to quickly pass legislation making it mandatory to label all fully or partially genetically modified foods.

[English]

CHILD POVERTY

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I too have a petition to file on behalf of my constituents with respect to child poverty.

The petition says that one in five children live in poverty now in Canada. Because of the 1989 motion to eradicate child poverty by the year 2000, it is suggested that parliament use the federal budget of 2000 to introduce a multi-year plan to improve the well-being of Canada's children.

Routine Proceedings

The House is also aware that the hon. member for Shefford, a Progressive Conservative member, has been very active in the particular role on child poverty. I would love to present the petition on behalf of my constituents.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, pursuant to Standing Order 36 I rise to present a petition on behalf of residents in my riding of Regina—Lumsden—Lake Centre as well as in the communities of Fort Qu'Appelle, Punnichy, Kamsack and Balcarres. These residents of Canada are asking the House of Commons to address the issue of child poverty. One in five Canadian children live in poverty.

On November 24, 1989, the House of Commons unanimously resolved to end child poverty in Canada by the year 2000 as a result of a motion presented by the NDP leader at that time, Ed Broadbent.

The petitioners ask parliament to address the issue of child poverty as quickly as the Liberal government attempted to address the issue of helping out millionaire hockey players. They ask parliament to use the upcoming federal budget to introduce a multi-year plan to improve the well-being of Canada's children rather than the Liberal government continuing to support multimillionaires with tax breaks.

[Translation]

CANADA POST CORPORATION

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, we know that private sector postal carriers in our rural areas are denied the right to collective bargaining.

By this petition, the petitioners are calling on parliament to repeal section 13(5) of the Canada Post Corporation Act specifically so that rural postal carriers would have this right.

[English]

TOBACCO ACT

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I would like to deposit a petition in support of Bill C-225.

CHILD POVERTY

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 36 from residents of my riding echoing some of the petitions filed here this morning bringing to the attention of the House that one in five Canadian children are living in poverty and that in November 1989 parliament unanimously passed a motion to eliminate child poverty by the year 2000. In fact it has increased by 60%.

Therefore the petition calls upon parliament to use the federal budget for the year 2000 to introduce a multi-year plan to improve the well-being of Canada's children.

*Routine Proceedings***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. 15, 17, 20, 39, 44, 53 and 68.

[Text]

Question No. 15—**Mr. Jim Hart:**

What were the operational capabilities in the statement of requirements for the maritime helicopter that will replace the Sea King in the following areas: (i) radius of action, (ii) endurance, (iii) flight in icing, (iv) weapons stations, (v) MAD, (vi) data recording, (vii) EMP/TREE, (viii) aircraft self-protection suite and (ix) sonobuoy relay?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): The operational capabilities for the maritime helicopter are being considered as part of the development of the overall maritime helicopter procurement strategy. The operational capabilities will be released when details of the overall maritime helicopter procurement strategy are confirmed.

Question No. 17—**Mr. Eric Lowther:**

With respect to spousal benefits in federal legislation: (a) please list the types of spousal benefits under federal jurisdiction; (b) where have such benefits been extended to same sex couples; (c) when were these benefits extended to same sex couples; and (d) through what means were they extended, i.e. via a court decision or via legislation put forward by government?

Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): (a) The question asks about spousal benefits in federal legislation. It is difficult to define such a term as federal legislative treatment of spousal relationships includes direct economic benefits, indirect economic benefits, non-economic advantages and obligations. Listed are the major federal statutes which grant direct economic benefits. Some statutes which grant direct economic benefits to dependants may not be reflected in the list. The majority of the statutes listed set out criteria for eligibility beyond spousal status. For example, some are available only to low income couples, others to federal employees, and yet others provide for garnishment of wages and pensions in the case of court ordered support.

Canada Pension Plan Act, R.S.C. 1985, c. C-8;
 Canadian Forces Superannuation Act, R.S.C. 1985, c. C-17;
 Defense Services Pension Continuation Act, R.S.C. 1970, c. D-3;
 Diplomatic Service, Special, Superannuation Act, R.S.C. 1985, c. D-2;
 Employment Insurance Act, S.C. 1996, c. 23;
 Garnishment, Attachment and Pension Diversion Act, R.S.C. 1985, c. G-2;
 Governor General's Act, R.S.C. 1985, c. G-9;
 Judges Act, R.S.C. 1985, c. J-1;
 Lieutenant Governors Superannuation Act, R.S.C. 1985, c. L-8;
 Members of Parliament Retiring Allowances Act, R.S.C. 1985, c. M-5;

Merchant Navy Veteran and Civilian War-related Benefits Act, R.S.C., 1985, c. C-31;
 Merchant Seamen Compensation Act, R.S.C. 1985, c. M-6;
 Old Age Security Act, R.S.C. 1985, c. O-9;
 Pension Act, R.S.C. 1985, c. P-6;
 Pension Benefits Division Act, S.C. 1992, c. 46 Sch. II;
 Public Service Superannuation Act, R.S.C. 1985, c. P-36;
 Royal Canadian Mounted Police Pension Continuation Act, R.S.C. 1970, c. R-10;
 Royal Canadian Mounted Police Superannuation Act, R.S.C. 1985, c. R-11;
 Special Retirement Arrangements Acts, R.S.C. 1992, c. 46 Sch. I;
 Supplementary Retirement Benefits Act, R.S.C. 1985, c. S-24;
 and War Veterans Allowance Act, R.S.C. 1985, c. W-3.

Some federal statutes such as the Income Tax Act involve a mixture of potential benefits and obligations depending on individual circumstance.

(b) Spousal benefits in federal legislation have been extended to same sex couples only in respect to employment-related pensions for federal public servants in Bill C-78, an act to establish the Public Sector Pension Investment Board, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Members of Parliament Retiring Allowances Act and the Canada Post Corporation Act and to make a consequential amendment to another act, which amended the following six statutes:

Canadian Forces Superannuation Act, R.S.C. 1985, c. C-17;
 Defence Services Pension Continuation Act, R.S.C. 1970, c. D-3;
 Members of Parliament Retiring Allowances Act, R.S.C. 1985, c. M-5;
 Public Service Superannuation Act, R.S.C. 1985, c. P-36;
 Royal Canadian Mounted Police Pension Continuation Act, R.S.C. 1970, c. R-10; and
 Royal Canadian Mounted Police Superannuation Act, R.S.C. 1985, c. R-11.

(c) Bill C-78 received royal assent on September 14, 1999.

Other employment-related benefits were extended to federal public service employees by the treasury board with regard to their same sex partners under employment agreements in November 1995 for bereavement leave, family related responsibility leave and relocation leave and in July 1996 for medical and dental plans.

(d) As mention in (b), the changes to the federal public service pension plans were introduced through legislation, Bill C-78. However a series of recent court and tribunal decisions have found generally that there must be equal treatment of opposite-sex common law couples and same sex couples in most instances. The government continues to believe that policy and legislative

changes should be made by parliament, but that it is reasonable to seek the guidance of the courts on difficult legal issues.

The major court and tribunal decisions include: The provision of the Income Tax Act which allows employers to register pension plans was ruled contrary to the Canadian Charter of Rights and Freedoms in the Rosenberg decision, as it did not allow registration of pension plans where employers chose to offer survivor benefits to same sex partners of employees, Ontario Court of Appeal, 1998. The decision of the Federal Court, Trial Division in Moore and Akerstrom affirmed the decision of the Human Rights Tribunal that the federal government must grant the same employment benefits under collective agreements to same sex couples as those offered to common law spouses of public service employees, 1998. In May of 1999, two challenges before the Pension Appeals Board to the survivor benefit provisions of the Canada Pension Plan were conceded, Hodder and Boulais, and a similar case was conceded before the Federal Court of Appeal in September, Fisk, resulting in a payment of survivor benefits to the three individuals involved. In November 1999, the Government of Canada settled a number of cases, including White, which involved the challenge to the voluntary quit provisions of the Employment Insurance Act. There are a number of arbitral decisions and decisions under provincial jurisdiction which have also awarded benefits to same sex couples, including the recent decision of the Supreme Court of Canada in *M. v H.*, (May 1999). There are many pending court cases in this area.

Question No. 20—Mr. Bill Blaikie:

With reference to the SSHRCC and its predecessor agency, the Canada Council: (a) what funds were granted for research on editorial projects for (i) work on men writers/scholars and (ii) work on women writers/scholars; (b) what are the amounts of these research grants in constant dollars for the five largest projects by men writers/scholars and women writers/scholars, respectively, (c) what applications for research on editorial projects to produce the work on a writer/scholar have been rejected in the last five years for each category and, in each case, what was the name of the writer/scholar, the year and the amount of the grant requested that was rejected?

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): It is not possible for the Social Sciences and Humanities Research Council to respond to this question because the category editorial project is not a separately coded category. Nor is it necessarily supplied by the researchers in the list of key words they give for their projects. The current corporate storage and retrieval system thus cannot provide a reliable and comprehensive report of the funds granted under the category editorial projects. It should be noted that the council awards its grants through a highly selective competitive process which considers the research, intellectual and social significance as well as the overall excellence of the projects submitted.

Question No. 39—Mr. Ted White:

With respect to the RCMP ownership of at least one 0.50 calibre Browning M2 machine gun, and the ability of the RCMP to access a number of other 0.50 calibre Browning machine guns as dictated by operational requirements at various locations across Canada: (a) what are the circumstances under which such weapons might be used by the RCMP; and (b) would the RCMP in such circumstances be fulfilling a role which would normally be carried out by the military?

Routine Proceedings

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): With respect to the Royal Canadian Mounted Police, (RCMP), ownership of a 0.50 calibre Browning M2 machine gun, the deployment of such weapons is as follows:

(a) It is conceivable that under certain operational conditions the necessity to deploy weapons of this calibre will be a requirement. Currently the 0.50 calibre machine gun capability of the RCMP is restricted to the armoured public and police safety vehicle program and could be deployed when there is a requirement for the protection provided by such vehicles. Because of the capability of this system very careful consideration will be given to every request for deployment. It is conceivable that additional restrictions could be imposed prior to authorization being granted to deploy the entire system.

(b) With respect to the role of the military in Canada the RCMP cannot comment, except to say that under the National Defence Act, the Canadian forces could be requested to provide assistance if the situation is beyond the capability of the police. A situation such as a natural disaster might elicit a request for military assistance.

The RCMP is dedicated to the safety and protection of the Canadian public.

Question No. 44—Mr. Gerald Keddy:

With respect to the lobster and fishing licences purchased by the government for first nations in Atlantic Canada: (a) how many licences were purchased, and of these (i) how many were inshore licences; (ii) how many were offshore licences; (b) what species are covered by these licences; and (c) what bands have been given these licences?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): (a) Licences retired: 240.

(a) (i) 240 are inshore; (ii) zero are offshore.

(b) and (c) 222 have been issued to first nations; 18 are being retained and will be issued under future agreements with first nations.

First Nation	Species
Annapolis Valley (2)	Herring, Scallop
Chapel Island (4)	Bluefin Tuna, Lobster, Mackerel, Squid
Eskasoni (6)	Bluefin Tuna, Groundfish, Herring, Lobster, Mackerel (2)
Fort Folly (2)	Groundfish, Lobster
Horton (4)	Groundfish, Lobster (2), Mackerel
Kingsclear (5)	Groundfish, Herring, Lobster, Scallop, Sea Urchin
Membertou (5)	Bluefin Tuna, Groundfish, Lobster, Mackerel, Scallop

Routine Proceedings

First Nation	Species
Millbrook (10)	Bluefin Tuna, Groundfish (2), Herring, Lobster (2) Mackerel (2), Snow Crab, Swordfish
Native Council of Nova Scotia (13)	Lobster (3), Scallop, Herring (2) Mackerel (2), Groundfish (2), Swordfish, Bluefin Tuna, Gaspereau
Saint Mary's (2)	Lobster (2)
Wagmatcook (6)	Groundfish, Lobster (2), Mackerel (2), Swordfish
Waycobah (3)	Lobster, Mackerel, Swordfish
Woodstock (3)	Herring, Lobster, Scallop
Abegweit (13)	Groundfish, Herring (2), Lobster (3), Mackerel (2), Scallop, Squid, Clam, Swordfish, Oyster
Big cove (27)	Eel (3), Herring (6), Mackerel, Lobster (16), Smelts
Buctouche (7)	Herring (2), Lobster (2), Mackerel, Scallop, Smelts
Burnt Church (25)	Herring (5), Lobster (13), Mackerel (4), Oysters (3)
Eel Ground (7)	Herring Lobster, Mackerel, Eel, Oysters, Gaspereau, Clams
Eel River Bar (7)	Herring, Lobster (4), Mackerel, Smelts
Indian Island (9)	Groundfish, Herring, Lobster (5), Scallop, Gaspereau
Lennox Island (20)	Herring, Lobster (5), Mackerel (5), Squid, Oyster (4), Clams (2), Mussels (2)
Listuguj (3)	Rock Crab, Lobster (2)
Native Council of PEI (21)	Lobster (2), Swordfish, Squid, Clam, Scallop, Groundfish, Eels, Mackerel, Oyster (12)
New Brunswick Aboriginal Peoples Council (4)	Lobster (2), Herring, Mackerel
Pabineau (3)	Herring, Mackerel, Lobster
Pictou Landing (4)	Herring (2), Lobster (2)
Red Bank (2)	Gaspereau, Lobster
Tobique (5)	Groundfish, Herring (2), Lobster, Scallop

Question No. 53—**Mr. Svend J. Robinson:**

How many Kosovar refugees came to Canada since March 1999 and how many have since returned back to Kosovo?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Since March 1999, 5,051 Kosovar refugees arrived under the emergency humanitarian evacuation and 2,192 Kosovar refugees arrived under the family reunification program for a total of 7,243.

1,735 Kosovar refugees have returned to Kosovo including 9 newborns who are not part of the above numbers.

Question No. 68—**Mr. Leon E. Benoit:**

With regard to the groups consulted by the Standing Committee on Citizenship and Immigration in the first session of this parliament during the period from February 27, 1998, through to March 11, 1998: (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 the subsidy; and (d) which government department issued the grant or subsidy?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): No group was consulted by the Standing Committee on Citizenship and Immigration during the period of February 27, 1998, through to March 11, 1998.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Questions Nos. 1, 21, 27 and 30 could be made orders for return, these returns would be tabled immediately.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 1—**Mr. Mike Scott:**

Could the government provide a list of all Chiefs in Canada and the amount of their salaries for the following fiscal years: (a) 1994; (b) 1995; (c) 1996; and (d) 1997?

Return tabled.

Question No. 21—**Mr. Jim Pankiw:**

With respect to cancer and cancer research in Canada, what has the government determined to be: (a) the incidence and fatality rates for breast cancer within the female population expressed as a percentage of all Canadian women; (b) the incidence and fatality rates for prostate cancer within the male population expressed as a percentage of all Canadian men; (c) the total amount of federal tax dollars put towards breast cancer research in the last five recorded fiscal years; and (d) the total amount of federal tax dollars put towards prostate cancer research in the last five recorded fiscal years?

Return tabled.

Question No. 27—**Mr. Peter MacKay:**

With respect to Mr. Ole Ingstrup, Commissioner of the Corrections Service Canada, will the government provide a detailed breakdown of Mr. Ingstrup's business related travel expenses?

Return tabled.

Question No. 30—**Mr. John Reynolds:**

With regard to the Canada Mortgage and Housing Corporation (CMHC) and the Residential Rehabilitation Assistance Program: (a) how many CMHC offices administer the program across Canada, and in what locations; (b) how many grants were distributed by each office and in what amounts for each of the years 1995 through 1998; (c) what was the average amount of the grants, in dollars, awarded for each of the same years; (d) how many applications did each office receive for each of these years

and how many of these applications received grants; and (e) what is the current waiting list or backlog of applications for each office administering these grants?

Return tabled.

[*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.

• (1020)

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, I rise on a point of order. A few minutes ago, the member for Sackville—Musquodoboit Valley—Eastern Shore sought the unanimous consent of this House to have the first report of the Standing Committee on Fisheries and Oceans adopted.

I would just like to draw to your attention, since you seem not to have heard him, that my colleague from Charlevoix clearly indicated that he was not in agreement with the adoption of this report.

The Deputy Speaker: The hon. member for Sackville—Musquodoboit Valley—Eastern Shore did not seek the unanimous consent of this House to present this motion. He proposed it. It is a motion contained on the notice paper, of which he has already given the House notice.

The motion was proposed and I asked if any members wanted to use their right to take part in a debate. No one stood up and so I put the matter to a vote and the motion was agreed to unanimously.

If someone did say no, I did not hear it, I am sorry to say. However, the motion in question was not a matter of unanimous consent.

Mr. Gérard Asselin: Mr. Speaker, as a daily occurrence in this House, when the parliamentary secretary to the government House leader wants to table documents, he asks for unanimous consent of the House to do so.

You did indeed ask for it, because our colleague asked for it through you. As the Speaker, you asked “Does the parliamentary secretary have unanimous consent?” I said no, Mr. Speaker.

An hon. member: I am a witness to that.

Mr. Gérard Asselin: Then it must not be tabled, as there was no consent—

The Deputy Speaker: Order, please. The point raised by the hon. member is right but not exactly.

The parliamentary secretary did not ask for the unanimous consent of the House to table documents. He is entitled to do so. He

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asked for the unanimous consent of the House to table a motion for the adoption of a committee report because he did not give notice of motion on this point. It was refused so he could not present that motion. That is the end of it.

Mr. Stéphane Bergeron: Mr. Speaker, I have indeed understood—and your explanations were very useful but unnecessary—that this motion was on the Notice Paper. I did indeed understand that you asked whether members wanted to speak to the question. I indeed understood that you put the motion to a vote and that there was, apparently, from what you heard, unanimous consent.

I simply want to draw to your attention the fact that there was not unanimous consent, since my colleague from Charlevoix said no.

So I am asking to have today’s *Hansard* record that there was not unanimous consent and that the report was adopted on division.

The Deputy Speaker: That is certainly possible. I will tell the clerk that is to be done. Everyone will no doubt agree.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—HUMAN RESOURCES DEVELOPMENT

Mr. Preston Manning (Leader of the Opposition, Ref.) moved:

That this House express its concern over the gross mismanagement of more than one billion annually in grants and contributions from the Department of Human Resources Development, its support for the doctrine of ministerial responsibility, and its lack of confidence in the Minister of Human Resources Development.

Mr. David Chatters: Mr. Speaker, I would like to inform the House that all the Reform speakers will be splitting their time today on this motion.

* * *

REQUEST FOR EMERGENCY DEBATE

GASOLINE PRICES

The Deputy Speaker: The House has received notice of a request for an emergency debate. It was not on my list and the Chair apologizes to the House.

[*Translation*]

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I hereby request, under Standing Order 52, on behalf

Supply

of Canadians, that the House now adjourn in order to hold an emergency debate on the dizzying increase in the price of gasoline at the pump, of diesel and of heating oil in Canada. The consumer has few if any ways to act.

• (1025)

My request is intended to remedy this by giving the Government of Canada the opportunity to take concrete action to bring costs to some reasonable level in the short term or for a temporary period.

I thank you, on behalf of the people of Canada, for considering my request and giving all members of this House the opportunity to intervene in this debate.

The Deputy Speaker: I am sorry to have to inform the hon. member for Abitibi—Baie-James—Nunavik that, at this point, his motion does not meet the requirements of our standing orders.

Mr. Michel Bellehumeur: Mr. Speaker, I do not want to question the ruling you just made regarding the request for an emergency debate, but I have read Standing Order 52 and, given the extremely high cost of gasoline and its very significant impact on all Quebecers and Canadians, I absolutely cannot understand why, at this point, you would refuse to hold an emergency debate, in light of the importance of this issue from an economic point of view.

If you were to decide—

The Deputy Speaker: Order, please. The hon. member for Berthier—Montcalm is quite knowledgeable and knows the rules of the House very well. He knows that following a ruling from the Chair there is no opportunity for members to ask questions about or to question that ruling.

[*English*]

The Chair has made a ruling in the case of this motion for an emergency debate. At this time the Chair has ruled it does not meet the requirements of the standing order.

Hon. members are free to try again tomorrow or the next day or the next. It is possible that circumstances will change and the Chair will make a different decision on a different day, but at this time the Chair has made a decision, the matter has been decided, and despite enthusiasm members are free to arrange a debate on their own if they wish to do so.

[*Translation*]

As we all know, we often make arrangements to have such debates take place during the evening. The Chair is certainly always available to hold such a debate in the House. It may be that this evening, with the unanimous consent of the House, we could have such a debate.

Therefore, this is not a point of order, as the ruling has already been made. I hope everyone will accept that ruling from the Chair.

[*English*]

Mr. John Solomon: Mr. Speaker, I rise on a point of order. This is not to suggest what your decision might be, because you make the decisions and we appreciate and respect that, but energy is the underpinning of our economy. Everything we do depends upon the price of energy. Right now the price of gasoline is about 10% higher than it was when the price of oil was 25% higher.

The Deputy Speaker: I know the hon. member could go on at length about the price of oil. We know that energy is important for the House as well. I can see that the House is bubbling with energy to get on with the debate on the motion of the hon. Leader of the Opposition, and I respectfully suggest this is where we should go.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—HUMAN RESOURCES DEVELOPMENT

The House resumed consideration of the motion.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I will be splitting my time this morning with my colleague, the hon. member for Calgary—Nose Hill.

• (1030)

Our subject will be the supply motion which deplores the mismanagement of taxpayers' dollars by the Department of Human Resources Development and expresses our total lack of confidence in the minister. If the motion is carried by the House, the minister would be obliged to resign.

In the course of the debate, my colleagues and others will be laying before the House the evidence that taxpayers' funds have been grossly mismanaged by the minister. In my remarks, however, I want to address violations of the principle of ministerial accountability by the Minister of Human Resources Development, violations which in themselves should oblige the resignation of the minister.

There are many definitions of the principle of ministerial accountability but one of the latest and best is contained in Erskine May's treatise on the law of privileges, proceedings and usages of parliament, the 22nd edition, 1997. It reads as follows:

...the following principles should govern the conduct of ministers of the Crown in relation to Parliament: ministers have a duty to parliament to account, and to be held to account, for the policies, decisions and actions of their departments and Next Step Agencies; it is of paramount importance that ministers give accurate and truthful information to Parliament, correcting any inadvertent error at the earliest possible opportunity. Ministers who knowingly mislead Parliament will be expected to offer their resignation to the Prime Minister;

As hon. members know, the handling of money through the transitional jobs fund has been suspect for years. Numerous questions have been asked concerning its administration, particularly respecting funds allocated to the Prime Minister's riding during the last session of the House.

As late as December of last year, inside and outside the House, the minister repeatedly denied that there were any problems worthy of concern. The appropriate approval processes were being followed. No moneys flowed until the approval process was completed. Nothing inappropriate was done. On and on she went denying any mismanagement and constantly affirming that all was well.

Now we discover that while the minister was making these very statements to the House, she had on her desk a departmental audit covering some 459 project files which revealed the following: 72% of the projects reviewed had no cashflow forecast; 46% had no estimate of the number of participants; 25% had no description of the activities to be supported; 25% provided no description of the characteristics of the participants; 11% did not even have a budget proposal; 11% had no description of expected results; 15% did not have an application on file from the sponsor; 8 out of 10 files reviewed did not show evidence of financial monitoring; 87% of project files reviewed showed no evidence of supervision; and 97% of the files reviewed showed no evidence that anyone had checked to see if the recipient already owed money to the government.

This is overwhelming evidence of gross mismanagement of taxpayers' money. However, the fact that the minister knew these things and continually repeated and reassured the House that all was well, is an obvious violation of the minister's obligation to give accurate and truthful information to parliament. Because the minister has repeatedly violated this principle, the House should express its lack of confidence in the minister by passing the motion and she should resign.

In enforcing the principle of ministerial accountability, it is imperative that the House dig deeper into the root causes of ministerial accountability for funds spent by the human resources ministry. Here the trail leads right back to the Prime Minister himself and the use or misuse of the transitional jobs fund.

Prior to becoming Prime Minister, the current Prime Minister said in 1991:

When we form government, every minister in the cabinet...will have to take full responsibility for what is going on in his department. If there is any bungling in the department, ...the minister will have to take responsibility.

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This was a statement of ministerial accountability by the Prime Minister but it has never been put into practice. The Prime Minister's ability to put it into practice has been compromised by his own conduct with respect to the use of the transitional jobs fund in his own riding.

• (1035)

When a transitional jobs fund grant was put into a trust fund to help a failing company in the Prime Minister's riding and someone eventually got \$1.19 million from the suspect trust fund, which later proved to be illegal; when that someone was Claude Gauthier who had already purchased land from the Prime Minister's golf course and donated \$10,000 to the Prime Minister's election campaign; when the business then being run by Gauthier got the money and laid off all but 62 of the original 115 employees for a net job loss of 53 jobs, all this done in the name of job creation; when Mr. Gauthier had already received a \$6 million CIDA government contract; when another \$11,000 got into the hands of René Fugère, a man who was under RCMP investigation for doing illegal lobbying for three other companies; when, in a memo to a department official, one of the human resources minister's staff instructed that the dollar amounts given to the two hotels in the Prime Minister's riding had to be artificially inflated to "keep the same amounts suggested by the Prime Minister during discussions with the promoters".

When all these things happened with human resources funds in the Prime Minister's riding, and the Prime Minister excuses these things and refuses to accept any responsibility, what message does this send to other ministers, the civil service and the public at large?

If the Prime Minister can play fast and loose with taxpayers' money, allocated under inadequate financial guidelines for job creation, what is to stop other ministers or MPs from doing the same thing? What is to stop high and lower level bureaucrats from assuming that this type of conduct and handling of federal funds is perfectly acceptable behaviour?

Once that happens, when there is no example of financial accountability, responsibility or integrity at the top, the fish rots from the head down. Now the little scandal in Shawinigan has mushroomed into a billion dollar boondoggle at human resources.

The Prime Minister refuses to enforce the principle of ministerial accountability in the case of the human resources development minister. Why? Because he lacks the moral authority to do so.

It is therefore the duty of the House to enforce ministerial accountability in this case. It can do so by simply supporting the motion that is before us.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I find it extremely ironic that the Leader of the Reform Party should be calling for transparency in the government, when his

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party just today and yesterday blocked a private member's bill that would open the access to information bill and enable members on all sides of the House to access all kinds of information.

I wish to draw to the attention of the member who just spoke that the government House leader of the Reform Party attacked my private member's Bill C-206 based on false information. Yesterday, the member for Fraser Valley said that the reason my revised bill should be blocked was that it unfortunately excluded polling information on the national unity file.

I will read to the member who just spoke what the bill actually says. It says that a head of a government institution may refuse to disclose any record requested under this act that contains advice or a recommendation developed by or—

Some hon. members: Oh, oh.

The Deputy Speaker: Order, please. The Chair is reluctant to intervene without being provoked or pushed. I am feeling a little bit of provocation because I think the member for Wentworth—Burlington knows the rule, which is that a question or comment must be relevant to the speech of the member who spoke. I must say I am having trouble understanding how the Leader of the Opposition got into a discussion on the hon. member's private member's bill. I hope his question or comment will become correctly relevant to the Leader of the Opposition's speech.

Mr. John Bryden: Mr. Speaker, I just wanted to say that clause 21(1) says that opinion polls will be available under my revised Access to Information Act.

My point is simply that when an opposition party calls for transparency on the part of the government, which the member just did, surely it should not try to block private members' initiatives that bring out that very transparency.

• (1040)

Why on the one hand is the member calling for transparency on the part of the government and on the other blocking a private member's bill that would bring transparency to government?

Mr. Preston Manning: Mr. Speaker, the member's comments illustrate what is wrong with the government. The member does not want to talk about the issue at hand. The government does not want to talk about the issue at hand. The minister does not want to talk about it. The issue has nothing to do with the member's private member's bill.

The issue has everything to do with the mismanagement of a billion dollars of taxpayers' money and the fact that the minister stood in the House and said that all was well when an audit was sitting on her desk saying that all was not well. That is the issue being discussed here and not the subject being raised by the hon. member.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, Canadians want their government to be accountable and responsible, if nothing else. In this particular situation, with the HRDC grants, we see a government that is not responsible and, it appears, will not be accountable either.

This is an important issue and one which the leader of the opposition and the Reform Party have undertaken to bell the cat, so to speak.

Would the Leader of the Opposition give us his views on the Minister for International Trade, who was brought from Quebec by the Prime Minister as the person who would save Canada, the éminence grise who was going to do all the wonderful things to back up the Liberal Party and make our country united, the man who was put in charge of the department, and who has, in my view and I think in the view of all Canadians, been a royal American disaster?

Can the Leader of the Opposition tell us whether we should have both the Minister for International Trade and the Minister of Human Resources Development resign or just the Minister for International Trade? Also, would he support an investigation by a parliamentary committee or the RCMP into this terrible waste of taxpayers' money?

Mr. Preston Manning: Mr. Speaker, I agree with the hon. member that the responsibility for this boondoggle does not stop with the current minister. It does go back to the previous minister of human resources. I would argue that it even goes back to the minister for human resources before that, who is now the foreign affairs minister but who was there when the government set in place this type of program.

I would be quite in favour of those ministers being held accountable for this.

In terms of an investigation, the current minister should resign immediately. I would like to see the auditor general take a full look at this. There are other investigations that could be conducted and then further accountability both at the ministerial and the bureaucrat level be determined and appropriate disciplinary actions taken at those levels as well.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, this is an important debate for Canadians because it involves their money. This is not government money. This is the money of Canadians and we must never forget that because Canadians work hard for the dollars they trust us with and in this case they have been sadly let down.

In the final analysis, we in the opposition can do our very best in the most competent, able manner we know to hold the government to account but in a democracy the people do rule. The people, in the final analysis, will have to decide what messages they will send to

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their elected representatives, what pressure they intend to put on the government and what they intend to do in giving their support to the people they want to entrust with their money.

We know how effective people can be. We saw this recently when the government made an extremely ill-advised effort to give \$20 million to professional hockey clubs. The public outrage was so strong that the government immediately backed down.

I would say to Canadians watching this debate that they need to make a judgment about what they will do, what they will say and what their attitude will be toward this situation.

The Liberals are saying that the opposition is exaggerating. Let me read from the audit report that was produced by the government. It is entitled "Program Integrity/Grants and Contributions". The first part is a misnomer, I would say. The report is dated January 2000. I will read from page 7. I urge Canadians to get their hands on it and read it for themselves because I do not have time to read a lot of it.

• (1045)

Of the 459 project files reviewed, 15% did not contain an application. This is not the opposition making an exaggerated statement; this is the government's own audit.

Of the remaining applications, the following elements were missing: 72% were missing cash flow forecasts; 46% were missing the anticipated number of participants; 25% were missing a description of the activities to be supported; 25% were missing the characteristics of participants or the audience; 11% were missing a budget proposal; 11% were missing a description of expected results. There was no documentation on internal or external consultations in 70% of the project files reviewed. Two-thirds of the files reviewed did not contain an analysis or rationale for recommending or accepting the project. In 97% of the files reviewed, there was no evidence on file that sponsors had been checked for outstanding debts to HRDC prior to project acceptance. In 100% of the files there were no documented attempts made to identify debts outside of HRDC.

This is not an exaggeration by the opposition. This is the government's own document giving these horrendous numbers, proving government ineptitude and negligence of massive proportions in the handling of public money.

The Prime Minister is trying to say that only 37 projects are a problem. He said that 37 projects have some problems representing \$30 million. Let me talk about the facts. The fact is that this audit was a representative sample of all the projects that spend \$1 billion every year of taxpayers' and public money. If this is a representative sample, then it is not 37 projects that had some problems; it is projected upward to cover all the projects that were studied.

From the audit, the numbers show that in 100% of the cases there were no background checks done on what kind of money these

people might have owed to the government. There are some other disturbing numbers too. In 87% of the cases there was no overseeing or supervision of how the money was spent. In 80% of the cases there was no financial checking. These numbers are so massive they cannot be exaggerated. One cannot exaggerate 100%.

Canadians need to know that the government not only is not acknowledging the scope of the problem, it is actually misleading them by trying to minimize it, by trying to bring those numbers down.

The minister has said she brought this forward because she wanted to be transparent. Let us look at the facts. The audit was done last summer. It is inconceivable that numbers like this, numbers in the 80%, 90% and 100% range, would not have rung alarm bells through the department right up to the minister's desk and the Prime Minister's office.

If that was not the case then clearly the government is not in charge. It does not know what is going on. It is in the dark. It really is not in charge of our affairs because it does not know of massive problems. That is inconceivable. That is unbelievable. That explanation insults the intelligence of Canadians.

The elected people who are in charge of these affairs did know and they chose to hide that in the House. Here are some quotes from the House.

After he was elected, the Prime Minister said on June 16, 1994, "There can be no substitute for responsibility at the top. I vow to you, to this House, to Canadians, that I will never abdicate that responsibility. I will never pass the buck". What did he do? This is what he is saying when these scandalous numbers come out, "I didn't know".

• (1050)

Then the former minister who is now the Minister for International Trade said on October 9, 1997 when there were allegations that there was an exchange of grants for contributions to the Liberal Party, "They have been approved by the department and are based on merit all the time, so much so that after I called the police in I asked my deputy minister, Mel Cappe, to review the whole process in which my department was proceeding". This was in 1997. We were assured that everything was under review and everything was under control, no problem.

Then the present minister on November 4, 1999 said, "Mr. Speaker, let us be clear here. The appropriate approval process was undertaken in this regard. The department did the due diligence on the opportunities. The stakeholders reviewed the information and recommended investment. No moneys flowed until the approval process was complete". This is when the government knew there were massive problems that could not even be exaggerated if one wanted to because the numbers are so bad.

We have to tell Canadians the truth about this matter. We need to do it clearly and they have to have the facts. I would say to

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Canadians listening to this that they need to make a judgment based on the facts. The facts are in the audit. The facts are as I have quoted. The facts were covered up.

My party requested this audit on January 17 when we found out about it and guess what happened two days later. The minister stepped forward two days later and said, "Because I want to be transparent, I am releasing this audit that was done last summer that I have known about for months because I am so honest and transparent". She was hiding the fact that she knew very well that the truth was going to come out because we were going to get the facts and we were going to make them public if she did not.

This is unacceptable. Canadians have a right to expect that their money is going to be properly managed. They have a right to expect that there will be no hiding of the truth, no minimizing of the truth, that the government will step forward, be candid with them, have full disclosure and deal with the problem in an appropriate manner. That is not happening.

Canadians should be watching this debate. They should get the facts and they should make a judgment about the competence and trustworthiness of this government in managing their money, Canadians' money, and that is the fact we must never forget.

I move:

That the motion be amended by inserting after the words "express its" the word "deep".

The Deputy Speaker: The hon. member for Calgary—Nose Hill has proposed an amendment which would be in order but it has been seconded by the seconder of the original motion and therefore is not receivable.

The hon. member for Edmonton North is pleased to second the motion. Then I will put the motion to the House.

The question is on the amendment. Questions and comments.

• (1055)

[*Translation*]

Mr. Gérard Asselin: Mr. Speaker, I would like to ask a question, through you, of my colleague from the Reform Party who has just spoken.

It is too easy for the former Minister of Human Resources Development, the member for Papineau—Saint-Denis, to hide behind the present Minister of Human Resources Development. I believe the one billion dollars lost in the departmental boondoggle, money belonging to the workers and to the unemployed who also made contributions, is too much.

Yesterday, during oral question period, many members of all opposition parties called for the minister to resign. It is my personal conviction that the Prime Minister will continue to refuse the resignation of the present minister because he knows the

responsibility is not all hers, that the former Minister of Human Resources Development, the member for Papineau—Saint-Denis, is also responsible.

The Prime Minister will not be able to call for the two of them to resign either because, as we saw on television, he trivialized the matter, saying that it was nothing serious, an administrative error, something that happens fairly often. He treated it as if it were just a few crumbs under the table.

Would my colleague agree to acknowledge that the primary responsibility lies with the former Minister of Human Resources Development, now the Minister of International Trade, and that the present Minister of Human Resources Development inherited this mess? Unfortunately, she too has a duty to resign, because she misinformed the House. The two of them must resign.

[*English*]

Mrs. Diane Ablonczy: Mr. Speaker, it is an accurate observation that the former minister also bears responsibility. This shocking mismanagement happened on his watch as well. Just a year ago, on February 4, he said in the House in response to one of my questions: "Mr. Speaker, I want things to be very very clear. Officials from my department reviewed these project applications as they do with much diligence. They review all projects the same way. They recommended them for approval after they met all standard eligibility criteria".

Clearly this was not the case. The former minister knew or ought to have known this, misled the House and also handed over this huge mess to his successor. His successor unfortunately had the same course of dealings, denying the problem, covering up the problem, refusing to be candid when questions were asked in the House and letting the mess continue until the whistle was blown by the opposition.

Clearly there have been two inept ministers appointed by this Prime Minister. They have been in charge of the largest spending department of this government. This department spends \$60 billion of our money every year. A billion dollars is a thousand million dollars. These are huge amounts of money. We have a right to expect competence, believability and trustworthiness in the ministers the Prime Minister puts forward. He has failed us on every count. They have failed us and they must be held to account for that.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I commend the member for Calgary—Nose Hill. She has done a tremendous job in bringing forward much of the information that enlightens Canadians on the style this government has undertaken.

My question very much flows from the question posed by the previous member. Throughout this scandal we have seen that

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efforts have been made almost to point the finger at the past. It is almost unprecedented that a minister of the crown blames her predecessor. I would suggest and I would like the hon. member's response as to whether this is very much systemic. This goes far beyond one minister of the crown or even the previous minister. I would suggest this goes back almost to the very beginning of this administration.

There is an old maritime expression that the fish stinks from the head. I would suggest there are a lot of maggoty fish in the barrel. Does the hon. member agree this is a systemic problem that should be investigated in a much broader fashion? We have 37 projects of 459 projects of 30,000 in one year. I suggest it is much more widespread than the current minister would have us believe.

• (1100)

Mrs. Diane Ablonczy: Mr. Speaker, clearly this is just the tip of the iceberg. When we have in a government a culture of gross mismanagement which is ignored, which is then covered up, which is then denied and minimized, then there is something very wrong in the whole administration of the government. This cannot be an isolated case because the Prime Minister himself is defending this course of inaction and negligence.

I believe that if Canadians knew all the truth and had full disclosure about how grants and contributions have been mismanaged by the government and how the departments across the board have been mismanaged, there would be a huge outpouring of outrage. We need to get to the bottom of this. There has to be independent audits and examinations now of how the government administers our affairs because the questions have been raised and the signals that the government is not doing a good job for us are too strong to ignore any longer.

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. Because of the member's excessive knowledge on this topic and the interest being shown, and I noticed the member for Durham had a question he would like to ask, I wonder if you would seek unanimous that the question and answer period be extended by five minutes?

The Deputy Speaker: Is it agreed to extend questions and comments by five minutes?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I want to spend some time talking to the Canadian people about some of the facts because I have some information they might be interested in. Members opposite will of course have their fun heckling.

The first fact was used by the member for Calgary—Nose Hill when she recently said that “the government ordered the audit”. That is interesting; the government ordered the audit.

I serve as vice-chair of the public accounts committee which is chaired by a member of the opposition. The public accounts committee hears from the auditor all the time. Every week he and his staff come in. They talk to us about areas they have audited which were not ordered by the government for which the agenda was set either by the public accounts committee or by the auditor himself. The important thing to establish is that the auditor is independent. Every member in the House must agree with that. The auditor is totally independent of any political interference whatsoever.

The integrity of the auditor of the government of this country is second to none. Anyone who knows him and his staff knows they are dedicated, fair and extremely thorough. They will go through programs, whether requested by a committee, the government, a minister or on their own, in such minute detail that some of the things they find out are truly quite amazing. Guess what happens. From time to time regardless of what party is in power around here, the auditor comes up with some problems. That is what he is there for. That is what the whole system is about.

The member for Calgary—Nose Hill stands in her place and says the government ordered the audit.

I spoke to a group of young people yesterday, high school students who were touring our precinct. They were quite astounded when I gave them the facts because what they had read about this supposed boondoggle were headlines screaming “A billion dollar boondoggle”. I explained to them, and they are obviously more intelligent than some of my hon. colleagues opposite, that the actual program is a job creation program. It takes \$1 billion and funnels it out into community groups from sea to sea to sea to create jobs for young people, to supplement wages for small businesses, to assist in hiring people, to deal with people who need training, to deal with people with disabilities, to help aboriginal Canadians with a hand up to get jobs, training and skills so they can get on with becoming participants in our society and to develop partnerships with community groups. That is what this program is all about. Members know this.

• (1105)

The real danger here in the misrepresentation that has gone on, is it continues to go on simply for one reason and that is that the opposition smells blood and indeed all of us know that this is a blood sport. We have to be tough and we have to stand up and defend and make them accountable because being in opposition they can say whatever they want.

We know about the Reform Party's accountability. We know that the Reform Party fires caucus members faster than Brian Mulroney changed his Gucci's. We know that if there is one person out of line or out of sync in the Reform Party, even the venerable House leader, he is simply booted out of caucus by the leader who stands in front of Canadians and purports to say they have a new way of doing business.

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The Reform Party kicks people out of caucus faster than it takes to change the name from the united alternative to CCRAP. I should not say it because children may be watching. We all know what the acronym is. The Reform Party kicks people out of caucus faster than it takes to change the acronym from CCRAP to some other one. They woke up and there was this word which they normally associate with something on their—

The Deputy Speaker: Order, please. The hon. member for Elk Island on a point of order.

Mr. Ken Epp: Mr. Speaker, this member is speaking in favour of being truthful. The name of the party is the Canadian alliance. The member is not correctly expressing the name of the party.

The Deputy Speaker: I am not sure that is a point of order.

Mr. Steve Mahoney: Mr. Speaker, there is another name but I guess that is the short form. Who would want to wake up and see CCRAP as the name of the newly formed party? I understand.

The Deputy Speaker: The member for Elk Island did not have a point of order the last time. It was a point of debate. I hope he is not doing the same thing this time.

Mr. Ken Epp: Mr. Speaker, in the interests of truthfulness, the name of the party is the Canadian reform conservative alliance. The member has it wrong.

Mr. Steve Mahoney: Mr. Speaker, it is clear to me that the party is struggling in that regard. The point is that Reform Party members talk about accountability and telling Canadian people the truth and putting forward issues of concern.

I want to stress this point. We are talking about an entire project of \$1 billion. The audit was done on 459 individual projects within the \$1 billion program representing a total of \$200 million. One-fifth of the HRD job creation program was audited. Out of that one-fifth, 37 files were identified as having problems. Those problems ranged from as small as not putting all the paperwork in the right order to as serious as not having the proper documentation at all. This is not acceptable to the government and it is certainly not acceptable to the minister.

The minister came forward and indicated that an audit had been done and she provided us with the results. She gave us the six point plan that will be put in place to deal with the mistakes. I do not think any Canadian would expect an organization the size of HRD or indeed the entire government to be without its share of problems. But to suggest that because an auditor requested to come in by the Government of Canada has identified some problems in the files and that a cabinet minister needs to step aside over that is political hysteria.

Members know full well that they are churning the pot and feeding the hysteria through the media. The only thing that would make their day a success would be to force a cabinet minister as dedicated and as hardworking as this one to resign from the job because of some trumped up nonsense.

• (1110)

That is not to say the government does not recognize there are problems. The government asked for the audit in the first place. I do not know how many times we have to say that. The minister released it. The opposition would take credit for that saying “She heard we were going to ask for it”. Excuse me, I am under the impression it was on the Internet. We do not get much more public than that. The minister came out with it and said “Here is the result of the audit. Here are the problems we have identified and here is the action plan that we will put in place to fix it”.

What really bothers me about all of the hysteria by the members opposite and frankly by the media is that the real victims in all of this will be the community groups in British Columbia, in Newfoundland or in Ontario. They will be young people who need summer jobs. That is what this is about.

I say to hon. members to put themselves in the position of a bureaucrat sitting down somewhere in Halifax, Mississauga or Vancouver with an application before them while all of this is going on in the media. Might one not just be a little nervous?

The Reform Party is the party that demands less red tape. In fact we will potentially see more red tape and more concern.

We want to have rules in place that the bureaucrats must follow. There must be financial accountability. The minister has said that she has put forward the plan that will do that, but we will drive wedges between the offices of HRDC.

I would ask any of these members, some of them I am sure have but I know many of them have not, to go to the HRDC office and look at who is there. There are single moms looking to get retraining in computers. There are 45 to 55 year old men who have been displaced in their jobs and are looking to find a new career, a new alternative. They need our help and why should we not help them? If we can help them with a grant that creates a job, then they have a job and they will pay taxes and they will become productive, proud members of society.

The risk here in all seriousness is that we will damage the relationship our dedicated HRDC offices have. I have one in my community on Glen Erin Drive that services Peel and Halton. We will risk the relationship those offices have with the community.

There is an organization in Mississauga called the Centre for Education and Training. It does tremendous work. It would access funds through the HRDC office to provide training, retraining and

motivation. It provides job skills and job search skills. It helps people develop resumes. It helps people get back on their feet.

The problem we face is that we tend to be in such a strong economic climate. Unemployment is at the lowest rate it has been since the 1970s for all levels. Whether it is for women, for youth, or for the entire sector of society, the unemployment rate is at its lowest for all levels. Interest rates are low. Inflation is virtually non-existent. The economy is humming. The books are balanced. We are in a surplus and are awaiting a budget at the end of February that I believe will deliver tax cuts to Canadians. Yet people are sitting around saying that there has to be something wrong here, it cannot be all that good and they will not sit back and accept all this prosperity. We have too many problems.

People say we do not do anything for the homeless. Our minister went to Toronto and announced \$743 million in partnership with the municipalities, provinces and the private sector. They should be able to leverage that \$743 million into a couple of billion to create housing and help people get off the streets. Is it enough? I guess not. Maybe we would like to do more. I am sure many of us would. The government is trying to respond.

• (1115)

What we see is a feeding frenzy of mass hysteria that is absolutely unfair to the Canadian people, who, because they have read the headlines, think that somehow we have lost a billion dollars. We have not lost one cent. They know that. What has been potentially lost is the faith and the confidence that the community groups have in working with HRD.

Meet the men and women who deal in this business. Meet the Ray Fernbacks of this world, a dedicated civil servant who wants to help young people, people who are without jobs and people who are without hope. There are people like him all across this country. Simply because of the hysteria and the nonsense we are in danger of losing people like him and losing the relationship.

Opposition members know full well that many of the job fund programs have gone into their ridings. The hypocrisy of being in the House and listening as they wax on is terrible. Let us read what they have actually said.

The member for Dauphin—Swan River said: “I am writing to express my support for the TJF application made by the Rolling River First Nation”. The member for Selkirk—Interlake said: “I strongly recommend that the TJF provide funding for this excellent creation program”. The member for Vancouver Island North said: “This is a great opportunity for creating new jobs and new wealth in the Comox Valley”. The member for Battlefords—Lloydminster said in a letter to the minister: “I would like to ask that you seriously consider the request for funding and give the Voice of the Blue Rose Advocacy a favourable response”. The member for Nanaimo—Cowichan, regarding an organization called “Loaves

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and Fishes”, said: “I would like to request that any and all avenues of financial resources be considered in assisting this important work to continue. I fully support the TJF application put forth by Tough Duck”. It is interesting that these are all Reformers.

What this is really about is that the Reform Party wants to kill this program. The Reform Party thinks it is more important to give tax cuts to the rich than it is to help those small community organizations. It will not be tough duck; it will be tough luck. That is what will happen if the Reform Party has its way and runs its scalpel through the human resources development ministry. It will slash, burn and destroy programs.

Some of these names might seem funny, but these are community organizations that are working in the community. The money goes to hire people to help them deliver the programs. We should not laugh. Reform Party members, of all people, should not laugh at funny names. Goodness knows, they have so many up their sleeves that we never know what they are going to come out with. That is the real agenda.

The member for West Vancouver—Sunshine Coast, one of the few in the Reform Party whom I respect, said: “I believe that it is a worthy, viable and visionary undertaking which warrants your consideration and ultimately your approval of the applications”. Another quality member in this place, the member for Esquimalt—Juan de Fuca, said: “I hope that the money will be forthcoming from the transitional jobs fund to bolster the economy of Port Renfrew. My hope also is that other projects will be considered in the future that will provide for job training opportunities that are sustainable over the long term”.

There are some real mixed messages.

Thirty-seven projects have been identified. Interestingly enough, out of those 37, which represent \$30 million—not \$200 million, not \$1 billion, but \$30 million—which is still a lot of money—three of those projects have already been investigated. The files have been put in order and no further action is required by the ministry staff. Those three projects represent almost \$12 million of the \$30 million, which is almost half. Certainly over one-third of the entire area which was identified has already been dealt with, cleaned up and put to bed. The recommendation is that no further action need take place.

• (1120)

The rest of the investigations are ongoing. We can rest assured that in every HRDC office in the country people probably spent a fairly busy weekend going through the files, and so it should be. Because we refuse to buckle to the nonsensical demands of the opposition does not mean that the government, the minister and the prime minister do not take this seriously. This is serious stuff. When the auditor says “We have identified problems”, any government had better react.

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In fairness, why not allow for a reasonable length of time for the government to do the work to clean up the mess? If there are not changes put in place, then perhaps the opposition's demands would make sense. If the government does not correct the problems that are there, whether they are systemic or they happen once, it has to investigate these things because Canadians expect no less than that kind of accountability, openness and transparency, that kind of serious effort by their government. Frankly, that is what is going to happen.

It is not just the Reformers. I will share with the House what the Conservative member for New Brunswick Southwest said: "It would not be fair to suggest that party affiliations play a role in the awarding of money". I agree. They got over half the projects. He went on to say: "The resulting employment during construction and the permanent jobs to be created from the project will greatly benefit the people and the economy of the St. Stephen area".

We all know the importance and the significance of this job creation fund. We know what it means to our youth, to our women, to our aboriginals, to our people who have lost their jobs through no fault of their own. We know the importance of the partnerships and the relationships that occur right across the land, and we have the serious potential of doing damage to programs that are fundamentally important to all Canadians.

I will reject this motion, as will my colleagues. It is unworthy of the opposition.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, what a lot of bluster.

The member minimizes this by saying that there are routine audits. Thank goodness we have audits. He uses laudable platitudes to tell us about the efficacy of these programs. However, schools of public administration, academics of management science will always say that these kinds of programs are wasteful and may actually do more harm than good.

Cash transfers without comprehensiveness really do not work. For example, the Compass program described today in the *Globe and Mail* said that the analysis of programs given under the same rosy kind of outlines that the member describes shows that the clients who had reduced their reliance on income support was not significantly different from zero.

Will the member work within his caucus to end these kinds of vote buying programs and actually try to develop programs that really help people, rather than these types of programs which sprinkle money around the ground to try to grow votes?

Mr. Steve Mahoney: Mr. Speaker, first, I apologize if the member thought it was bluster. I get a little excited at times trying

to make a point. However, I think that Canadians need to hear from some of us who will, as demonstrably as possible, put the facts on the record.

The member just said it all. He has proven what I said and have suspected; that is, that the intent of the Reform Party is not to get the head of a minister. The intent of the Reform Party is not even to embarrass the government. The intent of the Reform Party is to kill the job creation funds that are in HRDC which go to the communities. They want to take that money, rip it out of the system and give it to their wealthy friends in the form of tax cuts. That is what he said.

• (1125)

My answer, sir, is no, I will not work toward that. I will defend these programs and make sure they get out to the people who need them.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I would ask the member if the fact of choosing a minister—as was the case with the current Minister for International Trade and the current Minister of Intergovernmental Affairs—includes as a criterion the ability to properly place the knife in the public's back.

I wonder whether this criterion did not lead us to this scandal involving the management of Human Resources Development, that is, that the sole function of the minister, who is no longer in the position today, but was in it for at least three, if not four years, was to report to the House without either question or audit, to respond to the opposition and to say pretty much anything.

My colleague, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques spent three months at least questioning the minister on his management, on who were and were not likely to receive employment insurance after paying fairly significant premiums. When we told the minister that not even 42% qualified to draw what they had paid in insurance and the minister gave us any old answer, was his answer based on actual figures or on what his officials were telling him? Did he manage his officials? Did he look into his department's internal administration? No. Because his only talent was an ability to denigrate the Quebecers who elected him. He became the Prime Minister's accomplice in manhandling Quebecers, as we called it in Quebec. Now we end up with the problems.

I ask the member if he is not afraid that we will soon find ourselves with the Minister of Intergovernmental Affairs facing a similar situation and that we must repudiate him or criticize the management of his department in its entirety? These questions need to be asked and I put them to the member who has just spoken.

[English]

Mr. Steve Mahoney: Mr. Speaker, I understand that members of the Bloc are only interested in discrediting, in whatever way they can, any member on this side of the House who happens to be from the province of Quebec.

The fact is that the minister is in a different portfolio and the audit was requested by the Government of Canada. I do not know how much more transparent we could possibly be. The audit identified 37 out of 459 projects—\$30 million out of \$200 million—as having some difficulties. Three of those 37 have been investigated, representing almost \$12 million, and they have been put in proper shape. I do not know how much more transparent and fair the government could be, except to continue investigating the remaining 34 files, representing about \$20 million.

The member wants to attack someone from Quebec so that he can make headlines which will somehow further the only thing these people care about, which is the destruction of this country and their attempts to take the province of Quebec out of Canada. It will not work.

The minister is responding to the issues at hand. She has a six point plan that will put in place the kind of transparency and accountability that is needed. Any money that has been improperly spent, as the Prime Minister said yesterday, will be recovered by the government. We will not tolerate any of that nonsense. The situation at HRDC will be cleaned up and it will be cleaned up by the current minister.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank the member for Mississauga West for a very entertaining presentation. It is always good theatre when he speaks. I think he has the toughest job in the country, trying to gloss over what absolutely has to be the worst public relations disaster imaginable. I admire that he has the courage to stand there and spout that kind of thing.

• (1130)

It was gracious of him to concede that there is definitely a problem with the administration of the programs. What he failed to comment on is that there is a huge problem in the allocation of the programs and who gets the benefits from the particular funds. The transitional jobs fund is the one that most comes to mind.

Statistically I have the third poorest riding in the country. Does the hon. member know how many transitional jobs funds grants we got in our riding? I can tell him. None. Zero, not one red cent, because we were told we did not qualify. With an incidence of poverty of 32% or 33% in the whole riding we did not qualify

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because of some magic formula that they cooked up so they could allocate it all to their own ridings.

The riding of Edmonton West is where most of the country goes to get a job because there is so much prosperity there. The Minister of Justice is pulling in transitional jobs fund grants: \$1.3 million to band trees to prevent Dutch elm disease. There is a meaningful and significant project. We did not get any, not one red cent.

Regarding the administration of the fund, would the member agree that one of the biggest problems is that one cannot hack, cut and slash 30% of the public service and still expect to get the same amount of work done? Would he agree that maybe the Liberals cut too deep when they laid off a third of the public sector? Now they have lost track of the administration of their programs. Could the member explain just what the rules are to qualify for a TJF grant? I would like to know. It just seems to change from day to day. Could he answer those questions?

Mr. Steve Mahoney: Mr. Speaker, I thank the member for his questions. He actually made an interesting point. He said that I was standing here defending what he called a public relations disaster. I think that is what it is, actually. It is a PR disaster. We have not been able to get the message out because of the hysteria and misrepresentation by members in the opposition and frankly in the media. How do we defend a headline that says a billion dollars is lost when in fact it is not.

There is an old axiom in politics that says when one is trying to defend something one is losing. I understand that. It is very much public relations, and the public happens to be the voters and citizens of the country. The reason I stand here and say what I say is that it is our job and responsibility to get the facts out. It is not just the one-sided nonsensical arguments put forward by the opposition. There are a government position, an explanation and an action plan put in place.

I also tell the member in relationship to his other question that the minister informed the House on February 7, as reported in *Hansard* that:

Of the 250 projects across Canada that qualified for transitional jobs fund money where the unemployment levels were less than 12%. . . half of them were in opposition ridings.

I am sorry if the member has not been able to somehow persuade or have some influence, but I would suggest that he should keep trying. He should get himself someone in the ministry with whom he can deal and work. If his riding needs these funds, I want the member who I think is a very caring and socially well balanced conscientious member to know that the danger we are facing with all this stuff is that there will be no transitional jobs funds for anyone in the country, whether in his riding or mine. They will kill

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this program as sure as I am standing here through the misrepresentation and misleading hysteria that is going on.

I want Canadians to know that government accepts the responsibility to clean this up. The government accepts the fact that some mistakes have been made and it will be cleaned up by the minister.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to take part in today's debate. I intend to be as non-partisan as possible. I have been a member of the Standing Committee on Human Resources Development since 1994. I have been working with that committee for several years and a number of issues have been referred to us.

• (1135)

Let me read you today's motion from the Reform Party:

That this House express its concern over the gross mismanagement of more than one billion annually in grants and contributions from the Department of Human Resources Development, its support for the doctrine of ministerial responsibility, and its lack of confidence in the Minister of Human Resources Development.

The Bloc Québécois will support that motion.

Why do we find ourselves in that situation? In early January 2000, the current Minister of Human Resources Development—who, unlike the Prime Minister, did not consider this issue to be a minor problem involving only 37 cases—released an internal audit report which told Quebecers and Canadians that “there is a serious problem in the Department of Human Resources Development. The department has lost control over at least \$1 billion. An internal audit investigation was conducted”.

It is important that people know what an internal audit is all about. It is really a sampling. In this case, 459 files were pulled out and reviewed. We were told that they took 459 files out of 30,000 in the department. So, it is a very small sample. Out of these 459 files, 37 were found to be very serious cases involving some \$30 million.

When the Prime Minister tells us that the present situation is not serious, that only 37 projects are problematic, he is abusing statistical science and misrepresenting how internal audits are done. I urge the Prime Minister to find out from chartered accountants what such an internal audit means. It is a test done to check whether in fact a department or a company is operating properly.

When a certain number of cases are unacceptable, a red light goes off. This is what the Minister of Human Resources Development made public on January 17.

What we now have is the government trying—and the remarks by the member who preceded me were irresponsible—to tell us that

in the whole of the department there were 37 problematic projects, when the number of projects audited was 459 out of a total of 30,000. Statistically speaking, these 37 projects represent almost 2,400 problematic cases. This could involve nearly \$2 billion.

That is the fact of the matter and that is what the motion before us is critical of. If the federal government, because of the position taken by the Prime Minister, says there are only 37 cases, it is being completely irresponsible. We see the result. The result is that the parties opposed to job creation programs are saying that such programs are no good. In an attempt to get itself out of hot water, the government is accusing the Reform Party of wanting to kill these programs.

The problem we are now facing is not the relevance of job creation programs but the Liberal government's management of them. In so doing, the Liberal government ends up negating the effectiveness of the job creation programs, and that is very serious.

As for the scandal itself, what the internal audit showed up, let us recall that, out of the 459 files examined, 15% contained no application from the promoters. This means that, in 15 of every 100 projects, the project promoter could not be identified.

In 72% of the remaining applications there were no forecasts; in 46% there was no anticipated number of participants; in 25% there was no description of the activities to be supported.

And so it goes on. Most impressive. If something like this happened in a small five-employee business in the private sector, the boss would call operations to a halt and say “Everybody into my office. We are going to see what is going on. This makes no sense. We're in an awful mess here”. The fact is the business would likely have already closed, if it were in such a situation.

There are some other very important elements. For example, 97% of files bore no indication that the promoters had been checked for outstanding debts to HRDC. In 70% of project files, there was nothing about expenditures. In other words, 7 out of every 10 files contained no invoices or payslips to justify expenditures.

• (1140)

An hon. member: Scandalous.

Mr. Paul Crête: That is the right word for it. Scandalous it is.

In my opinion, the government had two responsibilities in a situation like this. It ought to have decided to lay all the cards on the table, which would have been the ideal situation, because we are faced with a rather peculiar situation here as far as parliamentary operations are concerned.

The present Minister of Human Resources Development, in that portfolio only since the summer of 1999, has some responsibility because she learned of the situation as early as last fall but waited until January to make it public, while parliament was not sitting, so as to keep things as quiet as possible.

We must remember her announcement was made at the same time the Minister of Industry was getting involved in hockey clubs. But between her announcement and the end of the hockey club saga, the Minister of Industry withdrew his proposal because of the hoopla it raised from the public. So the grand announcement, which was meant to be hidden while parliament was not sitting and be kept as quiet as possible, moved into the limelight.

Why did it move as far into the limelight as it is today? Primarily because the public, who pays taxes and thinks it is already paying too much, did not like having its money wasted. The current Liberal government was getting hot under the collar about *Emploi-Québec*, which had just been set up, was beginning to operate and was established to make a success of providing proper manpower services.

We even heard the Prime Minister say, when I was in Hull as an observer at the Liberal convention, "My God, that is really embarrassing for us Quebecers". At the same time, his department, which had been in operation for several years, is unable to account for a billion dollars. The department is faced with a situation where the number of scandalous cases uncovered by the internal audit is such that as much as \$2 billion may have disappeared through programs, with no one knowing where the money went.

This is why taxpayers find this unacceptable. No one in Canada is buying the Prime Minister's claim that there are only 37 cases. Indeed, we all know that we are talking about an internal audit involving only a small sampling of overall government operations. It is important to realize that. We are stressing that point because we know people will understand it. We must take what was said and go to the bottom of the issue if we can get all the information.

This week, at the Standing Committee on Human Resources Development, we will be asking that not only the current Minister of Human Resources Development but also her predecessor appear before the committee to tell us about the period targeted by the internal audit, that is from April 1997 to June 1998, when the current minister's predecessor was in charge. He was the one responsible for that department at the time. That period also encompasses the election campaign. This is a good example of what this government attempted to do.

Yesterday morning, two rather uncomfortable deputy ministers gave a 90-minute briefing in the press lounge, to explain the status of those 37 cases. The government is acting in an irresponsible and petty way by trying to make public servants look like they are the culprits.

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Let us take the example of the transitional jobs creation fund. When officials in Quebec working for the Department of Human Resources Development meet with a sponsor, they open a file, complete it, have it approved at the regional, provincial and Canadian level and the minister signs.

When a project operates this way, usually things go reasonably well, but what is now coming to light is that there is a group of projects that, instead of working their way from the bottom up, proceeded from the top down during the election period. Looking at the whole of Quebec, 54% of the projects approved in the three years between April 1996 and April 1999 received that approval in the months immediately before and after the election.

The scenario goes like this. The previous Minister of Human Resources Development who, during the election campaign, found himself being pressured, receiving telephone calls or visiting a business, told people not to worry and promised to see that things were sorted out after the election.

• (1145)

And we are talking about an election campaign. During that period, they were not just spreading their favours in Liberal ridings; they also went after other ridings. Fortunately, however, Quebecers do not go for this sort of bait. They resisted the temptation.

But now we are looking at a group of projects that public servants inherited on June 10, July 1 and in August, for which the minister had given his word. The word went out that the minister had given his word and that now it was up to them to produce results. Now, two years later, an internal audit reveals that no sponsor was listed for 15% of the projects. No problem; they got their money anyway.

In 70% of the files, there was no financial monitoring. No problem, they got their money anyway. Today they are trying to tell us that this is not possible, that there were just the 37 cases. No way. They did not look at just 37 cases during the election campaign; it was way more than that.

I believe that what we have here is a shocking scandal, because this was going on in the department that had launched an all-out attack against the unemployed, one that has been going on for several years. On the one hand they were unable to manage employment programs, while on the other they knew very well what their objective for recovery was. Every Canada employment centre had an objective setting out how much had to be recovered from the unemployed.

They looked at eligibility in order to ensure that as few people as possible would be entitled to benefits. They organized things to ensure that as few as possible would receive benefits. They put on more employment insurance investigators while at the same time, at the other end of the system, there was no monitoring.

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All in all, they were acting like a business and decided to focus only on increasing revenues. However, we are not dealing with a business here, but a department, the one responsible for the social function of the federal government of Canada. It is the department most responsible for sharing the wealth, and here it is being used to gain votes for the Liberal Party of Canada. This is totally unacceptable.

If that had been the only problem in the department, one might have said that there was a crisis relating to the management of those particular programs. However, over the course of the past four or five years, there was also a scandal over the use of social insurance numbers, because in Canada there were more people over the age of 100 than in the entire world with a social insurance number. It took an opinion from the auditor general; it took a unanimous report by the committee to call for a change in things, and the answer we kept getting from the predecessor of the current minister, the member for Papineau—St-Denis was “Everything is fine. There is no problem”.

That is in fact what this minister keeps saying. They have the same tape. I think the prime responsibility of the current Minister of Human Resources Development is to not have changed the machine; to have taken the recording of her predecessor and played it endlessly. I think she has a lot of responsibility in this respect.

Today we learn—and this is another incredible example—that the youth employment strategy, which served as the weapon of the minister’s predecessor, the member for Papineau—St-Denis, when he was Minister of Human Resources Development, who said “See how the Government of Canada does good things”, that 33% of the money allocated produced no results. This program did not create the jobs it was supposed to create. It has not brought young people back to work as it should have done, and it is in the hot seat, like the Canada jobs fund, like the youth employment strategy and like all the other programs that were evaluated.

One of the things that has been mentioned is literacy programs. Do members think that Canada can afford to waste money? Can it afford to squander literacy funding? I think that this funding is needed to do something about the problems of our illiterate citizens.

But if the money is improperly spent and the use to which it is put unknown, I think that the desired results have not been achieved. Perhaps what is most tragic about the whole affair, when all is said and done, is that there are people who need these programs, and we have argued in favour of programs to revitalize the economy in areas of high unemployment. We have never challenged the need for such programs.

What can be challenged is when the minister directs funding to her riding for a program for which only ridings with unemployment

rates of 10% and higher should qualify, when unemployment in her riding stands at 6%, and at the same time turns down funding for the Gaspé with its 22% unemployment rate. That is dishonest and unacceptable.

How did we get to this state of affairs? How did this situation come about?

• (1150)

Let us go to the heart of the problem. There is a Prime Minister who appoints ministers. He is the one who appointed the incompetent individual who is now the Minister for International Trade. At least he pulled him out of a department which gives out a lot of money and assigned him to the part of the job he can handle, which is public relations. But appointing him Minister of Human Resources Development was an incompetent move.

By appointing the member for Papineau—Saint-Denis Minister of Human Resources Development, the Prime Minister showed his incompetence. He went for first impressions. The Prime Minister told himself “He will make a good spokesperson. He will repeat exactly what we want for the department. He will keep saying for years that everything is fine and then, when things get too hot, when I know the results, I will move him elsewhere”.

The Prime Minister then appointed the current Minister of Human Resources Development. During the period that she has been in charge, there has been no concrete information on the situation in her department. It was only in January 2000 that she said she inherited a department that was coming out of the middle ages. The middle ages are a dark period of our history, a period when civilization did not exist, a period when people did not know how to make things work. But patronage was thriving then. This is the period to which the current minister is referring when she talks about her predecessor, the member for Papineau—Saint-Denis. He was the one in charge during that dark period, during the middle ages.

As my colleague says, we were also able to see—with the figures provided by the Bloc Québécois on the impact of the election campaign—that this was not only a dark and black period, but very much a red period as well.

We are trying to find out who is responsible for this situation. We mentioned that the Prime Minister appointed someone who was not competent for the job, but who remained in charge of the department for several years. Then, the Prime Minister appointed another minister. We did give that minister a chance, did we not? Just last week, the Bloc Québécois was saying “We need all the information. We will not ask for heads to roll. We will not ask for people to resign, but we will ask questions in the House”.

Yesterday I did ask a question to the minister. I asked her why, between December 1 and December 16, 1999, she continued to defend the programs here in this House, whereas she had been

aware of the audit since November 17, 1999. I was expecting an honest answer, one that would say “I became aware of it and in fact—”, with an attempt to find an intelligent answer. But no, off she went again with the same old tape from the member for Papineau—Saint-Denis, the one that says that everything is fine, even if the place is burning down. The old story of “Don’t worry, be happy”.

The present minister continued along the same lines, which is why I find that the motion of the Reform Party is in order. When they refer to their “lack of confidence in the Minister of Human Resources Development”, it is because she is the one who took on the burden of the situation created by her predecessor.

Had she been responsible, she would have said right from the time that the situation became known, “I am going to encourage my predecessor to come and testify; I am going to ask Mel Cappe, the deputy minister responsible for the entire Government of Canada, the top civil servant, to come and testify”. He was, after all, the deputy minister of the department the whole time that this was going on, during this whole scandal.

This is one more example of the responsibility of the Prime Minister of Canada. After appointing the member for Papineau—Saint-Denis as Minister of Human Resources Development and then, after he proved incompetent, the present minister, who is incapable of taking on her responsibilities, he also appointed Mel Cappe to the highest position in the public service. Now we know that the Government of Canada is, at the top deputy ministerial level, being managed by a person who has created a scandal in all of Canada’s social programs. This is totally unacceptable.

Thus, the primary responsibility for all this lies with the Prime Minister of Canada. He appointed successive ministers incapable of doing their job; he took advantage of their inconsistency to create the transitional jobs fund in order to get himself and his Liberal colleagues re-elected. He tried to dump all the responsibility onto the public servants. This whole attitude of disregard for democracy, which means making things known so that there may be transparency in order to allow people to make the proper choices, leads us to vote in favour of the motion. The primary responsibility for this scandal lies with the present Prime Minister of Canada.

• (1155)

[*English*]

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, I know members of the Bloc have fought very hard and very long for a fair employment insurance system. I would like to hear their comments because many aspects of it have bothered me. One was the

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minister’s comment that there was no witch hunt of those within her department.

I was surprised at how quick they were to let themselves off the hook, that they would presume innocence on their own part, but when it comes to any poor soul who has ever made a mistake on an employment insurance form there is never a presumption of innocence. I know of people who have been hounded for two to three years for an innocent error on an employment insurance card.

If the minister is to be so quick to assume that everyone in her department and herself are innocent, that everything was just a bit of a mistake, then that sort of standard should be applied to Canadian citizens who have made innocent mistakes on their employment insurance forms. I would like the member’s comments on that.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, the member has raised an excellent point. We must not forget that the Employment Insurance Act is based on the presumption of guilt. If there is any doubt about someone, that individual is guilty until he or she has been able to prove his or her innocence before the whole bureaucratic system.

In the case before us, it is the opposite. There is a proof of guilt, we are sure the person is guilty, but someone—not just anyone, the Prime Minister of Canada himself—is telling us that an internal audit has shown problems in 37 cases out of 459. He claims that only 37 cases are problematic, and the rest does not exist.

He denies the fact that this department handled 30,000 cases. He hopes the auditor general puts these facts on the table next fall. He will be asked to appear before the committee so that we can look specifically into this matter. My assumption is that, once our review is over, these 37 cases out of 459 will not look like a little sore but rather as the sign of a growing cancer within the department, a cancer which has been tolerated by the present government, which wanted it and took advantage of it in the 1997 election.

In this sense, the member is perfectly right. There is a double standard, and we are here to speak out against this situation and to bring the Canadian government to put all the facts on the table so that we can make a final judgement on these issues. government, particularly the predecessor of the present Minister of Human Resources Development, is responsible for wasting billions of dollars, which is totally unacceptable.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I was a member of the Standing Committee on Human Resources Development before the election. We had suspicions as to what was going on, but we realize today that things were even worse than we expected.

I would like to give an example to my colleague who is now a member on that committee, and ask him whether there is a link.

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Before the election, members used to be consulted about the summer career placements program. When the election was called, strangely enough, the former minister mentioned by the hon. member took it upon himself to make those decisions.

I am from the Quebec City area, and, before the election, we used to have a centre where the unemployed could get help in dealing with all the red tape. It was moved to the Prime Minister's riding—such a coincidence—where there was no unemployment office. We used to have about ten offices, and their number had to go down to just two. They closed down all of them and opened two, one in Montreal and the other one in the Prime Minister's riding. Of all the ridings in Quebec, guess where they got the best percentage during the election? Something tells me it is in the Prime Minister's riding.

My colleague is absolutely right. The former minister is to blame, and the present minister is also to blame, because she does not want any light to be shed on this issue. However, who was it who appointed these two ministers? Always the same person, the Prime Minister. Does he not have the primary responsibility for this boondoggle?

Mr. Paul Crête: Mr. Speaker, I took notice of what by my colleague from Lévis-et-Chutes-de-la-Chaudière said about the summer career placements program. It is true that hon. members stopped being consulted during the election campaign. That is part of what we could bring up if we are ever allowed to have some light shed on this issue.

• (1200)

We could check if discretionary choices were purely partisan choices. There were two ways to go about this. On the one hand, there were the summer careers placements program and other programs. On the other, contributions were coming in.

Last year, we had a good indication of the way things were going. Members probably remember the Corbeil case. Supposedly, that meant nothing. HRDC was as pure as the driven snow. Corbeil was found guilty, but that did not trigger any alarms and nothing changed in the government's ways. It took an internal audit which the minister was made aware of on November 17 and which she made public in January for the government to start dealing with the issue.

There is a fundamental problem with this government, and that is the Prime Minister's style of politics. Throughout his political career, the Prime Minister has been known to resort to partisanship, to show contempt and to disregard democratic principles and the will of the people.

I will speak to the Prime Minister in terms that he will understand. If he sees the Government of Canada as his business and his business alone, I remind him that the shareholders of his government are the citizens of Canada. They are the ones who want

us to shed light on this situation. Not only will parliamentarians not stop, but people all over the country will ask for clarifications on this issue. At a time when people are paying so much in taxes, we simply will not let the government waste that money. It cannot afford to do so. This is a period when the federal government has money.

In the past, it had developed a habit of wasting money and creating deficits. Now that fiscal balance has been achieved, the government is back at it again. However, the internal audit that was conducted revealed a deep and serious problem. We absolutely must shed light on the whole situation at the Department of Human Resources Development and also see what is going on in the other departments.

Last week, a deputy minister from Treasury Board wrote a memo to all the departments that give grants and subsidies. He said "Are you sure that what is going on in Human Resources Development Canada is not also going on in your department?" You can be sure that we will get to the bottom of this and see to it that the Prime Minister takes full responsibility.

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, the member is right. During the election campaign, in 1997, the members were not authorized to sign job creation programs for students in their ridings.

The minister traveled a lot; he came to Charlevoix. Two investors from Montreal accompanied the minister to Saint-Hilarion, in the riding of Charlevoix. The "Poulette Grise", in La Malbaie, was closed; 150 jobs were lost.

A few days before election day, to benefit from the situation, he came to announce that Aliments Charlevoix would export chicken and reopen the La Malbaie slaughterhouse, that everything was all right, thanks to the savior, the Minister of Human Resources Development of the day, the member for Papineau—Saint-Denis. I am sure the Prime Minister found shortcomings in that department. After the 1997 election, he saw what had happened in Canada, chiefly with the minister we are talking about, the former Minister of Human Resources Development, the member for Papineau—Saint-Denis.

I would like to ask the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques if he would agree with me that the Prime Minister probably noticed the incompetence of the former Minister of Human Resources Development and stripped him of this department, which involves a lot of management, a lot of money and a lot of responsibilities and gave him a department involving no responsibilities.

Mr. Paul Crête: Mr. Speaker, I can hardly read the Prime Minister's thoughts. I am convinced that he had a very good idea of what was going on.

Today, he denies being aware of those issues. He said he was not aware that there was an audit on an amount of \$2 billion at Human

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Resources Development Canada. If the Prime Minister is not aware of such situations, what kind of work does he do?

• (1205)

We are talking about the government's monitoring role. Governments are not only responsible for announcing projects. They must also make sure that those projects yield results, see that they are out in the open so that we can see, for instance in the case of a job creation program, that jobs actually have been created.

The minister cannot be evaluated only on how he makes an announcement. In this regard, I agree that the former Minister of Human Resources Development at announcing things, but he certainly lacked the other necessary skills. Personally, I consider his appointment as Minister of International Trade as a demotion. However, in a way, this may have allowed us to avoid an ever greater mess than the one we appear to be in.

I hope that all this will all be out in the open as soon as possible. Otherwise, we would not be fully doing our duty as parliamentarians if we did not get to the bottom of the issue and allow all Canadians to see the whole truth.

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, as the spokesperson for the federal New Democrats on Human Resources Development Canada, I am very pleased to speak to this opposition day motion.

New Democrats concur and support the motion because we believe it gets to the issue that we have been debating and it certainly expresses our concern about the gross mismanagement of more than \$1 billion annually in grants and contributions by the Department of Human Resources Development, as the motion outlines.

The motion and the issue that we are debating today gets to the core of something that is very important in our democracy and in our system of governance, the issue of ministerial responsibility.

After looking at the information that has come to light over the last several weeks about the internal audit of HRDC, it is clear that this is an issue on the proper management of public funds. This is an issue on the integrity and credibility of the government. Even members of the government have admitted that the practices that have gone on in that department have been astounding and scandalous and, as the minister has said, she herself has called for further information.

What is most disturbing about this issue is that the government itself is also in denial about what is really taking place. Yesterday in question period, and in other debates that have taken place, it has been very interesting to see the government now madly back-peddalling to defend its record and to defend what has happened. It is now switching tactics. It is now saying, as I heard today in the

House from government members, that opposition members do not support job creation or job development, and that the government is now the big defender of job development in the country.

The government's second tactic is to attack opposition members on legitimate projects that were approved in various ridings through existing programs, with all the rules in place, with the proper application forms and so on. The government is now in denial and is trying to put up some smoke and mirrors to switch the line of attack.

As New Democrats, we have always supported legitimate and worthy job development programs. Many of us represent ridings in Canada that have high unemployment and high poverty. It was in fact our party that pushed the government to be more forthcoming in its support for job creation and helping the unemployed. Let us be very clear that the issue is not about whether a job development program is good. We are the first to say that job development programs and job creation are very critical in the country.

Canadians are not fooled by the Liberal counteroffensive. They understand that at issue are the findings of the government's own audit which gave very clear evidence about the mismanagement of this fund. The issue is the absolute mismanagement of huge amounts of public funds and the partisan political decision making that is taking place.

• (1210)

Partisan political decision making is the nicest way to say it. To be quite frank, it is also a slush fund. The concern has been that public funds have been used by the Liberal government, breaking its established criteria for the transitional jobs fund and other programs, and basically shovelling the money into its own ridings, which are not in need, when other areas are greatly in need. What is at issue is the management of the fund and how it has been administered in a very political and partisan way.

What disturbs us as New Democrats is the complete lack of accountability, not only in the management of the fund and what has come from it but, now that this has been put on the table and the internal audit has become public, the lack of accountability in the government's response and the lack of accountability from the current minister and the previous minister.

Mr. Speaker, I will be sharing my time with the member for Winnipeg Centre.

In our democracy, our parliamentary system, there is a very honourable tradition that when there has been a lack of accountability and mismanagement, at the end of the day it is the minister who must take responsibility. The minister is accountable and the government is responsible for decisions that have been made. That is why opposition parties have been very clear in telling the current minister and the previous minister that we want accountability.

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We have a number of questions about this fund. Looking at the internal audit, we see that it was only a sample audit, not a full detailed audit. In reading the report, we read “there was concern with respect to some political presence in the programs at times. While a certain amount of political involvement is expected in a program involving partners from the various levels of government, there was nevertheless some uneasiness amongst some respondents regarding projects which may have been approved for political reasons rather than based on the strength of the business plan”.

The NDP has a huge amount of concern about the very diplomatic language that is being used in an audit that clearly points to the political decision making and political management that took place to the advantage of the government for their Liberal members and its party.

We have questions as to where those funds ended up. Why did they end up in the minister’s riding, the Prime Minister’s riding and other Liberal member ridings that clearly did not meet the criteria for the fund? Why did affluent ridings receive a disproportionate amount of these funds? They may have had some unemployment but certainly not as high as other parts of Canada, such as Vancouver East, the area that I represent. Look at the downtown eastside which has the lowest income postal code in Canada. There was one transitional jobs fund program approved in 1997, before I was a member of parliament. It is an area of incredibly high unemployment. Why has that area not received anything? Why has money gone into the member’s riding? Why has it not gone into the riding of my colleague from Winnipeg Centre, which also has high unemployment?

There are some very serious questions about why a massive amount of public funds have been directed in such a way that they have clearly benefited government members and to the detriment of other needier areas in Canada.

Our critic for EI, the member for Acadie—Bathurst, wrote a letter to the auditor general calling for an immediate special audit of the situation in HRDC. The letter he received back made it clear that the staff of the auditor general, who were conducting an audit into the grants and contributions, believed that there was so much work that needed to be done that the audit would not be completed until the end of July and the report published in October. It is important that the audit be done.

• (1215)

Members of the NDP support the motion because we believe it is very important to get to the bottom of what took place. We know that Canadians support legitimate, transparent and accountable job creation and job development programs.

We in the NDP have always supported those programs. What we do not support is the denial, the lack of accountability, and what is

now obviously political management of the fund that is benefiting government members and denying areas most in need. Those are the questions that we want to see fully made transparent.

In conclusion, the motion deals with the issue of accountability and integrity of the government. We think that is very critical. At the end of the day the current minister and the former minister who are both involved in this matter must be responsible and must do the responsible thing in terms of being accountable for what has taken place within the department. We have called for their resignation and will continue to do that. We support the motion.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I thank the member for her remarks. As the member might be aware, I as a backbench MP have done a number of studies on NGOs, non-governmental organizations, particularly charities and non-profits. I have encountered a lot of problems with transparency and accountability in these organizations and I have reported on them.

Would she be of the view that if we are going to clean up this whole issue of giving government grants and contributions to organizations one shoe should fit all and that non-profit organizations should be required to meet the same standards of transparency, accountability and corporate governance as for-profit organizations in order to be eligible for public funds and, moreover, that they should submit themselves to performance reviews in order to be subject to further grants?

Ms. Libby Davies: Mr. Speaker, I appreciate the question but again it is another example of how Liberal members are really trying to deflect what is taking place in the debate. They are shifting the attack and now saying is it not non-profits that are somehow at fault.

I have a long history of close to 30 years of working with non-profit organizations and NGOs. I can tell the member that non-profit societies in terms of their democracy, in terms of their transparency, are probably the best model that we have in the country of how things should work. If the member wants to look for where there is corruption or where there is mismanagement then perhaps he should go into the business community, into some of the financial institutions, to see what is going on there.

Of course we expect that non-profits will make applications in good faith, will fulfil those applications and will meet the mandates of the program. The groups I have dealt with spend a huge amount of time doing that and trying to meet all the criteria.

That is not what this issue is about, though. This issue is about the mismanagement of the government, the political mismanagement in the administration of the fund. Why is the member not raising that question?

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, it is refreshing to hear a member from the NDP

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talk about fiscal responsibility. What we are looking at today is that the old way of spending for votes is with us, rather than wisely administering the public trust. That is what is staring us in the face.

The minister of HRDC seems to be characterized as a starry-eyed idealist defending cash transfer programs, taking from the many to give to the few. The Liberals are like the Liberals of old, the do-gooders for their friends who stupidly believe that top down broad bureaucratic job creation programs actually create lasting economic transformation. The Liberals cannot manage. Especially starting in the Pearson-Trudeau years, federal ministers are inherently expansionary. They exist; therefore they will spend.

Will the member vote against the socialism of the Liberals in the next budget? What we are looking at today was in last year's budget. The Minister of Finance has to bear a lot of responsibility for the philosophy and the program allocation, what were the stated goals of the program. I am looking for a critical evaluation come budget time if there is an appearance of these kinds of programs in the next budget.

• (1220)

Ms. Libby Davies: Mr. Speaker, I thank the member for his question. Previous Liberal budgets or the ones we expect are certainly not my idea of what socialism is about, but I assure the member we will provide very rigid scrutiny of what the budget contains.

His question really pertains to fiscal accountability and responsibility. It is unfortunate the member has the idea that somehow New Democrats do not stand for that. Of course we do. If he looks at the Government of Saskatchewan or the NDP Government of British Columbia, and if he looks at the work we do in the House, he will see that we take very seriously fiscal responsibility and ensuring that public funds mandated under specific programs go where they are needed.

This is why in terms of this issue we are scandalized and outraged at what has taken place under the Liberal administration. There has been a complete lack of accountability, a complete lack of proper political administration of the program for very political purposes. This is fiscally irresponsible and we are the first to stand and say it.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank my hon. colleague from Vancouver East for agreeing to share her time with me. As she has correctly pointed out in her speech, our two ridings share a great deal of common items, most of which are not very enviable. The very things we share are things people would probably not want to share. One of them is that both our ridings suffer from chronic long term poverty and all the predictable consequences that come with it.

As the member pointed out, she represents what is the poorest postal code region in the country, downtown Vancouver East. My riding is the third poorest riding in the country when measured by the incidence of poverty and average family income. However, the point I would like to make is that neither of us qualify for any transitional jobs fund money. Although we are suffering from crime, violence and all issues surrounding chronic long term poverty, we do not qualify for the help these funds were presumably set up to assist ridings in dire straits. Frankly there has not been one red cent for the riding of Winnipeg Centre.

That really irks us. It is galling, as we see the onion being peeled back layer by layer and the truth starting to come out, that the ridings benefiting from these funds are fairly affluent and well to do ridings. More often than not there has been some political influence in how these grants were allocated to various ridings.

The most glaring and best example we could use is the riding represented by the current minister of HRDC. With an unemployment rate of 6.6% and an incidence of poverty of 10.7% in her riding, how does she justify pouring job creation money into the particular riding? Most of us in poor inner city ridings look to statistics such as these and are envious of them.

Another glaring example came to light when we looked at the Edmonton East riding of the current Minister of Justice. Most of the country is flocking to Edmonton because there are jobs and opportunity and prosperity. I am not sure what the unemployment rate is in Edmonton West but I am sure it is not the 12% that we were told was necessary to qualify for these funds.

A \$1.3 million grant went to banding trees to prevent Dutch elm disease in the riding of Edmonton West. This is a laudable concept. I am all in favour of saving elm trees, but why do we not qualify for anything with an unemployment rate that is staggering in the inner city of Winnipeg and an incidence of poverty that is 31.1%? Some 31.1% of all people living in my riding are poor and we do not get anything, zero, zipo. We were told that we do not qualify.

The rules keep changing. First there had to be 12% unemployment to qualify. Now we learn that maybe in the riding of Edmonton West it is not under 12% but that there are pockets of unemployment. That is the term they are using. Aboriginal people in her riding are disproportionately unemployed. That is a legitimate point but she did not tell that to us.

• (1225)

We have the same argument in Vancouver East or Winnipeg Centre. I could point to and illustrate pockets of unemployment all over my riding, but we were told that we do not get anything. This is what is really galling and grating to people who are representing areas in genuine need.

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The hon. member for Vancouver East pointed out two flaws in the current system. One is the glaring errors in the administration of the fund. That is really what came to light first. Nobody can deny there is a serious problem. Even the minister is recognizing that there is a serious problem. I can indicate why we have this serious problem. It is because when one-third of the public sector is cut, hacked and slashed and everybody is laid off, how could we expect the same amount of work to be done?

It is unreasonable to think the same kind of scrutiny can be applied to these projects when everybody has been fired. In the federal public sector 50,000 people have been laid off. Now the chickens are coming home to roost. We are starting to see the predictable outcome of laying off all those people.

The next glaring point about the TJJ is the allocation. It was a mystery to all of us how some ridings got these grants and some did not. Now it seems pretty clear. It is political influence. The Liberals are using it as a Liberal slush fund to further their own interests in their own ridings.

Obviously on a personal level I can point out that it is tragic we did not get any of it in my riding, but the real tragedy is that it makes members of the general public even more cynical than they already were about the political process and about what we do in this place as politicians.

If they were not jaded enough already, as the real horror of this disastrous story unfolds more and more Canadians will be even more cynical about their government. That is the tragic point I would like to make. It is tough enough to do our job and try to maintain some semblance of dignity without this kind of thing tarnishing the image of every person who stands in the House of Commons.

In the Prime Minister's riding there were 17 of these TJJ grants. Let us imagine the millions and millions and millions of dollars. Actually we have a total list of all grants that went into the riding of the Minister of Human Resource Development. Over three years there were \$30 million in grants or \$10 million a year. It is a booklet as thick as the Manhattan phone book. Virtually every little business in the whole riding has had something shovelled toward them from these many, many, many programs. Not all of them were TJJ grants. I think there were only three transitional jobs fund grants in her riding, but in an area with 6.6% unemployment, not even half the minimum standard which the rules say have to be met before a riding qualifies for anything, it makes one wonder how that money was directed to that riding.

Most of us on the prairies look to Ontario as a land of opportunity and prosperity. How do towns like Brant qualify for these grants? I am sure that there are problems all over the country and everybody deserves equal access to these types of training

funds and subsidies, but it seems it is disproportionately going to areas that cannot really argue they need it.

The average family income in the riding represented by the Minister of Human Resources Development is \$45,000 a year. The people in the core area of Winnipeg can only dream about aspiring to that level of income. The average family income where I live is \$28,000 a year. We are talking about a disparity. It may just be a different standard of poverty, but it is certainly a lack of understanding of what it means to be locked into the inner city core area without opportunity. These programs should be there to assist on a broader level.

We talked about the Prime Minister's riding with 17 of these grants worth \$7,296,000. Is this justifiable when other ridings are being given absolutely nothing?

I echo the comments of my colleague that frankly the NDP is not against job creation programs. If the transitional jobs fund did not exist the NDP would probably be calling for such a program to be created. We are in favour of this kind of thing, but we make the argument that everybody should have equal access to those opportunities. They should not be spread out in as disproportionate a way as they are currently.

• (1230)

It really does make me wonder how the minister of HRDC with 6.6% unemployment can qualify for any kind of grant at all. Then of course there is Edmonton West with \$1.3 million to band trees to prevent Dutch elm disease. There is a Dutch elm disease problem in Winnipeg too, but I do not think anybody would be so presumptuous as to apply for a transitional jobs fund grant for it.

I close by saying that the NDP will be voting in favour of the Reform Party's opposition day motion. We think we are seeing only the tip of the iceberg here as has been pointed out over and over again. As we get deeper into this scandal, and that is the only word we can use as it is going to be the scandal of the spring, I regret as well that we are being diverted from the many other pressing issues of the day. Frankly, it is a bit of a diversion that we are concentrating on this subject instead of all the important work that we could be doing, but it is necessary. To restore the confidence of the general public it is a process we are going to have to go through as painful as it is.

The real tragedy is not seeing one minister toppled, if that is to be. The real tragedy is that the general public is so disillusioned as they watch this unfold that we are doing permanent damage to the reputation of the whole political system. This should be dealt with swiftly. If the government were honourable it would not be dallying around. It would not be trying to build barricades and fences around the issue. It should treat this issue honestly and admit that something terrible is taking place. A very transparent process must take place to heal the wounds because some cuts do not heal.

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[*Translation*]

Mr. Jean-Guy Chretien (Frontenac—Mégantic, BQ): Mr. Speaker, this is a very interesting opposition day we are having today.

We have a real scandal before us. Even in the opinion of the Prime Minister, it harkens back to the great Mulroney years. The Prime Minister got carried away last week saying that things were no worse than they had been in Brian Mulroney's time.

I think they are worse. Here, a deliberate effort is being made to play with democracy. For example, in the riding of Saint-Maurice, the week before the election on June 2, 1997, there was an avalanche of often questionable grants, including to the golf club and to a certain motel the Prime Minister is quite familiar with.

In Anjou—Rivière-des-Prairies, my friend and former colleague, Roger Pomerleau, was beaten by my former union head. Thanks to the abuse, his election cost taxpayers \$25 million.

In the riding of Brant, where there is almost no unemployment, millions and millions of dollars were invested in mismanaged programs.

According to the polls, as they put it so well, if the trend continues, we have taken at random 459 files, which we have systematically studied and have come up with 37 nebulous cases, really nebulous.

There is no need for me to mention Vidéotron, McGill or the natives who repaid jewels with taxpayers' money. Off the top of my head, this represents an 8% rate of error in the administration of HRDC.

If there are in fact 10,000 files, at the rate of 8% there would be 800 cases, and 37 have been found. There are another 763 they will have to start looking for tomorrow morning.

I do not understand. I wrote a letter to the former Minister of Human Resources Development because, through his delivery assistance program, an arbitrary decision, he had allocated a certain questionable amount in my riding. I wrote him saying "Be careful, Mr. Minister. You are playing with public money. You are cutting the benefits of the unemployed and using the money to pad those who do not need padding. They are already well padded financially".

• (1235)

Three months later—he often went to Paris too often, apparently—he wrote me to say "I do not understand, Mr. Chretien, your not being proud at having \$35,000 distributed in your riding".

I am happy to have him give \$35,000, but properly.

The Deputy Speaker: The hon. member has already used three minutes of his time and many members would like to ask questions. That is not fair, I feel.

The hon. member for Winnipeg Centre, to give a short answer to the question.

[*English*]

Mr. Pat Martin: Mr. Speaker, I thank the member for the comments which are very much in keeping with my speech.

Going back to the member's first point, it does remind us of the Mulroney years and we should be reminded of what the Prime Minister said during those Mulroney years when he talked about the corruption that was so rampant in that cabinet. This is a quote from the Prime Minister in 1991. He said, "When we form the government every minister in the cabinet that I will be presiding over will have to take full responsibility for what is going on in his department. If there is any bungling in the department, no one will be singled out. It will be the minister that will have to take the full responsibility". Those are very strong words and it was a zero tolerance attitude maintained by the current Prime Minister as the opposition leader in 1991.

We would like to see the same sort of swift action, take no prisoners. If we are going to restore the public's confidence, swift action must be taken. Frankly the minister is going to have to go. We are going to hold the current Prime Minister to his word and the comments he made in 1991. The same should still apply today.

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, I will be splitting my time with my colleague the hon. member for Pictou—Antigonish—Guysborough.

The saga continues. Let us go back in time. We have heard different members get up in the House of Commons today and speak about whatever we want to call it, shovelgate, or Place du Portage gate, which is the building which houses this department, or the bunker. We could name it what we want but it is certainly a huge scandal.

Let us go back to January 19 when the minister of HRDC came into the foyer of the House of Commons and delivered the internal audit dated January 2000. That very same day I called the department for a copy of the audit and it was so kind as to send a copy to my office. Then 10 minutes later I got a phone call from the same department to tell me that I had been sent the wrong cover sheet and I was asked if I would destroy that cover sheet and throw it in the garbage. I asked to be sent the other cover sheet and I would take a look at it. When I received the other cover sheet, there was no date. The date of October 5 had been deleted. I checked with the various media to see what cover sheet they had received and they had received the one with no date.

It is obvious from that that the department was in a massive cover-up. It might be a strong word but it is certainly a lot of

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money. We are talking about a billion dollars here, not a million. We are talking about a billion dollars of taxpayers' money, money that people work hard for every single day, and they pay hard taxes as well. We have come to find that a billion dollars has possibly been mismanaged. I think it has been mismanaged.

We are looking at 459 cases out of 30,000 cases and 37 could be very serious. Let us do the math. The math was done to do the audit. They picked 459 different cases. If we do the math and take 37 cases out of 459 out of a universe of 30,000, that would give us 2,400 files with a problem for a possible total of \$2 billion.

• (1240)

Two billion dollars is a lot of money and we are only talking about one department, HRDC. Out of this big universe in Ottawa, HRDC is not the only department that gives out grant money. There is Heritage Canada and industry. There is a serious problem.

We have been asking for an external audit on this. The minister sent out to the press conference yesterday the very same people she accused of being in the dark ages just the week before. I have questions for the House and the minister. Who is in charge of the department? Is it the senior bureaucrats we saw yesterday or is it the minister? We all saw the scrum coming out of the PMO last week. We have good reason to think why she was not there.

We also asked yesterday for the resignation of the minister because the buck stops there. The buck stops with her desk, not with anybody else. She accused bureaucrats of bungling this. I state in the House of Commons that when I deal with the bureaucrats in my riding, they are very thorough and very transparent. If she is going to point the finger at somebody, she had better put a mirror in front of herself and point at it. That is the person she has to blame.

We also find with this audit that there was a concentration of grants given during the 1997 electoral period, 54% to be exact. That can be put in the calculator too. Fifty-four per cent of the grants were given during an election period. It is absolutely scandalous that taxpayers' money that was supposed to go into regions affected by employment insurance reform was being used to try to elect Liberal members.

An hon. member: Buying votes.

Mr. Jean Dubé: It was pretty well that. I hear members of the opposition saying it was to buy votes. We will certainly let the public decide that. We will tell them the facts and let them decide what is really going on.

These programs were brought in to help regions with high levels of unemployment, regions which under TJF had to have 12% and higher, like my riding. I was fortunate enough to receive TJF funds

and the funds worked well. But mishandlings went on in the department and that is the problem. We have to find out exactly what is going on with the department so we can maximize the impact of what this was supposed to do in helping the regions.

The minister's own riding of Brant has an unemployment level of 6.6%. Where is the justification for qualifying projects in that riding? If my riding had 6.6%, we would not have received a cent, but it has something like 25% to 30%.

• (1245)

The bureaucrats yesterday, when being questioned by the media, stated that there are pockets of unemployment within that riding. We have a hard time getting the unemployment rate in a riding. How can we get a reading of the unemployment rate in a pocket of a riding? In my riding of Madawaska—Restigouche, the Restigouche portion is calculated with the area of Charlotte in southern New Brunswick. How can we calculate a pocket within a riding? Is it by street number? I am not sure, but I would certainly like to see how it is done. I would like to see the pocket in my riding which is the highest.

We are very concerned with what has gone on in the past couple of weeks, and probably the past couple of years. We are talking about \$1 billion, maybe a lot more. We could call it shovelgate, or whatever we want, but it is the biggest scandal in Canadian history and it is on the Liberal government's head. The only way we can get around this, the only way we can bring transparency back to this parliament, is to ask for an external audit. We cannot ask the very same department to audit what it has done. That is like asking the RCMP to investigate the RCMP. We cannot do that.

We have a responsibility as a parliament to the people of Canada to be transparent. Therefore, I ask the minister to call for an external audit to get to the bottom of this.

I want to congratulate my colleague for putting forward this motion. This party wholeheartedly supports the motion.

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, I have listened to many of the comments which were made today. What absolutely amazes me is that the member would suggest that \$1 billion—

Some hon. members: It is \$2 billion.

Mr. Dennis J. Mills: Now we are up to \$2 billion. It has been suggested that somehow every dollar of the total went to bad projects.

The member said himself that he applauded the work of the public servants in his riding. Right off the bat, I would presume he is saying that the work which was done in his riding by those public servants was satisfactory.

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Mr. Jean Dubé: It was excellent.

Mr. Dennis J. Mills: It was excellent. The member said that the work done in his riding by public servants was excellent. I believe that in the House of Commons, with almost 301 members, the member does not have the only team of public servants whose work is excellent. I happen to believe that about my own riding and I know there are other members who feel the same way.

Are there files on which ongoing investigations needed to be pursued? Everybody has acknowledged that on the sampling of over 400 files, 37 needed extended work. That is happening. This is totally transparent.

Is the member not concerned that by casting aspersions on every single grant that was given in every single riding he is casting aspersions in a way that many of those people with good solid projects that have served his riding, my riding and many other ridings well are going to feel tainted, poisoned or stained? Does the member not feel that within that \$1 billion there were many good projects?

• (1250)

Mr. Jean Dubé: Mr. Speaker, I thank the hon. member for his question. However, the person who accused the public servants was the minister of HRDC, not the member for Madawaska—Restigouche. The minister was trying to pass the blame to everyone else.

Yes, in certain areas these programs have worked. But that is not the question. The question is the billion dollars of mismanagement. It could be more. We are talking about 30,000 projects at HRDC. It could be much more.

Last week a former cabinet minister told me to be careful of what I said. I could jeopardize the programs. I will tell the House something. It is important to know where every bloody cent goes that taxpayers pay. That is not going to buy my silence. We are going to get to the bottom of it. We need an external audit.

If we are going to protect taxpayer money, if we are going to maximize what we do with these funds, we need to bring transparency back to this parliament and ask for an external audit.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, not only do I wish to congratulate my Progressive Conservative colleague and counterpart, but I am going to ask him a question in French.

Yes, we agree with an external audit but, as a member in an area of high unemployment, does he not find it strange that there were more projects in ridings with much lower rates of unemployment, when his own constituents were suffering?

I know that his colleague in the New Democratic Party told me that he was feeling the effects of this situation because the unemployed do not necessarily have money to invest in a project and because, in other more prosperous regions, such as the present minister's riding, there is more money to launch projects to help the unemployed. How would he describe this situation?

Would it not be better to have a criterion based on the number of unemployed people for this program, which is aimed at the unemployed? Would he agree that this should be the criterion for deciding how to distribute funds fairly?

Mr. Jean Dubé: Mr. Speaker, I thank my colleague, the member for Lévis, for his excellent question, because I know that there are also problems in his riding.

When I look at these ridings with high unemployment and see how the funds are being distributed under this program, I find this absolutely deplorable.

The government is trying to defend itself. This morning, someone said that when an individual makes a mistake in filling out his unemployment cards, he is immediately considered to be guilty "You're guilty, so off to jail with you". But what we have here is evidence that there was a lot of mismanagement or a huge lack of management, and the government, as well as the Prime Minister is rallying around the minister to try to protect her.

So, this is what we are used to seeing with this government, but some limits and policies must be implemented in order to help all the regions affected by high unemployment.

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am pleased to take part in this debate. As alluded to by my colleague, the hon. member for Madawaska—Restigouche, it is very timely that the official opposition brought forward this motion.

As time passes it is like the dance of a thousand veils that we are seeing from the government. We are seeing more and more information coming forward. I would suggest this is not coming forward in a very voluntary and forthright way, as members of the government would have us believe. In fact, the minister literally had the proverbial gun to her head when she knew that access to information requests had been made and that this information was inevitably going to be made public.

Let us start with the premise that the HRDC ministry is set up for a very legitimate purpose. There are areas in the country which obviously need assistance in job creation. As the hon. member opposite suggested, we are not, as an opposition, suggesting that every single program in the country was somehow not legitimate.

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We are suggesting that it is coming to light daily that a significant portion of them were not legitimate. It is absolutely astonishing when we hear, and when the Canadian public hears, that there are companies which received money that did not even fill out an application. It is absolutely astronomical when one considers the implications.

• (1255)

How did the money get from the government coffers into the hands of an organization that apparently did not even request it?

I believe the most appropriate characterization of all of this is mismanagement. I would suggest that the minister has been very economical with the truth when it comes to the disclosure of information. She has suggested in numerous statements that HRDC knows where the money is, that it is all accounted for. We can go to our bank accounts and see that withdrawals were made. We have the cheques to suggest that the money was received. The question is: How was the money spent? Was it spent in line and consistent with the applications, if there were applications? Was the money accounted for? Was it tracked? Was there any mechanism or system in place which guaranteed the legitimacy of the company or the exercise for which the money was applied?

In my riding of Pictou—Antigonish—Guysborough there are regions, in Guysborough County for example, where unemployment is in the range of 20% to 30%. It is devastating for the people in that part of the country. This program, if we are to have faith in it, is aimed specifically at helping depressed regions.

The tragedy in all of this, and my colleague from the NDP alluded to this, is the absolute cynicism and the absolute loss of any remaining shred of credibility that the government and parliament might have in the country. It is on the chopping block. It is now on the altar.

Mr. Speaker, I can assure you that when people look at this their trust and faith is going to go further underground. We heard members of the government, these same individuals and the Prime Minister when in opposition, assuring Canadians that things would be different.

It was only a matter of time before someone raised the terrible spectre of Brian Mulroney. By comparison, and time will tell, we will see just how legitimate some of these claims are when stacked up against the Mulroney administration.

We all recall that image we saw of the rat pack, appropriately named. Who can forget the image of the current minister of heritage scrambling over desks, howling like a banshee, to get at a member of the Mulroney government? Where is she now? The silence is deafening when it comes to questions being asked of her own government.

My colleague from New Brunswick also alluded to the fact that this is hard-working taxpayers' money. This is the blood, sweat and tears of Canadians who give their money to the government in good faith, on the understanding that it will be spent in a responsible fashion, in the belief that the money is going to be used for legitimate purposes.

What we need from the government is an accounting. What we need is some semblance of responsible reaction, some transparency. These are the types of words the Prime Minister was very free to throw around while in opposition but very reluctant to embrace now that he is sitting on the government benches. Of course, that is not new. We saw similar platitudes and comments made about things like the GST and free trade. All of these were going to change. They were scrapped along with the helicopter program and most of the red book promises after the election.

What we need now is for the government to be completely open about what has taken place. It appears that this so-called scandal goes back to the very beginnings. It goes back to 1993, almost immediately after the government came to power, under the ministry of that now infamous name, Doug Young. The voters of New Brunswick had the good foresight to send Mr. Young a message in the last election. I suggest, and again time will tell, whether under his tutelage in this department the policies, principles and infrastructure were put in place to allow for this scandal to brood, fester and continue for years after.

• (1300)

We saw an unprecedented attempt by the current minister. It was a simultaneously behind covering and face saving exercise to point behind her to the previous minister, but I think she has to go back a little further to Mr. Young, to the very beginning.

I credit the media for this truth seeking exercise. It really began in the off season. It is astronomical when we think about it, but we know the Prime Minister in his comments to his caucus last week said that they should sit tight, batten down the hatches and this would go away. They have a budget coming and there are other things they can distract the Canadian public with. They can talk about clarity. They can talk about the muddy, ill timed, ill conceived bill they have foisted on the country, and hopefully the real issues of the country will go away, such as the problems in health care, the overburdened taxation system, the problems in education, crippling student debt, underfunding to the military and underfunding for the law enforcement agencies, all of which are not priorities. They will talk about constitutional matters which in the meantime will hopefully distract from the burgeoning and ballooning scandal taking place in the HRD department.

The timing and sequence of events set out by my colleague from New Brunswick about the infamous fax sheet that was sent with the deleted date were very interesting. Obviously I suggest an attempt

was made to distance the minister from knowledge of the first instance when the matter was brought to her attention.

We know there was a shuffle in cabinet or a change in ministries in August. It stands to reason that an extensive briefing would take place when a new minister took over. The audit was already under way. Surely the previous minister would have had some conversation with the minister to let her know that this was something that might happen on her watch because it had already begun.

The communication breakdown is not new in this instance. We know of a similar situation. The current Minister of Fisheries and Oceans had dropped in his lap the fact that the Marshall decision was before the supreme court. His predecessor did not take the time to let him know that there was a crisis brewing. A lot of Chinese walls and walls of silence seem to surround the government when it comes to sharing bad news. It certainly does not want to share bad news with the opposition or the Canadian public.

This is something that goes to the very root of democracy. This goes to the very confidence of Canadians in their government. As painful and as ugly as it may seem, this entire exercise of uncovering what has taken place in this department is necessary if we are somehow to try to restore some semblance of integrity. It is very sad that using the word integrity in the political process has almost become an oxymoron.

I know hon. members opposite do not like to hear this. It is really tough to get hit with the truth, but I want the Canadian public to know that the Progressive Conservative Party supports the motion wholeheartedly. This is perhaps the beginning of the end for the reign of error of the Liberal government.

Canadians are cynical beyond belief and apathy has begun to set in. Parliament has been darkened by the performance of the minister and the government in this regard. The flag over the Peace Tower should be flying at half-staff today. The death of what remaining faith there was in the hearts and minds of Canadians may be on the altar today.

We need an external audit. It is obvious to everyone in this place and to the millions of Canadians who are watching that this has to take place if there is to be any shred, any scintilla of credibility left in the government. All of what it has said and now all of what it has done are before the Canadian public and have to be laid bare.

I welcome the opportunity to have taken part in this debate and I welcome the opportunity to continue to ask relevant questions of the government. Hopefully we will get some answers.

• (1305)

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I just have to caution members opposite that when they make comparisons between the last election of 1993 under the Mulroney

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government they have to watch out if they start to look at multiculturalism funding. There are those of us who have documents and have done research in this area. They are liable to find, just as an example, the Parents for French organization used to get a \$130,000 annual contribution from the Mulroney government but just prior to the election it went to \$424,000. There was a lot going on in that year about funding special interest groups of all kinds prior to an election.

The point I want to make to the member is that there is an opportunity to take advantage of the situation. I asked a question of members of the NDP and they dodged the reply. I ask this question of the member opposite. Is he willing to see the same standards of transparency, accountability and performance review that we wish to see in HRDC apply to all other organizations that we see getting funding from government, including those organizations involved in unions, involved in poverty, non-governmental organizations, charities and non-profits? Does he not think one shoe should fit all in terms of accountability and transparency?

Mr. Peter MacKay: Mr. Speaker, I am happy to respond to that question. We know in the past the government has said one thing while in opposition but when it made that stroll a couple of sword lengths across the floor it did something completely different. Of course we want the same standard applied across the board. We are very anxious to see transparency and truth in government. We are sitting here on the edge of our seats in anticipation that it will happen, but will it happen?

The hon. member opposite loves to raise the spectre of Mulroney, but I will tell the House that when this is all over I think the name he knows well will replace it. The promises of a new approach, the promises of a new administration, are all in jeopardy now.

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, the hon. member from the Conservative Party made a very good and interesting speech. I am amazed at the questions and comments of Liberal members, especially the member who asked a question two minutes ago.

This same member supported the \$20 million payment to the NHL. I heard the Liberal member on CBC Radio supporting the program. Yet his own caucus was opposing it and that is why the program was cancelled. I am amazed that I do not hear any objections coming from that side. As a matter of fact that side is trying to say that this was a good program, not understanding that it was totally mismanaged and, as my colleague has said, the biggest scandal to hit the government. Perhaps he would like to comment on what we are hearing from Liberal members.

Mr. Peter MacKay: Mr. Speaker, my learned friend knows that hypocrisy is not a word we can use in this place. There is something rotten in the Liberal dome. The malevolent king of slush playing

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Robin Hood in reverse has somehow been caught in the squeeze. There is a big difference between giving money to the NHL, giving money to the banks, giving money to fat cat Liberals. When it comes to a job creation program we are supposed to be helping Canadians.

I am surprised that my friends in the NDP have not raised the issue that changes to the EI system took place in the early part of this administration which now keep money away from needy Canadians if they are a few hours short of qualifying. Yet the government seems prepared or more than willing to put money into companies that are already making money. It seems prepared to give money to businesses. Yet it will keep money away from needy Canadians who are a few hours short of qualifying for EI. This is a very shady approach on which Canadians will judge the government harshly in the next general election.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, problems with Human Resources Development Canada are nothing new. On the eve of the June, 1997, election, a man by the name of Pierre Corbeil received from the minister who has now left, the former member for Hull—Aylmer, a list of people who would get significant amounts of money.

• (1310)

Pierre came first and he asked for a ransom, in cash, please. We do not know whether all the funds he received went directly to the Liberal Party of Canada or if some got lost in his car along the way but, nevertheless, it was seven months before the RCMP were able to bring charges against him and before he recognize his wrongdoing. But nothing was done within the department.

This is almost like Douglas Young, the guy from New Brunswick. He got his punishment. I would like my colleague to finish this story.

[English]

Mr. Peter MacKay: Mr. Speaker, my colleague has brought the name of Pierre Corbeil into this debate. We know there were actually criminal convictions registered in that instance. We know that it arose out of HRDC where a Liberal fundraiser armed with lists of pending HRDC transitional jobs money went knocking on the doors of companies that were perhaps eligible to receive it and said “A little something for the effort and we might be able to speed up the process”.

There were criminal convictions registered. The trail is now cold but I think more and more watchdogs have become aware of it. It comes down to a question of priorities. Do we spend money in this reckless fashion or buy MRIs? Do we allow for some form of

accountability or some form of student debt relief? The government has to make priority decisions. The government has mismanaged taxpayer moneys and is now being held to account.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I am honoured to stand in defence of the people of Canada, particularly the people of my wonderful riding of Elk Island, and to address this very timely issue.

Yesterday I moved a concurrence motion in the report of the Standing Committee on Public Accounts. The report which was tabled in the House last November would have addressed this question. Of course the government has been sitting on it. We began the debate and the very first Liberal member who rose moved to stop the debate. Of course the Liberals have the majority and stopped the debate on it.

One gets the impression that the Liberal pork-barrelling the program we are talking about represents is a favourite program of the government. The Liberals just do not want to see it attacked or criticized or repaired.

I am very pleased to note today that all members on the opposition side have spoken in favour of this very timely motion. It is time that all of us, not only members in the opposition but members on the other side, to do so. They were behind their leader in the last two elections. They said they would follow the leader of the Liberal Party who would take them into power with integrity and who promised a new trust in government. That is wonderful. I believe that people voted for the Liberals because of that promise.

I venture to say in all sincerity that members on the government side will apparently today, so we are told, stand on command and vote against the motion in defiance of their own sense of integrity because they know that this problem has to be fixed.

I will use a bit of my time this morning to give a little math lesson because it has been overlooked so far. The Prime Minister has tried to diminish the size of the problem by saying that only 37 projects are suspect and that the rest are all fine. He is also saying that the 37 being questioned will be clarified and all will be well.

• (1315)

There are two ways of dealing with a problem like this. One way is by denial, get out the damage control troops to see whether the damage to the Liberal Party and the government of the day can be minimized. The other way is to honestly face up to it.

I have told this story in the House before. I will briefly repeat it and anyone who wants the full story will have to go back. I remember one time in my life when I did something that really was bad. I mentioned this story in the House a couple of years ago. I was a youngster and I suppose I was following the lead of some of the older people in the group. We were out for a bike ride and we

ended up at a neighbour's place in the farm country of Saskatchewan. The house was vacant. As I said the last time I related the story, much to my sorrow and personal regret now, when we left not a single window was left in the building because we had broken every one of them by throwing rocks at them. It was dastardly.

I do not know what the other parents did, but my father took me to the owner. I will not mention his name again; the last time *Hansard* misspelled it because I forgot to give the correct spelling. I had to look that man in the eye and say, "I broke the window". He also required that I pay it back.

I was a youngster on a Saskatchewan farm in the late forties. We did not have a great deal of money. Money was hard to earn. I picked up beer bottles for about two years and sold them in order to repay the debt. I am grateful to my dad for the lesson he taught me.

To me, that is a way of solving a problem. When one has erred, the best way of fixing it is to face up to it, admit it and then make restitution.

Here is a situation where the Prime Minister is trying to minimize the problem and explain it away instead of saying to the people of Canada, "Yes, the auditor general in his report brought this problem to our attention and we will do something about it".

In fact, nothing was done. The previous member from the Tory party brought out this point too. One of our people made the access to information request. I do not know whether Canadians know this but when a request is made under the Access to Information Act one of the first things that happens is that the department getting the request fires off a warning memo to the minister that says, "Hey, they are looking into something here. Let us be prepared".

In a sense that becomes part of the damage control team trying to get the defences ready even before the attack is launched. It just so happened that within a couple of days of that access request being filed the minister said, "Oh, oh, we have been caught. They are on our trail. I guess now we will have to be honest".

I hesitate to say this, but an honesty that is forcibly extracted somehow rings hollow. I do not want to impute any improper motives to the Prime Minister or to the various ministers who have been involved in this scandal but I think it rings hollow.

Getting to my math lesson, as members know, I have been an instructor of mathematics at the technical institute in Edmonton. I did not specialize in statistics but I know a little about it. One of the things that happens when a sample is done, within a statistical range of error, it is appropriate to apply the results of the sample to the entire population.

For example, the Liberals like to gloat that right now if 2,000 Canadians were asked how they would vote in the next election, something like 35% or 36% would say they would vote Liberal.

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How did they get that? Out of the 2,000 people maybe there were 800 or so who said they would vote Liberal. They took the 800 out of 2,000 and extrapolated it to the entire population and said that is how the entire population would vote. That is how statistics work. As a matter of fact statistical methods are used all the time in many different industrial processes and certainly in socioeconomic studies and investigations.

• (1320)

In this case there were some 30,000 projects. The internal audit came as a result of the auditor general putting his finger on a problem. That is when the internal audit was called and appropriately so. The auditor general pointed out there was a problem way back last April, almost a year ago. The department said that it needed to look into it and fix it, which was an appropriate response.

The internal audit looked at a random sample of 459 projects. These projects were not chosen because they were suspect; they were picked statistically at random. That is my understanding of how these projects were chosen. Of the 459 we have these percentages. These are the numbers plus or minus a certain range due to statistical variation which is very normal in statistical studies. My guess is that it could be plus or minus 5% or thereabouts.

Taking a sample size of 459 and extrapolating it to 30,000, this is what we have. Of the projects that were reviewed, 15% did not have an application on file. That means out of all of them we could extrapolate to say that there are 4,500 projects that were approved without even having an application on file.

An hon. member: No.

Mr. Ken Epp: A member opposite is saying no but I stand by my numbers. It is the same percentage applied to the whole population as it is to the sample plus or minus a very small range. If he wants to say 4,400 or 4,600, I will go along with that, but it is 4,500 plus or minus a small number.

Of those that had no cash forecasts, there would be 21,600 projects. Eleven per cent of them had no budget proposal. That means we could conclude that some 3,300 of these projects did not even have budget proposals, and they were approved and received taxpayers' money.

Mr. Speaker, you have signalled that my time is up and I wish I could go on. I am trying to give a message to the Liberals on the other side. Today when they are asked to vote on this important motion, I appeal to them to do as will all other members on this side. Let us vote for the people, for the taxpayers and not just for our own self-preservation.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I am delighted the member for Elk Island raised the issue of the

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Access to Information Act because that is a subject of great sensitivity to me today. As he will realize his party blocked a private member's bill that would reform the Access to Information Act, increase transparency and increase accessibility to the very kinds of documents and information that the member for Elk Island is citing.

So I would like to ask him how he could expect me as a member on this side of the House who is most interested in getting to the root of government documents, in getting to examine the way government functions and indeed who has had legislation before this House that would enable members to better do their job in this regard, to take this motion seriously when his party has deliberately blocked the very kind of legislation that we need in this House to enable backbenchers and opposition members to assess how government operates? Legislation is transparent and yet that party, the party on the other side, has rejected that legislation. And they expect me to support their motion? Well, I am sorry.

Mr. Lee Morrison: Mr. Speaker, I rise on a point of order. It appears that the hon. member is again challenging your authority. You shut him off on this before but he persists. Can we not get back to the debate on the subject at hand which is the scandal in HRDC?

The Deputy Speaker: I am sure we will with the hon. member for Elk Island who now has the floor to respond.

Mr. Ken Epp: Mr. Speaker, I appreciate what the member for Wentworth—Burlington is saying. He had a very important bill. He came to members of the Reform Party and got them to sign a sheet of paper which said we want to make sure it is debated in the House. Reform Party members agreed to that. Then he changed the bill. Now it has a different substance in some areas. The signatures no longer stand. It was simply on a matter of principle that he was given a set of signatures that applied to something other than what he was presenting in the House. It is a completely different issue. He should understand that. We want to preserve the integrity of Private Members' Business which is so important.

• (1325)

However, he has brought up the subject of integrity and I will just conclude with a simple statement. I expect him as a result of his commitment to integrity, honesty, openness and transparency to rise in support of this motion.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, every time I hear the member for Elk Island talk about his window story, I get very nervous about the beautiful stained glass windows in the House. I hope he does not salivate over those beautiful windows.

I thank his party for bringing this very timely motion to the House today. It is very important. Throughout this country, we as

politicians and members of parliament are held in low esteem regardless of this boondoggle. We need moral leadership that encourages people not only to become members of parliament but to run for elected office at all levels.

I ask the hon. member should the minister be asked to resign, which I suspect she should do to show leadership, but should not the previous minister of that department also resign? These problems are systemic. They did not just happen overnight.

It is interesting to hear the Conservative Party talk about accountability. When it was in power a lot of money went into areas and was not really accounted for. I am glad to see the Conservative Party has changed its tone and has seen the right way of doing things now.

Should not the previous minister resign as well for this boondoggle?

Mr. Ken Epp: Mr. Speaker, the member has a valid point.

First I would like to assure him that when I was nine years old, having gone through that lesson, I learned not to break windows. To my knowledge I have not broken one since then, even accidentally, so do not worry about the windows here.

I would like to talk about the idea of ministerial responsibility because the Prime Minister said that the ministers would be responsible. Indeed it is a measure of integrity that when things have really blown apart the minister resigns.

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, I regret that I have to stand in the House to talk today on a subject of this sort that represents what we would expect to be the very best for Canadians in terms of their use of tax dollars.

I have come to sleuth and to understand more of this big scandal which some would suggest is certainly major mismanagement of taxpayer dollars. I do definitely, individually, have major concerns with the management and the minister's and the whole government's lack of competence in this area.

I would ask this more as a question and the members in the House and people in the gallery and those watching in TV land would be the ones to respond. This government vaunts and boasts often of its competence, managerial ability, fiscal prudence and sound government. We see quite the contrary it would appear. I ask a question and I do not prejudge the outcome but everyone can draw their own conclusions. Is there something of a fraud in the Prime Minister's brag of managerial competence, fiscal prudence and sound government? As I lay out my understanding of what has occurred here I will allow the audience to draw its own conclusions today.

In a very considerable way what has happened over the last number of weeks, or at least what has been exposed, has drawn into

question the jobs fund as a matter of principle and whether it is effective in creating jobs. That is sad in a certain sense. I am a believer that there can be tax dollars targeted for social programs for individuals who are disabled and so on. They need equipment and special access. That maybe is another matter. That is a social program. That is policy set in place to help those who need that leg up in society.

Government handouts are very poor at creating jobs in the general sense. If that were not the case then the maritime provinces would obviously be booming, as might other parts of our country.

• (1330)

Generally speaking, when we are not talking social programs—and there is need for that with respect to disabled and other people—job creation, for the most part, should be done by the private sector. It is the engine that drives job creation. Studies have shown that. It is beyond dispute. Reducing corporate tax, payroll taxes and those kinds of things provide incentive and release money for investment.

It is a real shame that this \$1 billion or more boondoggle seems to be endemic and systemic in the government. It is money that could well be used in other areas. When we have had significant cuts in health and post-secondary education and we have not had the kind of support for farmers in terms of a subsidy war across the world, it is a real shameful thing in my view.

Tax dollars are justifiably used for things like health care, post-secondary education and a basic social safety net. After that we do have a consensus to break down from there. What is so preposterous about this is that tax dollars have been used for things that they should not be used for and on the other hand we have had a deficit in respect to health, education and basic social needs.

We do need social programs that help people with disabilities and so on, but we do not need them as the driving engine to create jobs. This is a fundamental flaw. They do not create jobs as effectively or in any proportion as the private sector would if it was left to do that.

When seats throughout the west were held by Reform, we did not say, as some people may have thought, that we did not want our share. We said that we had enough of these kinds of programs. We have had enough of the old way of doing things, the dark ages' way of doing things, by patronage and pork barrelling which comes out of the 1800s and 1900s. In a modern democracy, we should not be doing programs in this manner. The west was not asking "Where is our share?" It was saying "Enough of this kind of stuff, enough of these fiascos", which are now very apparent.

The government failed to create jobs in many cases. It gave \$14 million to 32 companies but no jobs were created. We can list many of them and we will over the course of the days ahead. Companies

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in my own province that created zero jobs were Clifford Smith Trucking, \$72,000, and Saskatchewan Dutch Elm Disease Committee, \$100,000. No jobs were created. I could go on with a list of companies and projects that received money but where not a single job was created.

We could list companies that have closed. A Cape Breton coffin factory received \$400,000 to make fibreglass coffins that would float or last forever underground. Only three of those coffins ever sold and the factory closed.

We could list companies that have wasted money. In the 1988 audit we found, among other ridiculous kinds of examples, that a road that went nowhere was built through the riding of the then revenue minister Elmer MacKay. Two bridges were built but no roads connected to them. It goes on and on. As a matter of principle, the government has clearly not been creating jobs and in fact cannot do that.

The government has used this fund and the grants and contributions to give politically motivated handouts. Some have called it a slush fund. I will leave that for others to state. However, the minister certainly did not keep her own rules. There are 15 pages of grants given to the minister's Brant riding, a riding which should not have qualified for grants. Since April 1999, she has approved other projects. Her riding did not have an unemployment rate of over 10%. The earlier qualifying rate had been 12%. She was signing cheques for her own riding contrary to the most basic rule of the Canada jobs fund criteria, which was to create permanent jobs, new jobs, sustainable jobs and so on in areas of high unemployment, areas where there was more than 12% unemployment, later relaxed to 10%. She clearly violated that rule.

How can Canadians put their trust in a minister who mismanages the money that goes into her own riding?

I can think of other examples that have been mentioned in the House during question period. I refer to the Grand-Mère Inn in the Prime Minister's own riding, the Pierre Corbeil story, an enterprising young Liberal, an individual who thought that he could lever some money for the Liberal coffers by going to them and saying "If you give me a donation, we will make sure your TJF application gets approved".

• (1335)

Mr. Paul Forseth: It is called a shakedown.

Mr. Maurice Vellacott: It is called a shakedown, as the member said. He was charged with that and there was a conviction. These programs are rife with that stuff. It would not be surprising if many more instances of that turn up.

As I understand it, a special assistant in the justice minister's riding of Edmonton West by the name of Greg Fergus handled

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these special representations by ministers, which led to grant approvals in areas that did not strictly qualify. Justice Minister McLellan's riding received \$1,350,000 and \$888,000 from the transitional jobs fund even though the unemployment rate was lower than the TJF rate.

There is no accountability to taxpayers and the records are poor. This is not just sloppy, it is systemic. If a dot or a decimal is missing, that is sloppy. If it is patterned like this throughout, that is systemic. The problem the government has is that these are not just a few isolated cases. They run like a thread in terms of patronage and pork barrelling throughout the government. It is endemic.

Let us look at the recent TAGS program: 34% did not contain any proposal to support the project; 83% did not have any supporting documentation; 80% were not checked to see if recipients owed money to HRDC; and 76% did not show any evidence of financial monitoring. That was under the Atlantic groundfish strategy. Other examples could be cited from across various departments.

We believe some cover-up is going on. We have said before that the minister appeared to have misled the House. On November 17, 1999, she would have had the information in hand and had been fully briefed, yet subsequent to that, on December 1 and again on December 7, she talked about the wonderful and extraordinary job being done to make sure Canadians got back to work. What a wonderful play act. On December 7 she talked about how Canadians approved of this when she was withholding information that would have pointed to the contrary and would have exposed this whole thing.

One would have to ask, and I believe some have rightly done so, whether the minister is staying in that role because of bloodlines or genetics because her father did not fiscally manage things accurately. Significant dollars were in question when she was in the aboriginal affairs department.

The Prime Minister's spin on this whole thing is that there are only a few cases. Let us consider that the scathing audit of 459 projects is a representative sample of between 50,000 and 60,000 projects. According to Ms. Brigitte Nolet, a spokesperson for the ministry of human resources, the sample of just under 500 projects represents about 60,000. With that proportion, we still have about 4,800 that have been badly mismanaged.

This is a major problem. We cannot just minimize it as the Prime Minister does. It is endemic. It is systemic. It is a pattern of the government and deserves to be dealt with in this manner on this day and rebuked for the good of the Canadian taxpayer.

[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I do not know where to start. I hesitate because the language I would like to use might be unparliamentary, and I cannot use all the words

that come to mind. I hope the members opposite will understand that many of the words I would like to utter will remain unsaid out of respect for the Chair, who would judge these words to be unparliamentary.

I will use a very simple language. A billion is a long string of zeros with a one in front of them. It is a thousand million dollars that were squandered, handed out to friends and supporters, particularly those who contribute to the liberal election fund.

• (1340)

We know that there are 1.5 million children living in poverty in this country. If we took \$1 billion and divided it by 1.5 million, every child in Canada could have received \$6,666 in support. But that was not done.

Instead, next year, it will be reported that once again the number of children living in poverty, and parents living in poverty of course, has grown. I know that, in my riding of Matapédia—Matane, where unemployment is very high, from time to time someone makes a mistake and claims one week too many in benefits and there are penalties for doing so. They come and get them and they are almost prepared to send them to jail.

About the \$1 billion that disappeared and went into the pockets of some rich people, I ask my colleague, whom I listened to intently, how he would qualify this scandal.

[English]

Mr. Maurice Vellacott: Mr. Speaker, my hon. friend is quite right. Words fail, at least in this place, in terms of words that are allowable to use. Without a doubt, in terms of just the scan of it so far and in the research that we have done, it shows that a disproportionate amount of those dollars have gone into Liberal-held ridings. It would certainly bolster what has been said before in terms of being used, being levered for contributions to the Liberal Party and so on. I think that is what outrages the public in the whole matter.

The Liberals are now trying to minimize it by saying that it is just a few projects, when in fact this is a representative sampling of a far bigger piece.

Yes, we do have a problem. Frankly, the whole system needs to be changed or started from scratch again where we deal with handicapped people and provide the resources and so on there. We need to get away from the kinds of things that are subject to political interference, patronage and the kind of pork-barrelling that has been used by the Liberal government over the course of a number of years.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I would like to give the hon.

member an opportunity to respond to a couple of concerns. He talked about the private sector being the economic engine that creates jobs. There is a downturn to that as well. For example, the Royal Bank in my area made \$1.76 billion this year and announced a layoff of 340 new jobs. Next year the bank plans to make \$2 billion.

Yes, the private sector does create jobs, but there has to be some sort of corporate responsibility when it comes to economic opportunities in the outstretches, or what I call the extremities of Canada.

There is no question that what we need in the country is moral leadership, people who will stand on principle. My question is for the previous member who spoke, as well as for the member for Elk Island. If the minister is to resign, should not the previous minister resign as well?

Mr. Maurice Vellacott: Mr. Speaker, I would again agree with my hon. colleague. I do think this sends a signal with respect to the activities and competence of the previous minister as well. It taints the record of when he was there. It was on his watch over a period of time when a significant part of the program began and then changed over to the Canada jobs fund. He was able to skittishly get out of there just in time. Some might say that he was lucky or fortunate, but perhaps it was planned. I am not sure. I think it also sends a signal in terms of the competence of the minister who was in that position previously.

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Vancouver—Quadra.

We have an internal audit that was released by the Minister of Human Resources Development. The minister announced a six point plan to deal with this particular situation with which I do not think anyone in the House is pleased.

We hear though from the opposition terms like scandal, pork-barrelling and slush fund. We do not hear anything from the opposition about what we should be trying to do to fix the problem. How can we constructively participate in making sure that this problem does not happen again? But no, we would rather bandy about cheap terms that have little credence. We know that it was not \$1 billion missing, but we continue to hear the \$1 billion figure. Unfortunately, if we say something long enough we tend to believe it, which is certainly the case across the aisle.

• (1345)

The fact is, we have 459 projects—

Some hon. members: Oh, oh.

Mr. Bryon Wilfert: Some of my colleagues have all the answers and are not prepared to listen.

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[*Translation*]

Mr. Jean-Guy Chrétien: Mr. Speaker, I rise on a point of privilege. I urge my colleague to stick to the facts and to the facts only. If five cents are diverted by this government, by this party, it is five cents too much. According to the figures, we are talking about an amount between \$1 and \$3 billion, not \$300 million. Let us stick to the facts.

The Deputy Speaker: I fail to see how this could be construed as a question of privilege.

[*English*]

Mr. Bryon Wilfert: Mr. Speaker, it is hard to stick to the facts when people over there are not listening. I have indicated that there was not \$1 billion missing. I have indicated many times, both in the House and outside, that if there is \$1 missing we should all be concerned about it. Clearly, on this side of the House, the minister is taking appropriate steps.

The minister responded very quickly to the call to attend the Standing Committee on Human Resources Development on Thursday. Normally, instead of 10 working days, we have the minister there on Thursday to answer questions, to put the facts on the table.

Some of my colleagues on the other side have already started to dismiss the role of the standing committee because they seem surprised that the minister, who wants transparency, openness and accountability, as everyone on this side of the House and I am sure on that side of the House would like to see, is willing to ensure that the questions which members might have—and I mean questions, not rhetoric—are put on the table. There is no question that we have to have confidence in the system.

Before the audit was released some colleagues on the other side of the House spoke about projects in their ridings as being worthy, visionary and all so important. Now they cannot wait to say “scandal”. They cannot wait to say “pork-barrelling”.

Where has this money gone? It has gone to literacy programs. It has gone to job creation programs. It has gone to programs which have benefited communities from one end of the country to the other. Yet we hear these terms being bandied about, without any interest it seems in looking for real solutions to deal with the administrative problems which are clearly unacceptable.

Rather than simply shrugging it off, we have designed a six point program. It may not be exhaustive. There may be other constructive suggestions which the committee will be able to present on Thursday to the minister.

The minister has responded already by indicating that she will provide quarterly updates on the action plan. It is important that every member of parliament be involved to ensure that the dollars my colleague across the way referred to will go to the people and the organizations which have applied, to ensure that there is

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accountability and to ensure that the proper paperwork has been done. It is unacceptable in this day and age for moneys to be handed out without the proper documentation.

The audit never suggested political interference. The audit never at any point suggested that there was \$1 billion missing. What it indicated was that there was very sloppy bookwork. It is very clear that the six point program that is being implemented as we speak is designed to deal with this.

Let me give the House one example of the program.

To ensure that the payments are made properly, the director will have to certify the particular project. There will have to be a signed agreement. There will have to be signing authority. Payments will be advanced only when the documentation is there, and I am speaking of documentation in terms of claims, expenses and so on.

Since many members wrote letters of support for projects in their communities, at some point we all believed there was value in the projects they were touting, whether they were literacy programs, job creation programs or whatever.

• (1350)

Clearly the point is that we want to make sure there is confidence in the system.

I hear members opposite bandying about terms without any constructive or supportive comments as to how we might fix the problem together. They would rather attack the minister, saying that she should resign. The minister released the report, the action plan, and has made it the number one priority of her department.

No one is prepared to accept business as usual, certainly not on this side of the House. We want to ensure that we have a system which is strong and comprehensive. We must ensure that the payments are made with every *i* dotted and every *t* crossed. They must be carefully checked. All of the files which are active are being reviewed by the department and will be reported on by the end of April.

It is important that we not lose sight of the fact that these steps are being taken. The auditor general has endorsed the action plan before us. I would like to hear the comments of members opposite in regard to the action plan and the 25 recommendations which were made in the audit.

We have heard in the media and in the House about the projects that have been approved across the country, how they have benefited the various ridings. Yes, the system has broken down, but we are fixing the system to make sure it never happens in the future.

It would be folly to continue to use terms and figures which members clearly know are inappropriate. I too am restricted in the terms that I might use in the House.

At the end of the day, if we are improving the literacy skills of Canadians, if we are giving the people who have disabilities an

opportunity to work, if we are giving them meaningful employment opportunities, as has been suggested by many members and organizations, we should not minimize the important role which HRDC plays in communities, and in many cases very visibly, from coast to coast to coast.

In the short term the minister is taking corrective measures to ensure that payments meet certain financial and program requirements, as well as checking for and correcting problem files. In the longer term we will look at equipping our HRDC staff with the right tools. It is important that they have the tools to do the job. We want accountability, openness and transparency. That is part of the action plan. We want to have measurable and achievable results. And we want to report back not only to the House, but to the public at large.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, the member for Oak Ridges talked about accountability and responsibility. He said that the Liberal government should be responsible and accountable. All Canadians want from their governments is for them to be accountable and responsible to the people.

The member for Oak Ridges said: “We have to have to have confidence in the system”. We have seen a very severe attack on the integrity of the government over the last year. How can Canadians have confidence in the system, in the government, when it tries to spend \$20 million a year to subsidize millionaire hockey players?

How can we have confidence in the government when it refuses to assist western grain farmers who are suffering the worst farm income crisis since the 1930s?

• (1355)

How can we have confidence in a government which defends the oil companies, allowing them to gouge consumers at the gasoline pumps at the highest rates in the world?

How can we have confidence in the government when medicare is in crisis and all it says is that it will look at it over the next five years?

We have a real crisis in confidence with respect to the government.

I ask the member: How can you persuade Canadians to trust your government to do the right thing in any program you administer when every single time you lay your hands on the treasury the money is misspent?

The Speaker: Before I recognize the hon. member for Oak Ridges, I know it is only the second day, but I would ask the member to address his questions through the Chair rather than to the member.

Mr. Bryon Wilfert: Mr. Speaker, my hon. colleague gave us a litany of issues, many of which he knows are not directly under federal jurisdiction. In some cases, such as gasoline, although the

federal government is responsible for dealing with competition, it does not deal with the issue of pricing at the pumps.

In terms of the farm crisis, there is not one member on this side of the House who needs any lesson in dealing with that crisis. The minister has put forth dollars. Maybe you should talk to your friend, the premier of Saskatchewan, about anteing up his 40%.

Maybe you should talk about the fact that when the Government of Canada put—

The Speaker: I am interrupting once more to say that the hon. member must address the Chair. Please, do not address each other directly.

Mr. Bryon Wilfert: Mr. Speaker, I do not want to learn any bad habits from my friend across the way. There is no question that the comments we are getting from across the aisle are not in the proper context. They are saying that we are not doing anything.

We have anted up 60% for farm incomes. Gasoline pricing is not our responsibility, but competition is, and we accept that. If we are going to talk about medicare, let us put the actual figures and facts on the table, not the rhetoric.

STATEMENTS BY MEMBERS

[*Translation*]

ELISABETH GASSER

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, a few days before Christmas, Elisabeth Gasser passed away. She had been my riding assistant in Brome—Missisquoi, providing me with wonderful support right from the first time I was elected in 1995.

Her death is a great loss for her family, her many friends and her work colleagues, as well as for the Liberal Party, on which she focussed the strength of her convictions and the enthusiasm for which she was well known.

I was greatly affected by her passing, because Elisabeth was one of those people known for their joie de vivre, dynamism and availability to all. She was one of those people who never did anything half-heartedly. She made her way through life with determination and passion.

This lady, who was so full of life, left us at the age of 45, as the result of lung cancer. She leaves a great void behind her.

I wish to salute the courage of this woman whose extraordinary morale never faltered all the time she was ill. I extend my most sincere condolences to her family, particularly her four children, who were still very much in need of their mother's presence.

Farewell, Elisabeth.

[*English*]

HUMAN RESOURCES DEVELOPMENT

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, the federal government plays politics with its multibillion dollar HRD programs while abandoning essentials such as isolated coastal community docks, the coast guard, national defence and the RCMP.

Department of Transport policy states that the federal government will continue to maintain port facilities for remote and isolated communities. Its actions contradict its words.

The village of Quatsino has been a viable west coast community since the 1880s. Quatsino relies on boat transportation and dock facilities to send children to school and to access health care.

The federal government wants to abandon one end of this marine route by abandoning the dock. Federal bureaucrats have told residents it is their problem because they chose to live there.

When will the government see past its insensitive nose and live up to its own policy commitments?

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WHITE CANE WEEK

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, this week is White Cane Week. The white cane and the guide dog have come to symbolize every blind person's right to pursue and achieve a full and independent life.

• (1400)

They allow blind persons to travel safely, undertake gainful employment and fully participate in society. Canadian schools, institutions and business leaders should take the lead in ensuring full acceptance and equal opportunity for the blind in Canada.

Finally, I ask all Canadian citizens to recognize and respect the white cane and the guide dog as representing safety, dignity and self-help for the blind.

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[*Translation*]

FATHER GEORGES-HENRI LÉVESQUE

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, I would like to pay tribute to the memory of Father Georges-Henri Lévesque, whom I had the privilege of knowing during my years in the Quebec national assembly.

Father Lévesque was one of those special people whose exceptional contributions to society leave an indelible mark on the times in which they have lived.

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Theologian, academic, reformer and scholar, Father Lévesque founded Laval University's faculty of social sciences, and co-chaired the commission which created the Canada Council.

We owe him a debt of gratitude, primarily for his inspiration, his courage, his brilliance as a reformer and social intervenor; his name is rightfully linked with the great flow of ideas and social reforms that gave rise to the quiet revolution.

Father Lévesque, for all that you have been, and all that you have left as your legacy to us, we are deeply grateful.

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[English]

AGRICULTURE

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, on January 16 the family farm tribute was held at the Air Canada Centre in Toronto. This successful afternoon of entertainment and education saw 13,000 people in attendance and was broadcast live across Canada by CBC *NewsWorld* and CFRB.

A long list of performers from Gordon Lightfoot, Michael Burgess and the Toronto Symphony Orchestra to children's entertainer Fred Penner inspired event goers. Participants also frequented the exhibit gallery educational booths set up by Agriculture and Agri-food Canada, by Health Canada and by agricultural organizations like the Canadian Federation of Agriculture.

Urban Canadians who make up more than two-thirds of Canada's population enjoy tremendous benefits from the commitment and contribution of our farmers. Canadian farmers are the most efficient in the world. They produce the highest quality of foods at domestic prices that are the envy of other countries.

On behalf of Rural Caucus I wish to acknowledge the efforts of the member for Broadview—Greenwood in collaboration with Ronnie The Hawk Hawkins in spearheading this event. Through their efforts—

The Speaker: The hon. member for Kelowna.

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HUMAN RESOURCES DEVELOPMENT

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, yesterday's question period revealed that the Prime Minister does not care about credibility. On June 12, 1991, he said:

If there is any bungling in the department, nobody will be singled out. The minister will have to take the responsibility.

Yet the Prime Minister made a spectacle of defending the HRD minister. The Prime Minister has no regard for integrity. His

minister knew of the bungling of the transitional jobs fund. Yet he defended her when she told the House and Canadians that everything was all right. She now admits that was not true but what she says now is true. Can we believe her? We only know for certain what the auditors have shown us: mismanagement and ineptitude.

The Liberals do not care about how they spend taxpayer money. They just want more of it. There were 37 tax increases since they took office. As the latest billion dollar boondoggle glaringly shows, when the Liberals get our money they abuse it, misuse it and lose it.

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[Translation]

FIGURE SKATING

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I am hugely proud to announce to this House that Pierrefonds will be hosting—and this is a first for Quebec—the North American Challenge 2000, between August 8 and 13. This international figure skating championship will be linked to the summer 2000 championships.

Sponsored by the Club de patinage artistique de Pierrefonds, an affiliate of the Association régionale de patinage artistique du Lac-Saint-Louis, which comprises 15 clubs, the competition will bring over 1,000 young people together and allow them to test their skills in one of the most beautiful sporting disciplines.

I would like to congratulate, among others, the Fédération de patinage artistique du Québec, which has a membership of nearly 38,000 skaters and the Canadian Figure Skating Association for their work with the young people and for the confidence they have shown in the Club de patinage artistique de Pierrefonds.

Every success to our athletes, officials and organizers.

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ANNE HÉBERT

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, Anne Hébert, one of Quebec's greatest writers passed away recently at the age of 83.

Poet, novelist and playwright, this gentle discreet woman caught the imagination of Quebecers through her writing with its shadows of love and hate, life and death, red and black and dark and light.

• (1405)

Born in Sainte-Catherine-de-la-Jacques-Cartier, cousin of another famous writer, Saint-Denys Garneau, she produced works that earned her an international reputation and prestigious awards, including the Prix France-Canada, the prix Fémina and the prix des Libraires de France, to name but a few.

Anne Hébert died at the dawn of the year 2000. Like the century marked by concern and great hope, she left us a body of work drawn on our roots.

The Bloc Québécois would like to express its deepest sympathies to her family and say to them, in the words of one of her lines, that she who ceaselessly secretly weighs our soul will remain in the hearts of Quebecers.

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[English]

CHURCHILL HEIGHTS

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I take this opportunity to welcome the students of Churchill Heights to Ottawa today. These students have travelled to Ottawa from my riding of Scarborough Centre in order to visit the impressive Parliament Buildings and to see firsthand how their government functions. This experience will no doubt be an enriching addition to what they have already learned in the classroom and will leave a lasting mark on them for the rest of their lives.

I believe it is important for Canadians of all ages to visit the capital and bear witness to the legislative process at work. As such I extend an invitation to all my constituents to do as the students of Churchill Heights have done by visiting us in Ottawa.

I welcome the students from Churchill Heights to Ottawa and thank them for giving me the opportunity to host them in our country's capital.

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GULF WAR SYNDROME

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, an independent autopsy performed on deceased Captain Terry Riordon proves conclusively that gulf war illness exists and that depleted uranium is the probably cause. Captain Riordon's wife, Sue Riordon, endured the double misery of watching her husband die a slow and agonizing death and hearing the government deny that he was suffering from anything but stress.

It is one thing for the government to send our troops to war. It is entirely another to deny they are sick as a result of that war, but that is exactly the government's record. It has continually denied the existence of any gulf war syndrome and publicly insisted that depleted uranium is essentially safe even though its own internal documents warn personnel to wear safety gear when handling this substance.

It is time to recognize the illness, care for the veterans and isolate the toxin that has caused a decade of pain for hundreds of

vets. It is time for the government to be held accountable. We honour the courage of Sue Riordon in her quest for the truth.

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[Translation]

QUEBEC ECONOMY

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, we just heard some excellent news for our economy. The value of Quebec exports has increased for the third consecutive month, to reach \$5.7 billion. This is a 4.7% increase compared to the October figure.

This is a sure sign of the strength of the Quebec economy as well as proof that Quebec can only gain from being part of this great country that Canada is.

Unfortunately, the sovereignists send the wrong message when they try to make people believe that an independent Quebec would fare better. These eloquent figures prove just the opposite.

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[English]

HUMAN RESOURCES DEVELOPMENT

Ms. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, is there anybody left who wonders why Canadians do not have confidence in the government? The political mismanagement of HRDC funding practices has created yet another Liberal slush fund. Canadians are not fooled by the Prime Minister and his spin doctors trying to get off the hook. Canadians know that ministers must be accountable for their own departments.

Instead of following through on its ethical obligations and instead of helping students who are suffering under record high debt the government decides to subsidize billionaire banks. Next, the shipping company owned by the finance minister is interested in buying the assets of Devco, the same crown corporation that through his policies he helped shut down. Is that ethical?

The questions speak louder than the rhetoric. In this last month alone the examples of just how much the government is out of touch with the needs of ordinary Canadians are shocking. If the government wants to restore its credibility it must first learn to respect the people to whom it is accountable, all Canadians.

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[Translation]

MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, yesterday, with his usual but nevertheless hard to take self-importance and contempt, the Minister of Intergovernmental Affairs described those groups wishing to be heard on Bill C-20 as "mothball clubs".

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As far as we in the Bloc Québécois are concerned, these groups reflect the views of millions of Quebecers, including women, young people, artists and workers. Mothballs have nothing to do with them.

• (1410)

On the contrary, the fact that these Quebec groups wish to be heard and the plea by some 100 Canadians yesterday to have the clarity bill withdrawn are a breath of fresh air, and the minister should listen to these people.

Let us help the minister make amends. Let him invite these groups and listen to them during the committee hearings. The minister will see that what they have to say has nothing to do with mothballs.

* * *

[English]

THE ECONOMY

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, through the efforts of all Canadians we are enjoying some of the best economic conditions in over a decade. The unemployment rate was 6.8% in January, the lowest level since April 1976.

This is the largest decline in unemployment under the leadership of any Canadian government in over 50 years. Over 1.7 million new jobs have been created since the Liberal government took office in 1993.

Every Canadian is a part of this success: the lowest unemployment rate for women since 1974, 5.5%; for young people since 1990, 12.5%. With 16 consecutive months of economic growth the Canadian economy is experiencing the longest uninterrupted surge forward in over a decade. Job creation and economic growth are part of every party's political platform, but it is only this government that has delivered on that promise in liberal proportions.

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WESTERN ALIENATION

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I rise today to comment on last week's release of the Liberal government's task force on western alienation. After reading all 62 pages of the report I realized that no matter how many studies the government does on the issue of alienation it still does not get it.

The report showed how completely detached the Liberals are from the needs of western Canada. Their view of western Canada is endemic whether it be their historic indifference to the farm crisis, the 1997 election call in the middle of the Red River Valley flood or a decision under the Trudeau government to create the national energy program.

As a timely example of this western indifference, just this week, yesterday and today, a delegation of respected agricultural leaders

have been denied, refused a meeting with the Minister responsible for the Canadian Wheat Board, one of the few Liberals left in western Canada. The issue they wanted to talk about was western grain transportation, the Kroeger report, an item that is vital to agriculture in western Canada.

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ROBERT MUNSCH

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, we have always known that Guelph—Wellington is full of wonderful and talented people. Later this week one of those people, author Robert Munsch, will be inducted into the Order of Canada. Robert Munsch has written 35 children's books, including the classics *Mortimer*, *The Paper Bag Princess* and *Love You Forever*.

Children across Canada and around the world have grown up with these great stories which not only entertain but also teach important lessons about the importance of family and of accepting people for who they are.

All of Guelph—Wellington will watch proudly when Robert Munsch is honoured by Governor General Adrienne Clarkson for his impressive contribution to children's literature. We hope that Mr. Munsch will keep writing for many, many years to come.

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FOREST INDUSTRY

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, I rise on behalf of the people of Okanagan Coquihalla who have serious concerns about the softwood lumber agreement. Since Canada entered into this agreement many lumber producers have faced severe hardship. My riding has seen hundreds of layoffs in the forest industry with more and more jobs threatened every day.

J. S. Jones Timber Ltd., the biggest employer in the Hope-Boston Bar area, is on closure notice. One of the most efficient lumber mills in western Canada had to tell over 100 employees they will soon be out of a job because the federal Liberal government negotiated a bad deal. The softwood lumber agreement has failed to protect the interests of our forest industry.

When the softwood lumber agreement expires the people of Okanagan—Coquihalla are demanding that the federal Liberal government remember there are people working in the forest industry in British Columbia and we expect a better deal or no deal at all.

* * *

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, Alberta Premier Ralph Klein has his foot to the floor in his drive toward two tier health care. We are only weeks away from the introduction of for profit hospital care in Canada and the

Liberal government is still in disarray, wringing its hands, paralyzed in the glare of Klein's headlights.

Canadians do not want two tier health care and across the country are mobilizing to fight it. Only the Liberals seem powerless to act. They should snap out of it and wake up.

• (1415)

The government has the power to stop the Klein monster it created with its transfer cuts and lack of leadership. It can use the surplus budget and restore the transfer payments fully. The government can immediately act to outlaw private hospitals. It can act now, not next month, not next year, to bring in national home care and national pharmacare.

The big question is do the Liberals have the political will to act in time or will our valued public health system become roadkill on the drive to private profits?

ORAL QUESTION PERIOD

[English]

HUMAN RESOURCES DEVELOPMENT

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the government just loves to claim that human resources grants are about job creation. It never cites examples like the \$2.5 million grant to Videotron. That is the \$5.6 billion merger Videotron. These guys are not exactly needy.

The minister bungled \$1 billion. Now she has been caught at it. I am going to ask the Prime Minister again and I would like to see if he could answer this one on his own without any help from binder boy. Will he fire the minister for incompetence?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the exaggeration on the other side is unbelievable. These programs are serious problems—

Some hon. members: Oh, oh.

Right Hon. Jean Chrétien:—serious programs that have been established and they do not want them. Even the riding of Edmonton North received grants for the Canadian Nature Federation's office in Edmonton, the Edmonton Evergreen Community Association and St. Michael's Extended Care Centre Society of Edmonton. Do they want me to apologize because—

The Speaker: The hon. member for Edmonton North.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, Freud lives. The Prime Minister just said it is a serious problem. That is absolutely true.

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The minister and the Prime Minister are playing Canadians for fools and they are not going to buy it. Out of 37 files alone, \$7 million could not be verified and there are 60,000 files in this case. The minister has had the audit since last August. She kept it quiet. She dodged it in the House and worse, she did nothing about it until we caught her. I would like to ask her, will she fess up and quit today?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I want to repeat again for the record that I never said that things were running perfectly in my department. We received information that told us we could do a better job with the management of our grants and contributions. We made that information public. We are now implementing a six point plan and we will stick—

The Speaker: The hon. member for Edmonton North.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the minister made it public only after she knew she was caught. We have a motion on the floor today to make sure that people realize how slipshod the management in this department has been. Members who support this motion today will be reassuring taxpayers that in spite of "Miss Management" over there, someone actually cares about their taxpayers' dollars and how they are being spent.

I would like to ask which one of the cabinet ministers over there will stand in their place today and condemn the minister for bungling a billion bucks?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we will stand up in the House of Commons and vote for programs that are helping people in need in the ridings. We will tell the people of Canada that the program of that party is to cut the taxes of the rich by 40% and scrap the programs that belong to the poor of Canada.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, we have obtained information on an HRDC job subsidy program. It reveals that just prior to the 1997 election call, the number of approvals skyrocketed. It was a transparent attempt to influence thousands of voters by turning on the public taps.

• (1420)

This is yet another example that HRDC programs are not really about creating jobs as the Prime Minister tries to pretend. They are about creating votes for the Liberals. First the billion dollar bungle, then the cover-up and now this. When will the Prime Minister ask for the minister's—

The Speaker: The right hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have received information about a riding. I have received information about the city of Calgary. Yesterday somebody mentioned my own riding so I checked, because the programs had to be approved by the

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Government of Quebec, the Parti québécois. Of the 17 projects that were submitted, only five were approved before the election. Twelve were approved after the election.

Miss Deborah Grey: Oh, that is okay then.

Right Hon. Jean Chrétien: So that was okay then. That proves that we did not use it. Of the five that were approved before the election, if they were to help me to get elected it is probably because Lucien Bouchard wanted me to remain Prime Minister of Canada.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, I think the Prime Minister has a hearing disability.

Some hon. members: Oh, oh.

The Speaker: Order, please.

Mrs. Diane Ablonczy: I can sympathize with a Prime Minister who does not want to answer serious, serious charges against his government, but the fact of the matter is that these are public moneys that were clearly shovelled out the door in enormous piles just before an election.

What does the Prime Minister and the government have to say to Canadians about such a blatant misuse of their money?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is true that I have a problem with hearing. I have had it since I was a baby. I accept that but probably the hon. member should learn not to create things that do not exist. She is still talking about \$1 billion of mismanagement when it is not true.

An hon. member: That is what it is.

Right Hon. Jean Chrétien: No, it is not true. There were 459 files and 37 needed more information. All information will be out. Some cases were extremely small.

As I said and I repeat, the auditing will be carried on until the end. Every dollar that would have been misspent will—

* * *

[Translation]

BILL C-20

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Minister of Intergovernmental Affairs refused to meet with the Fédération des femmes du Québec, the Front commun des assistés sociaux, and Quebec's student federations and labour congresses, going so far as to describe these groups as "mothball clubs".

Will the Prime Minister tell us whether he shares the disdain in which his minister holds groups representing hundreds of thou-

sands of Quebecers or whether he intends to dissociate himself from the minister's remarks?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the party leader and all his troops, who have thrown the worst words in the dictionary in my direction, who have used terms such as traitor and sell-out to describe French-speaking Quebecers sitting in this House, should mothball some of the vocabulary they use in their speeches.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like to know when I have used such terms. If he can give examples, let him do so. And I did not understand the end of his reply. It was incomprehensible.

• (1425)

I wonder if the Prime Minister could explain to the House why he is refusing to meet with these groups when he consults them on other projects, as he did with the prebudget meetings for instance.

Why is he refusing to meet with these groups, which have something to say and which represent hundreds of thousands of Quebecers? Why is he so scornful of them? That is the question. We would like an explanation.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, a committee will hold hearings and, if they wish to make presentations before it, they may do so like any other group. The committee will hold hearings and they may attend. They have never been told that they could not attend.

Some hon. members: Oh, oh.

An hon. member: It is up to the committee to decide.

Right Hon. Jean Chrétien: It is up to the committee to decide. I said that the committee would be sitting in Ottawa because the bill applies to all provinces and, if a travelling committee is required, it will have to go to all provinces, and we do not want to waste too much of the House's time on this. We want to move ahead as quickly as possible.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, we would really like to understand what the Prime Minister has just said.

Is he going to encourage the groups to participate, authorize the committee to travel? Is this what the Liberal majority on the committee is going to propose that the committee should do?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is up to the committee to decide whom it will hear. The hon. member has a great deal of experience and already knows how committees operate.

The committee was selected a little earlier today by the House Committee on Procedure and House Affairs, which will report tomorrow. When the committee is subsequently informed of the

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orders of the House, that is of second reading, it will meet to select witnesses. That is how it will be done.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, I would like to repeat my question to the Prime Minister, that same Prime Minister who, when the linguistic school boards were being debated in the House in 1997, stated, and I quote “Everyone’s point of view must be heard, however, for this is a democracy”.

Does the Prime Minister wish the groups to be heard by the committee? Does he want this committee to travel?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if I am not mistaken, the hon. member has just referred to a quote made by himself in the past. It is interesting that the Bloc Québécois members use quotations when it suits them, but when it does not suit them, they do the opposite. This does not surprise me.

* * *

[English]

HUMAN RESOURCES DEVELOPMENT

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, yesterday the Prime Minister made it clear both in the House and outside of it that detailed documentation has been compiled riding by riding for all HRDC grants and contributions for every member of parliament.

Canadians have a right to that information. Will the Prime Minister agree to table that documentation for all 301 ridings?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have these documents and have looked at some files. I asked them to look into the files of my riding because I was interested. We looked in members’ files and they were all asking for money from the department. Very often we agreed when they had a good case. That is why this program exists.

We are not offended when members of parliament make recommendations. What we are offended by is when they double-talk and when they send letters to the minister asking for money and then complain in the House of Commons because they do not want to receive the money.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, it is clear that the Prime Minister has the information. It is clear that the House leader has the information. It is not so clear that the HRDC minister has the information. I think she gets it on a need to know basis.

Canadians have a right to that information. If the Prime Minister will not agree to release the documentation, then we need an independent public inquiry to get to the bottom of this. Will the

Prime Minister today agree to the appointment of an independent public inquiry?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, yes, we have some information for the House of Commons. I do not know why the hon. member is afraid that I could get up and cite some case in her riding. We have the right to do that. This is public information and she is afraid that we will use it. She could put a question on the Order Paper and we will give her the information.

• (1430)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, what are truly missing here are iron clad assurances that the government will behave responsibly with taxpayers’ money.

Given the potential for criminal activity in this matter and a history of such within HRDC, will the solicitor general call on his commissioner today to launch a full and complete investigation to clear the air?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let me review again what has transpired. I, as the Minister of Human Resources Development Canada, received the report on an internal audit. I was not happy with the results of that report.

I insisted on a strong management response that includes a six point plan that has been reviewed with the auditor general, who himself says “In our opinion the proposed approach represents a thorough plan for corrective action to address the immediate control problems that were identified”.

We will work with the auditor general to implement this plan.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, while the Prime Minister engages in the age old tactic of accuse the accuser, aided by the co-driver of the getaway car, the government House leader, Canadians are waiting for answers.

What is missing is some semblance of accountability. We know that money went missing. We know that money went from government coffers to Liberal backers, who turned around and made significant contributions to the government. How can the public have faith in this system that is so politically tainted and advantageous to the government?

Will the minister call for a full, independent financial audit of her department?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said that this is an audit by the department.

I also said yesterday that previously the auditor general could report only once a year. Now he can report four times a year. We

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want all of these cases to be known as quickly as possible so that we can remedy the situation as quickly as possible.

We want the public money to be well administered and all moneys disbursed to the programs they were intended to serve. That is exactly what we are doing and what we will keep doing.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, another day, another example of how rotten to the core this government has become.

The latest rip-off is that the government sent \$200,000 to a water bottling company in the Indian affairs minister's riding. Today that company is bankrupt and the money is all gone.

In the history of the country there has never been a more incompetent and neglectful minister than the Minister of Human Resources Development. Never.

When will that minister resign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member is holier than thou all the time.

Is he opposed because the government is giving money to the Medicine Hat family YMCA, the Medicine Hat Rehabilitation Council and the Taber and District Community Adult Learning Council? We are doing that for his riding, as we do for the riding of every member of parliament.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, what I am opposed to is stupid government like we are getting from this government and this Prime Minister.

Some hon. members: Oh, oh.

The Speaker: Order, please. I would prefer if we stayed away from terms like stupid on a day like this.

Mr. Monte Solberg: Mr. Speaker, that is a challenge.

The minister mismanaged \$1 billion, and then she tried to cover it up. Now she is trying to weasel out of her responsibilities. When will she resign?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again, \$1 billion has not disappeared. We know where it is. The cheques to every organization and individual indicate where the money has gone.

I am taking my responsibility as minister. I received the information. I made it public. We are implementing a very cohesive plan. This problem will be fixed.

• (1435)

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the Prime Minister is

trying to play down the importance of Human Resources Development Canada's loss of control by reducing to only 37 the number of problem cases. The scandal involves a great many more files according to the internal audit report.

How can the government justify the fact that of the 459 files audited, 80% were not subject to any financial monitoring? We are not talking about 37 files, but 367.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all the documents were made public, and the auditors found 37 cases that warranted additional study. This represents a figure of approximately \$30 million.

Next week, each of the 37 cases will be thoroughly analyzed and solutions provided. If people have received money they are not entitled to, they will have to repay the government.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, according to the same internal audit report, in 97% of the projects audited, the government paid out money to promoters without checking to see whether there were outstanding debts to Human Resources Development Canada, something that must be done.

Will the Prime Minister acknowledge that 445 of the 459 cases are involved and not the 37 he likes to repeat?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, this gives me a chance to ask the hon. member to read our six point action plan. If he will understand it he will know that these issues will be dealt with.

First and foremost, the first item is that we will ensure that all payments meet financial requirements. Secondly, and this goes to the point of the hon. member, we will check and correct all problem files.

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, the human resources audit uncovered an appalling pattern of mismanagement and misuse of funds, many just prior to the 1997 election. The human resources minister ignored that audit. The minister was so irresponsible and so needy of attention that she handed her own riding three-quarters of a million dollars in grants as late as November, in spite of the fact that her riding does not qualify.

She abused the granting rule, she botched \$1 billion and she refuses to accept responsibility. How can Canadians possibly trust this minister?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again, no rules were ever broken with applications for programs in my riding.

The hon. member is talking about transitional jobs fund programs in areas over 12%. Let us look at where those programs and

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projects were approved: in the riding of Kootenay—Columbia, six projects, with a value of \$3.5 million; in the riding of Nanaimo—Alberni, seven projects, \$2.3 million; in the riding of Nanaimo—Cowichan, six projects, \$1.5 million.

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, in the minister's own words the mark was 12%, yet the 1996 Canada census shows the unemployment rate in the minister's riding of Brant at 8.4%. Statistics Canada in 1999 gave the unemployment rate of that riding as 6%.

• (1440)

How does the minister feel that her riding qualifies? Where does that riding get 12% unemployment?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again, there were no rules broken for applications for transitional jobs funds in my riding.

There is a story I would like to tell the House about the member for Edmonton North, who in the darkest times in my riding, when another plant was closing, went there to speak to the employees. She asked "Where is your member of parliament? She is doing nothing for you".

Then we see them challenging me on the implementation of programs like TJF. It is clear that the Reform Party is only happy when the people of my riding are not working.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister is trying to create a diversion by repeating that the bungling at Human Resources Development Canada involves only 37 cases.

However, the department's internal audit report says that 303 cases were approved without analysis and that 165 projects out of 459 obtained unjustified fund increases.

Will the Prime Minister admit that, by telling us that only 37 cases were involved, he is trying to hide the facts in order to save the government's face and his incompetent minister?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again I would draw the hon. member's attention to our six point plan.

Indeed, we point out that we will look at all our active files. If we find that there are issues of overpayment, we will deal with them. If we find that there are cases of fraud or misappropriation, the appropriate authorities will be brought in.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, 321 projects out of 459 submitted no invoices or payroll records to back

up expenses. Of the 459 projects, 367 were not subject to any financial monitoring. And they find that funny.

Should the Prime Minister not admit that his minister is completely incompetent and that taxpayers' money is extremely badly managed by his government? It is a scandal.

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Let me say again, Mr. Speaker, that the strategy we have built is one that has been recognized by the auditor general as being workable.

Let me make another comment on a statement by the assistant auditor general.

Some hon. members: Oh, oh.

The Speaker: Order, please.

Hon. Jane Stewart: Mr. Speaker, we are talking about our approach to remedying this problem. The assistant auditor general said "Right now the minister has said, and the officials have said, that they have aggressively put a program in place that will address these problems immediately.

I have had some discussions with the officials in the department and I must say that they are taking this very, very seriously. They are making it a priority and they are putting a number of things in place immediately".

[Translation]

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, ministerial accountability means that the minister is accountable for the management of her department.

We have discovered rules that were not followed, money that was improperly spent, and a minister that directed taxpayers' money to her own riding.

What is the minister waiting for to resign?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I do not take a job and not finish it.

I received information that said we could do a much better job in administering grants and contributions. I made the report public. I wanted Canadians to know that we had a challenge in our department and that we were going to fix it. In working with my department very closely, we have built a plan of action that has the approval of the auditor general. We are going to implement it and we are going to fix this problem once and for all.

• (1445)

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, do you know what would have happened to this minister in private industry? Stockholders would have met and she would have been out the

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door in five seconds. Why is it so difficult for the Liberal government?

When is this minister simply going to clean out her desk, turn in her key and let somebody else take over her department? When?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like to say something. The people of Canada have looked at this government very closely.

An hon. member: No.

Right Hon. Jean Chrétien: Yes. And we did not have to change our name four times.

The people of Canada recognize that we started with a deficit of \$42 billion and we now have a surplus. We started with an 11.5% unemployment rate. We now have the lowest rate in 24 years at 6.8%. The interest rates were 11% when we started and are now at 6%. That is why the people know that when we have a problem we will solve it.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, Placeteco, a company in the riding of Saint-Maurice that is well known to the Prime Minister because the former director general of the Liberal Party of Canada works there, obtained \$1.2 million. The net result is that 61 jobs disappeared.

Can the Prime Minister tell us whether Placeteco is on the list of projects for which sponsors will have to return money, as he said yesterday?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the projects in my riding, like those in all ridings, are subject to the same audits and the same rules.

There were projects in my riding, and there were projects of all sorts in all ridings where required. In this case, they received a grant and, like everyone else, they will have to follow the rules that apply to all ridings in Canada.

* * *

[*English*]

ENDANGERED SPECIES

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

Canadians are very concerned about the protection of wildlife species and their ecosystems. Dr. David Green, of the Committee on the Status of Endangered Wildlife in Canada, says that the current list of endangered species is just the tip of the iceberg.

What additional money and manpower will be made available to increase scientific species assessments and reviews?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I will start by thanking Dr. David Green and the members of the Committee on the Status of Endangered Wildlife in

Canada for the excellent work they have done over the last 22 years.

I can assure the hon. member that the independence and the scientific credibility of the committee will be protected in the new legislation that I will be introducing within the next month. I can assure her that I will be discussing with Dr. Green the resources that his committee will need for the new responsibilities that the legislation will make necessary.

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HUMAN RESOURCES DEVELOPMENT

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, I say to the Minister of Human Resources Development that her response “there is no money missing—we’ve seen the cancelled cheques”, is a ridiculous response.

How does the minister justify \$900,000 on the TJF list given to Anvil Range with no jobs created; the \$90,000 given to the Saskatchewan Dutch Elm Disease, which sounds like a Liberal disease, with zero jobs created; and the \$72,000 given to Clifford Smith Trucking with zero jobs created? And on the list goes. How does she justify tax dollars being used for that kind of job creation?

This is job creation for Liberal candidates. It is about Liberal vote gathering. The jig is up. Instead of justifying millions of dollars for zero jobs created, why does she not create a job opening and simply resign?

The Speaker: Concerning the question as it was stated, I think the hon. member was seeking information about a very specific project. I will permit the question but the hon. member should know that those specific questions are out of many hundreds or thousands of folders. They are pretty specific. I wonder if he can make them a little more general.

The hon. Minister of Human Resources Development.

● (1450)

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I justify the moneys invested in the transitional jobs fund because it created 30,000 jobs for Canadians who were not working before.

I justify the transitional jobs fund because it created work in communities right across this country: in the ridings of 25 Reform members, \$20 million invested; in the ridings of 32 Bloc members, \$57 million invested; and in the ridings of 12 NDP.

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, the transitional jobs fund list indicates 32 projects, with \$14 million doled out, produced zero jobs. This is not about job creation. It is about sprinkling taxpayer dollars like pixie dust.

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Why will the human resources minister not fess up to this scandalous absconding of tax dollars and simply resign?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, in my job as minister, I have to look at these programs to determine if they are indeed making a difference.

The hon. member can pick and choose the projects that he wants but there are over 60,000 of them that are part of the last three years' investments.

I can tell the House that overall our performance reports are good. When we are looking at the transitional jobs fund, we are talking about 30,000 men and women who have depended on this fund to have the dignity of a job.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, yesterday the Prime Minister criticized opposition members who are following the rules on job development programs. Now the Prime Minister is refusing to disclose information that his House leader clearly is spoon-feeding him with.

New Democrats support job creation. We support student employment programs. What we do not support is the Liberals making a mockery of these programs through gross mismanagement. We do not support programs being approved for political purposes and withholding information from members and the public.

Will the Prime Minister table all of the information and—

The Speaker: The hon. Minister of Human Resources Development.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, does the hon. member think that the \$37 million approved in her riding between 1997 and now were for political purposes?

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Prime Minister has all the information concerning the transitional jobs fund, for each and every riding. In fact, this information is currently on the desk of the leader of the government in the House.

Canadians are entitled to that information. Is the Prime Minister prepared to table today, in this House, all the information contained in his magic book?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is the first time I hear members complain about the fact that the government is too well-informed.

We are doing our job. Perhaps the hon. member feels left out. I do not have anything about his riding, but now I am interested in finding something about it.

[*English*]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, we heard the minister today and on previous days bragging about the six point plan.

Is the minister telling us that a department that handles 30,000 cases and billions of dollars in taxpayers' money has no plan before October 5?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I am not sure what the hon. member's point is. Indeed, as I have presented to this House, as minister I received the information from an internal audit. It said that we can do a much better job in administering our grants and contributions.

I have taken it seriously. The department has made it a priority. We made the report public.

I say again, we will fix this problem.

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, a spot check of 70 grants found \$27 million made its way to donors of the governing party. In the riding of Tobique—Mactaquac, Barrette Diversified Corporation received a TJF grant of over \$16,000 and gave back half that grant to the governing party in donations.

Was this what the government intended to do when it set up this slush fund in the first place?

• (1455)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if he is making a link and a criminal accusation then he should make it. I have a member of parliament who is complaining but he has bragged in his householder that the Liberal government has invested money for job creation in his riding. He talked about 542 jobs being created by these programs.

We made a mistake helping his people. We will tell his electorate in the next election.

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IMMIGRATION

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, the recent arrests of illegal migrants at Sarnia, Walpole Island and Windsor point to the need for strengthened laws.

Will the Minister of Citizenship and Immigration update the House and all Canadians as to how she proposes to solve this problem? I agree, we need to show the world that yes, we are a humane and compassionate country, but that we will not be taken advantage of or be a dumping ground for criminal activity. What is the minister's plan for action?

Oral Questions

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I thank the hon. member and I share her concerns. In fact, we have zero tolerance policy when it comes to foreign nationals who commit serious crimes in Canada. Foreign nationals who have committed crimes outside of Canada are inadmissible to Canada. Further, the public safety of Canadians is our number one priority.

Having said that, the refugee determination system is about saving lives. Canada is an open and compassionate society. Yes, at the present time we are reviewing our legislation and our regulations to determine that it is appropriate to meet these challenges.

* * *

HUMAN RESOURCES DEVELOPMENT

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, the human resources minister pretends she is compassionate. However, compassion is when we recognize that Canadians are dying in hospital waiting lines and we do something about it. Compassion is when we recognize that families are being strangled by excessive taxation and that we be as prudent as possible with their hard-earned tax dollars. Cold-heartedness is when we blow a billion bucks and we could not care less.

Is it that the human resources minister is cold-hearted or is it that she just does not care?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I reject the premise of the hon. member's question. As I listen to the questions from that side of the House through the course of the day, I just want to say that making change is a difficult thing to do. Asking questions about change is pretty easy. It reminds me of a phrase we use back in my town in Brant County, where they say "dogs bark at cars but dogs can't drive".

[Translation]

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, the Minister for International Trade is taking cover to avoid answering the questions of parliamentarians on the problems affecting the Department of Human Resources Development, for which he was responsible during a long time.

Will the minister do the honorable thing and agree to testify before the Standing Committee on Human Resources Development regarding the bungling at Human Resources Canada, particularly since the chair and the vice-chair of the committee, who are both fellow Liberals, said that they may well call the minister to testify?

Some hon. members: Oh, oh.

• (1500)

The Speaker: Order, please.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the insults hurled by members opposite at the Minister for International Trade are not justified.

As for the substance of the question, the hon. member knows full well, as I do and as all members do, that not only is the question out of order, so is what he is asking.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, Winnipeg Centre is the third poorest riding in the country, yet we were told that we did not qualify for one cent of transitional jobs fund money.

Much wealthier ridings, like the one represented by the minister of HRDC, qualify for all kinds of TJF money even though her unemployment rate is half that of Winnipeg Centre. It is no wonder Canadians are cynical. It is no wonder they are calling the TJF the Liberal slush fund.

How is it that my riding at 13.7% unemployment qualifies for nothing and the minister's own riding at 7.6% gets millions and millions of dollars of transitional jobs fund money?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have a list here and he is the one who has received the most of all members of parliament. I am happy that he wants more.

They cannot have it both ways, complaining that they want more and complaining at the same time that the program is no good.

[Translation]

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, in all this business about Human Resources Development Canada, we know that 50% of program spending was during the 1997 election campaign. We know that there was influence peddling involved, and that one person was even convicted.

This morning, the members for Pictou—Antigonish—Guysborough and Madawaska—Restigouche met with people from the RCMP in order to have an in-depth investigation carried out on various allegations.

Could the solicitor general do what we did this morning, that is ask the RCMP to carry out a full investigation so as to save the innocent and charge the guilty?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again, we are taking action. If the hon. member has indications that there was wrongdoing, let him bring them forward and the appropriate authorities will be involved.

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of my brother Speaker from the Legislative Assembly of Ontario, the honourable Gary Carr.

Some hon. members: Hear, hear.

* * *

● (1505)

POINTS OF ORDER

TABLING OF DOCUMENTS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I rise on a point of order. During question period the Prime Minister used a document to contradict the allegations that I made. Clearly there is complete disagreement here, a 180 degree opposite.

In the sense that the Prime Minister used that prop or that document as part of his answer, I would like him to table it so we can get to the bottom of who is right and who is wrong.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I rise on the same point of order as the hon. member for Winnipeg Centre. I think it is important in the House, if we are to have genuine debate and questions and answers, if we are seeking information and asking questions of the government, that there be some modicum of respect for truth in the Chamber.

When a question is asked about a particular fund, in this case the transitional jobs fund, then the government, if it is going to make claims about what goes to certain ridings and what does not go to other ridings, needs to stick to what the question asked is about. In this case it is the transitional jobs fund.

If the government has evidence as it claims that there were transitional jobs fund money, not other money but transitional jobs fund money which is what the question was about, going into the riding of Winnipeg Centre, then I invite the government to table it now because it cannot.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I am rising in support of the member for Winnipeg Centre on a couple of points. As we know Beauchesne's citation 495 requires that documents quoted from in the House should be tabled in the House. That is one with which we are familiar.

I also turn to Erskine May at page 63 which talk specifically about ministerial accountability in the House. This is a relatively recent ruling adopted by members of the House in 1996. To read briefly from it, it says:

Points of Order

That, in the opinion of this House, the following principles should govern the conduct of ministers of the Crown in relation to Parliament: ministers have a duty to Parliament to account, and be held to account, for the policies, decisions and actions of their departments and Next Steps Agencies; it is of paramount importance that ministers give accurate and truthful information to Parliament, correcting any inadvertent errors at the earliest opportunity. Ministers who knowingly mislead Parliament will be expected to offer their resignation to the Prime Minister; ministers should be as open as possible with Parliament, refusing to provide information only when disclosure would not be in the public interest—

Over the last couple of days we have seen a spectacle of the House leader and others on the government side providing information on a regular basis to the Prime Minister and other ministers and then refusing to table that same binder, that same information which they have collected from across the country. It is in the public interest. It is not in the public interest to withhold that information. It is in the interest of all Canadians to see that information.

● (1510)

The reason it is important, not just the few quotes from today but the entire binder of information it has on each and every member of parliament in this place, is that there is a gag order. A gag order has gone out from the government to HRD offices, refusing to even discuss the very documents that members on the opposition and other sides of the House may have communicated with the government. They have been told to refuse to discuss the very documents the government has in the famous binders across the way.

We have a spectacle where the government is using information garnered from the department, using departmental resources and using ministerial gag orders saying that the information is not to be shared with anyone else. A video has been sent out to all HRD offices explaining how to answer requests for information and how to stymie the process to make sure that information does not get out.

What do we have? We have a government using departmental resources to keep information away from members of parliament and from the Canadian public.

The member's request to table the document, which is a reasonable one, should be extended to the entire packet of information the government has on each and every member of parliament in this place which it is using selectively and to provide information that is not truthful, and which Erskine May says is a contempt of this place.

It should table not only the documents that were quoted from today and this week in the House of Commons, but I would ask you, Mr. Speaker, to ask the government House leader to do the honourable thing and look after ministerial accountability and responsibility. He should do what Erskine May and the House of Commons collectively decided in 1996, and that is not withhold information that is in the public interest. This information is in the public interest and should be tabled in the House of Commons.

Points of Order

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I know hon. members are very upset by this matter, but I would attach myself very much to the remarks of the previous speakers.

The government House leader is not only an officer of his government. He is also an officer of the House. I respectfully request that the House leader is very familiar with House procedure and with the previous precedents quoted by the opposition House leader.

He is duty bound, I would suggest, to table these documents, not only the documents that were handed quickly as back-up to the Prime Minister throughout question period over the last number of days but, as has been previously stated, all documents being used to fortify and deflect attention away from this issue. Those documents should be before the House and accessible to the opposition and therefore accessible to the Canadian public.

[Translation]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I would like to corroborate to some extent what the two previous speakers have said.

I have been in this House 16 years, and it is customary when quoting a document for the Prime Minister or the minister concerned to table the document, in order to be able to use it subsequently in answering questions or to use extracts from it in answers.

When the Prime Minister or minister quotes from documents or reads excerpts from them, however, they are required to table the entire document so that each member of the House may have the same use, view of, and ease of access to the documents in question.

If no document or file had ever been quoted to the members, he could say “Go and get the documents you want under the Access to Information Act”, but this particular document is pertinent to the debate and to the events as they are unfolding. All of the files must therefore be tabled, and parts of the document must not be quoted during question period only.

It is totally legitimate for each member to demand this right.

[English]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I rise on the same point of order. I also asked a question in the House today and was amazed to hear that \$37 million had gone into my riding.

There is no way for me to verify that information. It is not clear whether it was the transitional jobs fund or other programs. It is patently unfair for this information to be at the beck and call of

government members and not to be disclosed to all members of the House. It is unparliamentary and undemocratic.

We are talking about public expenditures and if that information is being used by the government in debate, in question period, and there is no way for members to be able to verify that information or how to respond to it, it is very unfair.

• (1515)

I would implore the Speaker to consider this point and to request the government to disclose this information as it is in the public realm.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to respond to a number of points that were raised today. I do not agree with too many of them and I intend to share with you why I do not.

The member for Vancouver East alleges that because answers were provided to her the government should automatically supply written material to support an answer. We could equally claim that the government should have supporting material for some of these unsubstantiated allegations from some of the members across. That would probably be far more constructive in terms of the good governance of the country with one difference which is that the numbers we have used I maintain are correct to the best of our knowledge. I would say that is hardly the case with some of the questions being asked.

[Translation]

The member for Richelieu raised the point that, when a minister cites a document, he should not only table the document cited, but all of the documentation.

I draw your attention to citation 495(4) of *Beauchesne's*, which reads as follows:

[English]

Only the document cited need be tabled by a Minister. A complete file need not be tabled—

That is citation 495(4).

Mr. Bill Blaikie: Cite what the Prime Minister was referring to.

Hon. Don Boudria: I am glad the House leader for the NDP is interjecting. It permits me to refer to citation 495(3) of *Beauchesne's* which says:

A public document referred to but not cited or quoted by a Minister need not be tabled. *Journals*, November 16, 1971, p. 922.

Mr. Peter MacKay: What are you hiding, Don?

Mr. Rick Borotsik: Table it.

Hon. Don Boudria: Mr. Speaker, in terms of the document that I have before me, I have my ministerial briefing book prepared by my staff. This is my own personal briefing book. Ministers

Points of Order

historically have had these to assist them in preparing constructive answers to the questions that are asked of them from time to time.

Mr. Bill Blaikie: Otherwise known as the book of lies.

The Speaker: Order, please. Some things I do hear, some things I do not. I would ask the hon. member who is a veteran parliamentarian to please cease and desist from words such as that. I call on hon. members to listen to the explanations that are being made and then I will make up my own mind.

Hon. Don Boudria: Mr. Speaker, I will ignore that for the time being.

The opposition House leader also requested that a minister table his briefing book. He further alleges that my briefing book was prepared by officials of a government department. That is factually incorrect. I would like him to substantiate that accusation if he has any way of providing that.

Referring to the opposition House leader, I offered yesterday to table the letters that were quoted yesterday. I asked him across the floor of the House by way of interjection to ask me to table the letters because I had annotated them and offered to table them. It is interesting to note that he did not seem to think that it was a good idea to have his own quotes tabled with those of his colleagues in the House of Commons.

The member for Pictou—Antigonish—Guysborough would like me to table documents which were not referred to in the House. I would love to table the letter that he sent to the department asking for funding for MacPherson's Trailer Services and the one for the brewery in his constituency. I will drink to that. There is the one he sent for the Dunrite Blasting company, the one for Trans-Atlantic Transport, the one that he sent for Scotia Aqua Farms, the one that he sent for the amusement park, the hair studio, Caren's Shear Magic Hair Design, and the one for Fitness Xpress, but Mr. Speaker, I did not quote from those documents. The rules do not permit me to table in the House of Commons these documents that the hon. member sent, so obviously I do not intend to do so.

• (1520)

Any documents that were quoted from today, other than our own internal documents, I will gladly table. For instance, I am prepared to table the householder of the member for Madawaska—Restigouche which made all sorts of very praising remarks about the human resources department. I will gladly table that particular document because it was actually quoted.

Finally, a member from Winnipeg asked about the amount that human resources development contributed to his constituency. I believe that he asked specifically about the transitional jobs fund. The Prime Minister—

An hon. member: Mr. Speaker, on a point of order.

The Speaker: Order, please. I will hear this and then I will hear your point of order. The hon. government House leader.

Hon. Don Boudria: The Prime Minister in his response answered that the total human resources development money given to the constituency represented by the hon. member, which I believe to be Winnipeg Centre, that information is correct, was in the amount of \$139,469,824. That is the riding in all of Canada that has received the most human resources development money for the combined years of 1997-98, 1998-99 and 1999-2000 at least to date.

The Speaker: As a general rule, when we have a public document that was quoted from and cited, yes, we do have it tabled in the House of Commons.

I repeat citation 495 which states:

(3) A public document referred to but not cited or quoted by a minister need not be tabled.

That is from a decision in 1971.

(4) Only the document cited need be tabled by a minister. A complete file need not be tabled because one document in it has been cited.

Therefore, if something was quoted from in the House and it is cited, then that document would be tabled.

What we have here is a question of do ministers have the right to have materials in the House that they refer to to give answers in the House. I would judge that if all of the briefing notes which were prepared for the ministers had to be tabled, then I think that that would perhaps put the minister at somewhat of a disadvantage and that all of the information that he uses would be cited in public.

I will review the blues, and if the blues do state a specific document was cited and where it was cited, then I will come back to the House if it is necessary. But I will not order that notes that are made either in the House or before they come in the House as briefing notes be released to the House.

• (1525)

On the other point brought up about accountability of the ministers, I am sure that if the hon. member looks through all of that and if what the hon. member is claiming is that not that there is a matter of opinion on both sides but that there was—now this is my word, the hon. member did not use it—but that in fact there was a deliberate lie, then we are dealing with something else altogether. The minister of course is appointed by the Prime Minister. If the minister feels for whatever reason that he or she should be resigning for whatever reasons he or she has, then that would be his or her decision. Conversely I think that the Prime Minister would have all of the authority that a leader of a party has to dismiss or change the ministers as they are.

On both counts, one the releasing of the information, I would rule that yes, if it is in a public document cited—and I commit to

Privilege

reviewing the blues to see if indeed there was a document cited in there—and two on the accountability of ministers, I would rule on both cases that the point of order is not granted.

This point of order is over.

* * *

PRIVILEGE

MEMBER FOR MISSISSAUGA WEST

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): My member's privilege, Mr. Speaker, has to do with debate this morning. The member for Mississauga West was speaking about myself and the Selkirk—Interlake riding and referring to HRDC moneys that had flowed into my riding.

The member for Mississauga West is referring to material that he has access to out of the HRDC department or from the hon. House leader of the Liberal government which I as a member do not have access to. As a result my ability to debate and to discuss the very moneys that have flowed into Selkirk—Interlake are hampered by not having access to the same information that the government members have.

As a result, my privileges have been abused in the House. I would ask that all the files pertaining to the HRDC money that has flowed into Selkirk—Interlake be turned over to me so that I can defend myself and answer to allegations that are brought forward by the members on the Liberal side.

The Speaker: I think that the hon. member is now taking part in a debate. The hon. member says one thing which would be his understanding. I do not know that you have to show all of your research files for everything that you say in the House. The hon. member on the other side is claiming another thing.

I would suggest that this is a matter of debate and that the hon. member has recourse to debate. That would be my decision at this point.

* * *

[*Translation*]

POINTS OF ORDER

HOUSEHOLDERS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I rise on a point of order, just for clarification.

You acknowledge that it is the privilege of all parliamentarians to send our fellow citizens householders four times a year. This is a recognized privilege in this House.

I want to point out for your consideration the fact that, when the government leader, with a lack of fair play and something nearing unparliamentary practice, hijacks this mailing in order to change

the meaning we have given it as opposition parties, we are put at a disadvantage in relation to all the information the government has.

I will close simply by respectfully submitting that, if the government leader can rise in the House and use our parliamentary mailings for devious purposes, we as opposition parties must have the same information as they do to on the subsidies awarded in our respective ridings.

The Speaker: I thank the hon. member. If he is referring simply to the householders we send out to our constituents, as the member pointed out, four times a year, we all have an opportunity to read them, as they are in the public domain. If we want to use them in debates here, that is acceptable and it has always been so. The hon. member may do so if he wishes, as the other member did today.

However, I think that it is simply a continuation of the debate, which I hope we will resume in a few minutes.

* * *

● (1530)

[*English*]

PRIVILEGE

MEMBER FOR MISSISSAUGA WEST

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I rise on a point of order. The member for Selkirk—Interlake referred to my speech this morning and suggested that somehow I had violated his privileges in this place.

I quoted from documentation that was not provided by the ministry but rather by our own caucus research bureau, quite extensive letters from this member dated June 24, 1997. I read the quote—

The Speaker: I submit that this is debate on both side. The hon. member need not explain from where he got his information. Now the hon. member has it on the other side. I think this is indeed a matter of debate, and I would like to let the matter sit at this point.

Mr. Peter MacKay: Mr. Speaker, I am simply looking for a clarification of your earlier ruling. You are reserving the opportunity to review the blues.

The request from the opposition is quite clear. As I understand it, the documents referred to by the Prime Minister both yesterday and today in the House are what is being sought, and the Chair is reserving on whether the reference to those documents therefore demands that they be tabled.

The Speaker: I want to read the blues to see what precisely was said and in what context. At that time, if I judge that it is necessary to come back to the House with whatever the decision is, I will do it.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—HUMAN RESOURCES DEVELOPMENT

The House resumed consideration of the motion and of the amendment.

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Madam Speaker, this debate is on a tripartite motion by the Leader of the Opposition. The first element goes to internal management of the Human Resources Development department. The second relates to ministerial responsibility as a constitutional principle. The third relates to the particular minister actually holding the office of minister. The last two questions are related a little.

It might be worth noting that the present minister was Minister of Indian Affairs and Northern Development until as late as August 1999. I had the opportunity of negotiating at great length with her on native land claims in British Columbia as late as August. Most of the matters under discussion occurred or had their origins and were completed well before she entered into office. The issue of ministerial responsibility in the particular case thus has a certain artificial quality to it.

On the general issue of ministerial responsibility, we might say with some disappointment that the debate in the House has not been very edifying or very useful. It is a principle that developed in the early 17th century constitutional struggles in Great Britain. At that time there was a clear constitutional dichotomy between prerogative power and legislative power, and most of the principles were developed in that context. They apply with difficulty to a situation of fused governmental power. The parliamentary executive was developed in the 19th century and continued to the present.

Again, what one might call the modern concept of ministerial responsibility relates to the period of constitutional laissez-faire and limited government and probably has little practical relationship to the sort of problems we face today in a period of big government with very large spending power on the part of the government and very large departments of which we have two or three within the present post-war Canadian governmental system. In a certain way it surpasses the capacities of ministers to administer without considerably more sophistication in the administrative processes and structures available to them. It is perhaps a little disappointing therefore that so little has been said in follow up to the principle of ministerial responsibility and what it means in

Supply

terms of concrete changes and modernization of governmental structures and processes.

• (1535)

I noted with interest the present minister's immediate responses to the situations that have been discussed in the House in the last two days: the internal changes which are being made without constitutional amendment and intensified staff training on administration. They involved the introduction of the principle of accountability of managers for the results of their programs; disciplinary action if gross mismanagement or fraudulent activities are revealed; the creation of a new audit group; the review of all active files by April 30, 2000; and ensuring files are complete before the contract is signed and that all requests for payment are accompanied by a check list containing necessary financial information. These are good steps and we welcome their introduction.

I think we should ask members of the House, both government and opposition but I think with particular reference to opposition members, what exactly they did or saw as their function as members of the Standing Committee on Human Resources Development. These are all-party committees. The agenda is subject to consensus formation. The opportunity to ask for files and to review them is there.

I find it interesting that there seems to have been an absence of information on the part of members when specific issues have been raised of grants made to their constituencies. They do not seem to have been aware of that fact, and one wonders why.

The responsibility of a member of parliament or a member of a committee is to keep oneself apprised of the details of administration. It is always within the power of a committee to demand production of files or to demand the appearance of officials. With certain of the committees of parliament this is a fact of life. Some of them have been quite robust committees and quite rambunctious in the process.

I note with particular interest the surprise of the member for Vancouver East, a very much respected individual, that a total of \$37 million in grants went to Vancouver East. As a resident of Vancouver I cannot think of a better area of the city to receive \$37 million. I might even wonder whether that is enough. But, again, are members of parliament not utilizing to the full their role as members of committees or their role of individual members? In other words it is a case, as Bentham said, of judge and company, in this case government and members of parliament. There is more than one party involved in this whole process.

Every file that comes to my office, infrastructure, millennium grants and the like, is scrutinized closely. I have a subcommittee within my parliamentary offices and we go through them in great

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detail. We rank the applications hierarchically and I think it has been one of the factors in enabling us to present cases to ministers and to others for grants. I think that is part of the responsibility of a member.

Years ago I gave evidence to the McRuer commission set up by the Government of Ontario. James McRuer was a great chief justice of Ontario and was concerned with complaints of administration of grants and other programs within the Government of Ontario.

Chief Justice McRuer asked me to appear as a witness and to present evidence on this issue. Is there a crisis in government? Does it affect individual rights? Could we have advice on structures and processes of government? I repeat these simply because I think they are germane to the problem of the growth of big government in Canada, the phenomenon of certainly the last 25 years, the big spending governments, when we have accepted social responsibility for the welfare of citizens in health care, education and related matters.

• (1540)

At the time the McRuer commission was set up there were a series of debates in universities and elsewhere. Professor Hayek of *Road to Serfdom* was predicting the end of democratic government because administration was becoming so complex. Professor George Keeton, who was a top English jurist at the time, wrote a book, the *Passing of Parliament*. Parliament was disappearing simply because of the strains on executive government.

The obvious conclusion was that the post-modern British derived system of the parliamentary executive was not responding as well to these problems as other systems that have the separation of powers like the United States and other countries have, and to a certain extent like Great Britain had in the early 17th century when the great constitutional struggles on ministerial responsibility emerged.

The United States set up a commission under ex-president Herbert Hoover, the Hoover Commission on Government. It recommended substantial reforms within the United States system, which I brought to the notice of the McRuer commission.

In a certain sense the pro-active concern of the Canadian parliament under all governments in the last 40 years with the Quebec issue at the expense of other and larger constitutional administrative law reform issues has hurt us in taking effective action in advance of problem situations, situations such as we face today.

One of the recommendations made to the McRuer commission was the establishment of a uniform administrative procedure code applying to all government departments. A second was for a specialized Conseil d'Etat administrative tribunal having jurisdic-

tion over all governmental operations. A third was personal liability of civil servants and others for misconduct, including gross negligence in the administration of their operations, personal liability, civil law damages and the like if that is necessary.

The present minister proposes recovery of misspent funds. It is a step in that direction. I recommend to the House, if we can carry this debate constructively further and if all parties would agree, that a priority should be a general overall structural review of administrative processes in government.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I will be splitting my time with my hon. colleague from Surrey Central. It is a pleasure to speak to the situation if for no other reason than it brings to light an endemic and systemic problem within the government that has been occurring on the government's watch since it was elected.

This is nothing that began overnight. It did not begin with the audit for which the member for Calgary—Nose Hill had been pushing for a long time. It did not bespeak the 459 programs that have been brought to the floor of the House, showing a miserable lack of accounting. It bespeaks a problem that is running through many departments. I will begin with the HRD and will go to a few others after.

What actually took place here? Some 459 plus projects were looked at randomly in the audit that was done as a direct result of Reform Party insistence and pushing for a very long period of time. Of those programs, 15% did not have an application on file. Of the remaining applications, the following elements were missing: 72% had no cash flow forecasts; 46% had no estimate of the number of people participating; 25% had no description of the activities that were being supported; 25% had no apt description of the participants; 11% had no budget; 11% had no description of expected results; and 97% of the files showed no evidence that anyone had been checked to see whether they owed money to HRD, a requirement to determine whether or not the program fits the bill. Eight out of ten files reviewed did not show any evidence of any financial monitoring on the part of HRD, and 87% of the project files showed no evidence of supervision. I could go on.

• (1545)

The response from the Prime Minister is that in this small cross-section are all the problems we have. That is absolute nonsense. To think that this random cross-section, which shows such endemic mismanagement, represents the only problems faced by HRDC is, at best, short-sighted and, at worst, refers to things that we cannot mention in this place because they would be in the realm of unparliamentary language.

What does it actually bespeak? It bespeaks mismanagement and a lack of respect. It is a lack of respect for the taxpayers of Canada

Supply

who break their backs to pay money to this institution, which should spend it in a responsible manner. It is a lack of respect for all Canadians and it is a lack of respect for the money the government receives. It is looked at as the government's money, and the government demonstrates that time and time again.

This is not the government's money. It belongs to some poor sod who is paying taxes on the \$19,000 a year which he earns. It is his money. It is the money of 30 million Canadians. It is not the Liberals' money. It is not the Reform Party's money. It is the people's money. It is up to the government to manage it properly.

The government has prized itself, falsely as we can now prove, on being a good manager of the public purse. We have shown that not only is it an appalling manager, but when faced with irrefutable facts of its mismanagement, it obfuscates, it puts the issue under the carpet and pretends there is no problem. That is not only an insult to this institution; worse, it is an insult to all the taxpayers who pay money to the government.

The member for Mississauga West stood this morning to go on a pathetic tirade over issues that are completely irrelevant to what is taking place. The member stood and said that the Reform Party is against job creation, that it is against developing programs for places with high unemployment rates, particularly in certain sectors of Canada and in aboriginal communities. That money is meant for this purpose. We do not dispute that at all. We want to make sure that these places have higher rates of employment. However, every member of the opposition wants the money to be spent in a responsible way. We do not want the money to be used as a tool for pork-barrelling. We do not want it to be used cynically as a means to gain power. But that is exactly what has been taking place for far too long.

This did not happen overnight. For over 10 years the auditor general has been saying that HRDC has had a great deal of difficulty keeping its finances on track. In previous reports it has been stated that HRDC has been unable to monitor what was going on to ensure the money was being spent wisely.

The question which I pose to the government is: Why did it take until the year 2000 for the government to admit, in a backhanded way, that it has a problem? It does not have a little problem; it has a massive problem. It is a chronic problem that is faced not only by the programs within HRDC but by a lot of other programs.

I have worked on reserves and I have seen some of the most impoverished people of the land. The money which is targeted to help those people, to deal with the rampant unemployment amongst them, to give them the skills which they need, does not get to them. We can go to many reserves and see people living at levels of poverty which are akin to what we would see in third world countries. Children lie on concrete slabs in the middle of winter. Multiple families live in houses that are boarded up, without

central heating and with soiled mattresses on the living room floor. There are drunk people all over the place and children who have infections all over their bodies. We probably would not see this situation outside these communities.

• (1550)

Money is earmarked to help these people, but for years they have not received that money. That is in part why there is deplorable, abject poverty in those communities. It is not because the money is not there. There were billions of dollars involved in the minister's previous portfolio. She knew full well what was going on. The member for Skeena brought it up time and time again, as did the member for Wild Rose, the leader of this party and other members of the opposition. Money is being spent by the department of Indian affairs, but that money is not getting to the people. The auditor general has brought that up time and time again, but the government puts its blinkers on and says it does not have a problem.

This is the tip of an iceberg that is very large. The honourable thing to do, beyond the minister resigning, would be for the government to finally come clean with the Canadian public and say that it will do an audit or it will listen to the auditor general and others and fix the problem. If the government does not fix the problem and make sure that taxpayer money is used as it was designed to be used, to help those who cannot help themselves, then it should leave because it is not doing its job. If the government professes to be the manager of the public purse, then it should do the honourable thing. Those responsible should either resign or fix the problem, together with opposition members. All members have people in their ridings who are suffering and the problem needs to be fixed now.

There are other things, such as western economic diversification and ACOA. The people at CIDA just found \$850 million. The member for Surrey Central will speak later about the \$850 million of CIDA money that was given with no or minimal accountability to Canadian companies. That money was designed to help the poorest of the poor. It has gone into the pockets of companies making millions of dollars. Why should the Canadian International Development Agency be giving money, with no accountability, to private companies to spend onshore? That is not what taxpayer money is for.

The government should do the honourable thing. The minister should quit, the government should fix the problems right away and come clean in all of the other ministries to ensure that taxpayer money is spent wisely.

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Madam Speaker, I listened carefully to the comments of my hon. friend and I found them to be both thorough and thoughtful.

The New Democratic Party has always believed in giving a helping hand to people in any region of Canada when they need it.

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On the surface of things the transitional jobs fund was supposed to serve exactly that purpose. It was supposed to help people in regions of high unemployment, higher than 12%. We in the NDP support that initiative and we always have supported that kind of initiative.

People in my constituency of Saskatoon—Rosetown—Biggar did not qualify for this job creation program because, thankfully, our unemployment rate is far below 12%. There are very few areas in Saskatchewan which qualified for this program because our rate of unemployment is considerably lower than the threshold.

I believe that people in my constituency and throughout Saskatchewan would support a program that would move resources to regions of the country where there is high unemployment. Where there is high unemployment there is always resulting poverty. That was what the program was intended to do, if it had been administered cleanly, but this program was not administered cleanly. This program became a vehicle for Liberal pork-barrelling and political interference.

• (1555)

As we know, the Prime Minister's riding alone received grants of over \$7 million, 17 of them. We know that the human resources development minister's riding also benefited liberally, even though her riding, like mine, did not officially qualify. There is real evidence that there was political interference to the benefit of Liberal ministers. My friend mentioned the word "cynical". I find this a cynical and disgusting attack on the unemployed and the poor. This Liberal slush fund is a shame and a scandal.

As my friend mentioned, government ministers must take responsibility for their actions, and I agree with him that the Minister of Human Resources Development must resign.

Can my hon. friend comment on the effects of this kind of pork-barrelling and the other examples he mentioned, like CIDA? That is an example which is of much interest to me. Can he comment on what effects this kind of pork-barrelling and cynicism have in the long run on the electorate and on the body politic?

Mr. Keith Martin: Madam Speaker, I thank my hon. friend from the NDP for his excellent question. There is a great deal of apathy and cynicism among the public today. We can see on the basis of what has been brought to the floor of the House with the HRDC scandal that it is to some extent, unfortunately, justified.

However, within the context of the problem we have today there is hope, hope that we as members of the opposition, and I hope hon. members of the government, can fix the problem. If we fix the problem, then perhaps we can start to rebuild the trust that elected officials should have with members of the public, trust that this

institution and parliament should have but do not with the public. We need to mend those bridges by doing the right thing.

The member mentioned his riding. There are farmers. There is the aboriginal issue. There is ACOA. There is the western economic diversification fund, and on and on it goes where moneys are used by the government of the day to pay off friends and to win support for the next election. It has little or nothing to do with helping the poorest of the poor or those people in need of jobs. If it were, then we would all be in agreement, and the ministers on the other side know that.

An hon. member: Give me a case.

Mr. Keith Martin: The member says "Give me a case". He need not look any further than the audits of CIDA. The member need not look any further than the audits of HRDC and where the money has gone.

We do not want to stand here and slam; we want to fix the problem. The government should do the same thing, as soon as possible.

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, after the thorough, thoughtful and to the point speech by my hon. colleague from Esquimalt—Juan de Fuca, I rise on behalf of the people of Surrey Central to speak on the Reform Party's supply day motion expressing our deep concern and the outrage of many Canadians over the gross mismanagement of grants and contributions by the Department of Human Resources Development totalling more than \$1 billion annually, which is not a typo but \$1 billion annually, and our lack of confidence in the minister.

We on this side of the House will take this opportunity to let Canadians know that we endorse the doctrine of ministerial responsibility, something that is sorely lacking under the current Liberal administration.

Today is the second day of the sitting of the House in the new year. On New Year's Eve, which I spent with my constituents in Cloverdale, everyone was excited as we moved from the past millennium to this millennium. I looked through the eyes of my constituents, and all Canadians, to their dreams. Canadians were dreaming of the government of the day building a strong and wide bridge over which all Canadians would cross from the previous millennium to this millennium.

In the new millennium their dreams are that their taxes will be reduced, that jobs will be created, that there will be no brain drain. We are hoping that the government will return the billions it has cut from health care and education.

• (1600)

They are dreaming of pension reform, policies that strengthen families and family values that are respected. Their are dreaming

of a criminal justice system that will serve the needs of the victims not the criminals. They are dreaming of a federation that will be based on equality and democratic principles that will be followed in federal institutions. They want accountability in government and they want the government to listen to the people. These are their dreams.

This weak Liberal government has no political will and no vision. Rather than fulfilling those dreams, we have unfortunately come back to the House in the new millennium confronted with the biggest boondoggle yet. This billion dollar boondoggle shows us that maybe every federal department is being mismanaged. It seems to be a systemic problem.

With only 1% of the grant moneys spent by HRDC being examined, we have discovered a great deal of mismanagement.

I will not repeat the facts, percentages and figures reported in the audit because my colleagues have already highlighted them. I will give some examples to the House to show the kinds of cases we are talking about. In one case, a sponsor submitted a \$60,000 proposal but received \$150,000. After verification, the sponsor indicated that only \$30,061 should have been claimed.

In another case, out of the \$50,547 in verified claims for one file, more than half of that money was the salary of two persons during the first three weeks of the project.

Another example shows that a firm was paid \$150,000 out of which \$30,000 was used for overhead expenses with no accompanying explanation. There was no business plan, just two pages of description; no feasibility study and no rationale on the file for recommending it. The project's length was extended and the grant increased to \$420,000 with no clear explanation.

There are numerous examples. In the Prime Minister's own riding, where most of the money went, the job creation rate was negative. Bankruptcies were filed after receiving the grant money.

Hundreds of businesses disproportionately located in the home-towns of Liberal cabinet ministers received government grants without anyone checking where the money went. In some cases, out of those 459 examined, the grateful recipients did not even fill out any application forms.

The problem does not stop there. The worst is yet to come. This is only the tip of the iceberg.

The transitional jobs fund name was changed to Canadian jobs fund. I suggest to my Liberal friends that they should change the name again to the Liberal slush fund and amalgamate all the slush funds from other organizations so that they can pork-barrel and use this slush fund for buying votes as they do.

In April 1998, I questioned the minister responsible for CIDA on the lack of accountability in spending of CIDA's industrial co-op-

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eration program called CIDA Inc. Out of that \$815 million, half of that money was spent in Quebec. This taxpayer money was given out without follow-up processes to monitor how the money was spent. The question is not where the money was spent but how the money was given out. Canadians do not get money for feasibility studies from the banks.

The audit commissioned by CIDA Inc. concluded that the benefits were overestimated and that information on projects and companies were incomplete and inaccurate. The minister could not account for CIDA Inc. funds to the tune of almost one billion dollars. The audit also identified other serious problems, including the fact that 33% of the money was allocated to just 7% of companies that applied.

• (1605)

The auditor general's office prodded CIDA to conduct a follow-up audit last year and the depressing results were quietly released just before Christmas.

The 1999 version of the audit showed that the problems at CIDA Inc. were not only continuing but in many cases had become worse. In more than 33% of the cases, money was paid out even though mandatory reports were not filed at all. No reports were filed on 10% of the projects and 33% of the money went to only 4.4% of the companies that applied. This was worse than the 1997 audit results.

The lack of proper accounting at both CIDA Inc. and HRDC, and many other government departments, like Western Economic Diversification or ACOA, is part of a much larger problem of billions of dollars being spent each year on grants and contributions.

There are charges of political interference from the top down, interference from government cabinet ministers, including the Prime Minister. Incidentally, the former minister of CIDA was also the former minister of HRDC.

No one has assumed responsibility for these boondoggles even though they are backed up by the audit and the cases number in the dozens. The amounts involved are huge.

The head of the civil service has refused to take responsibility for his bureaucrats. In turn, the human resources minister has refused to take responsibility for him. The Prime Minister, in turn, has refused to take responsibility for her. The former minister of HRDC has blatantly refused to assume the responsibility. Why can they not take responsibility rather than cover up and engage in damage control?

Now we hear that the government has issued gag orders to government officials so that they cannot share the information with opposition members.

I have a private member's bill in the House, which I will be introducing soon, concerning whistle blower legislation. If that was

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in place these problems would probably have been prevented because the government's weaknesses, the corruption and mismanagement of those funds, would have surfaced.

There are many questions that remain unanswered. Canadians want to know if the Liberals will admit that these grants are political slush funds to buy voters with their own money. They also want to know if the previous HRD minister will admit that he knew about the missing money and, if he did, why he did nothing about it when he was in office.

There are many other questions. Will the Prime Minister take any action? He has always campaigned that he would show responsibility in government.

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Madam Speaker, I have looked at the motion put forward by the opposition party on this issue. I have also listened to a number of remarks in the House over the last couple of days during question period.

As a member of parliament who represents one of the ridings which has one of these 37 so-called boondoggles, or billion dollar mess-ups that the opposition likes to say, I would like to explain to people exactly what the one is in my riding. The Fanshawe College, with the help of Human Resources Development Canada, got a grant of \$19,800 to promote summer student jobs.

I am in a rural area with a lot of small communities. It was Fanshawe's responsibility over the last couple of years to go to the small communities to promote summer student employment. It did a very good job.

When it came to reporting time, Fanshawe College came to HRDC and said that it was an educational institution and that it wanted to know what it should do about the GST in terms of its input cost. It wanted to know if it could claim back 100% like it had in other areas.

• (1610)

Because Fanshawe College was one of the 475 projects that was picked out, the auditors came from Montreal. They went through the college's books and said that everything was fine, but that it could only claim 50% of the GST not 100%. So Fanshawe College had to give back \$200 in GST. That is one of the 37 examples that those people across the floor keeps saying is mismanaged money.

Summer jobs for students is vitally important in my riding. The jobs that Fanshawe College has provided, and the jobs that the department and the minister have provided in terms of more money going toward summer student employment, has helped my riding and the young people living there.

Hearing that fact, does the hon. member not agree that without knowing all the facts on these cases the motion put forward by his party is a little off base?

Mr. Gurmant Grewal: Madam Speaker, I am pleased to answer this question because it shows the ignorance and arrogance on the government bench. It shows that the Liberal government has no vision and is so weak that it cannot see what is happening on the national scene.

I ask the hon. member to go a bank and withdraw money without signing a withdrawal slip. Can he get money from the bank? Can the cashier give him any cash without him signing the withdrawal slip? How can the government withdraw the taxpayers' money? This money belongs to the taxpayers.

The government has to be accountable for this money, every dollar and cent. How can millions of dollars be given to Liberal friends or to some other business without having a paper trail or any application on file?

This motion is very much needed because it will demand accountability from the government. We will demand the resignation of the minister who first tried to cover-up the issue, who then misled the House, who then denied all responsibility and who then went into a damage control mode. It is shameful.

Ms. Louise Hardy (Yukon, NDP): Madam Speaker, my concern is in the real disparity in accountability. It is clear that there was no accountability with this program. I have to say that I do support the transitional jobs fund. It has been important in the Yukon.

There was accountability in other programs, such as the young entrepreneurs program where everything was filled out in triplicate. It did an incredible job. However, its funding was cut by two-thirds without any warning after the agreement had been signed. This volunteer group was left high and dry and scrambling to find money to cover the unexplainable cut in its funding, which was never to be returned. This was a volunteer group that was unbelievably scrutinized. It had to present everything in triplicate. It was accountable. What bothers me is that there is not the same kind of accountability on the other side.

Mr. Gurmant Grewal: Madam Speaker, maybe there was no vote bank for the Liberals. They have been telling voters to vote and support them and they will reward them. There were no rewards given because there were no votes for the Liberals.

I think these programs are working as slush funds. Maybe there was no way of buying votes in that riding.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Madam Speaker, it is a pleasure to speak on this opposition day motion because it gives me a chance to clarify the areas in my department that do need strengthening. It also gives me a chance to explain to the members in the House and to Canadians the things that we are doing at Human Resources Development Canada to set things right.

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I am the first to acknowledge that the internal audit that we received identified deficiencies in the administration of our grants and contributions programs. The grants and contributions we are talking about are moneys that go to Canadians with disabilities to help them to obtain the skills they need to get and hold a job.

• (1615)

It is money that goes to young Canadians for summer jobs, for internships so they can get that very important experience that they need to continue over the course of their lives to participate in our economy.

It is money that goes to Canadians who want to learn to read, to our literacy grants and contributions; Canadians who are not at the rate and the level of literacy so they can participate fully in society and the economy and get an opportunity to learn.

It is money that goes to Canadians who have not been able to find work through targeted wage subsidies, through self-employment assistance and to their communities where there may not be a diversified economy to help build new opportunities and jobs for men and women who want and need them.

Those are the kinds of programs we are talking about. I can tell the House that when I got the results, I was concerned.

From my point of view the right thing to do was to make it public, to tell Canadians that we have a challenge in the department but we are prepared to fix it. From my point of view, Canadians can have greater faith in a department that is prepared to identify its problems and commit itself to improve them, to fix them, than in a department that sweeps them under the carpet and does not pay attention. For me, that is what government should be about, to be able to continuously improve.

Canadians appreciate and understand that times change, people change, circumstances and technology change. We have to keep up. But we have to be able to recognize where the challenges exist and then have the capability and the force to make those improvements. That is what this is about.

We actually looked at the audit and what it said and did not say and there are some points I want to make. First and foremost the audit did not say that \$1 billion disappeared. We know where the cheques have been sent. They have been sent to educational institutions, to community organizations, not for profit organizations, to small and medium size businesses and to individuals in the ridings of every single member of parliament in this House.

The audit did not measure the results of these programs. We do that every year in our performance analyses which are part of the estimates that are presented to this House and debated in committee.

The audit did not talk about political interference. How could it? As I said, these programs, these grants and contributions, are found

in the ridings of members from the New Democratic Party, the Reform Party, the Bloc, the Conservatives and indeed here among Liberal members of parliament. But they are there to help communities and individuals in need.

I put my focus on what the audit did say. The audit looked at how we administer these very important projects. It looked at whether there were applications on file. It looked at whether the rationale for a project was included in the file. It looked to see if we were monitoring the receipts that we got from groups and organizations and individuals that identified and itemized the ways in which they spent the money that had been forwarded to them. These are important things because they are the foundation of the programs that we are managing.

The audit said that we can do a significantly better job. As the audit indicated, because in some cases there was not an application, it did not mean that there had not been one or there was not one somewhere else. It just meant it was not in the file. If there was not a rationale it did not mean that the project was not a good project. It just meant it was not written in the file. But for me, the files do have to be complete. We have to be able to confirm to Canadians why the investments we are making with their tax dollars are the right investments.

I have taken this audit very seriously. As I say, from my point of view the administrative management is the foundation of our work. It supports these grants and contributions, these projects that we know are important in the lives of Canadians and their communities. My job as minister is to shore up this foundation, to make sure it is strong, because when a foundation shifts or is weakened, that which it holds up can also become weakened. For me, the responsibility that I have as minister is to take this seriously, to do what I have to do to shore up the foundation, to make it strong. I am prepared to do that.

• (1620)

What is interesting about this is that that is the story, the story of a department that through its own series of checks and balances identified an opportunity for improvement, that made this information available to Canadians in a transparent fashion and asked Canadians to recognize what we are doing and then to measure it by the work that we do to improve it.

The opposition says that we are hiding something. How can that be when we have made the report public, when it is available for Canadians to deal with? I guess they do not have the same values of transparency and openness that we on this side of the House feel to be very important.

Another thing that is interesting is that we hear from individual members of parliament that they do not think we should be investing in hotels or in golf courses or in Bible colleges. What those members do not understand is that they are talking about

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people. They are talking about the people who have had the opportunity to get employment at these hotels, at the golf courses, or to get a summer job at a Bible college. Those people who listen to the members of parliament challenging those undertakings must be asking is this job not good enough? We know it is good enough for them. They know and they appreciate and they want the government to participate in providing opportunities for them so that they can benefit from the greatness that we know is ours as Canadians.

When we look at this from our side of the House we know that the government can play a significant role in the lives of individuals and that we can partner effectively with communities to create opportunities to strengthen both the social and economic realities that are theirs. That is what we believe in on this side and no one will change that. That is why for me it is so important to take this audit and to deal with it wisely, effectively and fully.

I would just like to share with the House some of the letters that we have received that tell us we are right to support these grants and contributions. We hear from Eric Boyd, the managing director of the Canadian Paraplegic Association. Mr. Boyd writes:

With the \$1.7M provided by the Opportunities Fund over 3 years, I am pleased to report that we have been able to lever an additional \$1.5M from our Corporate Campaign to support our employment programs. I'm even more pleased to report that the Association has been able to increase its annual job placements from 500 to 750 in just one year, resulting in annual savings to taxpayers in excess of \$18M.

Here is another from Carolyn Emerson who is working at Memorial University of Newfoundland in the women in science and engineering program. She writes:

Funding for the WISE Students' salaries during the ten years of the program has come primarily from HRDC's Summer Career Placement Program from almost all of the Canada Employment Centres around the province. That support is most gratefully acknowledged and has been a real investment in young Canadians, an investment that is reaping dividends as they enter the workforce.

This one is from Barbara Mulrooney and Barbara Linehan. They are the co-owners of B & B Crafts. They are in Placentia, Newfoundland. They say:

Through this fund we are proud to say how we feel about the difference our business has made in our lives. This fund has enabled us to get up every morning and proudly say that we have to go to work. It has raised our self-esteem and confidence through the pride we feel and see in our work.

Again, I just point out that from our point of view these grants and contributions are extraordinarily important. They make a difference in the lives of Canadians and in their communities. From my point of view as Minister of Human Resources Development, when I see that there is a job to be done to improve our administration, I take that seriously, and I will ensure that we work to fix it.

In that regard we have worked very, very closely with experts to build a plan that will ensure that this problem is fixed; to ensure

that this problem never happens again; to ensure that our foundation is strong and these grants and contributions are supported. I would like to give the House the highlights.

- (1625)

First of all, we will ensure payments meet our financial requirements. That means that no payments will go out until the local director at a human resources development centre, or the director general, certifies that the project file meets the new financial criteria. There are no new agreements that will be approved until we have signed confirmation that the project file contains all the essential elements. All active files will be reviewed by April 30 to certify that they are complete.

Second, we will check and correct all problem files. We have been talking about this. We are investigating 37, now 34 because we have completed some, audit cases where financial rules may have been broken. I underline may, because in the three we have already closed we found no difficulty. The paperwork was found and things were as they should have been. We also note that any similar cases that are identified through a review of active files will be investigated and resolved in the same way, and any cases of suspected fraud or other illegal activity will be referred to the police.

Third, and this is very important, we will provide improved training and support for staff. This means that we will provide them with the direction, tools, training and additional resources that are needed. We will review and improve accountability and management structures and work processes to make sure we have our structures right. We will complete the first round of training and make sure that by February our financial criteria are understood by all and that their responsibilities are understood.

There is a point I want to make here. What I do not want to do is build a system that sucks the accountability and responsibility all back to headquarters. We have worked very hard to build a service delivery model. We are at the local level. We can deal with individual citizens and with their community members to get the important grants and contributions into their hands in a timely fashion. That has worked well and that has been a great success in our department.

Now what I want to do is work to provide them with a system that will also allow them to be fully accountable and transparent to the Canadian taxpayer and ensure that the investments we are making, the tax dollars we are investing, are followed dollar by dollar. This is important to me and it is modern comptrollership that we are talking about here and that we can achieve.

The fourth aspect of our six point plan says that we will ensure accountability to judge results. We will ensure that the implementation of the action plan is part of the basic job requirement for

all managers involved in grants and contributions. I am going to receive quarterly reports on our progress starting in April 2000. Those reports will be made public because I do want Canadians to judge us against our actions. We will have external reviews of our progress in June 2000 and January 2001.

Fifth, we will get the best advice available. We have presented the new system to the Treasury Board comptrollership standards advisory board and we have incorporated its advice. We have incorporated the suggestions from our meeting with the auditor general. We have also contracted with Deloitte & Touche who have advised us on the integrity of our plan and have given us suggestions on modern comptrollership.

Finally, and this is extremely important, we will report on our progress publicly. As I have mentioned, to me that is a priority. We will report to the media on our follow-up of the 37 cases. We will brief the media on our quarterly reports. We will provide information to the Canadian public and I will appear before the parliamentary committee of human resources on this topic this week.

I would like to share for the record the reaction of the auditor general to this plan. He said in his letter to our deputy dated February 7, "In our opinion, the proposed approach represents a thorough plan for corrective action to address the immediate control problems that were identified".

I am taking the job as Minister of Human Resources Development seriously. I can also say that my department is taking this seriously. I have spoken with employees from coast to coast to coast. They want a better system. They want better tools. They want to continue to serve Canadians in the best possible fashion.

The department is committed to this plan. It is committed to this work and supports it fully. Together we are going to ensure that we have the best administrative practices when it comes to grants and contributions. We will continue to support these projects which are so vitally important in the ridings of each and every member of the House of Commons.

• (1630)

For me this is about ministerial responsibility. It is about taking information that says we can do a better job, making it public, building a plan of action that is approved by experts from the outside, and then committing to the people of the country to implement it, to fix the problem, to make it work and together to continue to build a strong Canada.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, the speech of the minister could be summed up in three words: promises, promises, promises. They fly totally in the face of the failure, failure, failure of the minister and the department over the past few years. That is the real problem.

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I would like to take the minister up on her promise of openness and transparency. We have asked through access to information for the files relating to the TJF grants that went into the Prime Minister's riding. When those requests came back they were about half whited out. In many cases the papers had their headings but the rest had been cut off.

I will take the minister at her word, and because she has promised full disclosure and transparency to the Canadian people I would ask if she is prepared to table in their entirety those documents relating to all the TJF grants in the Prime Minister's riding in the House this week. I would like an answer to that.

Hon. Jane Stewart: Madam Speaker, as the hon. member knows there are aspects under the Privacy Act that have to be considered when files that are offered to requests for access to information are presented. Those are the laws of the country.

I would note that the department of human resources has a good record in responding to access to information requests. We have sent out many, many pages. Thousands of pages are presented to those who request them because that is the right thing to do.

The issue here includes Canadians, the Privacy Act, and the information that can be forwarded is forwarded.

[*Translation*]

Ms. Hélène Alarie (Louis-Hébert, BQ): Madam Speaker, I am somewhat uncomfortable with the minister's speech, because she downplays a situation that has been going on for several years. The minister also confuses two things.

She confuses projects on which individual members are expected, by virtue of their functions, to make a decision with the documents on file. That is my first point, and I believe all members here do support these programs in good faith. However, program management does not concern the members of this House who are not government members and representing the minister's department.

Is the minister familiar with the Public Service of Canada Act, which calls for public servants at all levels to be accountable? If a company were managed the way her department is, it would have gone bankrupt a long time ago.

[*English*]

Hon. Jane Stewart: Madam Speaker, that is precisely what this is all about. It is about taking responsibility. As I say again, the department through its own series of checks and balances, an internal audit, identified that there were things upon which we could improve. I received the information and I took it seriously. I have asked the department to make it a priority, and in so doing we have worked with outside experts to develop a plan that will ensure this problem is dealt with, that it is fixed, and that it will never happen again. That is about taking ministerial responsibility.

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I look forward to being in a circumstance where Canadians are being provided with the information, which we will now have on a continual basis, to measure us by our results.

• (1635)

Mr. Richard M. Harris: Madam Speaker, I rise on a point of order. I would expect that if the minister is to speak to the House today she would at least be speaking in a truthful and open way. She has said—

The Acting Speaker (Ms. Thibeault): This is not a point of order.

[*Translation*]

Mr. Jean Dubé: Madam Speaker, I rise on a point of order. The minister is here. As you probably know, many opposition members would like to ask her questions. You said there would be four questions and there are four opposition parties. I would appreciate it if our party had the opportunity to ask a question.

The Acting Speaker (Ms. Thibeault): Unfortunately, time is running out as members keep raising points of order.

[*English*]

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Madam Speaker, we in the New Democratic Party have been very clear that we are not, nor have we ever been, against job creation initiatives. God only knows in my part of Cape Breton that we have had enough flimsy job creation programs from agencies of the government like ACOA.

My question is for the minister. I have a concern with respect to what appears to be the flexibility of the role. My understanding is that the criterion was 12% unemployment. It had to create at least one sustainable long term job. The riding of my colleague from Winnipeg Centre has an unemployment rate of 13% and the riding of the minister has an unemployment rate of 6%. My question is quite clear. Why has the minister's riding qualified for TJF funds when my colleague's riding of Winnipeg Centre has not?

Hon. Jane Stewart: Madam Speaker, I am pleased to talk about this matter. It gives me a chance to explain to the House the circumstances in my riding of Brant. The hon. member is wrong with the numbers that she is quoting on the unemployment rates in 1995 and again in 1997. The rates were acceptable and part of the CJF and TJF programs.

My riding of Brant has suffered extraordinarily in the course of the last decade. The businesses that supported many men and women in Brantford, Massey Ferguson and White Farms, closed up. The rates of unemployment were extraordinary. We had to diversify our economy. As a result of the transitional jobs fund we

have really helped my community turn the corner. That is what this is all about.

Just as another point of interest, as part of transitional jobs fund three-quarters of the projects were in ridings of 12% or greater, but a quarter were for projects in ridings where the unemployment level was a pocket of high unemployment, and the majority of those projects were found in opposition ridings.

Mr. Jean Dubé (Madawaska—Restigouche, PC): Madam Speaker, my region of Canada has suffered quite a bit. We have been fortunate enough to qualify for these grants and we have received some too.

The reason that the TJF was put in place was the reform of employment insurance. It was put in place to help regions throughout the country like mine. We realize today that money has gone to other areas which did not qualify. The minister talks about pockets but it is the first time that I have heard about pockets.

I cite the example of the \$16,000 given out of the TJF fund in Tobique—Mactaquac and the \$7,500 given to the Liberal campaign. There is something wrong with that.

The minister speaks about the six point plan. I have a serious question. When TJF was brought in by the government was there not a plan in place to monitor the moneys that were handed out throughout the country? Was there not a plan then?

Hon. Jane Stewart: Madam Speaker, there was a plan. The point of all this is that we are to improve the application and the implementation of better measures of management because that is the right thing to do.

There is another point I would like to make. I say to you, Madam Speaker, that if the hon. member has any evidence of wrongdoing please have him bring it forward so that we can have the officials in the appropriate jurisdictions deal with it.

• (1640)

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Madam Speaker, I wonder why more members across the floor do not take their questions outside to the media.

People see through what the opposition is saying but they are very concerned that the hard earned tax dollars they give to the Government of Canada are well looked after by the departments within government. What assurances can the minister give my constituents in Haldimand—Norfolk—Brant that the money is well spent and is going toward the things for which it is meant?

Hon. Jane Stewart: Madam Speaker, the assurance I can give the member is that I am taking this seriously. I have made this a priority for my department and the department has rallied. We have a plan of action that will work.

I can confirm again that we have gone outside the department and asked the experts to help us build the appropriate strategies so

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that we can ensure we follow every tax dollar and ensure that it is working well for all Canadians.

Mr. Gurmant Grewal: Madam Speaker, I rise on a point of order. There is a tremendous amount of interest on the part of all members in asking questions of the minister. I seek unanimous consent of the House to extend the period for questions by five minutes.

The Acting Speaker (Ms. Thibeault): Is there unanimous consent to extend the period for questions by five minutes?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Stan Keyes: Madam Speaker, I rise on a point of order. I remind the hon. member who asked for unanimous consent that the minister has already established in her remarks in the House that she will be going to the all-party standing committee on Thursday to address more questions from all members of parliament who would care to attend.

[*Translation*]

The Acting Speaker (Ms. Thibeault): It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Bras-D'Or—Cape Breton, Child care.

[*English*]

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Madam Speaker, I appreciate the opportunity to speak in the House on the motion presented by the official opposition which holds in question the department of human resources and the minister.

The Liberals prior to the elections of 1993 and 1997 supposedly took the high road when they approached Canadian voters. I quote the Prime Minister as reported in *Hansard* in 1991:

I would like to tell the people of Canada that when we form the government, every minister in the cabinet that I will be presiding over will have to take full responsibility for what is going on in his department. If there is any bungling in the department, nobody will be singled out. The minister will have to take the responsibility.

I also quote the Prime Minister as reported in *Hansard* in 1994:

There can be no substitute for responsibility at the top. I vow to you, to this House, to Canadians, that I will never abdicate that responsibility. I will never pass the buck.

I guess that leads us into the motion today and what has happened. Canadians have an expectation. Canadians are those hard working taxpayers who work long hours. They are the men, women and young adults who are starting their careers as workers. They give part of their money to the Government of Canada to spend on their behalf to provide programs for other Canadians and for themselves. They expect the government to manage the spend-

ing of their money with due diligence and to make sure that it is not wasted. Lord knows that Canadians pay enough taxes. They certainly are not looking to the government to waste it on their behalf.

• (1645)

The question is: What did Canadians actually get? The auditor's report is quite clear as to what they got. They got a government which takes very lightly the responsibility of managing taxpayers' money. They got a government which does not seem to understand that the money comes from the taxpayer and not some location like a tree. Canadians got a government which refuses to assume responsibility for the management of that money.

The auditor's report revealed that money had been given out but there were files which did not even have applications for the money. It revealed that there was a lack of supervision, a lack of concern as to where the money was supposed to go. There was no plan as to where the money was supposed to go. There was a real lack of management and administration. There was a lack of supervision, a lack of documentation, but, more importantly, a lack of understanding by the minister in charge of the department. She is responsible to make sure that the department manages the spending of taxpayers' money properly.

What Canadians are getting is a message from the Prime Minister and from his government that we do not have to take responsibility for our actions. That is the message the Prime Minister is sending, not only to us, but to other ministers; that they will not be held accountable for things in their departments that would represent poor decision making, bad management or lack of accountability. The Prime Minister is sending the message to his ministers that they will not ever be held accountable for the misuse or mismanagement of taxpayer money.

The message he is sending to Canadians in general is that they do not have to take responsibility for the way they report to government through government programs. They do not have to take responsibility for fudging figures or accounts, or losing documentation which may be required by Revenue Canada. How can it be all right for the department to access money or submit a report without all of the documentation but not be all right for the ordinary Canadian? Canadians are getting the message from the Prime Minister and his government that they do not have to take responsibility.

When I speak about Canadians I want to single out young Canadians who are just entering adulthood and the workforce. What kind of message are they receiving by the government's actions? What message are they entering adulthood with? That it is okay to walk away from problems? That it is okay to cover up reality, the truth? That it is okay to give out questionable informa-

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tion? What message are we giving to the young people who will one day sit in the House of Commons in leadership positions?

An hon. member: Cynicism.

Ms. Val Meredith: My colleague says cynicism and he is quite right. That is what bothers me.

We have leadership in our country which is sending the wrong message, which is showing a bad example to Canadians. I think that Canadians deserve better. I think that Canadians deserve a government which will use due diligence in managing taxpayers' money, which will respect the fact that its money comes from ordinary Canadians who are working day in and day out to raise families and to provide not only for their families but for themselves and their communities. I think that Canadians deserve to have a government which recognizes that there are people who cannot look after themselves, who need assistance, but that assistance is given on merit and not for political reasons. Canadians deserve to have a government which recognizes that politics should be separate from government; that government, when it is spending taxpayers' money, should not be making decisions based on raising election funds or gathering votes. It should be a government which spends taxpayers' money to provide programs for Canadians, programs and funds based on merit and merit only.

• (1650)

There may be a reason for some of these programs, but there is never a reason for bad management. There is never a reason for making decisions based on politics rather than merit. There is never a reason for having one set of rules for the minister and a different set of rules for everybody else. There is never a reason for covering up what actually happened. That is not what Canadians deserve.

Canadians deserve a government that will give the truth as it is, not as the government sees it. Canadians deserve a government that will do the right thing for the right reasons. They do not deserve a government that will hide behind the back of the Prime Minister or the skirts of the minister of HRDC. They deserve a government which will face the responsibility that was given to it by the voters of Canada to govern with integrity. Canadians deserve nothing less. Unfortunately they do not have that.

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the minister said that she was taking credit for bringing the internal audit public. She was taking great pains to show her willingness to discuss this in an open manner.

As I recall, it was members of the official opposition which two days before actually let it be known that we had our hands on this document. Could it be assumed that the minister only made it

public because she was caught in some sort of nest that she could not get out of and she knew we had the audit?

Ms. Val Meredith: Mr. Speaker, the facts are that the official opposition put in an access request on the 17th and the minister released the audit report on the 19th, two days later, because she knew that it would become public anyway. She did the damage control by releasing it before we did.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the response to the last question shows how ridiculous is the Reform Party's thrust. The member opposite has no proof that the Minister of Human Resources Development released the document on the 17th because the Reform Party did what it did on the 19th. It might have been the other way around. The Reform Party might have had information that the minister was doing her job adequately, which she has shown she was doing. She said there would be corrections. Maybe the Reform Party decided to go the way it went to create an avenue going the other direction. Maybe that is what happened.

We are seeing allegations from the Reform Party that do not have substance. The answers today from the Prime Minister and the human resources development minister clearly show that we have projects that are good right across the country. Will the hon. member not admit that these projects are good?

Ms. Val Meredith: Mr. Speaker, we will let Canadians decide for themselves. The minister had the auditor's report for five months. The official opposition put in an access request on the 17th and the minister released it on the 19th, five months after the fact. Circumstances show that it was probably the pressure of the official opposition's access request, which would have resulted in it being released anyway. Damage control says that it is better to release something than it is to have it otherwise released.

• (1655)

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, the member was talking about politics and partisanship rather than merit. The facts are that in targeted wage subsidy programs the average spending in cabinet ministers' ridings was \$350,634. The average spending in a Liberal riding represented by a Liberal member of parliament was \$335,730. However, the average spending for targeted wage subsidy programs in a riding represented by a Reform Party member was only \$149,529, less than half of a cabinet minister. Those are the facts. That relates to the heart of what the member was talking about; politics and partisanship rather than merit.

Ms. Val Meredith: Mr. Speaker, I cannot disagree with my colleague's comments. The interesting thing, and the minister reiterated it today, is that the margin was 12% for the jobs fund and yet Statistics Canada figures, government figures, show that the

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figure was 6% in 1999 in her riding, not 12%. The rate of unemployment was 8.4% in 1996. It shows that the rate of unemployment was going down in her riding. It certainly did not meet the 12% requirement of the minister's target level for the program. Her riding took money that should have gone to a more needy riding.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure to address the opposition day motion. We are taking head-on the issue of whether the government should be engaging in the types of actions that it has engaged in over the last months and years. It has taken taxpayers' money and spent it on all kinds of questionable activities without doing the proper accounting. In fact, we would argue that in many cases there seem to be absolutely no rules at all when it comes to how the government spends money through the Department of Human Resources Development.

I want to start by running through some of the facts and reiterating some of the things my colleague said a minute ago. They bear repeating because they are important. I do not think anyone could argue that this is one of worst cases of neglect and abuse of taxpayers' money in the history of Canada. I do not think people could argue that. We are talking about a billion dollars.

My colleague mentioned a minute ago that two days after the Reform Party filed an access to information request for a copy of an internal audit done in the Department of Human Resources Development the minister called together a very hasty press conference and revealed that there were all kinds of problems in her department and the fact that she had known about this for months and months on end but had done absolutely nothing about it.

Here is what that audit revealed. Of the 459 project files reviewed, 15% did not have an application on file from the sponsor. Of the remaining applications the following elements were missing: 72% had no cash flow forecast; 46% had no estimate of the number of participants; 25% had no description of the activities to be supported, yet cheques were cut and money went out; 25% provided no description of the characteristics of participants; 11% had no budget proposal; and 11% had no description of expected results. Ninety-seven per cent of all files reviewed showed no evidence that anyone had checked to see if the recipient already owed money to HRDC or to the government. Eight out of ten files reviewed did not show evidence of financial monitoring, and 87% of project files showed no evidence of supervision. That is what was happening in this department for months and months on end.

We now know that this went back before the current human resources minister and that the previous minister, now the Minister for International Trade, was also aware of this. My colleague from Calgary—Nose Hill questioned both ministers at various times and they assured the House there were no problems in that department, that everything was above board and that all the applications were being scrutinized.

• (1700)

We can see that simply was not true. The audit proves that. But what does the government do? It does not say it is sorry. The minister does not resign, which is the honourable thing to do when one blows a billion dollars. The minister somehow finds the courage to stand and say it is no big deal. I do not know how she can do that. I do not know how she can say that they have implemented a six point plan and it is no problem now. We are talking about a billion dollars.

I do not know if my colleagues across the way have been out in their ridings over the last month and a half, but if they have, they will have found that people are concerned about the state of health care in Canada today. They are asking how is it that the government can blow all this money on these grants and not really know where it ended up, yet health care goes lacking.

In my riding we were promised emergency aid for the farmers. I should point out in fairness to the people in my riding that they are not simply asking for subsidies, but they do say they were promised this. They are wondering what happened, because they told the bankers that they would be getting this. It has not shown up but a billion dollars has just blown out the door through human resources development. It is absolutely scandalous.

When we analyse this what do we find? First of all I have run through some of the facts. Obviously there are simply no rules when it comes to spending money in human resources development. We are talking about a program where they really do have freestyle grant giving. There are no rules. It is chequebook politics. The department cuts all kinds of cheques. There are no application forms.

Certainly there were a lot of questions about the propriety of what happened in the Prime Minister's riding. The few rules that there are were seemingly broken in order to ensure that money got into the hands of people who were big political supporters of the Prime Minister. It is absolutely scandalous.

We found out that once the cheques were sent out there was no real accounting. The best examples are some of the things that were in the paper today.

McGill University was seeking \$60,000 and someone made a little error and gave it \$160,000. That can happen, but if there is some kind of financial system in place we get the \$100,000 back. But those guys over there did not catch it and \$100,000 is just gone. McGill says "We decided that we really needed it so we will just hold on to the \$100,000".

There was the situation where the native band in British Columbia ended up taking money that was supposed to be used for child care study and using it to buy jewels. It is unbelievable. That is what happens when we give a Liberal government a bunch of

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money and an open chequebook to do with what it will. That is precisely what happens.

What I am concerned about, and I think Canadians are concerned about, is that a culture of neglect runs right through this government.

Interestingly enough it was the human resources minister who was previously the Indian affairs minister. On her watch the auditor general came before parliament to present his report. Over and over again were all kinds of examples of how the government was not monitoring money that was going to Indian bands. There was example after example. Did anything change? Have things changed? Obviously not.

There is another example in today's newspapers of what has gone on. It is absolutely shameful.

The question is what do we do in a situation like this? The very first thing is that we exorcise the cancer. We get it out of there. Do we know who that is? It is the minister, the previous minister and probably the minister previous to that one. Three ministers in a row sat there knowing that this was going on and allowed that \$1 billion to be spent year after year after year with no proper accounting. Meanwhile high priority things are left wanting.

• (1705)

Consider national defence. We send people around the world to do all kinds of great and honourable things and put their lives on the line without proper equipment. The government is blowing \$1 billion a year out the door. It is absolutely unbelievable but the government sits and justifies it.

I heard the minister with her pathetic justifications today. It was unbelievable. She said, "Well you know, some of it goes to things that are really good". Well, guess what. We know that. We know there are some things out there that if they had some money it would be good. We do not question that.

We question which ones should get the money and where that money should come from. Should it come from big daddy government in Ottawa 2,000 miles away from all these projects, or should it come from local levels of government and private individuals? I would argue it should come from the latter because those are the people who know which programs are most important in their ridings. They know what they can afford because they are the taxpayers.

When we have a government that coercively takes money from people and we have the highest personal income taxes in the western world, and it hurts my friends across the way when we point these facts out and they are painful, rather obviously in a situation like that people would like to have the choice.

I have no doubt that Canadians being as generous as they are, they would overwhelmingly support worthy programs. They would. What they resent is a government that reaches into their pockets, drives taxes through the roof to the point where we have the highest taxes in Canadian history, and then wastes their money.

This is one department. I would love to peel open the books on those other departments because I know we would find the same thing in myriad other departments.

I encourage my friends across the way to climb down off their high horses and admit they are wrong. The minister should resign. Probably the previous two ministers should resign. Maybe then Canadians would start to have some faith that the government actually cares about what it does with people's money. I do not think they believe that now. They have seen too many examples of waste and cover-up and mismanagement from the government.

I will close by saying that very shortly there will be another budget. I hope that the finance minister does not have the gall to ask Canadians for more money to increase spending. Rather obviously, there are billions of dollars of waste in the government, yet my friends across the way do nothing to root it out and to save taxpayers a lot of money.

I encourage the minister to heed the message to clean up the waste and mismanagement before he asks for one more cent in the next budget.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I was just looking at the ceiling to see if there was a full moon. There must be a solar eclipse or something because the member opposite certainly has a strange imagination.

He had a very rhetorical speech with no substance or facts at all. He talked about facts but there was no substance to what he was saying. He talked about blowing \$1 billion out the window. Has he not listened to one thing the minister said in the House in terms of explaining—

An hon. member: No.

Mr. Wayne Easter: It is not unusual for members of the Reform Party to say no because they do not listen to ordinary people. They do not care about ordinary people. They are a non-caring party, that is for sure. It is obvious in their remarks today. Talk about a culture of neglect. The party opposite neglects ordinary people. The fact of the matter is that they definitely do not care. This program was put in place to create jobs and it in fact has done that. The minister—

The Acting Speaker (Mr. McClelland): I have to interrupt the member because we have a lot of questions but not a lot of time. One minute for the response, please. I am sure that the hon. member for Medicine Hat can divine a question out of that.

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Mr. Monte Solberg: Mr. Speaker, that was certainly a content based question. Let me respond to what my colleague has said.

The fact is that the internal audit did find \$1 billion worth of programs that were not properly accounted for. In fact there were many, many examples where money went to all kinds of projects where not a single job was created, not one job.

That sets aside whether or not jobs would have been created if that money had been left in taxpayers' pockets in the first place. We argue that a dollar left in the taxpayers' pockets is far more effective than a dollar in the hands of a bureaucrat or a politician, and my friend just made that case for me.

• (1710)

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I agree with only one thing that has been said in the debate today and that is that the most important thing we do as parliamentarians is to be accountable and responsible for Canadians when it comes to the use of their money. What I find astonishing from the opposition today is the complete lack of recognition that the government has any role in working for the public good of the people of Canada.

Perhaps the members opposite are in the dark about what is happening in their ridings. I personally am not. I personally visit every project in my riding that gets funding from the Government of Canada, so I know exactly who these projects are hiring. I know exactly what kind of training they are providing and I know exactly what successes they are achieving.

As examples hundreds of new Canadians are being trained on how to get a job in Canada and on what job skills are required. There are people being trained for industry and for available jobs. There are students getting work during the summer that will allow them to return to university. These are people I know in my—

The Acting Speaker (Mr. McClelland): I am sorry but I need to interrupt. We will see if we can get a question out of that for the hon. member for Medicine Hat.

Mr. Monte Solberg: Mr. Speaker, I think that is the problem. A lot of these politicians do go and see who is getting hired. In fact that is our criticism. We do not think politicians should be involved in making those decisions.

If we are going to have a program like that, and I sure do not believe we should, the last thing we want is politicians interfering with it. Can the member not see that there is all kinds of room for abuse? Did she not pay attention when we grilled the Prime Minister about what went on in his riding? That was shameful. We see millions of dollars wasted, millions of dollars which should be

used for things that are good going to political things. We do not believe that is a proper use of taxpayers' money.

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, one of the ways in which government makes sure the money it spends is well spent is to involve the local people. The hon. member asked why people in Ottawa should be making these decisions. He may not be aware but in ridings such as mine it is actually the local people who come together in various fashions and who sit down and work with the Canada Employment Centre offices to make sure that money goes into the area specifically where it is needed most.

In a lot of areas, in particular in an area like southwestern Ontario, there are pockets of high unemployment. That is really where we want those moneys to be directed.

An hon. member: Like Brant?

Mr. Bob Speller: Yes, exactly like Brant. In Brant particularly there are pockets where the unemployment rates are much higher than 12%. That is why this program was made, to make sure—

The Acting Speaker (Ms. Thibeault): Order, please. I am afraid there is no more time. There are barely a few seconds for the hon. member for Medicine Hat.

Mr. Monte Solberg: Madam Speaker, there is a 6% unemployment rate in Brant and my friend across the way is defending pouring money in when the standard is 12%. Obviously that is the minister feather bedding her own riding.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I am very pleased to offer my comments on this very misguided Reform opposition motion which we are debating today. I find it quite astonishing that some members, especially those of the Reform Party, would claim that the government is trying to hide something here when it was the minister herself who made the internal audit known to the public.

I heard the hon. member for Medicine Hat talk about pathetic. What is pathetic is what the Reform Party and others are trying to do in this debate, which is to misrepresent the facts to the extent they are. It is absolutely shameful but it is so typical of the pathetic Reform Party. What it is good at—

Mr. Ken Epp: Madam Speaker, I rise on a point of order. It is clearly in the parliamentary rules that one cannot charge a member with misrepresenting the facts. It is against the standing orders and I would ask you to ask the member—

The Acting Speaker (Ms. Thibeault): I am sure that if the hon. member said anything that was questionable he will correct it right away.

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Mr. Lynn Myers: Madam Speaker, I am sure the hon. member opposite understands when I say how pathetic the Reform Party is as it twists and turns in its own self-flagellation. It is unbelievable how those people opposite are intent always on pitting Canadians against Canadians, region against region, group against group, people against people. That is all those people who are nothing more than disunity type people have in common. They deserve each other and they deserve what they get. However, we on the governing side—

• (1715)

Mr. Ken Epp: Madam Speaker, I rise on a point of order. The hon. member is imputing motive and that is against the rules of the House. He cannot do that.

The Acting Speaker (Ms. Thibeault): It being 5.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the Business of Supply.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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 nays have it.

And more than five members having rise:

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

• (1745)

(The House divided on the amendment, which was negated on the following division:)

(Division No. 663)

YEAS

Members

Abbott	Ablonczy
Alarie	Anders
Asselin	Bachand (Richmond—Arthabaska)
Bellehumeur	Benoit
Bergeron	Bernier (Bonaventure—Gaspé—)
Îles-de-la-Madeleine—Pabok)	Bigras
Blaikie	Borotsik
Breitkreuz (Yellowhead)	Brien
Brison	Cadman
Canuel	Cardin
Casey	Casson
Chatters	Chrétien (Frontenac—Mégantic)
Crête	Cummins

Davies	de Savoye
Desjarlais	Dockrill
Doyle	Dubé (Lévis-et-Chutes-de-la-Chaudière)
Dubé (Madawaska—Restigouche)	Duceppe
Dumas	Duncan
Epp	Forseth
Fournier	Gagnon
Gauthier	Gilmour
Girard-Bujold	Godin (Acadie—Bathurst)
Godin (Châteauguay)	Gouk
Grewal	Grey (Edmonton North)
Gruending	Guay
Hanger	Hardy
Harris	Harvey
Herron	Hill (MacLeod)
Hill (Prince George—Peace River)	Hilstrom
Jaffer	Johnston
Jones	Konrad
Lalonde	Lebel
Lill	Loubier
Lowther	Lunn
MacKay (Pictou—Antigonish—Guysborough)	Marceau
Marchand	Mark
Martin (Winnipeg Centre)	McDonough
McNally	Ménard
Mercier	Meredith
Morrison	Muise
Nystrom	Obhrai
Penson	Perron
Picard (Drummond)	Plamondon
Price	Proctor
Reynolds	Rocheleau
Sauvageau	Solberg
Solomon	St-Hilaire
Stinson	Stoffer
Strahl	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Mitis)	Turp
Vautour	Vellacott
Venne	Wasylycia-Leis
Wayne—104	

NAYS

Members

Adams	Alcock
Anderson	Assad
Assadourian	Augustine
Axworthy	Bakopanos
Beaumier	Bélair
Bélangier	Bellemare
Bennett	Bertrand
Bevilacqua	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Calder	Cannis
Caplan	Carroll
Catterall	Cauchon
Chamberlain	Chan
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Collenette	Comuzzi
Copps	Cotler
Cullen	DeVillers
Dhaliwal	Dion
Discepolo	Dromisky
Drouin	Duhamel
Easter	Eggleton
Folco	Fontana
Fry	Gagliano
Galloway	Godfrey
Graham	Gray (Windsor West)
Guarnieri	Harb
Harvard	Hubbard
Ianno	Iftody
Jackson	Jennings
Jordan	Karetak-Lindell
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)
Knutsen	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marleau

Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Myers
Normand
O'Reilly
Paradis
Peric
Pettigrew
Pickard (Chatham—Kent Essex)
Pratt
Provenzano
Reed
Robillard
Saada
Sekora
Sgro
Speller
St-Julien
Stewart (Northumberland)
Telegdi
Torsney
Vanclief
Wappel
Wilfert

Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Milliken
Minna
Murray
Nault
O'Brien (London—Fanshawe)
Pagtakhan
Patry
Peterson
Phinney
Pillitteri
Proud
Redman
Richardson
Rock
Scott (Fredericton)
Serré
Shepherd
St. Denis
Stewart (Brant)
Szabo
Thibeault
Ur
Volpe
Whelan
Wood—142

Davies
Desjarlais
Doyle
Dubé (Madawaska—Restigouche)
Dumas
Epp
Fournier
Gauthier
Girard-Bujold
Godin (Châteauguay)
Grewal
Gruending
Hanger
Harris
Herron
Hill (Prince George—Peace River)
Jaffer
Jones
Lalonde
Lill
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Marchand
Martin (Winnipeg Centre)
McNally
Mercier
Morrison
Nystrom
Penson
Picard (Drummond)
Price
Reynolds
Sauvageau
Solberg
St-Hilaire
Stoffer
Tremblay (Lac-Saint-Jean)
Turp
Vellacott
Wasylcyia-Leis

Supply

de Savoye
Dockrill
Dubé (Lévis-et-Chutes-de-la-Chaudière)
Duceppe
Duncan
Forsyth
Gagnon
Gilmour
Godin (Acadie—Bathurst)
Gouk
Grey (Edmonton North)
Guay
Hardy
Harvey
Hill (Macleod)
Hilstrom
Johnston
Konrad
Lebel
Loubier
Lunn
Marceau
Mark
McDonough
Ménard
Meredith
Muise
Obhrai
Perron
Plamondon
Proctor
Rocheleau
Scott (Skeena)
Solomon
Stinson
Strahl
Tremblay (Rimouski—Mitis)
Vautour
Venne
Wayne—105

PAIRED MEMBERS

Goodale

Lefebvre

The Speaker: I declare the amendment lost. The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

• (1750)

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

• (1755)

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

(Division No. 664)

YEAS

Members

Abbott
Alarie
Asselin
Bellehumeur
Bergeron
Îles-de-la-Madeleine—Pabok
Blaikie
Breitkreuz (Yellowhead)
Brisson
Canuel
Casey
Chatters
Crête

Ablonczy
Anders
Bachand (Richmond—Arthabaska)
Benoit
Bernier (Bonaventure—Gaspé—
Bigras
Borotsik
Brien
Cadman
Cardin
Casson
Chrétien (Frontenac—Mégantic)
Cummins

Adams
Anderson
Assadourian
Axworthy
Beaumier
Bélanger
Bennett
Bevilacqua
Bonin
Boudria
Brown
Bulte
Calder
Caplan
Catterall
Chamberlain
Charbonneau
Clouthier
Collenette
Copps
Cullen
Dhaliwal
Discepola
Drouin
Easter
Folco
Fry
Gallaway
Graham
Guarnieri
Harvard
Ianno
Jackson
Jordan
Keyes
Knutson
Lastewka
Lee
Limoges

NAYS

Members

Alcock
Assad
Augustine
Bakopanos
Bélair
Bellemare
Bertrand
Blondin-Andrew
Bonwick
Bradshaw
Bryden
Byrne
Cannis
Carroll
Cauchon
Chan
Chrétien (Saint-Maurice)
Coderre
Comuzzi
Cotler
DeVillers
Dion
Dromisky
Duhamel
Eggleton
Fontana
Gagliano
Godfrey
Gray (Windsor West)
Harb
Hubbard
Iftody
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lavigne
Leung
Lincoln

Private Members' Business

Longfield	MacAulay
Mahoney	Malhi
Maloney	Manley
Marleau	Martin (LaSalle—Émard)
Matthews	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Myers
Nault	Normand
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Paradis
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Proud	Provenzano
Redman	Reed
Richardson	Robillard
Rock	Saada
Scott (Fredericton)	Sekora
Serré	Sgro
Shepherd	Speller
St. Denis	St-Julien
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Thibeault	Torsney
Ur	Vanclief
Volpe	Wappel
Whelan	Wilfert
Wood—143	

PAIRED MEMBERS

Goodale

Lefebvre

The Speaker: I declare the motion lost.

PRIVATE MEMBERS' BUSINESS

• (1800)

[*English*]**SHIPBUILDING INDUSTRY**

Mr. John Herron (Fundy—Royal, PC) moved:

That the Standing Committee on Industry review policies currently in place that affect the Canadian shipbuilding industry in order to assess their ability to provide a competitive and equitable environment for growth of the industry in Canada.

He said: Madam Speaker, it is a pleasure to have the opportunity to rise in this place to discuss a very important issue which I believe is critical to the economic well-being of the country and in particular Atlantic Canada.

I rise today as a member of parliament for the riding of Fundy—Royal which borders the city of Saint John. I am one of many members of parliament who have spoken in this place over the last number of years to put forth the need for us to modernize our current shipbuilding policy.

Members from all sides of the House have spoken on behalf of this initiative. It has a wide breadth of support from a number of political parties, for example the New Democrats, and a hot and cold relationship with the Liberals. The member from Lévis, Quebec, has been a strong advocate of the need to revitalize our shipbuilding policy.

No member in the House of Commons has fought more tirelessly than the member for Saint John to ensure that the people of Saint John, New Brunswick, are able to earn their living at the shipyard located there and that Saint John Shipbuilding Limited will work again. The member for Saint John has spoken in the House on countless occasions, whether it be during debate or in question period. I rise today on behalf of all individuals who are trying to advance this debate.

Motion No. 71 calls on the Standing Committee on Industry to complete an indepth review and analysis of current shipbuilding policies and how they affect the growth or lack thereof of the shipbuilding industry.

The motion does not compel the government to make any changes. It only requests that the industry committee assess the current system for its ability to promote growth in the Canadian shipbuilding industry. Put simply, it proposes that the committee complete an indepth review of the file.

I will talk about what we need to do to revitalize our shipbuilding as has been advocated by an unprecedented number of individuals. Only last March the motion put forward by the member for Saint John on behalf of the Progressive Conservative Party of Canada called on the House to develop a national shipbuilding policy. At the same time the member for Saint John utilized the exact same language the Liberal Party of Canada used on two separate occasions to put forward a resolution by its members at its national convention concerning the need for us to develop a national shipbuilding policy. At that time in the House the Liberal government chose to reject that initiative. I find this a bit shocking.

• (1805)

I have a document with me which I hesitate to use as a prop by any means. It is entitled "Atlantic Canada: Catching Tomorrow's Wave". I do not know if members have had a chance to review this document, but on page 104 it notes that one of the critical initiatives needed to develop a modern economy in Atlantic Canada is a new shipbuilding policy. Maybe the Liberals are actually listening to the member for Saint John, to me and to all other individuals who have put forth this point.

Page 106 goes on to say that Canada is the only country which does not provide any direct construction grants, loan guarantees, preferential rate export financing, research and development grants, preferential tax treatment or customs duties on imported ship materials.

That document was produced by Liberal Party members from Atlantic Canada, what few it might actually have. A number of them were able to coalesce to put together a document on September 30, 1999, less than six months after they turned their nose down on trying to advance the debate we had put forward back in March.

I am advocating something that is almost unprecedented. These individuals are calling for us to modernize the shipbuilding industry. They represented all 10 premiers of this great country of Canada not just once but on two separate occasions: in St. Andrews in 1997 and again in Quebec City in 1998. All 10 provinces have actually put their shoulder to the wheel and said that we need to ensure we have the financial instruments to develop a shipbuilding policy.

In addition to all 10 premiers, the ship owners, the shipbuilders and labour have coalesced around the same principles and are advocating the exact same things that we need to modernize our shipbuilding industry.

Before I go into the actual issues in terms of what I am advocating the Department of Industry and the Minister of Industry bring forward, I want to make it very clear to everybody in this place today or watching at home on CPAC that we are not looking for subsidies in any way, shape or form for the shipbuilding industry. We are looking for the government to do two principal things. One is to give it sound, viable access to its market and the other is to provide a proper tax regime for it to be able to compete.

Sound and viable access to its market for most commodities might be roads, rails and other direct infrastructure like ports and airports, for that matter. We have those challenges near my home in the riding of Saint John. That is normally the kind of infrastructure we speak about.

Another role in terms of what we are looking at in terms of a sound, viable access to its market is an international trade regime so that it actually has a marketplace in which to establish. I will come back to that in a few moments as I progress through the course of the debate.

We also need to develop an international tax regime whereby we can be competitive in Canada. The corporate taxes in Canada are completely uncompetitive in other regimes. In fact, Canada has the second highest corporate taxes in the industrialized world, second only to Japan. It is difficult for any industry to compete and make a profit in Canada, in particular the shipbuilding industry.

The four points I will advocate would be the cornerstone for developing a modern shipbuilding policy supported by all 10 premiers, labour, ship owners and shipbuilders. I know the member for Saint John can attest to them as well as every family, every man

Private Members' Business

and woman who actually has earned a paycheque in shipyards whether it be in Saint John, New Brunswick; Marystown, Newfoundland; Port Weller, Ontario; Lévis, Quebec; or elsewhere throughout the country. These are the initiatives we are looking at doing.

• (1810)

First and foremost, we understand categorically that any time a large capital good is purchased in Canada or anywhere in the world the available financial package is a cornerstone of whether or not the bid is competitive. That means access to capital at the most aggressive financing rates possible. That is why we are advocating that a loan guarantee program be adopted similar to the one in the American title XI program which guarantees under very prudent criteria the loan of a potential ship buyer.

The title XI program has been in place since 1936. Do members know how many loan defaults it has had since then? The member for Saint John knows the answer. The answer is zip, zero, not one loan default. If a student in university copied something and got in trouble it was called plagiarism. In the real world, if it works it is called being resourceful. I am advocating that Canada develop a loan guarantee program similar to the one in title XI and adopt it in the Canadian context.

We have a natural vehicle to deliver that in the departments of industry and international trade, the Export Development Corporation. It will guarantee a loan for a foreign buyer of a ship. We also need to adapt it to guarantee a loan for a domestic buyer of a ship, especially given the fact that we have an aging fleet on the Great Lakes, one of our principal markets in terms of where we can build ships on a competitive basis in Canada.

The second point I am advocating is that our punitive tax regime in Canada needs to provide accelerated depreciation combined with revising Revenue Canada leasing regulations. Lease financing has become a very natural vehicle for purchases of large capital goods. We need to ensure that our tax regime is competitive with that of the United States. I am not looking at subsidies. I am looking at a loan guarantee program. I am looking at changing the Canadian tax regime.

The third point I am advocating is that we need to ensure that we find sound, viable access to our markets. I spoke about the need for a trade regime. The result of the free trade agreement, NAFTA, in general has been very positive for Canada. Prior to 1988 we traded essentially \$80 billion each year with the Americans. Today we trade around \$240 billion to \$260 billion each year with the Americans.

However, the Jones Act which has been in place in the United States since 1936 has blocked our penetration into the American market. That is fine to some degree. We can compete if we have a proper tax regime and a proper loan guarantee program with the

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markets in the EU. We can build ships in our own waters and on the Great Lakes.

It is incumbent on the government, the Minister for International Trade and the Minister of Industry, to step forward and talk with the Americans about opening up some kind of bilateral accord on building certain types of ships. The example of offshore drilling rigs comes to mind. The member for Saint John and I have spoken about it on countless occasions. There is an actual demand for more capacity to build drilling rigs for development off the banks of Newfoundland in the Terra Nova, Hibernia, Ben Nevis and White Rose oilfields, in terms of the development that has taken place along the Carolinas and what we have seen in the Gulf of Mexico.

• (1815)

We could develop shipshape drilling rigs, which are in demand with the States, and we could open up a bilateral accord in that way. Maybe we should look at ocean-going tugs, which are manufactured in P.E.I. In Georgetown, P.E.I., in the solicitor general's riding, they manufacture a very cost-competitive ship. Maybe we could develop a bilateral accord in that area.

What we are looking at is a loan guarantee program similar to what the Americans have under Title XI, revising our leasing regulations so we have a competitive tax regime and opening up some form of bilateral accord.

I heard, sadly, in the House on a number of occasions the government say "You, the Progressive Conservative Party of Canada, negotiated the free trade agreement and at that time you missed out on an opportunity to ensure that shipbuilding was exempt from any kind of protectionist regime under the free trade agreement". I would like to remind every one of those members, categorically, that free trade has been a win for Canada. In 1988 our trade with the Americans amounted to \$80 billion. Today it is around \$240 billion.

The government has been in office for almost seven years and it has not knocked on the door of one congressman or one senator in the United States of America to say that maybe it is time we actually tried to do something in that regard.

The problem with this issue is that there is no leadership in advancing the file. This is where I am at a loss. The Minister of Finance says that it is not his file. The Minister for International Trade says that the EDC is under his jurisdiction but it is not really his file, that it comes under the industry file. The Minister of Industry says that the instruments we are looking for belong in other jurisdictions.

If we do not have a quarterback in place who is willing to advance the shipbuilding industry in this country, then it is time we change the quarterback. We should change the Minister of Industry

so that we can ensure we get people back to work in Atlantic Canada, in Quebec, in Vancouver and in Ontario.

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, I rise to respond to Motion No. 71 presented by the hon. member from the Tory party. The motion calls for the Standing Committee on Industry to review the policies in place which affect the Canadian shipbuilding industry in order to assess their ability to provide a competitive and equitable environment for the growth of the industry in Canada.

This is a noble cause. Canadians want to sympathize with the hon. member who laments the days when Canada was one of the great shipbuilding nations.

Lower taxes would help all factors of our economy. If the government would lower taxes it would help our industries. Lower taxes would help all companies across the country.

The official opposition policy calls for private sector self-reliance without the federal government providing tax dollars to support any specific sector.

Let us look at the shipbuilding industry in Canada. With only .04%, that is 1/25th of a percentage point of the world's shipbuilding production, Canada cannot sustain a shipbuilding industry. Rather than try to match these subsidies and other incentives offered by other countries, we should concentrate our efforts on negotiating down unfair export subsidies.

Far from guaranteeing loans to Canadians who purchase Canadian built ships, we should drop the 25% tariff we have on non-NAFTA ship imports so that all Canadian shipowners and ship purchasers are not penalized.

Industry Canada can tell us about the problems in the shipbuilding industry. It is a declining industry, a dead in the water industry. There is an overcapacity in the world of over 40%. Canada is not even in the ballpark.

• (1820)

What the Liberals and Tories have done to the shipbuilding industry in Canada is a study on what not to do in terms of productivity. Yet the industry department continues to have a shipbuilding policy which has technology partnership grants, research and development grants and the Export Development Corporation supporting it. Why?

The technology partnerships program is available to firms for research and development, if they so wish. It is repayable based on success. It is a risk sharing, reward sharing program. No one should use this program for shipbuilding because there would be no way to pay back the loan.

Let us look at the world shipbuilding industry. This industry has moved away from North American and European markets to southeast Asian markets. Japan and South Korea continue to control over two-thirds of the total international market for shipbuilding and ship repair. China is emerging as a rival. When combined, these three countries control over 75% of the world market.

Due to extreme pressure from Asian shipbuilders many traditional shipbuilders, including the Norwegian company Kvaerner, have chosen to get out of the industry altogether.

Canada cannot build major ships. We can manufacture only minor and smaller vessels here. Both of these markets are already operating at over 40% of their capacity. Demand and prices are already weak and are forecast to continue to decline. Prices for 1999 are down by 6% to 24% from last year.

The international market is experiencing a significant downsizing. Market conditions for shipbuilders are not about to change. The total employment in Canada's shipbuilding and ship repair industry as of May 1999 was about 5,000.

What should be done? We should not turn to taxpayers and make them pay for a shipbuilding industry in Canada that will never be a viable industry. On this side of the House we support de-politicizing economic decision making by eliminating grants, guarantees and subsidies.

What did the Tories do about the shipbuilding industry when they were in power for nine years? The destruction of the shipbuilding industry during their time in government was devastating to our eastern provinces and to B.C.

Let us look at subsidies as a solution. The Tories think, as the Liberals do, that all we have to do is get the industry committee to approve millions of dollars worth of subsidies and we can resurrect Canada's shipbuilding industry. That is typical. The Liberals use the industry committee and its minister to try to give millions of dollars of taxpayers' funds to hockey teams. This is all very disgusting to those of us who are building an alternative to the traditional way of doing things here in Ottawa.

In the last session the House debated shipbuilding. A Bloc MP wanted to establish a federal loan granting program that would cover up to 87.5% of the money borrowed to purchase a commercial ship built in Canadian shipyards. That bill would also have provided a favourable and generous tax treatment of lease financing for the purchase of Canadian built ships. The Bloc MP's bill proposed a refundable tax credit for refitting commercial ships in Canada. This was not just another attempt to do some Liberal bashing over this issue; maybe the Bloc Quebecois also wants Canadian taxpayers to continue pouring millions of taxpayer dollars into Quebec up to the last minute, until they leave Canada, but it is very clear that the people of Quebec will not be following the Bloc Quebecois anywhere.

Private Members' Business

Let us look at the industry committee. In November of last year the industry committee dealt with the shipbuilding matter. The committee heard the sad details of the worldwide industry, which spelled poor prospects in the industry for our country in the future.

● (1825)

The Liberals on the committee did not know or were not willing to admit that their minister for the homeless was secretly lobbying cabinet, trying to broker a common ground between industry and the government. Canadians think that she is in Toronto working on the homeless problem. We know that she is not in B.C. helping Vancouver with its homeless people. The media caught her working on shipbuilding. The Liberals only want to meet to talk about helping the shipbuilding industry. This garners votes in eastern Canada and Quebec, and they hope in B.C.

The government could be wrong, but it does not want to have to face Canadian taxpayers and our foreign trading partners with the facts and figures on actually how much money it would pour into the industry. That is a big question.

This is the same government that cannot account for \$1 billion in HRDC spending, which we were debating earlier today. The concentration on this issue could be construed as a thinly veiled attempt to orchestrate the immediate building of five or six ships which the federal government plans to construct in four or five years. We are watching for an attempt to have these ships built this year or next. This may save the taxpayers money or it may not. Maybe the ships could be built cheaper offshore. That would save taxpayers some money. Let us look at a viable solution. Maybe the Liberals will have these ships constructed just before the next federal election so they can throw the industry a bone. No one will be fooled.

I will support the review of the shipbuilding policy. However, I will support it reluctantly.

The questions are: How many times do we have to review this matter? How much money is it going to cost taxpayers? Canadians know that the current Liberal government is maintaining a high, artificial level of taxation. It is hurting our economy, our productivity and our growth with high taxes, as the member from the PC party mentioned. It is hurting our consumers and it is discouraging foreign investors from coming to Canada. It has caused a brain drain that threatens our country.

Something has to be done about the high level of taxes that is killing jobs, our economy, our industry and the country. Our employment levels are too low. With our vast resources and our ability to create wealth with other nations in the global economy—

The Acting Speaker (Ms. Thibeault): I must interrupt the hon. member as his time has expired.

Private Members' Business

[Translation]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Madam Speaker, it is with pleasure that I rise today to speak to the motion moved by the member for Fundy—Royal in New Brunswick.

I say pleasure, because this member, along with certain others, has long been calling for a real shipbuilding policy.

Before I address the motion, I have a few comments about the speech by the Reform Party member. I was somewhat taken aback because I have been on the Standing Committee on Industry since the 1997 election, and I noticed that the party is on its third industry critic. The first two shared our vision, but all of a sudden, perhaps seeing the possibility of political gain in their fight with the Progressive Conservatives for a certain percentage of the voters, they are switching their position.

I want to point out to the Reform Party member who has just spoken and who is not listening to me—but I will say it again—that 20 members of his party supported my Bill C-213 just a few months ago. So some consistency is called for on the Reform Party side.

Now, I will return to the motion by the member for the Progressive Conservative Party, the member for Fundy—Royal. His motion made sense and perhaps still does. What he was calling for at the time was for the issue to be considered by the Standing Committee on Industry.

• (1830)

There were at least three sittings of the Standing Committee on Industry where we met with Department of Industry officials. In response to a question by a Reform member, a deputy minister replied that the Reform member was wrong, that the federal government had no particular policy on shipbuilding and that the member could rest assured that no more was being done for that sector than for any other. I then rose to say “That is exactly where the problem lies. You are doing nothing in particular for this sector. You have abandoned it”.

Yet that party had committed, in its red book and in 1993, to hold, within a year of its election, a summit on the future of shipbuilding in Canada. Since then, nothing.

A little later on, management and the unions appeared before the committee. We asked the unions “Do you feel that there is a shipbuilding policy in Canada?” They said there was not. Then we asked management “Do you feel that there is a policy?” They said “Yes, there is the customs duty”. Clearly the CEO of the Shipbuilding Association did not want to overly displease the Liberal Party. He said “Yes, there are certain policies, including the customs duty” but that is all.

Over and over again I asked “Do you feel that you have a true shipbuilding policy?” In the bill we are going to address tomorrow evening, moreover, the three measures I am referring to are the three ones being requested. I stated further “You are supported in this by the unions, by the *Chambre maritime du Canada*, by the provincial premiers. You have the support of 150,000 people who sent a mail-in postcard to the Prime Minister. You even have the support of members of the Liberal Party of Canada who are holding their convention.” Some Liberal members attending the convention voted with the grassroots, urging their government to act.

The Minister of Labour tried to do something. She appointed a delegate to the Maritimes to look into the matter. The Reform Party member noticed and he criticized the minister for it, telling her “You should not have done that. You did that in secret”. As for the Minister of Industry, he did not want to do anything, while the Minister of Finance could not do a thing. That has always been his line.

Why can the Minister of Finance not act? He will not tell the House. He lets the Minister of Industry answer, but we are asking for tax measures. Outside the House, the Minister of Finance says “You see, I have some interests in the shipbuilding industry. These interests are now in a trust, but I cannot answer. I would not want to be seen as someone who wants to promote that sector because I happen to have some interests in that particular sector”.

Things are not good when the one person who could do something does not dare do so for fear of being criticized. When she saw that her industry colleague was not acting, and even though this was not her responsibility, the Minister of Labour tried to do something, but the Reform Party member criticized her for it.

I want the Minister of Labour to know that she did well, as did her colleague from New Brunswick. She wants to look into the matter. I have nothing against that, but we have been asking for reviews for seven years. The industry got organized and conducted a review. The Standing Committee on Industry considered the issue from a productivity point of view.

Figures in hand, the unions appeared before the committee to testify that Canadian shipyard workers were paid 20% less than their American counterparts, and 50% less than workers in Germany and Japan. Only two countries, Korea and communist China, pay their shipyard workers less, and that is the example the Reform Party member would have us follow.

There are people who claim to be experts on the shipbuilding industry while never having set foot in a shipyard. I would like the Reform Party member to try this line in Halifax or Vancouver, where there are two large shipyards. Or he could try out the audience in Lévis. He would be well-advised to pre-record his press conference because he is going to run into trouble.

This position is indefensible and inconsistent with the earlier positions taken by the Reform Party. Now it is trying to teach us a lesson about free enterprise. All they are trying to do is lower individual income taxes.

• (1835)

The member for Fundy—Royal told us that Canadian corporate taxes, which take in shipyards, are among the highest. That is one of the problems. Why do Canadian shipowners have their boats built outside Canada? Why do those people who have had ships built sometimes sail them under foreign flags? Because corporate taxes are not the same everywhere in the world, and there are tax havens. The Minister of Finance knows this. He chairs a committee of members of the group of 20 and he should give this some thought. That is the problem, not what workers are paid.

The problem is a serious lack of guaranteed financing. No one here in this House is asking for funding. The Reformers keep saying it, and the member himself keeps saying that the member from the Bloc is asking for a refundable tax credit. The words mean what they mean: refundable. It is not funding. A loan guarantee is not funding, it is support.

Is the Reform Party, which is trying to copy the American program, trying all the time to tell us that things are better in the United States? What is called for in Bill C-213 is exactly what the Americans have been doing for the past 100 years. We in Canada are doing what? We are exempting the U.S. from paying 25% duty. However, our Canadian shipowners cannot go to the United States, because of the protectionist measures.

The member for Fundy—Royal said “We have to look at that. It cannot be included in a bill”. It is not in my bill either because the Minister for International Trade is the one to go and negotiate some similar measure with his American counterpart or a change to NAFTA—and that is very difficult—or have the Jones act amended to exempt Canada from such a policy. If this were the case, with the current rate of exchange there would be work in Canadian shipyards, incredibly more than Canada could generate.

I recently did a study on the Internet and by phone. In the United States, shipyards are currently working at full tilt. The remaining European shipyards are also working to capacity because following the Asian crisis the Asian shipyards are not working at full capacity.

The Reform member does not know what he is talking about when he speaks as other detractors of the shipping industry. He said that China, Korea and Japan are building 500,000 tonne boats. No Canadian shipyard is in that league. They do not go beyond 100,000 tonnes. Why? Because they build ships that have to go

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through the Panama Canal which will accept nothing over 90,000 tonnes. So, let us compare oranges with oranges and apples with apples. If you do not know what you are talking about, better not to speak.

[English]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Madam Speaker, first, I wish to praise the hon. member for Lévis-et-Chutes-de-la-Chaudière for being so passionate and caring for the shipbuilding industry in this country. There is no member of parliament who has worked harder on this issue for workers in the shipbuilding industry all across the country. He, his party and the Conservative Party should be congratulated for bringing this motion forward. I applaud their efforts in bringing this to the forefront and to debate in the House of Commons.

I will begin by saying that I am wearing the CAW/MWF pin from the Marine Workers' Federation. Mr. Les Holloway and all those wonderful people in Halifax, in Saint John and in other shipyards around the area have worked tirelessly on this issue to get the government to listen. What this nation needs is a shipbuilding policy. Holland, Italy, England and the United States have one but we do not. If we did, it would be working.

We constantly hear from the industry minister that there is an overcapacity in the industry, yet Canada only produces .4%. What the industry has been asking for is that the level be brought up to 1%, a .6% increase, in order to create and sustain thousands of jobs in Atlantic Canada, Ontario, Quebec and Vancouver.

• (1840)

It is incredible that the government will not listen. It is absolutely unbelievable. The reason it does not listen is because its focus is between Windsor and Quebec City in terms of central Canadian thinking.

We have a farming crisis and the recent fisheries crisis but the government refuses to listen to the extremities of the country.

I say, in all honesty, that any time we have a labour leader like Buzz Hargrove and the owner of one of the largest shipyards in the country, J.D. Irving, singing out of the same hymn book on this policy, one would think that the government would grab at that, but it does not. It absolutely ignores the issue.

I honestly believe the government does not understand the industry at all. It is completely blank. It is like a deer caught in the headlights of a car. It just cannot figure it out.

The member for Fundy—Royal mentioned the book *Atlantic Canada: Catching Tomorrow's Wave*. Unfortunately, the government missed the boat on this one. It is unbelievable.

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We had the appointment of Senator Boudreau from Nova Scotia who is now in the Senate draining the taxpayers' purse promoting this red book wherever he goes. The problem is that he has absolutely no clout with the government. If he did, the government would be listening to everyone on the shipbuilding policy.

There was a great book written recently by a great author in Nova Scotia who lives in my riding, Mr. Lesley Choyce. He wrote a book entitled *Nova Scotia: Shaped by the Sea: A Living History*. In it, he describes how Nova Scotia was one of the finest and largest shipbuilding provinces in the 18th and 19th centuries. What has happened in this new millennium? The thing has fallen apart. Why? Because the government refuses to institute a policy of fairness so we can keep workers in this country.

As we speak, shipbuilding workers from the Saint John dockyards are being lured to the United States to build ships. It is unbelievable that the United States has such an overcapacity of work that it has to get Canadian workers, who are the best in the world when it comes to building ships, to build ships in the United States. We could easily be doing that in the yards of Saint John, Halifax, Marystown, Lévis and Vancouver.

It is amazing that the government cannot figure this out. Hundreds of workers are leaving this country and their families behind to build ships in the United States when the work could be easily done in this country. It is absolutely incredible that the government would ignore the needs of Atlantic Canadians, Quebecers and British Columbians when it comes to building a shipbuilding industry.

I find it scandalous, to the highest degree, when I hear where the finance minister, who has Canada Steamship Lines, has his ships built. Where does he have his ships built?

An hon. member: In Taiwan.

Mr. Peter Stoffer: Yes, in Taiwan, an Asian country. He could not even build his own ships in this country. This is from a man who wants to become the leader of the Liberal Party and the prime minister of the country. It is not much of a commitment to working people in the country.

Mr. Lynn Myers: Madam Speaker, I rise on a point of order. The member is taking shots at one of the cabinet ministers. It is totally inappropriate and totally unwarranted. He should tailor his talk in a way that does not do that because it denigrates this whole House and all Canadians. That is absolute rubbish. He should withdraw it and get to his point.

The Acting Speaker (Ms. Thibeault): I am afraid that it is really a point of debate so we will allow the hon. member to carry on.

Mr. Peter Stoffer: Unfortunately, the truth sometimes hurts. The reality is that the government has completely ignored the needs of the 10 premiers of the country who have said that they need a national shipbuilding policy. It has ignored the needs of thousands of Canadians. It has ignored the needs of hundreds of communities in the country that rely on shipbuilding for their livelihoods.

What will the government tell these people when those yards eventually shut down? What will happen then? Oh, I know, there will be a traditional transitional jobs fund grant. That should be good. Maybe that is what the problem is.

• (1845)

The shipbuilding industry should go to the human resources minister for money and grants. That way it would not have to file any papers or anything. It could get the money or whatever it needs right away. Maybe that is what the NHL should have done. Instead of going to the industry minister it should have gone to the human resources minister. There is all kinds of money for those initiatives but absolutely not one shred of concern for this country's shipbuilding industry and that is an absolute disgrace.

I could go on and on. People like Les Holloway of the Marine Workers' Federation and many other communities across the country are asking for leadership. They are asking the government to listen to them, to work together with the industry, the communities and the workers to come up with a comprehensive policy that will make the shipbuilding industry what it once was in Canada. Our workers and our industry people are the finest in the entire world when it comes to shipbuilding. We can be proud of that instead of having rusty shipyards throughout the country.

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, I was going to start with the text of my prepared notes but I will not. I am going to take this opportunity to respond to the emotional and passionate presentations I have just heard from the Conservative member who brought the motion forward, the Bloc Québécois member and my good friend from the NDP. What I heard took me away from what I really wanted to say about the good work that was done in committee and how extensively the committee looked into this matter.

I have heard comments which have shocked me. Instead of focusing on constructive comments of what we can do about the shipbuilding industry, I heard about the farmers and I heard about HRDC. I heard everything but constructive input. I find that shameful. They were referring to ministers and their businesses which are in trust. That is shameful. That is not what we are supposed to be doing here tonight. We are here to discuss shipbuilding and to bring some constructive points forward.

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I am going to take this opportunity to refer to my notes and talk about how enthusiastically and aggressively the committee addressed this issue.

The member referred to Les Holloway and all the other great people. I am glad he is doing this. He should do it to get their votes if that is what it is going to take to get their votes and if that is what it is going to take to get a contribution to their campaigns. That is fine. I have no objections to that, but I do object when we go totally off the issue.

Mr. Peter Stoffer: Madam Speaker, I rise on a point of order. The hon. member, my good friend from the Liberal Party, is insinuating that I made comments for vote getting. If that is the case, I guess J. D. Irving will be voting for the New Democratic Party as well.

The Acting Speaker (Ms. Thibeault): I am afraid that is debate.

Mr. John Cannis: Madam Speaker, that is not what I said. I was saying we should compliment, congratulate and support people who support us.

I am pleased to respond to this motion brought forward by the hon. member for Fundy—Royal that the Standing Committee on Industry review policies currently in place that affect the Canadian shipbuilding industry.

We on this side of the House are very open to the idea of a parliamentary review of the shipbuilding industry, but this motion seems to be caught in a time warp. I understand where the members from the Bloc, the Conservatives and the NDP are coming from. I understand the regions. I understand the members have to address a specific industry in their ridings and be so passionate.

What is the point of standing up and bringing something forward that has already been addressed? Is it showcasing? If it is, I congratulate the member. I think he is doing a great job. Tomorrow he can send a press release to his local newspaper saying "Look, here is what your member for Fundy—Royal has done". But we have a responsibility when we come to this House.

[*Translation*]

Mr. Antoine Dubé: Madam Speaker, I rise on a point of order. He is wondering why. It is because Davie Industries is under the protection of the Bankruptcy Act. There are 200 people—

The Acting Speaker (Ms. Thibeault): I am sorry but this is debate. The hon. parliamentary secretary.

[*English*]

Mr. John Cannis: Madam Speaker, I thank you for your clarification. Let me get to the essence of the whole debate here tonight.

I remind the House that last November and December the Standing Committee on Industry had already begun reviewing Canada's productivity and competitiveness with respect to shipbuilding. I want to make it crystal clear that the member's motion comes a little bit too late, as I said earlier. Let me emphasize the valuable work already done by the Standing Committee on Industry.

● (1850)

Before taking a few moments to review the testimony provided during the hearings, I want to once again remind all members that there is a national shipbuilding policy in Canada and it includes the following support. They said there is no shipbuilding industry. There is an accelerated capital cost allowance for Canadian built ships; a 25% tariff on most non-NAFTA ship imports; domestic procurement by the federal government in the hundreds of millions of dollars; Export Development Corporation financing for commercially viable transactions; and a very favourable research and development tax credit system.

These are the very elements that the industry committee has examined. On November 16, the first day, the committee heard from several government officials. Committee members were provided with a global portrait of the shipbuilding industry. We have to look at it in that context, one in which most shipbuilding today is done in Asia, Japan, South Korea and increasingly I might point out in China. These governments heavily subsidize the sector.

The Japanese have built a strong niche in the construction of large vessels and have managed to hold on to that niche. The newly developed countries see shipbuilding as an outlet for their steel production and steel production is a key to their industrial development. Other countries, including the United States, have non-tariff barriers to buying foreign built ships.

Officials also maintain that overcapacity has been a problem for Canada's shipbuilding industry today. For some time now the industry has been undergoing rationalization. Officials have suggested that the industry itself acknowledges that rationalization has improved its competitiveness.

On a more positive note, officials pointed out in committee that the Canadian manufacturers are on a par with just about everyone in the world when it comes to designing innovative products, manufacturing them efficiently and marketing them to the world. They said that there are niche opportunities for the Canadian shipbuilding industry. Ice-breaking vessels, ferries, offshore equipment and self-unloading vessels are areas in which we have a great international reputation. We are also well regarded as builders of military frigates. Unfortunately there is not that big of a market for them.

Officials from the Export Development Corporation also appeared before the committee. They reported that EDC has con-

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cluded 17 transactions with the shipbuilding industry for a total of \$247 million worth in business. Here is one government program which indeed is showing a positive result.

Finance officials also explained how Canada's tax system supports shipbuilding, including giving the industry a higher capital cost allowance and noted that Canada has the most generous R and D regime in the G-7.

During the hearings the hon. member for Fundy—Royal referred to the financing available in the United States under the title XI program. I remind the hon. member for Fundy—Royal of his exchange with the finance officials concerning his suggestion that Canada should provide a combination of lease financing and accelerated depreciation. The hon. member also may believe that in providing these incentives the government would end up increasing federal revenues because there would be more economic activity. Finance officials clearly pointed out in their reply that rarely does the government's return on such incentives amount to more than a fraction of the amount of taxpayer moneys committed.

These are some of the points raised in the first day of the standing committee's hearings on shipbuilding. As you can tell, Madam Speaker, we had a vigorous and exciting debate during that session.

The standing committee went on to hear testimony from labour organizations including the Canadian auto workers, the Marine Workers' Federation of the CAW and the ship workers union of Lauzon. We were presented with a document entitled "The Shipbuilding Strategy for Canada" which talked about the need for a level playing field, emphasizing the role of the Jones Act in the United States in closing its markets to Canadian built ships. They offered suggestions including financing terms that would be similar to what the Americans have with their title XI program. Once again the committee had a very probing, thought provoking exchange with the shipbuilding industry.

● (1855)

On December 14 the standing committee met for a third time on the topic of shipbuilding to hear from industry representatives. The Shipbuilding Association of Canada spoke of the impact of subsidies on the market and the need for competitive financing arrangements. He referred specifically to the title XI financing of the American shipbuilding industry. The Chamber of Maritime Commerce spoke also about the advantages that labour practices and low labour rates give the shipbuilding industry in newly developed countries.

I would like to close by thanking the member for bringing forward the motion and giving us the opportunity to debate this

issue in the House and the opportunity for the government to put some of the data on the floor.

Mr. John Herron (Fundy—Royal, PC): Madam Speaker, I am pleased to conclude this evening's debate. I compliment the members of the House who participated in the debate like my colleagues in the NDP. I know the member for Sackville—Musquodoboit Valley—Eastern Shore has been a strong advocate in advancing this debate. The member from Lévis has been a champion for advancing the cause to have a modern shipbuilding policy that actually works compared to the one which we currently have that does not work.

However, my greatest compliments go to the member for Surrey Central for what he essentially has done for me in the riding of Fundy—Royal. He has augmented my vote by about eight to ten per cent. He categorically said this evening that the shipbuilding industry in Canada is dead. That was the cornerstone of his debate. The result that I can go to the polls in Fundy—Royal and say categorically that Reform will do nothing, zero, to augment the shipbuilding industry.

The problem is that the Reform member missed the fundamental issue. The cornerstone of what all 10 premiers are advocating, every single premier including the Progressive Conservative premiers Michael Harris, Ralph Klein and Bernard Lord, is tax reduction and an incentive based modernized shipbuilding policy based on reducing taxation. The problem is—

Mr. Gurmant Grewal: Madam Speaker, I rise on a point of order. I have been listening to the debate and I did not want to raise this issue because usually we are on point but the member has just misquoted and misrepresented me.

The Acting Speaker (Ms. Thibeault): I am afraid that is a matter for debate. It is not a point of order.

Mr. John Herron: You are right, Madam Speaker, it is a point for debate and it is a wrong debate, a wrong position.

The cornerstone has three prongs we are advocating which are having a loan guarantee program, bilateral trade with the Americans and tax reduction. I know Reformers are not real Conservatives by any means. They do not understand what tax reduction is in that regard.

To my colleagues in the Liberal Party of Canada, I know that they categorically want to help individuals. We are not asking them to spend any amount of money, but I have to remind the hon. member who spoke on behalf of the Liberal government that its own members from Atlantic Canada are advocating the need to improve its shipbuilding policy that is incentive based, not subsidy driven, so that we can get those men and women back to work.

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Above all, perhaps the thing I am most shocked about is the very fact that every single time we have had a shipbuilding motion before the House they have never permitted on any occasion any member from the Liberal caucus who has a seat in Atlantic Canada to actually participate in the debate. I wonder why that is. Is it because the Minister of Industry is blocking it?

I know that the member from Moncton, the Minister of Labour, really wants to advance this particular debate. In order to do so I would hope that she participates in the debate tomorrow. We are going to be debating shipbuilding again with respect to the private members' motion by the hon. member from Lévis. What we are doing today from a shipbuilding perspective is not working. We have an unprecedented coalition of individuals who are looking for tax reduction, not subsidies, to modernize the shipbuilding industry.

• (1900)

We have had Reform members flip flop. This is nothing new for them. Two or three Reform members came to committee to say they support what we were doing. Then they came to the House and said that they did not support it. They cannot make up their minds. Maybe in tomorrow's debate we will get a new Reform speech and have a new perspective in that regard.

The Acting Speaker (Ms. Thibeault): The time provided for the consideration of the item of Private Members' Business has now expired and the order is dropped from the order paper.

[Translation]

Pursuant to Standing Order 30, the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

* * *

[English]

PRIVACY ACT

Mr. Mike Scott (Skeena, Ref.) moved:

That a legislative committee of this House be instructed to prepare and bring in a bill, in accordance with Standing Order 68(4)(b), to remedy the weaknesses of the Privacy Act, including providing relief or compensation for persons who suffer as a result of improper disclosure of their private information and imposing penalties for those who wilfully violate the provisions of the Privacy Act.

Mr. Gurmant Grewal: Madam Speaker, I rise on a point of order. I hate to interrupt but I want to point out something for the record before we start debate on the motion. In his comments the PC member misrepresented the facts, so I want to—

The Acting Speaker (Ms. Thibeault): I am afraid that we are now on a new private member's bill. The other one is a thing of the past.

Mr. Mike Scott: Madam Speaker, I rise today to speak to this motion and to tell the House and those people at home who may be watching why the motion is important and should be supported by the House. I am referring to a motion that would require the Government of Canada to toughen up the privacy commission's role and responsibility in safeguarding the rights of Canadians and their right to privacy.

Every Canadian citizen has the right to the security of the person under our charter of rights and freedoms. It is my contention, and I think most if not all members of the House would agree, that the security of the person would include the security of the private information held by government institutions or other institutions which could in some way jeopardize or prejudice the individual if the private information were to be distributed among the public.

Most sensitive and private information on Canadian citizens is held by government institutions. We should think about the tremendous amount of information Revenue Canada has on each and every one of us as taxpayers and about all other information held by government in terms of birth certificates, marriage certificates and so on which the government routinely collects from us in one way or another, largely through Revenue Canada. Revenue Canada is the institution most people would be most concerned about because it concerns financial matters, but there are other matters as well.

A federal body of legislation known as the Privacy Act safeguards the privacy of Canadian citizens. The privacy commissioner and his office were established to oversee the administration of that act, to receive complaints from Canadians when they feel their privacy or their right to privacy has been violated, to investigate those complaints, and to make determinations on whether or not those allegations are well founded.

• (1905)

The Privacy Act is a good idea. As a matter of fact it is absolutely imperative to have the Privacy Act, the privacy commissioner and his office to field complaints from Canadian citizens, to investigate those complaints, to make determinations and to discharge those complaints to the best of their ability. I take no issue with the privacy commission or the privacy commissioner.

The issue we are dealing with today is not that the Privacy Act is deficient in the sense of defining a person's rights, what private information ought to be held as private, and how government, financial and private institutions ought to act with respect to information that is sensitive or is considered to be private.

The problem we face right now is the Privacy Act has no teeth in it. In other words we have a body of legislation, and it is absolutely

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correct, which protects the rights of Canadian citizens and to safeguard their privacy and their right to privacy. However, if anyone violates that act, even if the violations are wilful or intended to prejudice the individual or individuals involved, there are absolutely no penalties contained within the body of the Privacy Act.

I ask members to reflect on how ludicrous that is. It is the same as having laws that govern how we drive our vehicles. We have posted speed limits and laws on how we conduct ourselves on the road when we operate motor vehicles. For example, it is against the law to be operating a motor vehicle if one is impaired. In most places in Canada it is against the law to operate a motor vehicle without wearing a seat belt. It is against the law to be driving faster than posted speed limits. It is against the law to disobey stop signs. There are penalties attached to each and every one of those laws and regulations. The penalties more or less reflect the severity of the violation or the potential violation of each of those regulations or laws.

Human nature being what it is and human beings being what they are, we can only expect people to behave in a certain way when there is a real deterrent for them if they violate the laws upon which society is based. In the instance of the Privacy Act where there are no penalties or downside to violating the act, how can any Canadian citizen feel good about expecting the privacy laws to protect him or her?

I will tell the House how the lack of protection within the Privacy Act first came to my attention. A couple of years ago a fellow in Alberta by the name of Bruce Starlight, an aboriginal person living on the Tsuu T'ina reserve, wrote a private letter to the Minister of Indian Affairs and Northern Development that was not circulated to anyone else. In his two page letter he made a number of observations and allegations with respect to financial mismanagement on his reserve. In her capacity as the minister responsible for that department he asked her to investigate and determine whether or not what he was alleging was true. Mr. Starlight did not receive a response to his letter from the minister.

• (1910)

About two and a half or three months later he received a knock on his door one night. It was somebody serving him legal notice that he was being sued for defamation for making allegations against his chief and council. Part of the evidence of his allegedly making defamatory allegations against the chief and council was the letter he had written to the minister with her actual office stamp on it.

That private letter was received in her office in Ottawa. To this day we still do not the exact trail, but it was handed back to the chief and council against whom the band member was making allegations. It put Mr. Starlight in a very difficult situation.

He contacted me, as a member of parliament and as critic for Indian affairs and northern development, and asked for my assis-

stance. He asked "Is the government allowed to do that? If I write a letter to a minister, which is considered to be a private matter, is the minister allowed to circulate my letter to anyone in a way that may possibly prejudice me, my family and my position in my community?"

We contacted the privacy commissioner and the privacy commission on Mr. Starlight's behalf and posed the same question. We asked the privacy commissioner to investigate. I have to tell the House and anyone out there who is listening that we received absolute co-operation from the privacy commissioner's office and from the privacy commissioner himself. We were very pleased with the way they responded to our requests. We were very pleased with the way they conducted an investigation. We are very pleased with the fact that at the end of the day they did come back to us and to Mr. Starlight. They concluded in a very substantial way that Mr. Starlight's privacy had been compromised very badly by the minister of Indian affairs and her department. The minister of that day is currently the minister for HRDC.

The privacy commissioner also advised us at the time that although there was a violation of privacy there was no penalty. There was no recourse for Mr. Starlight at all. The fact that he was put in a very difficult situation and in a position of financial hardship because he ended up having to partly finance a legal suit out of his own pocket did not give him any recourse whatsoever to go back and initiate any kind of action against the minister of Indian affairs and/or her department.

In the course of the investigation the privacy commissioner determined that there were at least 61 or 62 people within the minister's department and the higher echelons of the department of Indian affairs that had access to Mr. Starlight's letter. The privacy commissioner determined that it would be virtually impossible to determine the actual culprit or culprits in the violation of Mr. Starlight's privacy, short of getting honest and truthful statements from people who were involved, which I gather were not forthcoming.

The privacy commissioner made a number of recommendations to the department and to the minister for instituting better security surrounding correspondence. The minister and the department made public statements that they would take the privacy commissioner's advice and tighten up security.

In the meantime that does not help Mr. Starlight. It does not send the right message to government institutions when they see a minister and a minister's office in blatant violation of the law with absolutely no penalty to be paid in a milieu—and it has been patently obvious for the last few days that this is very true—where ministers of the crown routinely refuse to take responsibility for their departments and the bungling that goes on. The minister in question in this case, who is now the minister of HRDC, in my estimation is incapable of taking responsibility simply because she is not a capable minister. She is not in charge and never has been in charge of any department over which she has been given responsi-

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bility. What recourse do Canadian citizens have in that kind of milieu where nobody wants to take responsibility, in a situation where the privacy commissioner says that there were 62 people who had access to that letter and nobody has taken responsibility, and the minister responsible for the department is not taking responsibility?

• (1915)

There must be teeth in this legislation. There must be a penalty attached to violations of these regulations and it has to be a penalty commensurate with the violation. In other words, there must be real teeth in this legislation.

It is not much wonder that government is not interested—and we can see that by the lack of support this motion has received from other members of parliament, notably on the Liberal side of the House—in amending the Privacy Act to include tough penalties for those who would violate the act. I would suggest that most of the time it will be government that is actually in violation of its own act, in violation of its own laws.

I ask members of the House how Canadians can possibly have faith in the Privacy Act and in the work of the privacy commissioner and how they can feel their privacy and their right to privacy is secure and held sacred by the Government of Canada when the laws have absolutely no penalties and no teeth.

I strongly urge the House to make this a votable motion. I ask for unanimous consent that we agree to make this a votable motion and that we send it to the justice committee for a review and ask it to report back to the House as to how that could be done.

The Acting Speaker (Ms. Thibeault): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, we are now debating Motion No. 19, which I will read to the House. It reads as follows:

That a legislative committee of this House be instructed to prepare and bring in a bill, in accordance with Standing Order 68(4)(b), to remedy the weaknesses of the Privacy Act, including providing relief or compensation for persons who suffer as a result of improper disclosure of their private information and imposing penalties for those who wilfully violate the provisions of the Privacy Act.

We just finished a lengthy study of the Privacy Act. It started after the last general election and went on for some time. Then, last fall, it was put, somewhat hastily, on the government agenda again.

Since it was among the commitments made in the throne speech, Canada wanted a privacy act.

I remind the House that we were opposed to this legislation not because of its purpose per se, which was to give Canadians an act that would protect the transmission of personal information, but rather because of the fact that, in most cases, particularly in the case of Quebec where such legislation already exists, several areas were already covered, in fact all areas were already covered.

Some areas are covered by federal legislation and others by provincial legislation. There will be a difficult adjustment for companies whose activities come, for one part, under federal jurisdiction and, for another part, under provincial legislation. But that is nothing new. We see that in so many areas and that will happen now with the protection of private information.

We have a great deal of difficulty accepting the principle that, because no other province was taking action, Quebec was pushed out of a jurisdiction it was exercising.

• (1920)

The federal government could very well have recognized in this legislation the precedence of the Quebec consumer protection legislation. Especially since the federal government bragged that its legislation was very similar to the Quebec legislation, with a few adjustments, and that it had borrowed big chunks from it. If both legislation are similar, all the more reason to give precedence to the provincial legislation. Companies, even those under federal jurisdiction, and federal institutions in the province could then be told to abide by the provincial consumer protection legislation.

A whole bunch of overlapping would have been avoided because the current legislation provides for a transition period. For a few years, the act will be only partially in force, but in time its scope will increase and problems will arise along the way. As a matter of fact part of the act is in force now while the rest will be later, in three years.

We strongly opposed it. My colleague from Mercier initially led the charge on behalf of the Bloc Québécois. Several groups from Quebec came to testify on this bill. I am thinking about—and the intergovernmental affairs minister is going to accuse us once again of bringing out mothballs groups, but I will list a few of those who supported us—the chamber of notaries, the bar, people who cannot necessarily be accused of being part of any political family, let alone the sovereigntist family.

The Conseil du patronat cautioned against it. Quite a few groups, including trade unions, the CSN in particular, submitted briefs. The Quebec access to information commission highlighted all the potential problems and difficulties associated with its implementation.

In practice, some definitions are different, for example, what is a signature. When we talk about e-commerce, some notions which

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were defined in the civil code can now be found in the federal act. Their meaning is different because these two approaches—the one based on the civil code and the one based on the Criminal Code or the federal privacy legislation—are very different.

We are not trying to artificially create a problem where there is none. There are technical problems, and the groups themselves will have to live with that: the lawyers of the Bar, the business people represented by employers and the workers represented by central labour bodies.

Of course, not everyone in this group necessarily has a monopoly on the truth. How did it happen, however, that we found ourselves in the situation—in the case of Quebec—where only the representatives of the Liberal Party were in favour? Perhaps two or three individuals whose motives and often whose links to this government are questionable and who pay lip service to this bill.

There was therefore very little support for this legislation in Quebec. However, we understand the aim of it: that Canada be governed by a law since there was none outside Quebec. However, I am told some provisions existed in Ontario and perhaps in some other provinces, which were not as extensive as the consumer protection act. It is understandable for Canada to want to be proactive and have a law. That said, if the other provinces do not want to exercise jurisdiction, that is not our problem. And if the federal government thinks that it should exercise it instead, it should have entered into an agreement.

The ministers of the Government of Quebec have requested meetings and, to my knowledge, they never even received an acknowledgement of receipt or nothing was done to have highly technical and specific discussions to see how to deal with the situation.

Now we have a Reform Party member who, no sooner is the debate over, already wants to amend the act. To my knowledge—and I may be wrong—this legislation was supported by the Reform Party. They could have promoted it more when the bill was being reviewed. There is, among other things, this idea of compensating those who suffer prejudice.

Would this not—I am not an expert on this issue mind you—open the door to compensation whenever there is prejudice? When this happens between parties in a civil case, there are recourses for individuals. Now, must we systematically set out in the act that there will be prejudice and that compensation will be paid to those who suffer prejudice?

As for the second part of the motion, dealing with applicable penalties, this is already covered. Whether we like it or not, legislation already exists, and there is a penalty for failing to comply with its provisions. In fact, there is whole series of offences.

• (1925)

What does this motion mean with regard to penalties? How far are they willing to go? What does it mean in practical terms?

The motion is relatively precise in that regard. The notion of prejudice is new. It can be understood that it is only a matter of principle. The notion of sanctions or penalties already exists. Why is it not explained more clearly in the motion? It becomes difficult to support a motion the second part of which is vague, and probably deliberately so.

In any case, it is very difficult for us to support a motion aimed at amending a piece of legislation that is hard for us to live with. The fact that this piece of legislation has been adopted does not mean that the problems I alluded to earlier will not arise with regard to the different definitions in the federal legislation. I used signatures as an example earlier, how an electronic signature is defined, and so on.

Of course, there will eventually be some degree of harmonization, but in the meantime, it may very well be that consumers will not enjoy the same protection as they did before. When only one act applied in Quebec, businesses under federal jurisdiction—and I am thinking specifically about the telecommunications sector—complied with this act. Everybody came under the same legislation and it was known. Now there are two acts.

Consumers will see businesses using the excuse that there is a transitional period, that the federal legislation will be fully in force in a few years, that there are two definitions, that things are complicated, and so on. And there will be consumers who will find it all very confusing and will wonder which of the two pieces of legislation applies, and which protects them and how.

This is a very complex issue in a sector that is already complex and is evolving very rapidly.

Some of these principles were defended during the committee proceedings, but it might have been better to debate them or to make amendments back then, rather than support the bill, as the Reform Party did when it came time to vote. To my knowledge, we were almost the only ones to oppose the bill. Today, some members are voicing opposition, but they had much less to say when it might have done the most good.

I will conclude by saying that it is very hard for us to support this motion, which is not votable in any event, but had it been votable, it would have been very hard for us to support it.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I am pleased to join the debate on Motion No. 19. I thank the hon. member for Skeena for raising the issue and for bringing it before the House.

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I believe that it has enough merit to be made votable. I would have liked to have seen that. I am disappointed, as I know he must be, that the committee and members of the House chose not to allow that, which will terminate the debate after only one hour.

I tried to listen carefully to understand the motivation. I think I understand what the member for Skeena had in mind when he put this motion forward. I find the motion vague, but I suppose that is the nature of motions. It gives a general direction; not a specific task, as would be set out in a bill.

I understand that the Privacy Act can be a source of frustration for some in that it does not have the teeth, as the member put it, to really change patterns of behaviour because there is no real discipline involved. There is no real penalty involved for violations.

The member used the example of a motor vehicle violation. People would not be stopped from speeding if there were no penalty associated with it. We will not get voluntary compliance, and that must be what the Privacy Act is relying on. It is asking people to change their patterns of behaviour, but there is no threat of consequence if they do not choose to do so and do something wrong.

I recognize the whole issue of data services these days. The storage of data is becoming very complex. There are huge personal privacy and public interest issues associated with it.

One of the worst examples that I can think of, in which the member would be interested, concerns the province of Manitoba. The previous Tory government in the province of Manitoba contracted out the Manitoba health data services to a private firm. It was a local firm, albeit, but everyone's personal medical records were in the hands of a private company.

That was bad enough. A lot of us did not think that was a good idea. It was on a fee for service basis. That company then further contracted it to Dallas, Texas. So now all of my personal medical records, my mother's records and everybody else's records in Manitoba are stored in Dallas, Texas. We do not know under what circumstances. We do not know if the people there sell membership lists to pharmaceutical companies that may want to mail a letter to a person who has a specific medical condition.

• (1930)

The fact is that it is no one's business and there should be a tighter grip on very private and very personal medical information. I think it is fundamentally wrong. This is one example of how a person's privacy can be jeopardized by new technology and the way the world is moving in those directions.

I am a little disappointed about the incident that gave rise to the creation of the motion. It was quite narrow in scope. We are really

talking about one individual who had a problem with one letter. I am sympathetic. I think it was wrong that the letter became public without the person's knowledge or consent. However, I also feel that if the letter was full of accusations about wrongdoing, people have a right to know who their accusers are. It is a basic tenet of law. It is a basic tenet of natural justice and fairness that we get to know who is making accusations about us.

Therefore, I am not totally stressed by the idea that somewhere along the line the Indian band in question found out who it was that was essentially blowing the whistle on some alleged wrongdoing.

That leads me to another point I would like to make. This incident may be better addressed through legislation trying to craft whistle blowing protection rather than amending the Privacy Act. What Bruce Starlight was really doing, I suppose, was blowing the whistle on some alleged wrongdoing in the enterprise of which he was a part. He must have been associated with that Indian band.

I ask the hon. member to consider the much broader issue of whistle blowing when he looks into this further. This was not a workplace situation. In this case, it was blowing the whistle on an organization in which the person was a member.

In a workplace, it could become even more complex. Many recent incidents have surfaced where a worker comes forward, blows the whistle on some alleged wrongdoing in his or her workplace and ends up getting disciplined for it. This is getting to be a very big issue.

We would like to believe that the public sector is a good employer. I would like to think that it would welcome whistle blowing, that it would want to know if there is something going amiss in its enterprise. Instead, the first swift and immediate reaction is usually to fire the person. The employee does not have any recourse because it is just cause to fire someone for taking any steps that might be to the detriment of the operation.

Another basic tenet of law is that there is an implied loyalty that is required between an employer and an employee in that situation. An employee is not allowed to do anything that will really damage the reputation of the company or the boss. Therefore, when an employee comes forward and makes public facts that might shut that operation down or cost it money, or essentially blows the whistle on anything that it might be doing, he or she is breaching that implied loyalty of employers and employees.

I would rather have seen the issue of Bruce Starlight addressed in the larger context of whistle blowing legislation of some kind.

We are looking forward to the day in the not too distant future when that sort of thing is welcomed. I think 35 out of the 50 states in the United States have whistle blowing legislation that is very strong in their public sector. Again, they recognize that a good

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employer probably wants to know if someone is pilfering money, polluting or any number of things that they might be doing that are not quite copacetic.

I was interested to learn from the member of the Bloc Québécois that the Privacy Act just underwent a comprehensive review. I would have thought that would have been the time where we could have made amendments to the Privacy Act to try to add teeth, as the member said. I do not know how that opportunity was missed but I did not have any personal dealings with that.

I know most Canadians do want a Privacy Act and most Canadians do worry about what happens with their personal and private information, whether it is their credit card number or, as in the example I gave of the Manitoba health records in the hands of a private firm, and we have lost all ability to edit or control how that material is going to be used or if it will be made public.

From what the hon. member for Skeena tells us, there is no penalty if a person does breach the implied trust relationship that exists between my information and the person who is holding my information. I think it is a very legitimate point and makes for an interesting debate. It is frustrating because these debates go nowhere when the item is not deemed votable. It is only an academic exercise we are playing here but to raise the issue on the national stage is a bit of progress we can measure.

• (1935)

While I support the concept and I admire the member for bringing the issue forward, I am somewhat frustrated that it is so narrow in scope that it is really only addressing one individual who had a problem with one letter that went public. I am not even sure that it was so wrong for that letter to be made public because somebody who is accused of doing something wrong does have a right to know the accuser. The accuser also has a right to be free of discipline or suffer any negative consequences for bringing these things to people's attention. This brings me again to the point that I wish this issue was dealt with within the context of whistleblowing, not Privacy Act amendments.

Mr. Jim Jones (Markham, PC): Madam Speaker, I am pleased to address the motion presented by the hon. member for Skeena regarding the Privacy Act.

I do believe that privacy implications in the new age of technology are important considerations. There was a story in the media not too long ago about a woman whose tax information was publicly released because she had filed a complaint. In a subsequent federal court of appeal ruling about her case, the court struck down the disclosure rules that said such personal information could not be released regardless of the case.

This was a prudent decision by the court and it demonstrated the importance of privacy and protection in this day and age. In the

decision there was no compensation provided to the woman whose privacy was inappropriately violated. I believe this is appropriate. It is on this point that I think the hon. member's motion is flawed.

The member calls for legislation that sets out a compensation provision for those whose privacy is violated. I believe that such an act would lead to large complications in terms of legalities. This could very easily create a paradise environment for lawyers.

To a greater degree, how does one determine or define injury as a result of a breach of privacy? Does an improper disclosure of one's personal information warrant financial compensation? I do not think in the vast majority of cases where disclosure occurs that the person requires financial reward because of such breach.

I do agree with the hon. member that there are weaknesses in the Privacy Act. For instance, I believe we need to pay greater attention to the implications of personal and corporate privacy in the rapidly advancing information age in which we live. I am not sure that the Privacy Act in its current incarnation can fully address the need for protection in cyberspace and beyond. This is an area on which I believe we must place more emphasis.

I do not think the member's motion is particularly focused on this area. In a world where information is so readily and speedily available, I think it is vital that the Privacy Act be able to respond to breaches of privacy in this area much as it currently does in terms of government not being able to disclose one's tax return and so on.

As for the second part of the motion concerning punishing those who breach privacy concerns, I think there may be more weight to this section. I doubt that anyone would disagree that it is important to ensure there are proper protections in place to discourage and to punish those who wilfully violate the privacy of another.

I again wonder what sort of approach the member would like to take on this issue. How do we define a punishment when it is next to impossible to define injury in a case like this? I would think that if sufficient damage was done, the individual would have the recourse of a libel suit or another civil pursuit.

At this level I do not think we necessarily need to bring in legislation as the member has suggested. Instead I believe it would be worth looking at more specific and in depth issues of privacy from the framework of technology and the exchange of information. This is where people need the most protection at this time, where personal information can travel broadly without even the knowledge of the person affected.

• (1940)

On this point I believe the member has a valid argument that perhaps a parliamentary committee should be struck to thoroughly investigate ways in which we can strengthen the protection that

Canadians need in ensuring that their personal information remains just that, personal.

Again I return to the fundamental flaws in the member's approach to seeking greater privacy protection. It would be quite dangerous to firmly set out penalties and rates of compensation for the acts referred to in the motion. It sets up a legal framework for convicting offenders after the fact whereas what is most needed are preventative measures.

I believe the Privacy Act in its current state addresses most of the issues for which it was intended but I can agree with the motion that perhaps we could tighten it up to ensure there are no gaping loopholes as there were in the tax case referred to earlier. Whereas the most confidential and private of personal information is controlled by the government, there need to be virtually foolproof mechanisms in place to guarantee that John Doe's tax return does not end up in the public domain because he chooses to challenge it. This is a very important responsibility of the government and one that must be maintained and met.

Although I agree that some improvements need to be made in the Privacy Act and that it should be a concern and perhaps priority of the House to visit the privacy issues in greater detail, my colleagues and I cannot support Motion No. M-19 because it seeks to create a legal reference point that overlooks the larger issue.

As members we cannot reasonably determine what price tag to put on somebody's compromise. That is an area that the courts must define. What we can do is strengthen and tighten the framework of privacy protection by responding to the more minute details that are perhaps overlooked at the present time.

Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, we have before us a motion that would lead to the establishment of a legislative committee of the House to prepare and bring in a bill to remedy what the hon. member refers to as the weaknesses of the Privacy Act. The bill would include relief or compensation for persons who suffer as a result of the improper disclosure of their private information and it would impose penalties for those who wilfully violate the provisions of the Privacy Act. Let me say at the outset that the Minister of Justice does not support this motion.

There are two laws that affect the protection of personal information held by the federal government. First, section 8 of the Canadian Charter of Rights and Freedoms states that everyone has the right to be secure against unreasonable search or seizure. This section has been interpreted to deal with privacy.

Second, the Privacy Act protects personal information collected by the federal government. The Privacy Act was brought into force in 1983 with the agreement of all parties in the House. The act provides individuals with access to their personal information held

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by the federal government. It further gives individuals some controls over the government's collection and use of this personal information. It also protects the individual's privacy by limiting those who may see this personal information and for what purpose it might be used.

The Privacy Act sets out the principles of fair information practices thereby requiring the government to collect only the information needed to operate its programs, to collect the information directly from the individual concerned whenever possible, to tell the individual how long it will be used, to keep the information long enough to ensure access by the individual, and to take all reasonable steps to ensure the accuracy and completeness of personal information.

It should be noted that no federal legislation is in place to protect personal information held by the private sector. In response to concerns raised by Canadians, the government recognized the pressing need for statutory reform regarding the practices of private sector organizations in relation to personal information.

In October 1998 the Minister of Industry introduced Bill C-54, the personal information protection and electronic documents act, to address these concerns. Bill C-54 was introduced in this session as Bill C-6 and was adopted by the House in October last year. When part I of Bill C-6 comes into force it will apply to organizations in the private sector and will establish their obligations for the protection of personal information. The government is very proud of Bill C-6 and of the value Bill C-6 will add to the privacy laws in Canada.

• (1945)

As the government continues to scrutinize closely the developments in the area of the privacy law, part of the government's ongoing work is to monitor the practices and trends, both in the public sector and in the private sector, involving the collection, use and disclosure of personal information and to consider ways that laws relating to privacy can be improved.

In his motion the hon. member for Skeena raises a number of interesting points that should be taken into account in the government's ongoing review of the Privacy Act.

[*Translation*]

We do, however, have some reservations when it comes to reviewing and amending the present privacy legislation. We feel it would be premature to strike a legislative committee to look at a reform of the Privacy Act.

[*English*]

This said, the government continues to carefully monitor the current laws relating to the use of personal information. Now that a framework for the protection of personal information is nearing

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completion with Bill C-6, improvements to federal laws can be considered on a more measured scale. The government will ensure that the interests of all stakeholders are heard, assessed and weighed.

Canadians have demonstrated to us that they value the protection of their personal information and that they appreciate the responsiveness of the government to their concerns. Government will continue to respond to the concerns and needs of all Canadians.

Mr. Mike Scott (Skeena, Ref.): Madam Speaker, I would like to respond to some of the comments that have been made by members of the House. I appreciate the level of debate that has taken place today.

First of all, I believe the member for Winnipeg Centre made the suggestion that maybe it was not wrong and he did not have too much of a problem with the fact that a member of an aboriginal band in Alberta wrote a letter to the Minister of Indian Affairs and Northern Development and that letter was leaked back to the chief and council.

For the benefit of the member and for the benefit of other members of the House—and it may not be understood by members—a letter to a minister of the crown written by an individual is considered to be privileged information, the same as any letter received by any one of us from one of our constituents is considered to be privileged information. As members of parliament we do not take that information and share it with the press or with other individual constituents, unless we have expressly received permission to do so by the original author of those letters or those communications. That is considered to be privileged information.

It is not up to the member for Winnipeg Centre or anybody else to make judgments about whether it was the right thing to do. The fact is, that is the law and the law was violated, and it was violated by members of the minister's department.

In listening to the debate I heard talk from other members and other parties about Bill C-6 and the government's initiatives with respect to the Privacy Act. I say to hon. members, and the parliamentary secretary in particular, that is all fine and well, but the parliamentary secretary would know that Bill C-6 is designed specifically with the private sector in mind.

Bill C-6 does nothing to address the concerns and the rights of individuals with respect to private information that is held by government institutions, and in this case by federal government institutions. There is no institution or organization that holds more personal private information on Canadian citizens than the federal Government of Canada. Therefore, it is the federal Government of Canada that this legislation is targeted toward, or ought to be targeted toward, more than any other organization. That is not to

say that the private sector and the initiatives in Bill C-6 are not good initiatives.

I share the concerns that some institutions in the private sector have access to tremendous amounts of private information and I share the view that those private institutions ought to be responsible for the private information they hold and ought to be held accountable in law when they willfully break the privacy rights of Canadian citizens.

I would also respond to the parliamentary secretary, who said that it is difficult to ascertain what damages may be awarded when violations occur. Maybe it was the member from the Progressive Conservative Party who said that. I am not sure. I certainly would not want to attribute comments to the parliamentary secretary if in fact it was somebody else. However, I would say this. There are many instances in law where it is difficult to determine actual damages when there have been wilful violations. I use as an example the laws with respect to defamation, slander and libel. It is often difficult, if not impossible, to determine what actual financial harm has been done when one individual wilfully defames, slanders or libels another citizen. I do say, though, that as difficult as it might be for the courts to make those determinations, they are granted that purview and do their best to discharge that duty. The mere fact that there are penalties ascribed in law to people who would wilfully slander or libel is a tremendous deterrent and it makes us much more responsible as individuals when it comes to considering how we are going to conduct ourselves. That is why it is imperative that the Privacy Act be amended, that teeth be put into it so that there are real, tough and strict penalties that are attached to violations of those laws so that Canadians can feel much more secure about private information that is held concerning them, in particular private information that is held by the Government of Canada, but by other institutions as well.

• (1950)

The Acting Speaker (Ms. Thibeault): The time provided for the consideration of Private Members' Business has now 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.

CHILD CARE

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Madam Speaker, four months ago I stood in the House asking for a

commitment to a national child care program and received a half-baked answer about how the government supposedly tried and was stopped by provincial governments.

The fact is that if the government had the will to do so, it could implement a national child care program right now. Instead, the government has tried to pass the buck of responsibility as it has with many other programs and services.

What happened to the 150,000 spaces for children in child care that was promised in 1993? The government promised \$720 million for child care in 1993, but it has in fact cut spending. In too many provinces, like my home province of Nova Scotia, the child tax benefit is clawed back when families' main source of income is social assistance, a perverse attempt at addressing poverty which has ensured that the needs of children in poor families have not been addressed.

If the Prime Minister and the Liberal government really took the needs of children seriously, they would know that the parents of these children have clearly stated that a federally funded national child care program is what both the children of Canada and their parents need to start off on the right path.

Liberal double-talk on child care is just one more example of how the government has been saying one thing and doing another. Over four months ago the government made a speech about how children would be a priority in the 2000 budget. But what has it done over the last six years in power? Broken promise after broken promise has meant simply more poverty and more poor families.

We all agree on the benefits to children of quality care in and outside their homes in their early years. We all agree that children are a priority. We all know that money exists to make a national child care program a reality. We all know that the only reason we do not have such a program is because of the lack of will and commitment to Canada's children shown by the Liberal government in its race to the bottom.

As the mother of two children and as a Canadian I think it is unacceptable that only 9% of children in need of care have access to regulated child care.

Today I would ask the government when it will finally agree that we need a federally funded national child care program and when it will commit to a date when it will provide access to quality, affordable child care for all of Canada's children.

• (1955)

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, the

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question of the member which has come back a couple of times indicates to me that this member does not really understand the federal-provincial arrangements through which this country is governed co-operatively by both levels of government.

The member said that if the government had the will it could implement a national child care program right now. That is simply and purely incorrect. The federal government could not implement such a program because caring for children is part of the responsibility of the provinces. We simply could not do it without provincial co-operation.

She also asked what happened to the 150,000 child care spaces that were promised in the 1993 red book. We fulfilled that promise when we came forward with an offer to set aside \$400 million and asked the provinces to come forward and use that money to build child care spaces.

Mrs. Michelle Dockrill: You asked the provinces?

Ms. Bonnie Brown: Yes, we invited the provinces. Not one province came forward and said "Yes, we want to build this program with you". After a time, the money was set aside from that program because no one stepped up to the plate to use it. That is what happened to the 150,000 spaces that were suggested in the red book.

Our Speech from the Throne in the fall indicated that this government has no higher priority as a government than children. But that statement does not lead directly to the establishment of a national child care system.

We recognize that while parents have the primary responsibility for the care of their children, raising the next generation is everyone's concern. We know that early childhood development and care is essential to raising healthy children. That is why early childhood development is a key theme in the national children's agenda through which—

The Acting Speaker (Ms. Thibeault): I am afraid I must interrupt the hon. member as the time has run out.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.57 p.m.)

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