

CANADA

House of Commons Debates

VOLUME 136 • NUMBER 068 • 2nd SESSION • 36th PARLIAMENT

OFFICIAL REPORT (HANSARD)

Tuesday, March 21, 2000

Speaker: The Honourable Gilbert Parent

CONTENTS

(Table of Contents appears at back of this issue.)

HOUSE OF COMMONS

Tuesday, March 21, 2000

PRIVILEGE

MEMBER FOR WENTWORTH—BURLINGTON—SPEAKER'S RULING

The Speaker: I am now prepared to deliver my final ruling with respect to Bill C-206 standing in the Order of Precedence for Private Members' Business in the name of the member for Wentworth—Burlington.

This matter, concerning the acceptability of the list of 100 signatures, was originally raised on February 7, 2000 by the member for Athabasca. The hon. member for Athabasca complained of the use made of his signature in helping to have Bill C-206 placed in the Order of Precedence. He maintained that his support for the bill was limited to the text in its original form as Bill C-264 and not to the current version which is before the House. The hon. member for Wentworth—Burlington, for his part, claimed that he had never attempted to mislead the House or any of its members by his use of the list of signatures which he had gathered during the previous session.

● (1005)

[Translation]

In a preliminary ruling which I delivered on February 8, 2000, I indicated that, as the mechanism provided by Standing Order 87(6) for having an item placed in the Order of Precedence was a recent addition to our rules, the Chair lacked any precedents on which to base a decision. At that time, I requested that the Standing Committee on Procedure and House Affairs consider the matter and provide some indication of how the provisions of Standing Order should be understood.

[English]

The procedure and House affairs committee has presented the results of its deliberations in its 19th report, which was tabled on Friday, March 17, 2000 and I am thus in a position to make a ruling on the question. I am deeply grateful to the members of the Standing Committee on Procedure and House Affairs for the advice that they have provided the Chair. I appreciate both the care

which they have exercised in their deliberations and the promptness with which they have returned their views to the House.

[Translation]

In light of the guidance provided by the procedure and house affairs committee, it seems to me that the most reasonable, and the fairest, way of proceeding in the present case is to declare the list of supporters, collected during the first session of this parliament in support of Bill C-264 in its original form, invalid. The list was collected at a time when our new procedures were not yet in place and legitimate concerns have been raised concerning just what it was that members thought they were committing themselves to in signing it.

[English]

I am therefore accepting their recommendation that the member for Wentworth—Burlington have the opportunity to demonstrate that current support exists for the debate of Bill C-206 by filing a new list in conformity with the provisions of Standing Order 87(6)(a). I emphasize here, as the committee did in its report, that what is sought here is support for the holding of a debate on the substance of the bill, not support for the content of the bill itself.

If it is shown that there is widespread support for the consideration of this item, it will be allowed to proceed. Failing the filing of the necessary list with the Journals Branch prior to Bill C-206 being set down for the first hour of debate at second reading, the item will be removed from the Order of Precedence. It will, of course, remain eligible to be returned to the Order of Precedence through a later filing of such a list or by the normal process of the draw.

I would like to thank the member for Athabasca for raising this issue and the member for Wentworth—Burlington for his clear and concise account of the order of events. I would also like to thank the House leader of the official opposition, the member for Berthier—Montcalm, as well as the member for Roberval, for their contributions to the consideration of this question. I would also once again express my appreciation to the Standing Committee on Procedure and House Affairs for its valuable assistance.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, of course I respect your decision in this matter. I would just like to make two observations. Bill C-206 is due to come up for debate within about a week. Because of the very close timeframe in which you have ruled that I should be required to get the signatures again,

Routine Proceedings

I would ask that if I can get the signatures in the next day or so that perhaps Bill C-206 could remain where it is on the Order of Precedence rather than being dropped to the very bottom and perhaps not being debated for some months to come.

Second, I would just like to make one comment. I do believe this arises from a legitimate misunderstanding. I regret that I never had the opportunity to speak before the procedures and House affairs committee to explain the origin of the misunderstanding and to clarify the situation.

Nevertheless, Mr. Speaker, I think your ruling is the correct ruling and I abide by it.

• (1010)

The Speaker: I believe the question the hon. member is asking is whether this bill will come up in the normal course of events. The answer is, yes. Is that what the question is?

Mr. John Bryden: No, Mr. Speaker. I do not quite understand your ruling. The bill is due to come up in the next few days. If the hundreds of signatures remain valid, it is due to come up on Thursday or Friday at the latest.

What I am asking you, Mr. Speaker, is, if I can get the hundred signatures in the next day or two—and I would hope to have the co-operation of the opposition parties in this—can my bill remain on the order of precedence and come up on Friday, as it is currently scheduled to do?

The Speaker: That was the question I thought the hon. member asked. The response is, yes.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

Mr. Joe Fontana (London North Centre, Lib.): Mr. Speaker, I have the honour and duty to present, in both official languages, the first report of the Standing Committee on Citizenship and Immigration.

It is with a little sadness that I do so because the report outlines the release of in camera material by the member for Lakeland which the committee believes may constitute a breach of the privileges of the House of Commons. If you, Mr. Speaker, find a prima facie case of privilege, I am prepared to introduce a motion for the entire matter to be referred to the Standing Committee on Procedure and House Affairs.

I also want to bring to the attention of the House that on Friday, March 17, I stood in the House on a point of privilege to address the same matter. The first report of the Standing Committee on Citizenship and Immigration is also doing the same thing in asking the Speaker to rule on this very important matter which deals with the privileges of all members of the House with regards to confidential material being released prematurely before the committee and this House has had an opportunity to consider it.

Mr. Speaker, I would ask for your guidance and your advice on this matter.

The Acting Speaker (Mr. McClelland): I thank the hon. member for London North Centre for his intervention. The Chair will take the member's comments under advisement and the Speaker will be apprised of his concerns.

* * *

PETITIONS

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure to rise and present a petition on behalf of thousands of Canadians from Alberta, British Columbia and Ontario calling for deep and immediate tax relief at the federal level.

CHILD PORNOGRAPHY

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I am pleased to present a petition from Canadians across the country who are calling for the federal government to invoke the notwithstanding clause so that we have a valid child pornography law in Canada.

HUMAN RESOURCES DEVELOPMENT

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure to present a petition on behalf of Albertans calling upon the human resources development minister to immediately resign.

FAMILIES

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I have a petition to present from my riding calling on parliament to support Motion No. 300 which recognizes the fundamental rights of individuals to pursue family life free from undue interference by the state and to recognize the fundamental right and responsibility of parents to direct the upbringing of their children.

The petitioners urge the legislative assemblies across Canada to do likewise.

● (1015)

REGISTERED RETIREMENT SAVINGS PLAN

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I present a petition calling upon parliament to enact legislation to wind down the Canada pension plan while protecting the pensions of current seniors and that Canadians contribute to mandatory RRSPs of their own choosing.

BREAST CANCER SOCIETY OF CANADA

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, today I present a petition from the Breast Cancer Society of Canada. Canada has the second highest incidence rate of breast cancer in the world, second only to the United States.

Early detection remains the only known weapon in the battle against breast cancer.

CHILD POVERTY

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I rise to present a petition on behalf of the residents of Saltspring Island in my riding of Saanich—Gulf Islands.

On November 24, 1989 this House unanimously resolved to end child poverty in Canada by the year 2000. Therefore, the petitioners call upon parliament to fulfil that 1989 promise and end child poverty. It is a serious problem and I call upon parliament to do something.

MAMMOGRAPHY

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I have three petitions.

The first is signed by petitioners in my riding and elsewhere across Canada calling on parliament to enact legislation to establish an independent governing body to develop, implement and enforce uniform and mandatory mammography equality assurance and quality control standards in Canada.

ABORTION

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, the second petition deals with the reporting of national abortion statistics for Canada.

CANADA POST CORPORATION ACT

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, the third and final petition relates to rural route mail carriers and their request upon parliament to repeal subsection 13(5) of the Canada Post Corporation Act.

Ms. Angela Vautour (Beauséjour—Petitcodiac, PC): Mr. Speaker, today I wish to present two petitions which were presented to me by Alice Boudreau, the representative of the Association of Rural Route Mail Couriers.

Routine Proceedings

These petitions have in total 519 signatures and call upon parliament to repeal subsection 13(5) of the Canada Post Corporation Act.

I understand the frustration of the rural route couriers and I certainly support their efforts.

MAMMOGRAPHY

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am pleased to present a petition from petitioners in southern Ontario who note that Canada has the second highest incidence of breast cancer in the world. They call upon parliament to enact legislation to implement uniform mandatory mammography quality assurance and quality control standards in Canada.

MARRIAGE

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure to present a petition calling on parliament to enact legislation such as Bill C-225 so as to define in statute that a marriage can only be entered into between a single male and a single female.

YOUNG OFFENDERS ACT

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I present a petition on behalf of my constituents. They call upon parliament to amend the Young Offenders Act, including but not limited to, making the protection of society the number one priority, reducing the minimum age governed by the act from 12 to 10, allowing the publishing of violent young offenders' names, increasing the maximum sentence for all offences, except murder, and increasing the penalty for first degree murder up to 15 years.

[Translation]

GENETICALLY MODIFIED FOODS

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, this morning it is my pleasure to table in the House a petition signed by 615 people in my region calling on parliament to quickly pass legislation making it mandatory to label any foods that have been genetically modified in whole or in part.

[English]

PEDOPHILE REGISTRY

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I have a final petition from people in my riding calling upon parliament to enact legislation to establish a pedophile registry.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. McClelland): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1020)

[Translation]

SUPPLY

ALLOTTED DAY—MANAGEMENT OF THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ) moved:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that Department and to report to the House by September 19, 2000.

Mr. Stéphane Bergeron: Mr. Speaker, I rise on a point of order. I simply wish to bring to your attention that the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques will be sharing his time with the hon. member for Québec and that, subsequently, other Bloc Quebecois members will be sharing their time in the same way.

Mr. Paul Crête: Mr. Speaker, I would like to recall the theme of today's opposition motion, which states:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that Department and to report to the House by September 19, 2000.

Everyone in Canada is now aware that the Minister of Human Resources Development is responsible for an administrative scandal relating to the funds available for all grant and contribution programs.

The first part of our motion relates to the poor management seen at Human Resources Development Canada. It may be worthwhile to remind hon. members that, according to an internal departmental audit, 87% of cases bore no indication of the supervision of officers dealing with projects, while 75% of projects receiving contributions had no indication of whether the expected results had been attained.

Particularly in the case of job creation programs, they are able to announce to us how many jobs they want to create, but unable in a single case to tell us whether the objective has been met, and particularly unable to indicate whether the business used the money for the planned purposes. This is a very concrete example.

It is also said that 70% of projects have no invoices or pay stubs to justify expenditures. In 36% of cases where funding was increased, no reason for the increase was given. For 36% of budgets in which there was money given in addition to the original amount, they were unable to justify the increase.

It will surprise no one that the Bloc Quebecois is today calling for an independent public commission of inquiry into the matter. From the day the minister made public the findings of the internal audit, instead of taking a responsible attitude and seeing to it that they got to the bottom of the whole situation, the Liberal government and the Prime Minister—who is very much involved in the problems at HRDC—had no other concern but to cover up the situation. They tried to conceal from Quebecers and Canadians the fact that, at HRDC, they had lost control of the management of all the jobs creation grant programs and all the grant programs aimed at helping handicapped people and fostering literacy.

The government is unable to say what was done with the money and what it wanted to do with it. It is hiding behind a six point program that should deal with the situation in the future, but refusing to get right to the bottom of what happened in the past.

For weeks, during oral questions period, the Prime Minister simply stated "There is no problem. The only problem involves \$251". Yet, we were talking about \$1 billion. We have seen that when this Prime Minister wants to hide from realities, he is very good at doing so, but he has no right to try to conceal the fact from every Quebecer and Canadian.

• (1025)

Thanks to the probing by the opposition parties, we have learned, over the past few weeks, all about the \$251 problem. For example, we have found a \$150,000 grant that was supposed to go to the riding of Rosemont but ended up in Saint-Maurice. We still do not know what actually happened to the money. An investigation was launched further to the questions asked by the member for Rosemont.

The same thing happened in other cases brought to light by the members of the opposition. The Bloc Quebecois has exposed the whole story behind Placeteco, revealing how the company was managed and how the friends of the regime have benefited from the whole operation. We always have to force the minister to reveal the facts, one question at a time. She has a reactionary style of management.

Every time we manage to show her a file that has not been handled properly, an investigation is launched. This amount of

\$251 which the Prime Minister referred to again and again in the House lead to at least 19 RCMP investigations.

Mr. René Laurin: That is scandalous.

Mr. Paul Crête: Last week, I asked the following question to the Department's director of internal audit. "How many of the internal audits you have made since you took up your duties have led to an investigation by the RCMP or any other police force before this particular audit?"

His answer was really significant: none. Of all the previous internal audits, none had led to a full blown investigation. If 19 investigations are now being conducted by the RCMP or other police force, it must be because there is something fishy going on. At any rate, this shows there is a very serious problem that needs to be addressed.

Basically, there are two periods that need to be analysed, which is one reason why the House should adopt this motion. The first one is the period during which the current Minister for International Trade was in charge of the Department of Human Resources Development. That is when everything was done wrong. It has been found that, during that period, the federal government managed public funds without proper control.

Day after day, during question period, the minister would tell us "Job creation programs are doing very well and the youth employment strategy is an excellent program. Don't worry, we got tough on the unemployed, but, on the other hand, we are very good at managing the available funds and creating jobs".

This time last year, the Bloc Quebecois exposed the fact that HRDC officials had quotas to meet. This means that there is a double standard in that department. When it comes to harassing the unemployed and taking as much money as possible from workers and businesses, all the necessary controls are in place. The unemployed worker who receives \$275 or \$250 a week in benefits should be careful not to make any mistake because he will get caught in no time.

There are investigations under way that cost \$150,000. A \$1 million dollar loan to the National Bank was supposed to create jobs. No jobs were created with that money, but there is no problem. It is perfectly normal. Jobs were consolidated but no new jobs were created, even though that money was supposed to help create some 40 new jobs. There is no investigation, nothing.

In all these situations, the minister hides behind answers that provide no new information. This is why a public inquiry is necessary.

We tried to find out why the government treated the administrative discrepancies this way. We might have said that had there just been the discrepancies, it would be easy to get out of it. The government should say "There have been errors, we are going to change the situation, look at what was done in the past and try to correct our past errors".

We wondered why the government had this attitude. The answer lies in its use of the transitional jobs fund in order to win the 1997 election in a number of ridings. Let us look at the facts.

During the 1997 election campaign, in the few months preceding and following it, the government spent 54% of the amounts accorded over three years. In other words, in eight months, 54% of the money was spent on projects. By some chance, 63% of the money was spent in the ridings of Bloc members. That means the government decided to use the transitional jobs fund as a partisan tool, to advertise the Liberal Party of Canada, as a means of criticizing the opposition parties, but they used public money to do it

They decided to use the transitional jobs fund in order to buy votes. Today, we know why the federal government does not want an inquiry, does not want the facts to come out. It is not because of a malversation of funds. The federal government knows about malversations, mismanagement of public funds; we saw this last year. We have seen the deficits they created. Today we see that the problem in Department of Human Resources Development exists in other departments as well.

• (1030)

The real reason is that it exposed the system put in place by the Prime Minister, a system that allows the government to use public funds to win elections, particularly in ridings where the outcome is uncertain. We will recall that, in the riding of Saint-Maurice, 58% of people voted yes in the 1995 referendum. The Prime Minister of Canada was not at all certain that he would win in his own riding.

As we can see, they decided to turn on the tap. Memos written by officials state that "it is imperative that this particular issue succeed, because that is what the Prime Minister wants". Numerous cases were exposed, some in stories like the one broadcast by Radio-Canada yesterday evening, which clearly show that, politically, there is something fishy going on in the riding of Saint-Maurice.

To have good political debates, to have people who opposing views, whether they are federalists, sovereignists, Liberals or Bloc Quebecois, is normal. What is unacceptable is to undermine democracy by creating a patronage system designed to influence voters using every taxpayer's money.

Let us not forget that the money given away by Human Resources Development Canada is not that of the members of the Liberal Party of Canada, but that of all taxpayers in Quebec and in Canada. It was intended to help create jobs in all the ridings, in compliance with the rules.

The best example of what the Liberal government did can be found in the riding of the minister responsible for the transitional

jobs fund. To qualify for a grant, ridings must have an unemployment rate higher than 12%. The government decided to give grants to businesses located in the minister's riding and invented a new rule to support its decision. Under that rule, in ridings where the unemployment rate is below 12%, grants may be awarded if there are so-called pockets of poverty.

I will conclude with the example involving the minister's riding. The problem is that the other ridings in Canada were never informed of that rule. So, the minister herself used the transitional jobs fund for her own partisan purposes. This is why all Quebecers and Canadians want an independent public inquiry. Action must be taken to correct this unacceptable situation.

[English]

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I listened with some interest to the member opposite. In terms of what he was saying, I am offended that he would paint the Prime Minister and the people of Shawinigan, and Saint-Maurice, the riding which the Prime Minister represents, into a corner and make the implication that the Prime Minister, as any good member of parliament, should not work very hard on behalf of his constituents.

I reject that premise. I reject the implication of the member opposite because it is not only wrong, it is duplications. Why will he not understand that a good member of parliament can be effective, as the Prime Minister is repeatedly, to ensure that the kinds of job creation programs are put in place not only in this case in Quebec but across Canada in the best interests of Canadians, groups in the ridings, students, young people, the disabled and others who genuinely require these kinds of grants.

Why is it that he always has to reduce everything we do in the House somehow into an aggrieved state that he must project and talk about? It is unfortunate. He should stand on his feet and congratulate the Prime Minister for working very well on behalf of Quebecers and for doing the kind of work that is necessary not only for Quebecers wherever they live in Quebec but for all Canadians. He should stand and give congratulations but instead he always has to feel aggrieved. Why?

[Translation]

Mr. Paul Crête: Mr. Speaker, I agree that all members have the responsibility to contribute to the good functioning of their region, but we should all play by the same rules. We are also entitled to expect that democracy will be respected.

• (1035)

On December 15, 1999, the Prime Minister said "Mr. Fugère never worked for me and has never been on the executive of my riding". It was later demonstrated that Mr. Fugère is an acquaintance of the Prime Minister and that he gets a cut on the grants he

obtains. There is, for instance, this \$11,500 cheque from the Grand-Mère Inn for a \$100,000 grant for which no evidence was filed. I can say—

Some hon. members: Oh, oh.

Mr. Paul Crête: Mr. Speaker, would you please ask the chatter-box across the way to shut up so that I can carry on?

Some hon. members: Oh, oh.

The Acting Speaker (Mr. McClelland): Continuing with questions and comments.

Ms. Angela Vautour (Beauséjour—Petitcodiac, PC): Thank you, Mr. Speaker—

Mr. Paul Crête: I had not finished my speech.

The Acting Speaker (Mr. McClelland): No. We must now move to another question. The time provided for the answer has now expired, and the hon. member for Beauséjour—Petitcodiac has the floor for another question.

Ms. Angela Vautour: Mr. Speaker, it is interesting to see how annoyed government members get when we speak the truth in the House.

Some hon. members: Hear, hear.

Ms. Angela Vautour: I thank my colleague from the Bloc. I find it really interesting how angry Liberal members are today, hurling all kinds of insults.

Some hon. members: Oh, oh.

Ms. Angela Vautour: If they could only keep quiet, perhaps I could make my comments. This certainly shows a serious lack of respect on their part.

Some hon. members: Oh, oh.

An hon. member: Mr. Speaker, have these chatterboxes shut up.

Ms. Angela Vautour: I thank my colleague from the Bloc for giving me the opportunity to speak on a very important issue, especially since we, members from eastern Canada, know that there are very serious problems in our regions, which have been caused by this government.

Would my colleague agree that instead of making deep cuts in the employment insurance program and wasting \$1 billion, the government should have cut less?

Mr. Paul Crête: Mr. Speaker, I understand very well my colleague's anger because she lives in a region similar to mine, with many people on employment insurance, seasonal workers,

people who work very hard to earn a living to provide for their families.

Now we find out that this department, which keeps such a tight rein on the unemployed, has set recovery quotas for each Canada Employment Center. Failure to meet the quotas resulted in employees losing their job. I am not making this up. This is what departmental memos are saying.

On the other hand, when it comes to the transitional jobs fund, the government does not hesitate to help itself—this is the way Liberals do things—to taxpayers' money to win elections, particularly in the riding of Saint-Maurice, by putting in place an unacceptable system in our society.

This is the sort of attitude that was witnessed 50, 60 or 70 years ago. I trust the hon. member for Waterloo—Wellington would be well inspired to read the documentation. It contains overwhelming evidence, and we can table it. We are calling for an independent public inquiry because we are sure that if the facts come out the Liberal government will look so bad that it will lose the next federal election.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I wish to thank my colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for introducing this motion today in the House. It allows an important debate to take place on the scandal at the Department of Human Resources Development.

Although government members and ministers seem determined to wipe the slate clean and to say that all is well in this marvellous country, the scandal at HRDC does not concern the programs, but the management of these programs. Yesterday members opposite tried to minimize the issue by accusing us of wanting to deny grants to the handicapped, to our communities, which badly need them.

• (1040)

What worries us is the way the government is using tax dollars for political purposes, and is interfering politically by handing out money in our communities.

It is fair enough for members to work to get funds into their communities, but when four investigations in Quebec and 19 in the whole country are being carried out on how the money is distributed and on how certain ministers and members in Quebec and elsewhere in Canada have managed to get top funding for their ridings, we have every reason to be worried and to move the debate on to a higher level than the one where Liberal members and ministers seem to want to keep it.

The Minister of Human Resources Development also lacks foresight and rigour, as far as this scandal is concerned. We know full well that, from the very beginning, she tried to minimize the

Supply

problem. The opposition parties, including the Bloc Quebecois, persisted and succeeded in revealing this huge scandal and shedding some light on this mismanagement by the government.

The minister told us that she learned about the main elements of the report in November. She said that she was aware that something was going on in December and that there could have been some irregularities, but she never told us that she was aware of this report as far back as August nor that she had been informed of the situation in the Department of Human Resources Development.

After being pressed by the Bloc Quebecois and the other opposition parties, the minister started admitting that maybe we had been right to be concerned about the situation. People sometimes tell children that they are setting a bad example. The Prime Minister also minimized the significance of the problem, saying that \$250 were at issue and that, therefore, there was no cause for concern. But the more we dig and the deeper we delve, we discover new problems and examples of mismanagement.

Problems were found in 37 of the 459 files sampled. Some experts might say that these cases may have been revealed as examples, but that we could discover much more serious problems if we did a major clean up of the management of public funds at HRDC

The minister tried to hide the facts and that is what concerns us. First, she tried to hide the facts about the dates on which she was made aware of the report. She was informed in October but said she was not until the end of November.

Four months later, she was maintaining that no rules had been broken, that there had been no preferential treatment and that no money had been paid out without authorization. That was on December 16. However, she was aware of the auditor general's report. She knew about the mismanagement at HRDC.

She knew that grants had been awarded for partisan purposes. She knew that there had been political interference and that 75% of the funds available had been awarded in the Prime Minister's riding, during the election campaign or about that time. She knew that 54% of the money from the transitional job fund had been awarded, during the election campaign, six months before and two months after, in order to reward friends.

I want to come back to the criteria in relation to the pockets of poverty. I am insulted because there are such pockets in my riding. As a member of parliament, I would have liked to know about this. In my riding, the average income is higher than the poverty level.

• (1045)

That does not mean that there is no poverty in lower town, in Saint-Roch, in Saint-Sauveur or in Limoilou. I have said to groups, to community networks "You are not eligible, the unemployment rate must be higher than 12%".

I am concerned by the way this department, this government takes the taxpayers' money and uses it here and there for partisan purposes to look good.

Numerous instances have been uncovered. In the case of the Canadian tourism institute, the grant went into the director's pockets: \$2.5 million paid in December 1998. Two people resigned after blowing the whistle on what was going on in that administration. Within the institute, people were awarding themselves money for sitting on the board of directors.

We told them "Do not do anything before the RCMP has completed its investigation and we have completed our own". These people were forced to resign because they had exposed the problem. The same thing happens to us here, when we raise a problem. They try to gag us, to tell us that we are wrong, or else they shout at us, as they did earlier.

We could also mention other investigations. The Fugère affair is another case in point. Mr. Fugère's lobbying activities were denounced. We know that he has done some work in the Prime Minister's own riding. The Prime Minister said he did not know him, that he had not given him any money. We know that the recipient of thes grants was a lobbyist who sometimes works for Mr. Chrétien's riding office. Once again, no invoice has been produced.

I want to get back to the auditor general. He has expressed great concern about the mismanagement at Human Resources Development Canada. We are not the ones saying this, the auditor general is. He takes administrative audits seriously. There are shortcomings, problems of compliance with legislative requirements, weaknesses in program design, poor control and insufficient information about the regulations.

The auditor general expressed frustration about the general administrative situation. According to him, there are other short-comings. There are other irregularities in the list obtained via access to information and the one released by HRDC. Again, we are not the ones saying this, the auditor general is. Might not someone who is above the whole mess, who is not partisan, who wishes to inform this House, be trusted? He has said that something is going on in HRDC. There seems to be no desire on the government side to take him seriously; the desire is to minimize the problem underlying the scandal.

The government wants to intimidate us by telling us to pipe down, by telling us to go and settle it outside. As a woman, I know what settling it outside means. I am not going outside. I am going to stay here, and I am going to speak out here. It is high time people were told how things are done in this parliament. I am not going to step outside, because I do not want to settle it with fists.

I would like to move an amendment to my colleague's motion. The door has been opened somewhat but I would like to open it wider. I move:

That the motion be amended by adding after the word "condemn" the following: "vehemently"

[English]

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I listened with some interest to the member opposite. At one point she said that words failed her. Words should fail her, because what she was doing was in effect creating myths. She was not speaking the truth, and she should know better. Let me tell the House why.

This motion is frivolous and vexatious. Instead of grandstanding and fabricating mythology, she should remember that the Bloc is on record as supporting these kinds of programs.

• (1050)

Why do I say that? I read not so long ago in *Le Soleil* in Quebec that the Bloc is on record as saying that these programs are good.

Today they are putting on this big grandstand show, trying to agitate and get people worked up by vigorously objecting and all of these kinds of nonsensical things. I vigorously object to the kind of mythology that is being promoted in the House today.

I also point out that all of the projects in Quebec, as in other provinces, had to be signed off by the Parti Quebecois, the Government of Quebec, in a partnership role. This fact they conveniently leave out of their fine words.

If these grants were so bad, why is it that the Government of Quebec, the Parti Quebecois, signed off on them? If they were that bad, why did the separatists in Quebec sign off?

[Translation]

The Acting Speaker (Mr. McClelland): The amendment is in order.

Mrs. Christiane Gagnon: Mr. Speaker, once again we can see how seriously my colleague takes RCMP investigations. Are RCMP investigations a myth? Is the auditor general's report a myth?

This tells me just how much the government members want to minimize the problem, saying "Yes, but the Quebec government approved the grants". One can approve a grant but the responsibility is theirs to do a follow-up on the programs, to have the right funding and to see to it that the criteria are met.

Speaking of bad faith, we are told for example that our communities need that money; I agree. Why do we want all these programs to be clarified? Because we want all communities to benefit from them.

Where has all that money gone? We are talking about \$100,000 here, \$1 million there and \$200,000 elsewhere. I would have

preferred to see these amounts to go to my communities instead of discovering that they got lost somewhere.

The government should stop blaming the opposition parties for wanting to get to the bottom of this scandal. I will not stop using the word scandal, because this is in fact a scandal. A government that does not know where the money has gone, that does not do a follow-up on its grants, should not be in charge of managing the public finances.

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, I want to congratulate the hon. member for Québec, who gave an excellent speech. She is perfectly right to condemn the \$1 billion scandal in the House.

The Liberals brag about being good managers. The hon. member for Saint-Maurice, the Prime Minister, and the hon. member for LaSalle-Émard, the Minister of Finance, are running surplus after surplus. How did they manage to run a surplus while losing one billion dollars at HRDC?

Everybody knows that it was by cutting transfer payments and EI for those who needed it. Today, we are faced with a scandal. More than 50% of the funds earmarked for grants and contributions were spent a few months before and after the elections to buy votes.

Is it very unfortunate that the Minister for International Trade, who was then the minister responsible, cannot answer some questions. The current minister is now responsible. And she is because she knew about the report and misled the House.

Could my colleague confirm that that minister should resign, not because she was responsible for the \$1 billion boundoggle but because she was aware of the situation and misled the House?

• (1055)

[English]

The Acting Speaker (Mr. McClelland): I want to be sure that what we are doing is proper and that there has not been an accusation that the hon. minister deliberately—and I underscore the word "deliberately"—misled the House. I will leave it there. As far as the Chair is concerned, there was not the impression that there was a deliberate desire to mislead the House.

I will recognize the hon, member for Québec for a short response.

[Translation]

Mrs. Christiane Gagnon: Mr. Speaker, all we can say is that we did not get answers to our questions and that opposition parties are also there to shed light on the management of public finances. This is one of our responsibilities.

As for calling for the resignation of the Minister of Human Resources Development in light of this huge scandal, we can certainly do that, but we could also call for the resignation of the Minister for International Trade, who just skated around while he was in charge of HRDC, claiming that he really knew his department and how it was managed.

We do have to look at how that department is managed. We know where the orders come from. They come from the big boss. It is urgent to shed light on HRDC's management process.

We are not satisfied with the minister's replies. She knew about the report and about the internal problems long before all this was made public, but the government tried to downplay the situation.

[English]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I will be sharing my time with my colleague from Waterloo—Wellington.

I want to say at the outset that I am grateful to the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for his timely motion.

Everyone knows that this subject has consumed the House since we returned from the winter break. In question period the opposition commands the agenda because it gets to ask the questions. There has been what I would call a feeding frenzy on this particular topic. The reason for that is because in six and a half years this is the first time the opposition has found common ground, one with the other.

Opposition members have not been very successful at criticizing the government or co-ordinating their efforts in the face of our major improvements to Canadian society over the last six years: the reduction of the deficit, the lowering of unemployment, bringing under control the nation's finances to the point that we now have the best financial situation we have had probably in 15 or 20 years.

Canadians know that, but we have found one area that needs a lot of improvement. Through an internal audit we have identified a section of our government that needs some serious work. Our internal audit told us some bad news, and we took it as bad news. We took it seriously and we admitted ownership because we are the government. We came up with an action plan to address it.

We did not dream up the action plan. We devised a plan and into it we incorporated the advice of the auditor general, the other financial institutions of the government, the Treasury Board Secretariat, and we have even called in the private sector to look at our plan and how well it will address the problems raised.

Because the specialty of Bloc Quebecois members is moral outrage, they have found this a very comfortable file to hone in on.

I am actually surprised at how well they have slid into the agenda of the Reform Party. We all know why Reform Party members want to go after this file. They want to go after this file because they want to erode the confidence of Canadians in federal social programs.

(1100)

They want to suggest to Canadians that HRDC is not well managed and to do that they have not painted the full picture. They have taken something that a painter might think of as painting a picture by paint by number. In the paint by number card that they have pulled out they are painting one section out of 60 over and over and over again.

I am trying to put it into perspective. One has to remember that the Department of Human Resources Development has a budget of \$60 billion. For eight weeks the section that has commandeered the attention of the opposition and the media represents \$1 billion or 1/60 of the department's budget.

I do not hear many complaints from those 3.7 million people who are receiving their old age security cheques. I do not hear many people complaining about their guaranteed income supplement. There are 1,381,000 of them. I do not hear too many people who have qualified for EI complaining about their cheques. There are 1,263,000 of them. Nor do I hear complaints from the 1.4 million families representing 2.6 million children who are receiving national children's benefits. Instead they attack what is a good department, what is representing the social programs administered by the federal government, with the exception of health which has its own department.

The Reformers are trying to paint a black picture based upon essentially a job creation fund that is part of that \$1 billion and is worth \$330 million. That is 1/180 of the department's budget. Now we have this in perspective: 1/180 of the department's budget is being attacked for eight weeks. That is 1/360 of the Government of Canada's budget. I ask Canadians whether this is worth eight weeks of the time of the House.

I am not trying to trivialize the problem within that 1/360 of spending. That is important and we take it seriously. We accept responsibility and we accept ownership. It has been said that we try to hide things. I invite all members to go their whips' offices to see the 16 binders of information, each one being five and a half inches thick and piled on top of one another. They almost reach to the ceiling. Therein they will find a description of every project that has been funded under grants and contributions across the country.

At the same time as we have collected this information for the perusal of all, the media, the opposition and our own members who want to know, we have been transparent. It is an unprecedented release of information for a government. We did not do that

because the opposition was forcing our backs to the wall. We did that because we want to govern well. The population of today wants to know and we want to let the population know.

I have sent lists of the projects in my riding to various constituents who have asked for it. They have phoned me back with questions. It has created a great deal of work but for transparency purposes it is worth it. It is this minister who has led the drive to openness and transparency. I am proud to be assisting her because she is leading into the new era of the new century with that.

It has been said that there was a lot of money spent in 1997. It is true that the budget for this has gone down from the \$3 billion, which is part of this, to less now because in the meantime we signed labour market development agreements with the provinces and a huge chunk of money was taken out and moved to them. If we compare 1996 with 1999 we will say that it has gone down. It was not because it went up in 1997 because there was an election. It was after 1997 that one at a time we signed agreements with the provinces and transferred the relevant training money to them, so today it looks like we are spending less. It was not for partisan purposes. That is a figment of the Bloc Quebecois' imagination.

• (1105)

I want to be clear. We are not talking about \$1 billion. We are talking about the possibility of worrying about \$330 million in the Canada jobs fund. Just to update the House, at this time we have recovered \$225,729 because we have identified some overpayments with our work. We have called it back and it has arrived. It will be different tomorrow and it was different last week, as we gather the information and put it together day by day, but as of today we are owed \$640.21.

I hope this puts it into perspective for the viewers who have been bored to death by eight weeks of talking about 1/360 of the Government of Canada's budget.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, here again I can see that government members, ministers and parliamentary secretaries do not fully understand the problem with the scandal.

The Parliamentary Secretary to the Minister of Human Resources Development says that we do not fully appreciate all the government does to help, with income security, employment insurance benefits or the national child benefit. I wish to point out that these are not grants. They are fixed amounts which are given. Accordingly, one cannot really use those amounts for partisan purposes.

When she says that she does not hear any criticism about employment insurance benefits, I can tell her that we often pointed out that they have been reduced and that six persons out of ten are not eligible for those benefits. I am currently touring Quebec to look into poverty and the social safety net, which is gradually shrinking over the years. An election is coming up and a little more money might be added, but Quebecers will not be fooled. We will know what they are up to with public spending.

According to her, Reformers are using the scandal to say that the programs should be cut back. However, we want to shed some light on this scandal. The government is minimizing the scandal at Human Resources Development Canada by saying that much is being done elsewhere, that this only involves a mere \$1 billion.

Only 19 cases are mentioned. A comprehensive investigation should have been ordered for the government's overall administration and the auditor general should have been asked to look into the way it is using taxpayers' money.

This is the issue we have to deal with. Opposition parties are doing their duty when they ask—

The Acting Speaker (Mr. McClelland): I am sorry to interrupt.

[English]

Ms. Bonnie Brown: Mr. Speaker, we know that a billion dollars is a lot of money. As for the point that we do not get it, it is not true. We do get it. What I do not get is how they will play this game with the Reformers and continue to erode people's confidence in the social programs which I know they believe in.

I know the social conscience of most Bloc Quebecois members is extremely strong. They have a true idea of community and as such I see members of that particular party as supporters of the way I view the world. I try to recruit them to the causes we believe in together.

However damage is being done by the consistent use of the word scandal and by this opposition day. They do not seem to realize that the impact is not necessarily eroding support for the Liberal government or helping them to win seats. It is strengthening the right wing in the country as personified by the *National Post*. They are giving the *National Post* more and more fodder every day to feed to the people so that they lose faith in social programs. I do not understand why the Bloc Quebecois is co-operating with that.

• (1110)

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, there is a huge scandal going on at HRDC at the moment. It is unprecedented in Canada's political history. Even in the time of the Conservatives, during the nine years when scandal followed scandal, never was a scandal worse than the one before us now at HDRC.

Supply

The minister, out of a concern for transparency, invited us to use the phone line set aside for MPs to request information. I used the line and then went through access to information because they would not give me the information on the direct line.

However, I have received two calls on a very specific matter in my riding in Thetford Mines. Barely 15 minutes ago, I was talking with Odile Cukier, who is negotiating with me as to whether or not she should give me over 200 pages, because they would contain privileged information of a confidential nature, such as an address and telephone number or a social insurance number for certain people.

Why not reveal all on the files we are asking about?

[English]

Ms. Bonnie Brown: Mr. Speaker, this member has a funny idea of history if he thinks this is the biggest scandal in the history of Canada. He obviously is not aware of the railway scandal at the beginning of the century. He probably did not know about Gerda Munsinger. When we have international spy secrets being traded, when we have public money being stolen, when we have what the movies call sex, lies and videotapes, then we have a scandal.

We have a problem of management in our grants and contributions. We accept responsibility. We are working on it. We are turning up new information every day as our 20,000 employees go through the files and check on everything.

Perhaps this member has been having trouble getting the information he wants on one file. I offered just yesterday to help him get that information. However I must caution members that we cannot give information that would erode the privacy of individual Canadians. It is probably something about the Privacy Act that is restraining the official from giving him everything, but I am happy to work with him on that.

We want to be open and transparent for our colleagues in the opposition and for Canadians to know that we are working on it step by step to clean it up.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, at the outset I commend the parliamentary secretary for her very thoughtful words and the insight that she provided not only for the House but for Canadians wherever they live in our great land.

She mused a little out loud about why the Bloc and the Reformers would be so cozy, cheek to cheek in this kind of debate. It struck me that it was not so long ago that the Reformers held a convention in London, Ontario, or maybe Toronto. In any event, who was their lead speaker? It was the separatist, Mr. Biron. The lead kick-off speaker of the Reform Party of Canada was none other than Mr. Biron, a separatist from Quebec. I guess the parliamentary secretary's musing about where they are at is no

secret. They are playing toe and toe, playing cheek and cheek and playing pretty cozy these days.

The member for Frontenac—Mégantic talked about scandal. Let me tell him that the only scandal is that the Bloc members and he, instead of standing up for Quebecers and getting the kind of money that is necessary for hard pressed areas in Quebec and in other places in Canada, should be defending—

[Translation]

Mr. Jean-Guy Chrétien: Mr. Speaker, I rise on a point of order. I insist that you ask this member to withdraw his remarks. The members of the Bloc Quebecois were elected democratically without buying votes one after the other.

[English]

The Acting Speaker (Mr. McClelland): I listened very carefully to the words of the hon. member for Waterloo—Wellington and I did not hear anything in his words that were inappropriate.

• (1115)

Mr. Lynn Myers: Mr. Speaker, I just wanted to point out that the only scandal we are talking about today is the inability of the Bloc members to support their constituents, to support Quebecers in getting jobs and finding out the kind of money that is necessary for each of their individual ridings. That is the scandal here today and not what they are talking about.

I want to get to some of the facts. We heard the member for Quebec speak and we heard the member for Elk Island bellow across the aisle. Incidentally he is the member who is on record in *Hansard* as having called me a liar not so long ago. That very member is part of the Reform Party which, let me see now, was to bring a fresh start to parliament, a new way of doing business, was it not? And the member for Elk Island sits and bellows across the aisle. There he sits calling people liars.

[Translation]

Mrs. Christiane Gagnon: Mr. Speaker, I rise on a point of order. I would ask you to ask the member to stick to the debate. They say we flirt with the Reformers. Can I talk of Bill C-20, which was passed at Quebec's expense and on which they wanted to gag us? They applauded the Reformers, but those two were going on hand in hand.

This sort of thing can be said for a long time—

Some hon. members: Oh, oh.

[English]

The Acting Speaker (Mr. McClelland): We need to cut each other a little bit of slack here today. There will be a fair amount of

debate going back and forth. We will all have to develop thicker skins.

Before the hon. member for Waterloo—Wellington gets started, we can bring the word liar in the front door and we can bring it in the back door, but let us just leave it outside the House.

Mr. Lynn Myers: Mr. Speaker, what clearly is not left outside the House is the thick skin those members should be prepared to put on. They can dish it out, but it appears they cannot take it.

I want to point out to the member for Quebec and the member for Elk Island who was bellowing across the aisle not so long ago that the auditor general is very much part of the process. Instead of getting up and parading mythology like the member for Quebec was doing a minute ago, she should know her facts.

By the way, I was vice-chair of the public accounts committee. I have worked very hard and long with Mr. Denis Desautels over the years. I know the kind of thorough work he is prepared to do. He will do it and rightfully so on behalf of the taxpayers of Canada. His report will come out in the fall. What will his report say? We do not know, but we do know that Mr. Desautels, the Auditor General of Canada, will be conducting the kind of review necessary to get to the bottom of things.

When I hear both of the members opposite, the bellowing one too, talk about the auditor general not being part of the process, I have to scratch my head because he is an integral part of the process. Instead of perpetuating that kind of mythology, the hon. member for Quebec should get her facts straight. So should the bellowing member by the way. They should make sure they know what they are talking about.

Speaking of facts, I want to point out that over and above that, the standing committee on human resources development is taking a look at all this kind of information. Why? It is trying to get to the bottom to see exactly what transpired and how. More to the point, and I think the minister has repeatedly said this time and time again over the last seven weeks, she instigated the audit. She brought it forward and she is now trying to correct it.

It is interesting. The member for Calgary—Nose Hill tries to take the lead. Other members here today, the Bloc types, by grandstanding are trying to cash in and to carve a name out for themselves. It is really shameful. What they should be doing instead is defending people who require this kind of money, people who are unemployed, people who are disabled, young people and people in areas of high unemployment.

There are areas of high unemployment in Quebec. There are areas of high unemployment in the east. There are areas of high unemployment in the west. Instead of caterwauling away and trying to stir up all kinds of ridiculous things, they should be congratulating the government and saying what a wonderful thing

it is doing in the best interests of Canadians. They should be congratulating us. Instead they seem intent on distorting the facts and that is too bad.

● (1120)

Canadians are very smart people. They see through that kind of political posturing. They see through those kinds of political shenanigans. They see through the kind of nonsense which the Bloc is trying to promote today. Canadians see through it. Quebecers and Canadians wherever they live in this great country of ours see through the kind of shenanigans that the people opposite are trying to pretend is true. We will have no part of it and rightfully so. Canadians expect no less from the Government of Canada.

In addition to the committee taking a look at this very important issue, the minister herself has said that four times a year she is prepared to come forward with a report and make sure all of the facts are on the table in terms of what is happening. It is important to note that we have put in place the kind of safeguards that are required in this all important area.

Let me zero in on the point I believe the Bloc is missing in this very important debate. Should the government be providing these kinds of grants and contributions to constituents wherever they live in Canada? I do not know what their answer is but the way the Bloc members are talking and posturing, it would appear that their answer is no, the government does not have a role. Like the parliamentary secretary said, they are in bed with the Reformers with the right-wing agenda of trying to cut off Canadians at their knees when it comes to these important things. Canadians reject that kind of right-wing nonsense. They want absolutely no part of it

I thought the Bloc was more progressive than that. I thought the Bloc had a better social conscience. I thought it would be more prepared to defend Quebecers and defend people who genuinely need this kind of assistance. Instead, we hear them toady behind the Reformers and the best they can come up with is a flat tax. Imagine. Even the right-wing Republicans, the wing nutty types in the United States have rejected the flat tax. Maybe Jerry Falwell, Jimmy Swaggart and Jim Bakker and a few others of their ilk—

Mr. Jim Abbott: Mr. Speaker, I rise on a point of order. I think it might be good if the member were to speak with some relevance to the motion before the House instead of acting like his dog just died.

The Acting Speaker (Mr. McClelland): That is certainly not a point of order.

Mr. Lynn Myers: Mr. Speaker, the hon. member talks about dogs. He is the last one who should be speaking about dogs because that party they are trying to assemble, that dog will not hunt.

[Translation]

Mrs. Christiane Gagnon: Mr. Speaker, I rise on a point of order. I am tired of hearing this sort of thing. The Prime Minister spoke about sleeping dogs with reference to sovereignists, and now dogs are dragged in, in connection with Reformers. Can members express themselves some other way or is this how they always criticize people?

[English]

The Acting Speaker (Mr. McClelland): We have got to stop barking at each other.

Mr. Lynn Myers: Mr. Speaker, it really is quite interesting to see how upset the Bloc members get. I thought they were good politicians. A good politician is able to dish it out and take it, not simply to dish it out. Tut, tut Madame. It seems to me she should develop a bit of a thicker skin.

There are two fundamental values which Canadians support when it comes to this kind of issue. We on the government side support the values of listening to Canadians and of being caring and compassionate. These values are intrinsic to the very core of Canada.

I hear the hon. Reform member caterwaul and laugh because he does not understand this. He does not understand that caring and compassion is a core Canadian value because he is a Darwinian economist. We were speaking of dogs a minute ago. He wants to let dog eat dog because he cares only about his rich friends. He does not care about people who are less fortunate and people who genuinely require our assistance. Blessfully and thankfully, we on the government side do.

• (1125)

We care about ordinary Canadians. We care about helping people in need. We care about the disabled. We care about students. We care about people who genuinely require our assistance. Unlike those Reformers who have cast away and left them adrift, it is clear that we on the government side will not do that and rightfully so.

The Acting Speaker (Mr. McClelland): We have several members who wish to ask questions. We will keep the question to one minute and one minute for the response.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I am grateful for the opportunity to speak. The member opposite did not address the motion. The motion has to do specifically with the mismanagement in the Department of Human Resources Development.

He spoke glowingly of the auditor general, yet he failed to point out or to remember the fact that it was the auditor general who almost a year ago released his report that drew attention to this great mismanagement. As a matter of fact the auditor general has been raising such questions for a number of years. Finally the

media and the official opposition were able to get together in such a way to make this an issue across the country because Canadians are concerned about the mismanagement of their money.

The debate is not on whether or not some of the programs are good. Some are, some are not. The debate is about the lack of accountability.

I am amazed that the member did not see fit to address the real question. For example, some 85% of the applications did not have even a supporting application form. That is mismanagement of the greatest form.

That is what we are trying to address. We will continue to do that. I think members of the public in Canada will applaud us and not the wasteful Liberal government.

Mr. Lynn Myers: Mr. Speaker, I do not need a lecture from the member opposite. I was at the table when the auditor general's report came out. I was vice-chairman at that time. I know full well what the auditor general reported. We as a committee then went into detail in terms of what we were prepared to do.

I want to point something out to the hon. member. He should really think hard, deep, fast and long about getting his facts straight. It was not the media, it was not the grandstanding opposition types, especially the member for Calgary—Nose Hill who with grandstanding kerfuffle and all kinds of outrageous statements has tried to take credit for somehow flushing the government out on this. That is incorrect, it is wrong and it is nonsense. It was the minister who came forward and through her audit and her process was able to begin correcting the problem. Instead of sitting there and fabricating those kinds of myths, members should be congratulating the minister for doing her job and doing it effectively.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, I would like to get back to this morning's motion. Essentially, this motion recommends "the creation of an independent public commission of inquiry".

What happened is that HRDC's internal auditor selected 459 projects at random—somewhat like in a survey involving 1,200 people across Canada. Of these 459 projects, 80% were problematic, had not followed the normal procedure. What is worse is that 37 were extremely problematic. Of these 37, the RCMP are investigating 19 throughout Canada, three of them in the riding of Saint-Maurice, the Prime Minister's riding.

With his usual verve, the Prime Minister told us that only \$250 had been misspent. Our suspicion is that, if all 11,000 projects were audited, the HRDC scandal would involve somewhere between \$1 billion and \$3 billion, an amount unprecedented in Canada; it is mind-boggling.

(1130)

The Liberal Party has been accused of buying votes, and what happened in Saint-Maurice in 1997 clinches it. The Prime Minister literally won the election by handing out taxpayers' money and, unfortunately, this money was misused as in the case of Placeteco. This was on the news last night. It is scandalous.

I ask the member opposite to tell me how the Liberals are going to be able to refuse to create an independent commission of inquiry to look into all the projects when the vote is held at 5.30 p.m.

[English]

Mr. Lynn Myers: Mr. Speaker, I am disappointed in the hon. member's assertions and I totally reject, out of hand, his comments, especially with respect to the riding of Saint-Maurice. He should be a little more careful in terms of what he says.

Instead of denigrating the constituents of that great riding, instead of denigrating, by extension, Quebecers, he should be standing in his place and celebrating the fact that the Government of Canada wants to put in place the kinds of grants and contributions that are appropriate for people who are in need. He should be celebrating that.

In direct response to his questions—and I got to the substance of this in my speech—we have the kinds of checks and balances that are in place. We have the auditor general's report, for example, which will come out in the fall. The auditor general is an officer of the House. I cannot believe the opposition is taking the kind of swipes at the auditor general that it is doing. It is outrageous.

The Auditor General of Canada, who is an officer of this House, has the prerogative to look into this whole issue, to examine it thoroughly and to bring about the kinds of recommendations that will be meaningful for Canadians. What do the Reformers do? They dismiss it out of hand and say that he is not good enough. I take exception because I work with the auditor general and I know exactly the kind of work he will do.

As for the RCMP, I was involved with the regional police for 10 years. I was chairman of the police. I know that those kinds of investigations go on all the time. For the member to stand in his place and imply that there is some kind of scandal going on here is absolutely outrageous and he should retract.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, unlike the previous speaker from the Liberals, I would like to speak specifically about the motion that is before the House today and hopefully not get into the same kind of rant that he decided to get into.

The motion reads:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of

grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that department and to report to the House by September 19, 2000.

I will be keying in very specifically on the issue of the independent public commission of inquiry. There is nothing more important to this scandal than that we get to the bottom of it and the only way we will get to the bottom of it is with an independent public inquiry.

The last thing the Liberals would want is an independent public inquiry. I know this because of my experience in attempting to pursue the involvement of the Prime Minister in the APEC affair as it happened and unfolded in November 1997 in Vancouver.

This government knows by experience that the longer the process is drawn out the less relevant it is. Clearly, it has managed to bury the Prime Minister's involvement in the suppression of Canadians' freedom of expression and their fundamental rights that they hold as Canadian citizens. It has managed to bury this in a totally irrelevant process which, again I say, is why I am speaking specifically to the issue in the motion of the importance of an independent inquiry.

• (1135)

The government's answer to accountability is damage control. It deflects the issue hoping that people become bored and it complicates the issue until it is no longer recognizable. As I said, the APEC inquiry is an absolute classic example of this.

In the Prime Minister's 36 years of public life, he has learned how to use the system to protect himself, particularly by burying the issues.

The Canadian people want simple answers to the question in APEC: Was the Prime Minister involved in suppressing Canadians' freedom of expression? Is there support for my position that indeed that was the case?

Here is why that matters, as expressed by Craig Jones, one of the jailed protesters. He said:

The root issue for me is to what extent we are going to accept the political control of the RCMP by the executive branch of the government.

Why it is important to the people of Canada is the significance of the separation of executive and enforcement or politicians from police. Where there is a dictatorship there are politicians directing the police. Where there is a democracy we are supposed to have a firewall between politicians and police.

To the issue of accountability and to the issue of an independent inquiry, I refer you, Mr. Speaker, to September 21, 1998 when I asked the Prime Minister the following question:

Supply

I would ask the Prime Minister one more time. . .Will he admit that his fingerprints are all over this process, that he is fully responsible for the fact that democratic rights of Canadians were taken away as a public statement, a political statement by him?

The solicitor general of the day said:

I would appeal to the members opposite to recognize the appropriate role for the public complaints commission that was established by parliament. It deserves our support and I would ask the members opposite to give it to the commission.

The relevance to this motion is that the public complaints commission was the incorrect body to be looking into this issue. The relevance to this motion is that I suggest that the human resources development minister's appraisal of the problem, as she sees it under her so-called six point program, is the incorrect vehicle to be taking a look at this.

Let us take a look at the APEC affair to see how this became convoluted and how a proper inquiry ended up being twisted and pulled out of the realm of possibility.

I asked the following question on September 24, 1998:

There is no level of inquiry. There is the public complaints commission, and I quote from the RCMP Act "They only may look into any member or any other person employed under the authority of this act.

That is what the public complaints commission can look into. It is strictly a snow job that the solicitor general is doing—

The solicitor general again said:

This inquiry has exactly the same powers as the kind of inquiry that the hon. member was demanding, very specifically the powers of a broad inquiry.

I point out again that throughout this entire affair the respective solicitors general and the Deputy Prime Minister all said that this was the correct vehicle, which is why we support the Bloc Ouebecois motion.

If we are going to get to the bottom of this scandal at Human Resources Development Canada, the only way we will get there is through an independent public inquiry.

On October 20, 1998, I asked the Prime Minister, with respect to the APEC affair, why he was trying to bury this affair under the public complaints commission. I quote the Prime Minister, who said:

I want people to understand that it is the opposition that should apologize for depriving the Canadian people of an independent body to look into that problem.

He was either unaware, uninformed or in fact wilfully said things that were not accurate when he made that statement because this has never been an independent public inquiry. This has always come under the public complaints commission which was never ever designed to uncover the fingerprints of the Prime Minister with regard to this issue.

● (1140)

I must say that Commissioner Ted Hughes has a tremendous task ahead of him. In my judgment he has been doing an outstanding job, yet he is still not getting to the bottom of it.

In February 1999 the Prime Minister committed to the House that everyone from his office and the government would be available to testify. Considering the number of fingerprints the Prime Minister had on the APEC affair, we assumed everyone included himself.

However, totally contrary to the representations made by the Prime Minister, the Deputy Prime Minister and the respective solicitors general, and contrary to the answers to the questions that we had posed in question period, the lawyers for the government, understandably, argued in front of the commissioner that the Prime Minister should not appear. It was something of a surprise that the solicitor for the commission itself also argued to the commissioner, in public at the commission hearing, that the Prime Minister not appear. However, it went over the top when the lawyer for the RCMP argued at the public complaints commission that the Prime Minister should not appear.

Again I say that the reason we support the Bloc Quebecois motion that is before the House is because of the importance and significance of an independent public inquiry to get to the bottom of the HRDC scandal.

On February 28, 2000 the Prime Minister said that he did not have to go to the inquiry because he could reply to questions in the House. He has repeatedly stated in the House that he will not answer questions and that we should let the commission do its job. However, forget that, the commissioner is trying to do his job. When it was convenient, the Prime Minister hid behind the incorrect vehicle and this government chose to cover up for the Prime Minister.

I pointed out that there were three important differences between the House and the APEC inquiry: First, witnesses are under oath; second, witnesses may be cross-examined and their statement of facts may be challenged; and furthermore, the answer from a witness may exceed 35 seconds.

In summary, from the example Canadians have before them about the coverup by the politicians directing the police at the APEC inquiry and the fact that the government wilfully chose to hide that inquiry under the incorrect vehicle, the public complaints commission, clearly the House must support the Bloc motion to call for an independent inquiry to uncover the facts relating to the scandal at HRDC.

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, I listened carefully to the speech by the member of the Reform Party and I would have a few questions for him.

He said, I want to thank him for it, that he will support the motion brought forward by the Bloc Quebecois to have an independent, non-partisan public inquiry. The Liberals have great difficulty telling what is non-partisan. Perhaps I misheard, but I would like to know if this is the member's personal position or that of his party, if this will be a free vote or a party vote.

Unfortunately for him, I would like to respond briefly to the Liberal member, who is accusing us of all evils. I think that, if he could eliminate us, he would do it in a flash.

He accuses us of having an alliance with the Reform Party on the issue of good management of public funds. We are not against having programs. But regardless of the amount, be it \$100,000, \$1 million, \$10 million or \$1 billion, I think all Canadians, whether Reformers, BQ, NDP or what not, want that money to be well spent and well managed. That is all we want. Priorities will be identified later.

We are accused of ignoring the auditor general's recommendations. For the benefit of the Liberal members who will follow this debate, I would simply like to point out that the auditor general wrote, and I quote:

Over the past two decades, my office has carried out several audits of the management of grant and contribution programs by federal departments and agencies. These audits identified persistent shortcomings.

• (1145)

He further wrote, and I quote:

I can't help but express a certain degree of frustration with the management of grant and contribution programs.

This shows the role of the auditor general in denouncing the shameless squandering of grants by the Liberal Party. I would also like the Reform member to comment on that and to tell us what his party's position is on the matter.

[English]

Mr. Jim Abbott: Mr. Speaker, our party will be supporting the motion for the reasons I stated. Clearly there must be a full independent public inquiry into this affair.

This affair is a matter of principle, which is something that the parliamentary secretary clearly did not understand in her presentation for the government today. She said "What is the big deal? This is only one—" and then she gave some kind of fraction, 1/186th or whatever it was. I do not know. It had something to do with Liberal math, so I do not really understand it.

There are dollars and cents involved. However, the most important issue is not the dollars and cents. The most important issue is that the government goes out of its way constantly to pat itself on the back, calling itself a wonderful manager of the Canadian taxpayers' funds, when in fact it is not. It is absolutely cavalier with the money that comes from the Canadian taxpayer to the public treasury. On top of that, it gets involved in a process that is a cover-up, because it works these funds as it sees fit.

Last Thursday and Friday were absolutely classic examples. The minister herself did not have a clue as to whether there was a fourth police inquiry into this affair in the Prime Minister's riding. First she said there was, and then she said there was not. It struck us over the weekend that the people in her department changed the facts so that they ended up supporting the minister's utterances.

If there was ever a reason for an independent public inquiry, this is it, and the time is now.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, for five weeks we have been led to believe that the Reform Party is opposed to the government's regional development programs and that all it wanted to do is object.

I would like to remind the House briefly that there is a \$27 billion surplus in the employment insurance fund. The transitional job fund was created to try to make up for the money taken away from unemployed workers, and to help them find work.

Could my hon. colleague tell us if the Reform Party is opposed to the program or only to the way it is managed and to the government's lack of accountability for taxpayers' money?

[English]

Mr. Jim Abbott: Mr. Speaker, very clearly what this is about is the mismanagement of funds. There is a difference of opinion between ourselves and the NDP on how to effect these changes. That is part of the political process. Indeed, when we get to an election it will be part of the dialogue.

That is not the issue. The issue is the gross mismanagement and the cavalier attitude that the Liberals have toward hard earned tax dollars. It does not even control the disbursement of those tax dollars. That is the issue.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I am pleased to rise in debate on this supply day motion from my colleagues in the third party, that the House condemn the government for the very poor management brought to the attention of the Minister of Human Resources Development, notably in the allocation and use of grants for partisan purposes, and recommend the creation of an independent public inquiry commission whose members would be named by the House and whose mandate it would be to investigate the overall practices of that department and to report to the House no later than September 19, 2000.

Supply

Speaking on behalf of members of the official opposition, we intend to support this motion, although we would like to see an inquiry into this very grave matter conducted by the auditor general rather than an independent commission.

● (1150)

The predicate of this motion is that the government has engaged in classic pork barrel political spending of the most grotesque kind, the kind of politics which I thought a modern liberal democracy would have advanced beyond. But in fact what we see through the granting programs administered by the Minister of Human Resources Development and many of her other colleagues is that public money is increasingly being used under this government for partisan purposes. That ought not to be happening in a liberal democracy under the rule of law.

Due to the very diligent research of the official opposition, we have managed to uncover a mountain of information about the misadministration of over a billion public dollars through the human resources department. We know that because of access to information requests submitted by the official opposition special audits revealed that 80% of grants made by HRDC showed no financial monitoring, 87% showed no supervision, 97% showed no attempt to find out if the recipient already owed money to the government, 11% had no budget proposal on file and, incredibly, 15% had no application on file for money that was received from the government.

We have uncovered more and more information as the weeks have gone by. Just yesterday we revealed in the House an internal audit conducted of the TAGS program during the period 1994 to last year which revealed similar misadministration and abuse of public funds.

The Prime Minister and the minister of HRDC say that this is just an administrative error, a series of coincidental administrative errors for which the political ministry takes no responsibility and merely passes the buck to what the parliamentary secretary to HRDC yesterday referred to as lowly bureaucrats.

Not only have we seen the complete rejection of the concept, tradition and convention of ministerial responsibility, but, more shockingly, what we see when we look below the surface, when we look at these grants, is the gross politicization of granting programs of this nature.

To take an example, the number of grant approvals from the HRD department skyrocketed near the end of the last election. What a surprise. What a coincidence.

Some members may recall having seen a graph. I think it was published on the front page, above the fold, in the Ottawa *Citizen* some three weeks ago. It graphically represented the findings of the official opposition's research, which showed that the grant approvals and announcements were on a flat line throughout most of 1996

and 1997. Then, all of a sudden we came to April, May and June, the time of the last federal election, and there was this huge spike in the number of approvals and announcements of HRD grants.

I am sure it was just a coincidence that it was concurrent with the last federal writ being dropped in May 1997. When we look at the hard numbers, though, 592 approvals were made in April 1997 when the government knew it would drop the writ for the last general election, and that number, the 592 approvals, was four times higher than the monthly average of targeted wage subsidy approvals for the period April 1996 to August 1999.

What we see is clearly the government abusing its power, abusing its control over public resources, abusing its control of the bureaucracy to force the approval of granting programs in the targeted wage subsidies administered by HRD for its own political advantage. I find this to be really quite reprehensible.

There is further evidence. Last year the minister of HRDC's riding received over three times the national average in targeted wage subsidy money. In spite of the fact that her own riding did not qualify for any such grants, in spite of the fact that it had one of the lowest unemployment rates in the country, it was receiving more grant money than ridings with much higher unemployment rates which qualified for the program. This is more political interference.

(1155)

The Prime Minister's riding, the home of the famous Versailles water fountain, the home of the hon. member for let them eat cake, received more grant money than all of the prairie provinces combined. I am sure that is just a coincidence. I am sure that all of the phone calls, faxes and letters from the Prime Minister's office to bureaucrats in HRDC asking for the expedition and approval of granting programs, some of which had not yet made application, were merely coincidental. There was no political pressure. I am sure it was just one lowly—to coin a phrase—member of parliament doing his job for his constituents. If members buy that, I have a bridge in Brooklyn for them.

Canadians do not buy that kind of evasion. Canadians know the abuse of public funds for political purposes when they see it, and they see it now in spades with the Right Hon. member for Shawinigan.

A letter from a human resources department official reveals that the Prime Minister deliberately broke the rules regarding regional distribution of grant money, because he was instructed to approve grants in the Prime Minister's riding. We see this pattern over and over again. We find that there is substantial and compelling evidence that the government has systematically engaged in the partisan use and abuse of public funds for its own political benefit. I am talking about senior ministers' ridings and the Prime Minister's riding. Grants have been forced to be approved and announced immediately before election time. This demonstrates the kind of corruption which is at the heart of the granting process.

We believe that in a modern liberal democracy, governed by the rule of law and parliamentary conventions, these kinds of pork barrel spending programs are outdated. I am sure this is news to the Prime Minister, but this is not money that belongs to the Liberal Party of Canada. It is not money held in trust by the member for Saint-Maurice. It is not money that belongs to anybody but the people who have earned it and paid for it, and who have had it taken away from them by government.

Yesterday in this place we debated the fact that the government has cut some \$21 billion from health care during its tenure since 1993, all the while increasing boundoggle prone spending such as the HRDC grants. We saw in the recent budget tabled in the House by the hon. Minister of Finance that the government is going to increase boondoggle prone spending and granting programs like the transitional jobs fund and the targeted wage subsidies faster than it is going to increase spending on health care, which is by far the highest public priority. Why? Not because these programs create jobs. On average, the jobs created by these programs cost several times more than the job is actually worth on an annual basis. It is because the government is seeking to gain and maximize political partisan benefits for its members and perspective candidates in the next election. That is why we will concur and support the Bloc Quebecois motion to seek an independent inquiry, although we would rather see it conducted, as we have asked already, through the office of the auditor general, an officer of the House.

The Leader of the Official Opposition has written to the auditor general seeking such an inquiry. We hope that he will respond. If not, we hope that an independent inquiry, the likes of which are contemplated by this motion, will finally get to the bottom of this mess and this corruption.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I will repeat my question again to my colleague from the Reform Party.

He seems to be indicating that the programs are not creating jobs. I come from Acadie—Bathurst, in northeastern New Brunswick, and I can tell you that we have been hard hit by the changes to the employment insurance. I would be reluctant to say the program did not help our small businesses create jobs. The Reform Party keeps on saying that no program can help. I must disagree.

• (1200)

My question is for the hon, member from the Reform Party. I would like him to be somewhat clearer than his colleague.

Does he believe government programs can help create jobs in regions like mine where there are no jobs? If one looks at the peninsula, the unemployment rate climbs to 40% in winter when there is no more fishing.

It is not the program that should be criticized, but its management. We would like to get to the bottom of this. We would like a public inquiry to get to the bottom of this and save those programs that are good for Canadians.

[English]

Mr. Jason Kenney: Mr. Speaker, I concur with my colleague from Acadie—Bathurst in that our principal concern today is the misadministration of these programs. That is the focus of this motion, which is why we will be supporting it.

The member asked if I and my party oppose programs of this nature in principle. I believe, having studied the case experience of governments across the world, that a dollar left in the hands of an entrepreneur, an investor, a small business person or working family is more effective in creating wealth, jobs and a higher standard of living than a dollar transferred through the enormous federal bureaucracy and distributed through so-called job creation schemes.

I agree that there ought to be an effective program for job creation, particularly in economically disadvantaged regions. I think that the most effective program would be significant tax relief which would increase the incentives for people to invest, take risks, work and save.

Although we may have a philosophical difference with the member for Acadie—Bathurst on that point, we do have an agreement with respect to the need to review and completely overhaul the misadministration of programs, such as the one we are discussing today.

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, further to what the member for Calgary Southeast just said, I know that he does not want to deny people with disabilities money any more than we do.

Where would he draw the line? Could he amplify on what he has just said in terms of these grants?

Mr. Jason Kenney: Mr. Speaker, I am not addressing grants for the severely disabled. I worked for organizations raising money for the severely disabled. I believe that the severely disabled, more than any other constituents in society, deserve our public support. They are the most vulnerable and, in most cases, do not have the capacity to find gainful employment.

However, that is not what we are talking about. We are talking about the targeted wage subsidies and the transitional jobs fund that have been misadministered. I doubt very much that the huge increase in the number of approvals for the targeted wage subsidies in April 1997, one month before the federal writ was dropped, was done for reasons of compassion for the disabled. I rather suspect it

was done for reasons of partisan necessity on the part of Liberal candidates.

I concur with the member that there ought to be programs to assist the disabled, but I do not think that has anything to do with the explosive numbers of so-called job creation grants announced concurrent with the federal election. Those are two entirely separate issues and we ought not to confuse them.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I will be sharing my time with my colleague from Vancouver East.

I am pleased to speak today on the Bloc Quebecois motion calling for a public commission of inquiry into the HRDC contributions scandal.

The mismanagement of contributions programs by this Liberal government is not just a matter of financial management, it is also a question of credibility.

Because this government has not assumed its responsibilities and has neglected to manage this contributions program, Canadians no longer have any confidence in the government's role in job creation. And yet, the transitional job fund is not a bad program in itself.

• (1205)

The government definitely has a role to play in job creation, but by using these funds for political purposes the Liberals have taken away Canadians' confidence in their government and in their MPs.

The government has a role to play because Canadians have always asked "What are we getting in return for all the taxes we pay?" From 1986 to 1993, the Conservative government initiated the cuts to employment insurance, and now the Liberal government is continuing these cuts. What was needed, supposedly, was something to try to get some jobs back.

Is it working? Perhaps not, but there are certainly some for whom jobs have been created. In my riding of Acadie—Bathurst, the money helped businesses in my region. The people who got work, who were able to work, are proud of it. At issue in the House today is the way it was managed, and I will get back to that a little later.

It suits the Reformers to have the government's credibility undermined by this mismanagement, but it is not in the interest of Canadians. The Reform Party wants us to end government assistance programs.

I put questions twice in a row to my Reform colleagues. They told me specifically that they are not in favour of job creation

programs. They did say it was all right for the handicapped—perhaps they will have a hard time answering that—but they are willing to drop the rest.

I have to say that I believe that when a person has no work, that person is almost handicapped. When a man has no work and has a wife and children to feed and the children go to school on an empty stomach, he is almost handicapped.

It is important to maintain the programs and for the government to gain back some credibility through them. If the government has hidden nothing regarding the programs, it should undertake a public inquiry, it should put it out on the table. For the past five or six weeks this House has been held hostage because of government credibility in the programs it has mismanaged.

The Reform members would be happy to see the government get out of pension, health and income security programs. Now the Liberals are helping the Reformers with their agenda of reducing the role of government.

As I just said, this House has been paralyzed for five weeks because of the scandal at Human Resources Development Canada. What is clear is that, in spite of the efforts of all the opposition parties to shed light on what happened, we have no answers to fundamental issues surrounding the management of HRDC grants.

We must immediately set up an independent public commission of inquiry to get non partisan and legitimate answers. Canadian taxpayers' money was mismanaged and there are clear indications that it was used for political purposes.

It is not normal, for instance, for a company in the region of Mataquac, to receive about \$16,000 and then, during the same month, to give the Liberals over \$7,900, just before an election campaign. This is not normal. We have to look into this.

It is not normal for the Prime Minister of Canada to sell his share of a business to a friend who does not even have the money to pay him and then, all of sudden, for that friend to receive a grant from the government. When will Canadians wake up, once and for all, indicate in the polls that their support for the Liberals is much less than 60% or 50%, and tell the Liberals that the programs are being mismanaged by the Prime Minister? This is the same person who authorized the cuts to employment insurance. My riding of Acadie—Bathurst loses over \$65 million a year because of these cuts to EI benefits, and people are suffering.

Let us take an example. The riding of Vancouver East, my colleague's riding, could not even qualify for the transitional jobs fund, since the unemployment rate there is over 13%. Before she was elected as an NDP member, her predecessor, the incumbent before 1997, was entitled to the benefits of the transitional jobs fund. Is this not an issue that should be looked into?

(1210)

Last week I was at the meeting of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities. I asked the question: When was the transitional job fund criterion changed to allow projects in regions with unemployment rates of 8% when there are other regions with higher rates of unemployment?

The answer was that it was changed in June 1998. How was it that the Liberal member for Vancouver East received money before 1997?

We are sick and tired of these lies that are offered up day after day. We want a public inquiry to lay the matter to rest once and for all and to save our programs. That is why the NDP will be voting in favour of this motion and I congratulate the Bloc Quebecois on moving it.

Is the Prime Minister afraid of the truth? Does it make any sense that an American company such as Wal-Mart, which is making billions and which has just set up a warehouse in Canada and does not need money, should receive \$500,000 from the government, when this same government and the Prime Minister are saying that Atlantic Canadians abused the EI system and that that is why benefits had to be cut?

This sort of thing looks bad. It is the sort of thing that is going to lose us programs. This is why it is very important that this commission of inquiry be created, so that some light can be shed and so that the House can be freed up to deal with other problems facing Canadians, such as health, which is the number one problem in this country, and the cutbacks in our health care programs. Right now, the NDP is the only party in the House that has risen every day and asked questions on health since the budget was brought down.

If we did not have this problem at HRDC, maybe the opposition parties could do their job and take their responsibilities.

If the Prime Minister of Canada has nothing to fear from whatever was done in Shawinigan, then he should allow the setting up of a public commission of inquiry that could finally shed some light on this scandal and on the lack of credibility of this government.

People in our ridings tell us "This does not make sense. These things have to stop. It is high time this matter was cleared up once and for all. We want you to be able to work on other issues, such as our health care system, which we are in the process of losing".

I think this is very important, and I will repeat it again. They say sometimes you have to repeat something 27 times before it gets into people's heads. The transitional jobs fund was created only and specifically because of EI cuts. Today, the Reform Party would like that program eliminated. The only reason for that is that they do not

have any member in our part of the country. In winter, in the Acadian peninsula, the unemployment rate, can reach 40%, because the fishing industry is closed.

Again, I am asking the House to support the motion brought forward by the Bloc Quebecois for the creation of a public commission of inquiry to enlighten parliament and all Canadians.

Mr. Bob Kilger (Stormont—Dundas—Charlottenburgh, Lib.): Mr. Speaker, I consider myself very lucky that I happened to walk by the House and I overheard the comments made by my colleague, the member for Acadie—Bathurst, who is also the whip for the NDP.

I would like to remind him that for several years the city of Cornwall, which is the biggest city in my riding, had a unemployment rate much higher than the national average. However, in the last two years, thanks to the programs provided by Human Resources Development Canada, we have been so successful that we have managed to reduce the unemployment rate by 8%. The unemployment rate is now at 10% in the largest city in my riding, Cornwall, Ontario. Members opposite referred to one company in particular, which is Wal-Mart.

(1215)

I will not apologize today no more than I did yesterday. I can assure the House that if I had the opportunity I would do the same thing all over again. In partnership with Human Resources Development Canada which made an important contribution of \$500,000, and the city of Cornwall, we made an agreement with a developer, Metrus Properties, which turned the site into a commercial distribution centre for a company known as Supply Chain Management. This company, and I say it openly and with pride, has one customer, Wal-Mart. Today this distribution centre in Cornwall has around 250 workers.

People will say "But, sir, would you have us believe that if HRDC had not made this \$500,000 investment, the company would not have settled in Cornwall?" I cannot say for sure, but before, when we did not have HRDC funding, we were never as successful as we are now.

I would even venture to say that without this significant investment from HRDC, this would not be such a success story. What I am saying is what is important is not so much who gets the money as who gets the job done and creates employment. What my colleague from Acadie—Bathurst wants for his constituents and every Canadian is jobs. This is a case in point.

What I am asking my colleague from Acadie—Bathurst is whether he agrees that this outcome shows the importance of this program which made it possible to bring 300 jobs to our area, plus all the indirect ones?

Mr. Yvon Godin: Mr. Speaker, this might give me the opportunity to make another speech instead of answering a question.

First, I want to thank my hon. colleague, the chief government whip, who talked in his speech about Wal-Mart and another company.

The problem is that these transitional jobs fund programs were meant to help companies which lacked the necessary cashflow to create jobs, not to induce a company to settle in one riding rather than another. When Wal-Mart settled in Canada, it was going to have stock distribution centers whether we liked it or not. Automatically it did not really need this grant.

I do not want to take anything away from my hon. colleague. He got it and I am happy for him.

Mr. Bob Kilger: It could have gone to Toronto.

Mr. Yvon Godin: The hon. member says the company could have gone to Toronto. It does not matter, that is Canadian.

However, each and every day the Minister of Human Resources Development stands in the House and says "It does not matter where jobs are created in Canada. It does not make any difference if these jobs are created in Toronto, in Montreal, or in Acadie—Bathurst. What is important is that we are creating jobs". That is what she said.

If the minister wants to change her tune and say that we are going to help the regions in need, such as the Acadie—Bathurst region where our people are in a big black hole, with no employment insurance, no social assistance and no jobs, because that is where the money should go, I will stand up and I will applaud her and I will tell her that she is doing the right thing.

[English]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I thank my colleague the member for Acadie—Bathurst for his remarks.

I have just come from the HRD committee. The former deputy minister of HRDC was before the committee for a couple of hours. I managed to get in a couple of questions before coming to speak in the House.

• (1220)

One thing really struck me. Obviously committees are important for questions and answers and trying to uncover what happened at HRDC. But if anybody in the House or in the public believes that we will get to the truth of what happened at HRDC in terms of the internal audit and the findings that have come out of that and what happens at this point, they are badly mistaken. It is a very limited format. The deputy minister was there for a couple of hours. A

member gets one or two questions. The limits of that format really prescribe that we will not get at the truth.

I wanted to say that because the Bloc Quebecois motion before us today calls for an independent public inquiry. As my colleague from Acadie—Bathurst has said, we in the NDP wholeheartedly support the motion. We have been calling for an independent public inquiry from day one, for the last six weeks when the issue first surfaced in the House. We believe that if the Canadian public is really to understand what has happened at HRDC and in fact to understand how government works and how these decisions are made, it will take an independent public inquiry to do that job, with the resources and scope, and unfettered by the rules of the committee and even what happens here in the House. We support the motion.

There is another very important reason for holding a public inquiry. We in the NDP philosophically have always strongly supported job development programs. We support the role of the government in intervening in the marketplace and trying to ensure that we bring about a greater equality in our society. The marketplace is the greatest instrument of inequality in the country. We believe very strongly that the purpose and role of government among other things is to provide an intervention and to use public funds and to say that job development is a legitimate use of public funds. We believe that.

What has happened in the last six weeks in the House has undermined that. If there is any question about that, just look at the Reform Party opposition day motion yesterday. What have Reformers been doing? They have been asking questions every day in the House about the HRDC scandal. They have chosen the path basically to undermine these programs and now even say that they want to divert moneys from other programs in the last federal budget and put them back into the Canada health and social transfer.

We have a very different view and perspective on the issue. We want to see public programs strengthened. We want to see these public programs have credibility.

The Liberals have played right into the hands of the Reform Party. Because of this scandal, because they have refused to come clean, they have played right into the hands of the Reform Party. Now there is a great public cynicism about any expenditure of public funds. Our job is to restore confidence. One way to do that is through a public inquiry.

What would a public inquiry do? Two key issues need to be looked at and as I said earlier, they will not be addressed in any parliamentary committee.

The first is administration. There is no question that the internal audit uncovered very sloppy practices. Paperwork was not done. Follow up was not done. Accounting was not done. There are the

administrative issues in terms of what happens when the public service is cut back, what happens when people are thrown out of work and the work is loaded on to the remaining public servants. I think it was 5,000 people who were thrown out of their jobs at HRDC.

Issues in terms of the administration of the department, the accountability, the hierarchy, how those decisions were made are very important to get at because my guess is, and I think everybody in the House would agree, that what has happened at HRDC is probably a reflection of what goes on in other departments.

● (1225)

We are talking about a massive department. It is the single largest federal government department. If those problems were uncovered in a random internal audit, what else is there that needs to be dealt with and brought into line?

That would be the first major issue in terms of a public inquiry. It must look at the administrative questions in terms of this huge department that effected cutbacks and has sloppy administration and what needs to be done there.

The second issue and the reason for our support of the motion is to get at something that is a lot more difficult to examine. It has to be done very carefully and with a sense of good faith and genuine process. It is to look at the relationship of a parliament, a governing party and the bureaucracy. That is the political nature of the grants and contributions.

We are all elected representatives. We are political creatures. I have been involved in politics for 25 years. I understand politics. I know we are political people. We make political decisions. However something that happened at HRDC goes beyond that. I believe that billions of dollars were being used for a partisan political purpose. To me that goes beyond the line. The questions that have been raised in the House day after day have not been answered. That is another reason an independent public inquiry is needed.

We in the NDP want to know exactly what are the rules. I asked Mr. Cappe that a few minutes ago in the committee. The knowledge I have is that there is a huge variation in terms of how members of parliament were involved in these decisions. In some areas, and I would suggest Liberal dominated areas, the involvement of the members was massive and it was very politicized. In other areas it was much more of a staffing decision about the transitional jobs fund or other programs.

As one member of parliament I want to know that there are fair rules. I want to know that my riding or my colleague's riding of Winnipeg Centre are not being treated differently from a government member's riding because we are in opposition. It scares the hell out of me when we see what is coming out of the audit and the questions that have come up. We see the contradictions, the double standards, the different rules depending on where people are from

and who they are. That is scandalous. We have got to get to the bottom of that.

Some members represent ridings that have very high unemployment, yet they did not qualify for transitional jobs funds. Why? We were told that the unemployment rate was not high enough, because the region we are part of, such as Vancouver or Winnipeg, did not have high enough unemployment. We said fine, if that was the rule we could live by that. Then we found out that in other areas exceptions were made. Fuzzy little pockets were created and somehow lots of money slipped into areas with much lower unemployment. Warning bells went off in my head when I heard that

We want there to be clear rules. We want there to be an end to the politicization. We also want to get at some questions of where public funds should go. I heard the government member in response to my colleague from Acadie—Bathurst say that it is not a matter of who gets the money, it is the jobs that are created. I say that it is a matter of who gets the money.

I have big questions about why when we look at the 100 most profitable corporations in Canada 49 of them including the five major banks get public funds. Who is handing out what and to whom? That is the question. Why would we support a program that puts other businesses out of work? If some guy wants to create the sock company of the world and it turns out that he is putting every other poor little business person around him out of business, is that a good expenditure of public funds? I do not think so. There are some very major questions.

At the end of the day we represent the Canadian public. Canadians have a right to feel a level of confidence in the expenditure of their funds. It is our duty to be accountable in the House for those funds. It is the government's duty to be accountable.

I believe that only if there is an independent public inquiry will the public's confidence be restored in terms of HRDC and other departments and then we can move on. We support the motion. We call on the government to not let politics get in the way of this. Do the right thing and support an independent public inquiry.

• (1230)

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the reason I rise to ask a question of my colleague from Vancouver East is that I want to go on record, and I want her to go on record, with the question that I will raise with her.

All the time those pockets of unemployment were in Vancouver East, we know that the Liberal who was in Vancouver East before 1997 received money. We just heard our colleague say that she was not told that the riding could get money if it had pockets of unemployment that were even higher than its own region. We heard the minister say it existed for a period of time. I raised a question in

the committee of human resources last week and was told it started in June 1998 and all MPs were advised of it.

My question is clear and I want the hon. member to answer. Was she advised that if her region had pockets of unemployment it could apply for a grant from the government to help the workers of Vancouver East where there is a high level of unemployment? I think this is important. If the answer is that she was not told, then I would suggest that that is why we need this inquiry to clear the air once and for all to save our programs for Canadians who need it badly and to be able to help people in regions where there is high unemployment.

Ms. Libby Davies: Mr. Speaker, I would like to thank my colleague for the question because it is a question that is very specific. It does address one of the big issues that we have had with this whole process in terms of how information is provided to members.

Like many new members, when I was elected in 1997 the first thing I tried to do was make myself familiar with what was available in terms of government programs and support because we get people coming to us all the time and the first thing they want to know is what federal funds they can access. I think all of us make it our business to try to find out about that.

I want to say that I have a good working relationship with the local HRDC office and staff. It is important that I know what they are doing, that we know what the priorities of the riding are and so on.

I remember when I heard about the transitional jobs fund that I actually checked to find out whether or not we qualified. The information was that Vancouver East did not qualify because of these regions. Then we heard about pockets that exist. The issue of how those rules were made and how that was communicated is a mystery to me in terms of one member of parliament absolutely not being aware that certain areas could qualify under different kinds of rules.

Again, I think it begs the question about who makes the decisions, how are those decisions followed through and whether or not we have rules being made after the fact in order to cover up where those disbursements were made. This is what we want to get clear. We want to have fair rules for everybody. We want the rules to be transparent. We want the rules to be clear so that we can say to the government that public confidence can be restored in the way these programs work.

[Translation]

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, I really appreciated the remarks by my colleague from Vancouver East. I would like to draw her attention to the internal audit report, which indicated very clearly the carelessness this government has shown in managing the transitional jobs fund.

When the internal audit report shows that there was no indication of supervision in 87% of the projects, no indication of financial control in 80% of them and no indication that the expected results were obtained in 75% of them, there is a problem. I could go on, because the internal audit report speaks volumes on the matter.

My question to the member for Vancouver East is very simple: In light of these conclusions, does the internal audit report not indicate more than ever that an independent public commission of inquiry has to be set up right away?

• (1235)

[English]

Ms. Libby Davies: Mr. Speaker, I appreciate the question from my hon. colleague. Just to reiterate and affirm, we in the NDP see two basic problems. One of the reasons we need to have a public inquiry is because of the serious administrative problems that were uncovered by the audit, such as the lack of follow-through, applications not being filled out adequately, lack of monitoring and so on. The results of the internal audit make it abundantly clear that the implications for the government as a whole are enormous. If this is happening in HRDC, where else is this taking place? For that very reason alone, an independent public inquiry is required.

I would also stress that the political nature of the decision making is something that is very serious. It is more difficult to get at but it also needs to be part of that inquiry. We support the motion on that basis.

[Translation]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, it is my pleasure to rise today on behalf of the Progressive Conservative Party to take part in this very important debate. Canadians have many questions about what went on at Human Resources Development Canada.

[English]

It is certainly a pleasure to enter into the debate today because we still have many questions that are unanswered. The government has tried to downplay what has happened in HRDC. Not too long ago the Prime Minister got up in the House and said that it was only 250 some odd dollars. I said what did we do? Was that a mistake? Obviously, on our part, it was not. Something went terribly wrong in HRDC and something went terribly wrong with the administration of public funds.

When it all started about six or seven weeks ago, this was supposed to go away really quickly. This was supposed to be buried underneath the carpet. It would take a couple of days and we would not hear any more questions on HRDC.

The department first started auditing the grants and contributions programs in 1999 and it came up with a report in January 2000. We

certainly were not aware that there was an audit going on. It did well in keeping us in the dark. When the department released it, as critic for HRDC for my party, I called for a copy of the audit so I could go over it and review what had gone on with HRDC and the grants and contributions programs.

When I called for my copy, I received it. Maybe 10 minutes later I received a call from HRDC to tell me that it had sent me the wrong cover sheet and if I would be so kind to destroy the cover sheet, it would send me a new one. La-di-da, I still have the original cover sheet on my desk today. I did not destroy it. Is that not a shame? I received the second cover sheet. I do not want to use the sheets as a prop, so I will not put up the cover sheets. When I look at the both of them, the original one is dated October 5, 1999 and is signed off by the director, Gilles Duclos, and James Martin. On the other one, there are the names of the people who signed off but no date. The date has been deleted. This is a major cover-up. This is the biggest scandal in Canadian history. It is scandalous to try to keep Canadians in the dark on the goings on in a government department, a department which is owned by Canadians. This is Canadians' parliament. They have a right to know the truth. From the very beginning everything that has gone on has been tainted. The government has tried to cover up important information from the Canadian taxpayer.

(1240)

When we look at and read about this issue we keep uncovering something new everyday. Every opposition party goes through it. We have been working hard to try to get to the truth. We even asked for the audits for 1991 and 1994.

[Translation]

We have asked for a copy of the 1991 audit, an audit conducted nine years ago, as well as the 1994 audit. That was three weeks ago. Why have we not received anything yet? Let me tell you why.

Mr. André Harvey: Cheques get to Shawinigan faster than that.

Mr. Jean Dubé: Canada is a bilingual country. I think we all agree on that. The reason why copies of the audits were not distributed to the opposition parties is that the 1991 and 1994 documents have not been translated.

Mr. André Harvey: It took nine years to translate them.

Mr. Jean Dubé: They had not been translated into French. It is absolutely incredible. Last week, a senior official, whom we have seen on several occasions on TV since the scandal broke out, told us it was unfortunate they had not been translated.

In the year 2000, in this new millenium, in a democratic and bilingual country, it is not unfortunate, it is unacceptable.

Mr. Jean-Guy Chrétien: Shame on all of you.

[English]

Mr. Jean Dubé: Can you imagine, Mr. Speaker, trying to get some money from the government to create jobs in your riding. Forget the application, it is not needed. Many files that were opened did not even have an application. That is terrible. As a matter of fact some of the files were empty. I am talking about billions of dollars.

The premiers of Canada were in Quebec City demanding—

An hon. member: Grandstanding.

Mr. Jean Dubé:—they will say grandstanding because the government thinks that health care is secondary for Canada. Whatever the provinces say does not matter to the government. It is because of this type of attitude that we have such a problem in Canada.

(1245)

The Canadian provinces urgently demanded investments in health care, and guess what? The Liberal government in Ottawa turned a blind eye and closed its ears. It is absolutely unbelievable.

Mr. John Harvard: Baloney.

Mr. Jean Dubé: In my home province of New Brunswick I have had the pleasure of meeting with the minister of health. The member says baloney. The minister of health certainly does not say baloney. The minister of health from the province of New Brunswick said that what the Minister of Finance budgeted in his budget for health care represented \$20 million for New Brunswick. He has been reading the papers quite well. It represents three days of hospital care for New Brunswick. Will that fix the problem?

At HRDC in Ottawa they are throwing money out the window when people in Canada, sick people, the most vulnerable people, need proper health care. The government would rather throw money out the window, not discipline people for what they have done, and turn a blind eye to health care. That is terrible.

We all hear about the privatization of health care. The Liberal government is forcing the privatization of health care because of its lack of investment in it. It is even forcing people to go to other countries for care. It is terrible. All this time at HRDC we see mismanagement, lack of transparency and lack of accountability.

What exactly are Canadian taxpayers looking for today? Canadian taxpayers are looking for honesty. Canadian taxpayers are looking for transparency. Canadian taxpayers are looking for the truth. We have been trying very hard to get the truth for Canadian taxpayers but it has not been forthcoming.

Supply

We have had the Prime Minister flip-flopping in the House of Commons. We have had the minister of HRDC stating to the House and to Canadian taxpayers through the House that she knew nothing about the goings on in grants and contributions before October 15.

[Translation]

How can we believe this? It does not make any sense that the Minister of Human Resources Development would be unaware of what was going on in her own department. I find this absolutely incredible. We are talking about the management of programs, the management of taxpayers' money, billions of dollars worth of it, and the minister in charge does not know what is going on.

We have every right to be upset here in the House. It does not make any sense. Nobody knows what is going on, and even the minister knows nothing at all. The Liberals are more concerned about what is happening within their party. On the one hand, the finance minister is trying to become the leader of the party, and, on the other hand, the Prime Minister is trying to hang on to power.

Canadians want changes, and I can tell them that we are going to keep them informed, we will tell them what is going on in Ottawa. And what is going on here is not nice.

• (1250)

I am a father of two. I have a boy, who is two and a half, and a girl, who is six. What am I doing here today? What I want to do—like the majority of MPs I guess—is give our children—that is what we are living for these days, our children—a great place to live

Looking at what is going on within the federation these days, I have a big problem, because we do not cultivate relationships any more. Nowadays, we have to contend with the arrogance of a government that fails to understand how the provinces feel, and does not listen to them. By not paying attention to what is going on, the government is putting our federation—ours, yours and that of our children—in jeopardy. What we are trying to do here is to protect that federation.

I have just come from the Standing Committee on Human Resources, whose proceedings were televised today. We heard the testimony of Mel Cappe. I had the opportunity to ask him questions. I am persistent in my questions, and I asked him if he was aware of the study. He said, as everyone on the government side has said, that he was not. That is the usual thing we hear from the government: they do not know, they are not aware of what is being done with public funds.

What have they done right from the start? They have changed nothing since they came to power in 1993. The free trade agreement and the GST were brought in by the Conservative government. The free trade agreement generates \$280 billion, not \$80

billion, and the GST \$24 billion yearly. What are the Liberals up to? They do not know what is going on.

Mr. Cappe said he did not know. I asked him if it was not his duty to be informed. His response was no. It was not his duty to know what was going on. "It is the duty of the minister and deputy minister", he said. If the blues are checked, it will be seen that he said "It is the duty of the Minister of Human Resources Development and Deputy Minister Claire Morris to know what is going on". They were not aware either. That is what we were told, here in the House. So hon. members can well imagine the trouble the opposition parties have to find out the truth.

[English]

The government is out of touch. The government is arrogant, but the HRDC scandal will stick. It will not go away. I have been doing interviews across the land, across this great country, and some government members across the way must be very uncomfortable.

I am anxious to see when the Prime Minister will call the next election. I am very anxious to campaign and tell Canadians the truth of what has been going on here. The hard earned money of Canadians has been ripped off. Canadians pay heavy taxes. Canadians work hard for their money. Canadians want their money to be well invested. Their money has not been well invested. Their money has been mismanaged. It is a lot of money.

• (1255)

There are priorities in Canada. I have mentioned a few: health care, taking care of our sick, our most vulnerable, and education, providing the tools that our children need to compete in this global market. We have heard students from all over Canada tell us that they do not have enough. Job creation has not been going on in the government. We have noticed that the government has been wasting money by not monitoring what it has been doing.

It was a pleasure for me to share with the House and with Canadians what has been going on with HRDC. A public inquiry is certainly a vehicle that will enforce and help us get to the truth. In turn, we will be supporting the motion by my colleague from the Bloc.

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, after listening to the hon. member across the way I get the feeling that this place is awash in crocodile tears. The hon. member sounds to me a bit frustrated. It is perhaps because of his recent experience a few minutes ago at the committee where Mr. Cappe appeared.

I listened to the hon. member question Mr. Cappe. I can assure the House that he did not lay a glove on Cappe. He did not touch Cappe. Mr. Cappe performed extremely well. Perhaps it was because the hon. member did not know how to ask questions, or perhaps it was because the hon. member really was not interested in extracting information from the deputy minister.

Mrs. Suzanne Tremblay: Question.

Mr. John Harvard: This is comments and questions. Opposition members have not been interested in the whole exercise that has been going on for more than eight weeks. They talk about wanting to get to the bottom of this issue, as we do. The minister has said on a number of occasions that they have a management problem. She wants to get to the bottom of it but do opposition members, as reflected in the motion today? Does one really think opposition members are interested in getting to the bottom? No. They are interested in hurling mud. The more mud they can throw, the better for them. They really think that Canadian voters will fall for it. They will not fall for it.

Mr. Jean Dubé: Mr. Speaker, I have to comment. This is the hon. member who called the minister of health baloney a while ago, that what he thought was not realistic. I am glad the hon. member was at committee. It is the first time that I have seen him there. I have never seen him there before.

Mr. John Harvard: I am not a member.

Mr. Jean Dubé: That is probably why. I have the questions I asked of Mr. Cappe on what happened to over \$1 billion of taxpayer money. Opposition members questioning top civil servants on what went on is very important.

• (1300)

It is obviously not important to the government. It would rather see this swept under the carpet, and quickly. It is not going to be swept under the carpet.

We are going to continue to ask questions every day until we get the truth, because we do not have the truth. We are concerned and Canadians are concerned about where the money went.

Hopefully the hon. member will ask the Prime Minister to name him to the committee. Then we will see how productive he can be.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, in January I spent some time in New Brunswick, more specifically in Fredericton. I heard a lot of good things about the member for Madawaska—Restigouche, in particular in Fredericton's *Daily Gleaner*. He has a very good reputation in New Brunswick. I must admit that I have discovered this in his transparent and convincing speech.

As we know, happily or unhappily, New Brunswick was represented by Doug Young, who was minister of human resources development. Fortunately for all Canadians, they taught him the

lesson of his life by showing him the way out. I congratulate the NDP member for Acadie—Bathurst who made him bite the dust. I hope we will not have the unpleasant surprise of seeing this man back in the House of Commons.

To get back to HRDC, we are witnessing the greatest scandal in modern times in the House of Commons. The party across the way probably has mismanaged between \$1 billion and \$3 billion. The Prime Minister mentioned 37 cases. There are now 19 files under investigation by the RCMP. Out of some 495 or 500 files picked at random, 37 were fraught with problems. Today, 19 cases are under investigation by the RCMP. If we examined all files thoroughly, the amount would probably be much higher than \$1 billion.

Clearly, we have an opportunity to defeat the government during tonight's vote. It appears from discussions we had this morning that all opposition parties are going to vote in favour of an inquiry into HRDC. I do not expect the Liberals to do so.

I would like to ask the hon. member for Madawaska—Restigouche if he would be ready to defeat the government so that we could all look forward to sound management on behalf of all Canadians.

Mr. Jean Dubé: Mr. Speaker, I would like to thank my colleague for the excellent comments and praise he has given me. I hope he enjoyed his time in New Brunswick, one of the most beautiful provinces in the country.

To return to the question, yes, together we can bring down the government, and that is what we must do. We remember very well that the Prime Minister said in the House "It is only \$251". The member for Frontenac—Mégantic is absolutely right. The Prime Minister said \$251, some three weeks ago, a month ago, and today we are up to 19 police investigations. Yes we will vote together and hope that we will bring down the government.

• (1305)

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I listened to the remarks of my Conservative colleague with considerable interest.

I would like to put a question to him. In my opinion, in connection with the problems at the Department of Human Resources Development, and in the context of this motion, the Access to Information Act is a useful tool in getting at the truth in government management. I wonder whether my colleague would support an update of this law.

Would he support a bill to modernize the Access to Information Act in the context of this motion?

Mr. Jean Dubé: Mr. Speaker, I am surprised, because only rarely do we get a good question from the members on the government side. I would like to congratulate my colleague.

Supply

As many in this House know, it is difficult to obtain information under this law. Often, we can wait months, or even years.

We rarely get all we asked for. So it is difficult for us as parliamentarians, representatives of the people of Canada, to guarantee transparency. It would be an idea for all of us in the House of Commons to consider such a measure in order to give Canadians more transparency in the management of various programs and in the management of funds in Ottawa.

I would indeed be pleased to review this law at some point. If the member opposite would care to sit down with me to discuss the matter, I would be pleased.

[English]

The Acting Speaker (Mr. McClelland): I want to congratulate the hon. member for Wentworth—Burlington on the incredible strides he is making in French. It is a tough road.

Unfortunately I had to compliment him in English so that we could both understand.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, the Bloc Quebecois has moved today for debate a motion that refers directly to the scandal at the Department of Human Resources Development.

This motion recommends:

—the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that Department and to report to the House by September 19, 2000.

Several reasons have led the Bloc to move this motion for a vote in the House at the end of the day, among others: the lack of transparency of the government, which refuses day after day to answer straight out questions by the opposition; the government's cover-up of a fiasco that is still going on in the Department of Human Resources Development; the fact that Liberals are mixing up government and party and are using public funds for partisan purposes; the too numerous projects under investigation by the RCPM or the police.

Obviously, the minister received a very bad legacy from her predecessor. Consequently, since she became aware of the huge fiscal abyss her department is in, she tried to hide information, problem cases, patronage cases and criminal investigations that have been piling up since the scandal broke.

When the minister—or one of her colleagues who answers for her, as the Minister of Veteran Affairs did yesterday—does no longer know what to say, we hear as an answer that the Quebec government had recommended and signed these projects. Very well. But this information has absolutely nothing to do with the problem raised by the opposition.

• (1310)

Even though Minister Harel put her signature on all the projects, neither she nor her department were responsible for the management of the funds. It was HRDC and not Emploi Québec that managed the funds.

The Minister for International Trade and the Prime Minister, who talked about it in an televised interview last weekend, are really in no position to ridicule the work of Minister Lemieux and Emploi Québec. The hon. member for Papineau—Saint-Denis should remember that it is easier to look at the speck of dust in a neighbour's eye than at the plank in one's own.

One thing is clear: Minister Harel could certainly not recommend projects that received grants from the minister of HRDC even before any application was filed.

The serious carelessness in the management of the program made fraud, mishandling of funds, political interference and patronage possible.

How could the minister imagine for one moment that we believe her? What happened to her honesty, her integrity, her good conscience, her sense of ethics and the oath she swore when she assumed responsibility for the department last August?

I would like to give an example that illustrates this whole mess perfectly, the case of Placeteco. Listen carefully, you will be enlightened.

Placeteco is a manufacturer of plastic casts. In 1996-97, Aérospatiale Globax, the parent corporation of Placeteco, applied for a grant from the transitional jobs fund. HRDC approved a \$2 million grant, and a first payment of \$400,000 was made.

Placeteco, owned by Mr. Giguère, a friend of the Prime Minister, sought protection from its creditors under the Bankruptcy Act. The balance of the grant, \$1.6 million, was placed in two trust accounts, one for Placeteco, and the other one for Technipaint, another subsidiary of Aérospatiale Globax.

Placeteco knew that it would eventually get a \$1.2 million grant, but it kept this information from its creditors, in violation of the Bankruptcy Act. Through underhanded schemes—this is a bit harsh, but I cannot find any other way to describe the conduct of the Prime Minister's cronies—HRDC put \$1.2 million in trust accounts while the situation of Placeteco was being sorted out, in violation of Treasury Board guidelines.

A lawyer, Gilles Champagne, was hired as a trustee for HRDC. Ironically, Gilles Champagne is also the lawyer of Claude Gauthier, another friend of the Prime Minister. Claude Gauthier would eventually buy Placeteco for a cool \$1 and promise to invest \$200,000 in the company. After that, Claude Gauthier received a \$1.2 million grant.

Members must not forget that grants under this program are to be used to create jobs. What did Mr. Gauthier do with his \$1 million? He paid off a loan at the National Bank, Placeteco's main creditor. That kind of behaviour is called misappropriation of funds.

Since the use of trusts is against the rules of Treasury Board, Technipaint had to submit a new application for a grant that was finally awarded to it. As for Placeteco, it did not have to make a new application, it received a grant of \$1.2 million and its directors refused to be held accountable to HRDC.

Between 1993 and 1997, Claude Gauthier and his various companies donated a total of \$48,673 to the Liberal Party of Canada. Is it any wonder that Placeteco was given preferential treatment?

Claude Gauthier is also the owner of Continental Paving, the company that got the subcontract for paving the RCMP road leading to the Prime Minister's cottage, whereas the initial contract had been awarded without tenders to Rénald Cloutier, a building contractor who had also built the Prime Minister's cottage in the area.

• (1315)

I could go on with the file on Claude Gauthier and talk about the golf course he bought from the Prime Minister, but that would simply add another scandal.

Let us not be naive. The Prime Minister prides himself on being a good member of parliament. I am not in a position to assess that statement, therefore I cannot confirm nor invalidate it. It will be incumbent on the voters to do it in the next general elections, if he succeeds in maintaining himself at the helm of the party up till then.

In the meantime, with the employment insurance reform and the billions in surpluses pocketed by the government, and in light of what happened at HRDC with the management of the job creation program, which is funded with savings made on the backs of the unemployed and the disadvantaged, one is justified in decrying this a unfair, indecent behaviour on the part of this government, which cloaks itself in its Caesar-like arrogance.

The job creation program is a good program when it is implemented in accordance with the existing rules. It is a good program when it is available to eligible ridings.

However, it is a bad program when the funds are squandered left and right, when these funds are used to make the Prime Minister's friends or the Liberal government's friends richer, when they are used to unduly favour Liberal ridings that do not meet basic criteria, when these funds are set aside for some at the expense of distributive justice, when they are mismanaged with no serious monitoring, and when grants are given without any application having been submitted to the department. The program must be reviewed, but it is definitely not with a six point plan from the minister that patronage, corruption and major violations of ethics, justice, honesty and integrity will be eliminated.

As long as the minister will not have the courage to face these problems, she will not be able to recognize them, let alone deal with them.

If the minister wants to do her job, if she wants to respect her oath and restore confidence in her department, she has no choice but to order an independent public inquiry.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, I thank the member for Rimouski—Mitis for explaining so clearly the scandal that took place in the riding of Saint-Maurice, the riding of the Prime Minister who is there, across the way, with his party.

As she so rightly said, this government must at least order an independent inquiry. According to observers, this scandal might involve an amount of up to \$3 billion. This is money that has allegedly been handed out here and there.

I would like to ask the member for Rimouski—Mitis if, for the benefit of all members of the House, she could explain just as clearly what happened in the riding of Rosemont, a poor riding in Montreal's east end, where a \$165,000 grant was supposed to go before it drifted further east, ending up in the Prime Minister's riding.

I am asking the member for Rimouski—Mitis to give us a clear and simple explanation, like she just did.

Mrs. Suzanne Tremblay: Mr. Speaker, I thank my colleague from Frontenac—Mégantic.

My colleague from Rosemont, who is scheduled to speak immediately following me, is probably in a better position to answer that question.

However, I will take this opportunity to say that, in the case mentioned by the member, we know that a \$165,000 grant that was supposed to go to Rosemont was transferred to Shawinigan.

When we started asking questions in the House, the minister immediately launched an investigation. Another investigation by someone from Toronto, whom she probably knew very well. Perhaps it was a friend of the government, who knows? In any event, a week later, this person asked that the matter be referred to the RCMP. Now the Rosemont affair is in the hands of the RCMP.

• (1320)

When we asked other questions concerning Mr. Fugère, the Prime Minister said that, as soon as he became aware of the situation, as soon as his office became aware of it, he referred the matter to the RCMP and that an investigation was underway.

My question is the following: Why was Placeteco not under investigation? Or why was Placeteco put under investigation last

Supply

Friday, if departmental officials could not give us an answer? Since the minister knows nothing about what is going on in her department, she did not know that it was under investigation. She stopped the investigation so that, at 5.30 p.m., we could be told that there was no investigation.

There has to be an independent inquiry because we no longer trust any internal investigation this government may conduct. We trust even less calling on the RCMP, which is a way of covering up all the dirty dealings that are going on in that department.

[English]

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I listened with some interest to the member opposite and I caught a reference to Toronto. She seemed to say it in a manner that reflected in a way that I thought was maybe inappropriate.

I wonder why Mr. Lucien Bouchard, when it came to health care money, put all kinds of dollars—I think it was upward of \$1 billion—into a Toronto bank. While Quebecers were calling for good solid health care, Mr. Bouchard had money, close to \$1 billion worth, in some Toronto bank.

We always have to be careful when we get into these kinds of little tugs and pulls because it really is quite duplications for the hon, member to say what she did.

The point I want to make is that the auditor general, who is an official and an officer of the House, will look at this whole issue and report back in the fall of this year. As vice-chairman of the public accounts committee, I worked with Denis Desautels and I know he will do a very thorough job when it comes to looking at this whole issue. He will investigate it in a very meaningful way. The HRDC committee is also doing it, as is the minister.

My question to the hon. member is why will she not protect the interests of Quebecers? Why will she not stand in her place today and say that the money that the human resources development minister has earmarked for the poor, for the disabled and for the students is money well spent in Quebec and in all parts of Canada?

[Translation]

Mrs. Suzanne Tremblay: In all fairness, Mr. Speaker, I believe you must give me the time to answer and I will ask for unanimous consent to have at least two minutes to answer.

Over the past two years, the auditor general's office has conducted several audits of the management of the grant and contribution programs in various federal departments and agencies and found persistent flaws. "Persistent" is the term used by the auditor general.

The member should stop giving me this fancy footwork about the auditor general. It all depends on what the government will do

with the auditor general's reports. He said himself "I could have shown a certain degree of annoyance with the management of the grant and contribution programs".

As for the demagoguery shown by the member concerning the \$841 million kept in Toronto, for his information—since he is apparently not aware of this—it is now \$1 billion, because the finance minister is constantly hiding his surpluses in trust accounts. We will use the money kept in Toronto when we really need it. We did not need it because we had money in our coffers.

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, it is with great pleasure that I speak to the motion introduced by my party, which reads as follows:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that Department and to report to the House by September 19, 2000.

• (1325)

I am all the more pleased to speak to this motion today because of the horror story I am about to tell the House in the ten minutes allotted me. It is a horror story because not only were lies told to the citizens I represent in the House, but because they were also told to yours truly, the member for Rosemont.

I would like to tell the story of a numbered company, 3393062 Canada Inc. This company was formed on July 16, 1997. At that time its headquarters were at Place Ville-Marie in Montreal. On August 4, 1997—a mere three weeks after the company was formed on July 16—it applied to Human Resources Development Canada for a grant under the transitional jobs fund.

On October 21, 1997 HRDC officials faxed my office a copy of the project, which I am now holding, a 35-page proposal to create 106 new jobs in my riding. This \$2,750,230 project was supposed to be located in Rosemont and to create 42 jobs in 1997 and 64 additional jobs in 1998-99. This business was supposed to be set up in my riding, specifically at 5800, rue Saint-Denis in Montreal, in what is known as Place de la mode.

On October 27, when I recommended this project, I sincerely believed and thought I had the department's assurance that the jobs which were supposed to be created would be in my riding, that the jobs which were supposed to be created would serve the riding of Rosemont, one of the poorest ridings in Montreal, one of the ridings in the neighbourhood known as La Petite Patrie, which has one of the highest unemployment rates in Montreal.

I personally supported the project and it was naturally recommended by the Government of Quebec. In addition, on December 16 Human Resources Development Canada supported and approved the sum of \$165,984, which was supposed to be used to create these 42 jobs.

Except that on March 5, 1998, at the HRDC office in my riding in Montreal, we learned at a meeting with the promoter and president of the numbered company that was going to create 42 jobs that there was no longer any space available at 5800 Saint-Denis Street. It was therefore impossible to create jobs in the riding of Rosemont, it was impossible to create jobs in Montreal and it was also impossible to create jobs in the metropolitan Montreal area. The company had no choice but to move and create these jobs, not in Rosemont, as had been recommended by the member for Rosemont, but in the riding of Saint-Maurice, the Prime Minister's riding.

(1330)

Mr. Goldenberg indicated to Human Resources Development Canada that there was no longer any office space available at 5800 Saint-Denis Street. I personally phoned the promoter of that building and learned that 40,000 square feet are available at the address where that business was supposed to settle.

Why did HRDC officials not bother to check things at the time? Instead, they looked the other way. The fact is they preferred to see these jobs created in the town of Saint-Élie-de-Caxton, in Saint-Maurice, in the Shawinigan area, rather than in a riding represented by a Bloc Quebecois member.

But there is more to tell. On March 19, a few days after the March 5 meeting, we learned that the president of that company had submitted invoices for the purchase of machinery and the renting of space in a building called, guess what? Confections Saint-Élie. Where is that company located? In Saint-Élie-de-Caxton.

Who is Confections Saint-Élie? If members would like information on that company, I invite them to read the election folder distributed on the eve of the Prime Minister's election campaign. The president of that company said "Our exports to the United States have doubled, which means we had to increase our staff quickly to meet the demand. The grant received with the help of Mr. Chrétien allowed us to do that".

This is from the president of the company called Confections Saint-Élie. It was this company which found space for the company which was supposed to create jobs in Rosemont, which was supposed to create 106 jobs in my riding. Furthermore, we have learned that the number of jobs created by this numbered company was five, not 42. This is completely unacceptable.

There is more. We learned on March 19, less than one month later, that officials at Human Resources Development Canada nonetheless decided to give the \$166,000 grant to the company knowing full well that only five jobs, not 42, had been created.

What became of the money? We asked the Prime Minister and we asked the minister. No response was forthcoming until February 25, 2000 when the deputy minister responsible for human resources development in Quebec confirmed for me everything that the Bloc Quebecois had been saying.

That was when the government and the minister decided to ask a Toronto firm to look into the matter. That was when the minister was informed of the results, one week later. On the 19th, she had to quickly recommend a police investigation into what is now known as "Shawinigangate".

What we are calling for today is for the minister to immediately make public the report by the Toronto firm into the Rosemont affair, in the interests of transparency and out of respect for my constituents, and for members of the House to vote in favour of the motion presented by the Bloc Quebecois today for an independent public commission of inquiry.

[English]

Mr. Rey D. Pagtakhan (Winnipeg North—St. Paul, Lib.): Mr. Speaker, I would like to bring to the attention of the House that, indeed, a public inquiry and study of grants and contributions by the Department of Human Resources Development is already ongoing at the level of an all-party committee, the House of Commons Standing Committee on Human Resources Development.

• (1335)

The committee began its study of this subject matter because of a motion put forward by the opposition. In fact, the member of parliament for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques at the committee moved a motion, which we adopted, that there be an interim report by the middle of April.

There was a delay in the proceedings of the committee because of the votes that took place in the House as a consequence of the filibustering of the Bloc. However, today the Clerk of the Privy Council appeared before the committee. It was a televised hearing. Speaking of transparency, an all-party committee of the House of Commons is doing this.

I would like to bring to the attention of Canadians that it was an internal audit of the government which unearthed the problems.

Speaking of police investigations, let us not prejudge. The investigations indicate that, indeed, our police force is determined to ensure the integrity of the system.

I am surprised that there is a motion before us which calls for an inquiry, and for the inquiry to report by September of 2000, many months later. I ask the member, would he like a report on this issue by the middle of April, or would he like it much, much later for political reasons?

[Translation]

Mr. Bernard Bigras: Mr. Speaker, it is good that the hon. member has referred to the committee meeting but it is clear, if I am not mistaken, that in all of the cases mentioned this morning by

Supply

Human Resources Development Canada, we were unable to find evidence that there was any transparency within the committee's criteria. We are calling for an independent public inquiry because the committee has its limitations.

The witnesses that spoke this morning showed us that indeed the committee does have its limitations, and in our opinion the scope needs to be broadened in order for there to be an independent public commission of inquiry into the entire matter.

[English]

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I listened to the member opposite talk of process, in terms of inquiry and in terms of where this whole issue should be headed. I want to remind him that an officer of the House of Commons, the auditor general, is looking at this whole process and will be reporting in the fall. We have the committee process, as was alluded to by my hon. colleague from Winnipeg. Moreover, we have the minister's commitment that four times a year she will appear before the committee to discuss all of these issues.

When I hear duplications comments from the Bloc opposite, it really is outrageous. It almost implies that they are not in favour of these types of grants and contributions to Quebecers and to Canadians. I would hope that is not the intent of the hon. member and his colleagues opposite.

I was interested in reading Le Soleil not so very long ago—

The Acting Speaker (Mr. McClelland): I am sorry but time flies.

[Translation]

Mr. Bernard Bigras: Mr. Speaker, I am pleased to respond to the hon. member's question. This morning he described the entire Human Resources Development Canada matter as nothing but myth and mythology.

Does the hon. member believe that the case I have just described in Rosemont, the direct transfer of a grant for the people of Rosemont into the riding of Saint-Maurice, was myth and mythology? No.

According to the February 15 report, the \$165,000 grant was to be for the riding of Rosemont. Instead, in response to unreasonable pressure, it went to the riding of the member's leader, the Prime Minister.

Mrs. Christiane Gagnon: Mr. Speaker, I rise on a point of order. I believe that the question we raised today is a serious matter, that our motion is a serious one. We want an independent inquiry.

Could you ask the hon. member for Waterloo—Wellington, he who is so quick to speak and so quick to tell us that we are getting emotional over this matter, to stop yelling out in the House, to stop

making fists, to stop saying that the matter can be settled, to show a modicum of decorum—

(1340)

The Acting Speaker (Mr. McClelland): I am sorry to have to interrupt the hon. member. The hon. Secretary of State for Children and Youth.

[English]

Hon. Ethel Blondin-Andrew (Secretary of State (Children and Youth), Lib.): Mr. Speaker, while I am pleased to participate in this debate, I do not think that debating this question is a very productive use of House time. The motion introduced by the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques is not the best use of public resources and our time. It will end up costing taxpayers far more than it is worth.

There has been an ongoing barrage of questions on this issue for a sustained period of time. The issue has been recycled time and time again, day after day, to no useful end. Members of the Bloc have already shown how little they care for the time and effort that should be put into productive issues when they kept the House sitting, around the clock, for two days of voting on meaningless amendments to the clarity bill, a bill which members of every other party in the House supported. Nevertheless, our friends opposite are entitled to bring issues like this. That is one of the advantages of being part of the Canadian system. For our part, we are willing to discuss the motion and to look at their concerns from a broader perspective.

The motion suggests that the government does not take the management of public funds seriously. I want to reassure the hon. member that the government takes the management of public funds very seriously. I want to remind him that the government has made every effort possible to ensure responsible public sector financial management.

Shortly after we took office the government undertook a comprehensive review of federal spending programs. We showed our determination to ask the hard questions about the money the federal government was spending. We made the tough decisions to cut back in some areas and to redirect funds to other uses when necessary.

Program review was one of the government's toughest and most comprehensive programs. It was one of many. As a result, we have been successful. We took a \$42 billion deficit and turned it around for the benefit of all Canadians. Members of the government acted decisively. There is no doubt in my mind that the government and the Minister of Human Resources Development are acting decisively now.

The minister has already told the House about her six point plan to improve the management and administration of grants and contributions in her department. It is a good plan and it is a solid plan. It includes improved reviews of administrative procedures. It has been reviewed by the auditor general and the Treasury Board, as well as accounting experts in the private sector. The plan will work, but we must give it time to work.

There is no point in looking yet again at the management processes at HRDC. We have done that and we have identified some areas that need to be fixed. We are fixing them. We should let the minister and her staff in the department get on with the business of implementing the action plan and serving the clients who need their help.

A second issue which the member opposite raised is a concern that HRDC funds are being used for political ends. I am glad the member raised this issue because it gives us a chance to put some facts on the record.

First, politics is not the criteria by which we determine HRDC funding. The money goes where it is most needed. Indeed, a good portion of HRDC program funds have gone to the member's home province of Quebec. That is because Quebec is a province with a large population and a comparatively high unemployment rate. The people of that province need federal program support. The unemployment rate in Quebec in 1997 was 11.4%. In 1999 the rate was down to 9.3%. We have a ways to go.

Quebec received more transitional jobs funding and Canada jobs funding than any other province because the need was greater. In the period from January 1995 to the present, the number of unemployed people in Quebec declined from 430,000 to 311,000; that is, 119,000 less unemployed people in five years with the help of HRDC programs.

• (1345)

I doubt if the member opposite would seriously complain about receiving support from a federal program that helped to create so many jobs in Quebec. Does he feel there has been political interference on party lines? If so, he will be reassured to know that according to our figures Liberals represent 53% of the population and 52% of the ridings and we have received 52% of the HRDC funding. The numbers speak for themselves. When we look at the facts it is pretty hard to see any political favouritism. Let us take British Columbia as an example. Most members opposite receive a huge part of the funding.

What about the need to inquire into the way HRDC programs operate? Again, probably that is a big waste of time and money. It is not only that, but it is a bit like reinventing the wheel. There are at least three other ongoing HRDC reviews at this time. First, the auditor general is conducting a government-wide audit of the department's grants and contributions and will report in the fall. HRDC will be an active participant.

Second, the standing committee of the House on human resources development is holding hearings on these issues. The former deputy minister, the deputy minister, the minister and the officials have all appeared before the committee. That committee includes members from all parties in the House. The committee can

call the witnesses it feels would add useful information. That includes departmental officials and members of the House who can participate in the committee and obtain information.

Third, a special unit has been set up inside HRDC to track and report publicly on the department's grants and contributions. After seven years in that department I know those individuals. I know their competence and their expertise, and that is the reason they have been chosen for this unit. I know that being headed by an official they will do an outstanding job to this end.

In addition to these review activities the minister of HRDC continues to be responsive to parliament. Indeed the minister has earned high public praise for her willingness to stand and answer questions in the House. Canadians from coast to coast to coast support the minister of HRDC in implementing the new administrative system. They believe in these programs. They know there is a role for government and they want the problems fixed. That is what HRDC is doing.

In addition, the department has set up special inquiry lines to answer questions from members of parliament. It seems however that not too many MPs are really serious about getting the facts. Departmental officials tell us they have received very few calls from MPs seeking factual information.

[Translation]

Mrs. Christiane Gagnon: Mr. Speaker, I rise on a point of order. As I listened to the speech by the secretary of state, I realized we are completely off the topic of today's motion in the House. The aim of the motion is to shed light on the HRDC scandal, to have an independent inquiry—

The Acting Speaker (Mr. McClelland): In my opinion, the speech of the secretary of state was in proper form. The hon. secretary of state.

[English]

Hon. Ethel Blondin-Andrew: Mr. Speaker, in conclusion, we suspect that members opposite are more interested in playing politics with this call for an inquiry than they are in getting on with the facts. There is clearly no need for the inquiry the motion proposes.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I listened with interest to the speech and I would like to ask the member a couple of questions.

I will not get into her answering the question with regard to the political connections to these grants. When we pool the information about what companies are getting the grants and what

companies are great contributors to the Liberal Party, perhaps it is just a coincidence that they match up so well. I do not expect her to explain that away.

A couple of things really bother me. For years and years and years unemployment on some of the reserves in my riding has been at 80% and 90%. For the last six years the government has done absolutely nothing to try to alleviate that problem.

• (1350)

We have a group of hepatitis C victims across the country who are being denied funds even after there was a ruling that said it must occur. Yet the government will not move. Is it because Indian reserves and hepatitis C victims do not donate money to the Liberals that they cannot get the assistance they need so desperately?

Hon. Ethel Blondin-Andrew: Mr. Speaker, I am sure it is no secret to my hon. colleague that I too have been to most of the 600 reserves across the country. I too have contact on a daily basis with the chiefs and the national leaders of those organizations.

I, along with the minister, was responsible for overseeing the development of a \$1.6 billion training program for aboriginal people from which his reserve benefits. In turn that program allowed over 25,000 aboriginal people to get jobs. As well there was a saving of \$25 million in social assistance funding.

There is no way we could even begin to think of the benefits that would accrue to aboriginal people if members opposite put their complete support behind this program and ensured the line they have taken would not jeopardize the funding for aboriginal people.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the Secretary of State for Children and Youth tells us we could have left the minister to conduct her inquiry, but when we see how responsibly this inquiry was conducted by the Liberal government and particularly by the Minister of Human Resources Development, we are very concerned.

It took a long time to get the details of the auditor general's report. The minister has known of the situation at the Department of Human Resources Development since August.

The opposition parties, including the Bloc Quebecois, have continued to raise various facets of this scandal at Human Resources Development Canada and have taken seriously the findings of the auditor general: mismanagement of programs, gaps, problems of compliance with legislative provisions, program design weaknesses, poor control and insufficient information on results.

The minister answers our questions daily essentially pretty much along the same lines. We are witnessing the total routing of the

S. O. 31

Liberal government, and I think I have more faith in the opposition parties, who saw clearly the Liberals' game of handing out grants for partisan purposes and using taxpayers' money for political obstruction.

I might wonder why my riding would not get some over other ridings the government chose.

[English]

Hon. Ethel Blondin-Andrew: Mr. Speaker, members opposite could have taken the two days they wasted in the House voting on all those useless amendments to the clarity bill to look at all the information we released on February 21. There were 10,000 pages of hard copy.

[Translation]

Mrs. Suzanne Tremblay: Mr. Speaker, I rise on a point of order. I would ask the minister to take back her words. It was not by voting for two days in the House that we lost and wasted time.

[English]

The Acting Speaker (Mr. McClelland): That is debate. It is hardly a point of order.

Hon. Ethel Blondin-Andrew: Mr. Speaker, perhaps my words were a little harsh. Nevertheless, better use could have been made of their time to review the information we made available to them. They are on the presiding committee. We are making a concerted effort to have all the information available to them. How they use it is entirely up to them.

• (1355)

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I have several questions but I will limit it to one. It is very important, in order to assure Canadians that their money is being handled properly and honestly in Ottawa, to have total openness and total transparency on these issues.

When commissions, studies and committees look into these matters, over and over information is hidden from us because of the claims of privacy. My contention is that if someone receives public money, by virtue of the fact it is public money it no longer is private.

Would the hon. member tell us her view on this point and whether she would favour an implementation of the Privacy Act in such a way that these things could actually be disclosed openly and honestly to Canadians instead of hiding behind the Privacy Act?

Hon. Ethel Blondin-Andrew: Mr. Speaker, I resent the comment that we are hiding behind the Privacy Act. The system in place has allowed them on February 21 to get 16 binders of information, five and a half inches thick and containing 10,000 pages. Once members have sifted through them and if they are not satisfied that is another question. I would like to have more specific

references than that. I believe we could not be much more transparent and much more open than we have been.

There is a process that is fairly public. The standing committee has members from all sides. There too they have access to all the officials who could give them the information if they have specific questions. We are not hiding behind anything. There has been complete disclosure. Not everyone agreed that disclosure was the best thing but there it is. There is the information. How they use it and if they use it is entirely up to them.

STATEMENTS BY MEMBERS

[English]

TAIWAN

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on March 18 the people of Taiwan elected a new president, Mr. Chen Shui-bian, leader of the Democratic Progressive Party.

His predecessor, President Lee Teng-Hui of the Kuomintang Party had led the way to democratizing Taiwan and promoting peaceful dialogue with mainland China. President-elect Chen now takes over the important responsibility of ensuring an orderly transition of power and, most important, he assumes the lead role in the delicate relations with the mainland.

On behalf of the Canada-Taiwan Parliamentary Friendship Group I wish to extend our sincere congratulations to President Chen on his democratic electoral victory and our sincere hope for his success in reaffirming Taiwan's intent to promote peaceful and trustful dialogue with mainland China.

* * *

DEANNA GEDDO

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I rise to bring to the attention of the House a very special constituent whom I have recently had the pleasure of meeting.

Dr. Deanna Geddo was born in Hungary and when she was but 10 days old her home was completely destroyed by bombing. He family became refugees, escaping through Hungary, Austria and Switzerland. At the age of six she moved to Argentina and graduated from high school at 16. She graduated from dentistry and became the first woman to perform implantations in Argentina.

After the coup in 1976, Dr. Geddo came to Canada bringing her many skills, talents and professions with her. She speaks seven languages, is a professional playwright, a noted director, and a talented violinist. Her autobiography would be a huge volume.

During my visit I saw her warmth, kindness, hospitality and, above all, her genuine desire to serve her fellow man. I welcome

S. O. 31

Dr. Geddo to the constituency of Souris—Moose Mountain, to Kenosee Lake and to Wawota where she now practises dentistry.

* * *

THE LATE LYAL HOLMES

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, my good friend Lyal Holmes passed away on March 16. I knew Lyal Holmes even before I began my political career some 27 years ago.

Lyal was actively involved in the Burquitlam Lions Club in British Columbia. He will be remembered as a loyal and dedicated hard worker. My heart goes out to his loved ones and his friends.

* * *

1ST BATTALION ROYAL CANADIAN REGIMENT

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, the greatest atrocity of war is the suffering of innocent children. Last Tuesday, a little girl's life was saved thanks to the 1st Battalion Royal Canadian Regiment stationed in Kosovo.

I rise today to single out these brave men and women of the Canadian forces who have repeatedly demonstrated their humanity and touched the lives of many innocent victims in this terrible conflict. The eight year old girl was suffering from severe pneumonia and infection but was refused admission to the hospital in Pristina. With her condition rapidly deteriorating, members of the 1RCR took her to the medical centre at their headquarters. She had to be resuscitated twice, but her condition eventually stabilized.

(1400)

Thanks in large part to the courageous members of the Canadian Forces, this little girl is currently in stable condition.

Once again our Canadian heroes have gone above and beyond their duty. Their efforts to mend these shattered lives bring great pride to our country, Canada.

* * *

[Translation]

RIDING OF SAINT-MAURICE

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, one of the greatest defenders of the Prime Minister of Canada in Shawinigan is the local Parti Quebecois MNA Claude Pinard, who, in an interview with Vincent Marissal of *La Presse*, stated the following:

The Prime Minister of Canada is doing his duty as the MP for Saint-Maurice. He is backing projects, answering requests, bringing in money. The federal government is one of the stakeholders in regional affairs, and I work along with all stakeholders.

It is true that the Parti Quebecois MNA seems to get along pretty well with his federal counterpart. They will, of course, never be the best of friends, but the two sides do get along in Shawinigan far better than in most ridings with a Bloc Quebecois and/or Parti Quebecois representative.

* *

[English]

NISGA'A TREATY

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Mr. Speaker, when Reform staged a voting filibuster at report stage of the Nisga'a Treaty, it was not a protest. It was a last ditch effort to get the government to reconsider what we believed was a major mistake.

Many prominent people are starting to realize the error that parliament has made. The latest to step forward is former Supreme Court of Canada justice Willard Estey.

Our biggest concern about the treaty was the constitutionally entrenched self-government provision that exceeded provincial and federal powers, a concern now echoed by Estey. We support aboriginal self-government, but at a municipal level.

Former Justice Estey states "The Senate action now proposed in this bill could destabilize the legal framework of which the Canadian nation is built".

The federal government must ask the Senate to amend the self-government provision of the bill, or at minimum delay its implementation until the Supreme Court of Canada rules on its validity under the Canadian Constitution.

Inclusion of that provision was a mistake. Former Justice Estey agrees that allowing it to become law will have disastrous consequences for all Canadians.

* * *

AGRICULTURE

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, yesterday Mr. Nick Parsons from Dawson Creek, British Columbia arrived on Parliament Hill on a combine. His mission was to underscore the plight of farm families in the west. Since I still live on the family farm, I can appreciate a lot of the things he is talking about.

As usual, the Reform Party shamelessly tried to turn this into a cheap political photo opportunity instead of genuinely trying to find solutions. It is so typical of those Reformers, who they are and what they represent.

If Reform Party members were so interested, why did they not ask one question yesterday in question period? Instead, they chose not to ask even one question about this all important issue.

S. O. 31

I am happy to report that the Minister of Agriculture and Agri-Food and the Prime Minister met with Mr. Parsons yesterday to discuss farm income policy for the future. It was a good discussion that underscored the commitment of the government to find positive and consistent solutions. Out of that dialogue I am confident that meeting along with with other MPs. will find those solutions.

* * *

[Translation]

YOUNG OFFENDERS ACT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, in the brief presented by the Coalition pour la justice des mineurs, a coalition of Quebec organizations working with young offenders, the following statement was made:

Before doing away completely with sixteen years of practice, adjustment and precedent, in order to engage in an avenue that breaks with close to a century of tradition, parliamentarians need to ask themselves whether it is worth it. Will they have the courage to defend legislation which is unanimously supported by those who are familiar with it and make use of it, or will they bow to lobbies which focus on disinformation, in order to push ahead a program that is as petty as it is reductionist?

Will the Quebec federal Liberals take notice of this message from the coalition? Are the Liberals aware of the harm they are preparing to do to youth justice with Bill C-3?

There is still time. Parliamentarians must refuse to play the Reform game. Youth justice must not became the battleground for those in search of sensationalism.

* * *

[English]

ALEX PAUK

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, I rise today to congratulate my constituent, Alex Pauk, for being named Musician of the Year by the Toronto Musicians' Association.

For 30 years, Alex Pauk has been championing the cause of new music in Canada.

• (1405)

Alex is the founder, musical director and conductor of Esprit Orchestra, Canada's only orchestra devoted exclusively to contemporary music.

Alex was chosen artist of the year for his work with the Esprit Orchestra in programming, obtaining funding and commissions, keeping musicians working during difficult times as well as encouraging education and outreach programs.

Alex Pauk has also won acclaim for composing more than 35 works and commissions for music and dance groups as well as writing for film, television, radio and musical theatre.

In receiving this award, Alex's name has been added to that of past honourees including Rush, Barenaked Ladies, Rob McConnell, Peter De Soto and Henry Cuesta.

Congratulations, Alex. This is an award that is well deserved.

* * *

CIAU BASKETBALL CHAMPIONSHIPS

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, this past weekend southern Alberta was well represented at the CIAU Basketball Championships in Halifax. Coached by CIAU coach of the year, Dave Crook, the University of Lethbridge Pronghorns competed against the best in the country.

The Pronghorns were led by pride of Magrath, Danny Balderson. Danny, a small town hero who led the beloved Magrath Zeniths to the provincial high school title in 1993, last week was awarded the Mike Moser trophy as Canada's top university player.

Since Danny was picked as top rookie in his first year at the U of L, he has racked up the CIAU honours. He is now a four time All-Canadian, two time Canada West MVP and a member of the national student team.

Danny's teammate, 24 year old LCI grad, Spencer Holt, was honoured as a second team All-Canadian. Sometimes rivals and sometimes teammates, these two young men serve as outstanding role models to all young players in Canada.

Congratulations to the University of Lethbridge, the players, to Sandy and all those concerned. One more thing: Dave, you may be coach of the year, but it is time for a haircut.

* * *

LIBERAL PARTY OF CANADA

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, it is my honour to rise today and congratulate the Liberal Party of Canada for voting to amend clause 14.8C of its constitution at its Biennial Convention this weekend and become the first party to cap expenditures on nomination campaigns.

Until now, because there was no limit on the amount of money a potential candidate could spend for a nomination, a person with greater financial resources was always at an advantage. This amendment, which acts on the recommendations of the Royal Commission on Electoral Reform in 1991, rectifies such unfairness by removing financial hurdles and levelling the playing field. This is not a victory only for women but for everyone else who is not part of the establishment. The amendment targets people without deep pockets and rich friends, youth, aboriginals and persons with disabilities by making it less financially straining for them to seek office.

S. O. 31

I would like to commend Mr. Paris and his organizing committee

for their commitment to this event that instils hope. I believe that

the success of this event and others is reflective of an evolving

positive attitude among Canadians of all ages, sending a clear

message that discrimination of any sort will not be tolerated and

Politics should not be a sphere reserved for this country's economic elite. Rather it should be a forum in which concerned citizens can discuss and make decisions for their future. This amendment makes it easier for Canadians of various socioeconomic and cultural backgrounds to run as candidates and have an active—

The Speaker: The hon. member for Halifax West.

• (1410)

[Translation]

RACIAL DISCRIMINATION

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, today I would like to draw attention to the International Day for the Elimination of Racial Discrimination, which was declared officially by the United Nations in 1966. Subsequently, Canada was one of the first countries to show its support.

[English]

In the Halifax regional municipality this day will be celebrated by the 5th Annual Harmony Brunch, an event held to reflect on the problems created by racism and to look ahead to the elimination of racial discrimination.

Over two years ago the Halifax regional council adopted a community and race relations policy to ensure that residents from the many diverse communities in the area had equal opportunity to develop their potential.

Today may we all reflect upon the importance of eliminating racism, not only by policies and actions on the part of all levels of government but also by the attitudes and actions which we take individually as we interact daily with each other.

* * *

RACIAL DISCRIMINATION

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, today is the international day to eliminate racism and discrimination and on this day Canadians from coast to coast will be participating in a variety of activities to mark the anniversary of the Sharpeville massacre in South Africa in 1960.

As Canadians join together to send a message of tolerance and inclusion, I am particularly proud of an event being held in Pictou—Antigonish—Guysborough.

Today the 11th Annual Run Against Racism is being held in Pictou County, Nova Scotia. Master marathon runner Henderson Paris of New Glasgow, along with support runners are running a total of 38 miles to raise public awareness in the fight against racism. Henderson and his fellow runners started this morning at 8.30 and are running through all five municipalities and the Pictou Landing Mi'Kmaq first nations reserve, crossing the finish line at 5.45 this evening.

that we will oppose it wherever we find it.

GASOLINE PRICES

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased that the Conference Board of Canada will be conducting an independent inquiry into gas prices.

I favour tax reductions on gasoline, diesel and fuel oil but fear that without price regulation the oil companies will simply suck up the tax breaks as profit. I urge the federal government to encourage all provinces to regulate gas prices in such a way that tax reductions will flow directly to the consumer.

I also urge that GST rebates for fuel to all commercial users be flowed particularly promptly this year. Further, I urge the government to intervene where gas prices are causing clear hardship to commercial drivers, such as rural mail couriers, who are tied to long contracts signed before gas prices increased.

Meanwhile, let us continue to press OPEC to increase oil output and bring down the price of gas in Canada.

* * *

[Translation]

RESERVES

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, the Liberal government has done a fine job ignoring the reserves. It was not mentioned at all in the budget tabled three weeks ago. The government is boasting about injecting a little more money into national defence, but the Minister of Finance makes no mention of the fact that the reservists got nothing.

The Liberals are praising their budget, but I cannot see why. There is very little money in it for health care and education, immigrants are still charged an entry fee, and there is no funding for the reserves.

[English]

When it comes to natural disasters, reserves are the first group called upon in the country: the Saguenay floods of 1996, the Red River flood around the time of the last federal election, the ice storm in Ontario, Quebec and New Brunswick. I could go on. What would Canadians have done without the reserve forces in these situations?

The government has used the reserves on many occasions since 1993. Why were they forgotten in the last budget?

[Translation]

PRIME MINISTER

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, behind the scenes at last weekend's convention of the Liberal Party of Canada, the Prime Minister took another dig at Quebec, adding to his already extensive track record in that regard.

This man, who is only too quick to dump on Quebec, has overstepped the limits with his comments about the sovereignist movement, a movement espoused by almost half of Quebecers.

"Let the sleeping dog lie", he was urged, in an attempt to discourage him from introducing his clarity bill. Thinking it was safe to speak, the Prime Minister came back with "The dog is not sleeping, it is ailing".

In *The Golden Dog*, 19th century English writer William Kirby wrote, and I quote:

I am a dog that gnaws his bone, I couch and gnaw it all alone. A time will come, which is not yet, When I'll bite him by whom I'm bit.

With all his canine reflections, the Prime Minister would do well to study this verse, for there is no doubt that Quebecers are impatiently awaiting the opportunity to let him know for the third time that, in politics, scorn and arrogance are a sure way to lose votes.

* * *

[English]

RACIAL DISCRIMINATION

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, today is the International Day for the Elimination of Racial Discrimination. It is unfortunate that we need a day like today to remind us that racism still exists in Canada. This vast country is made up people from all walks of life, many ethnic backgrounds and personal beliefs. We need to deliver the message every day, a message of respect, equality and diversity.

Perhaps it is best said in the lyrics of a song by Garth Brooks which state:

When the last child cries for a crust of bread When the last man dies for just words that he said When there's shelter over the poorest head Then we shall be free

When the last thing we notice is the colour of skin And the first thing we look for is the beauty within When the skies and the oceans are clean again Then we shall be free

There is no question that racism exists in Canada. We have embarked upon a new millennium. Let us all continue in the fight to end it.

RACIAL DISCRIMINATION

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, I rise to mark this day, March 21, the International Day to Eliminate Racial Discrimination. It is also a new season. Spring is upon us. It is with this optimism that I would like to share these words of prayer. As in the teachings of our elders, we must live among each other in harmony.

I extend this prayer to all our police officers who have embarked on the journey to our capital to meet with parliamentarians. In the Creator's name, give them strength and wisdom so that they may carry out their duties in the most humble and respectful way.

In my first language I would like to say:

[Editor's Note: Member spoke in Cree and provided the following translation:]

[Translation]

I pray to the peoples of the east, to the peoples of the south, to the peoples of the west and to the peoples of the north, that we may live in harmony and raise our children in peace amongst each other and with respect to our Mother the Earth and all of our Creator's being and gifts, the four-legged, the winged ones, the swimmers and the crawlers that live with all of the plants and creation.

[English]

In the Creator's name, may we live in respect.

ORAL QUESTION PERIOD

• (1415)

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, this morning Mel Cappe, the former deputy minister of human resources, testified at the human resources committee. He testified that there were no explicit guidelines focusing on pockets of unemployment when handing out HRD grants. This directly contradicts what the human resources minister has told the House concerning the justification for handing out millions of taxpayers dollars.

How does the minister explain this contradiction?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, as I said on a number of occasions, it is the flexibility in the transitional jobs fund that has allowed for the majority of the investments to be made in opposition ridings. I ask the hon. leader to confer with and talk to members on his backbenches about how much they appreciate the investments that they have seen in their own communities.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the minister did not address the question at all. It was raised by testimony at committee this morning.

The minister has been using this pockets of unemployment rationale for handing out millions of dollars of HRD grants. This morning Mel Cappe blew her cover on that subject.

I will again ask the minister to explain why there is a contradiction between what she told the House today and what Mel Cappe told the committee this morning.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the whole point of the transitional jobs fund was to help communities where the levels of unemployment were significantly high and where they were stagnant and were not going to be reduced without assistance. We know that party would just like issues that go along with unemployment to fester and for these communities to have to struggle on their own. That is not the view on this side of the House.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, this party believes in fixing unemployment by lowering taxes.

The simple fact is that this morning Canada's most senior public servant contradicted the Minister of Human Resources Development Canada. My question is, who should Canadians believe?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, clearly the Canadian public does not believe that party. The leader said that all we need to do is reduce taxes and everything will be fine.

Canadians know that it is not just through a reduction of individual taxes that will ensure that Canadians with disabilities get opportunities in this economy. Canadians know that trickle down economics will not ensure that young people get their very important first job in our economy. They know that trickle down economics will not improve the levels of literacy in this country. That is why we on this side of the House believe in grants and contributions.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, talk about trickle down. When that money goes to Liberals and they give money back to party, that is what is frustrating.

The HRDC minister has been picking pockets of unemployment as her alibi for long enough. Today Mel Cappe blew the lid off her excuses. People say that if we ask the guilty the same question long enough and often enough, the truth is bound to slip out.

We would like to know today who is telling the truth.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, brochures describing the transitional jobs fund were available to all members of parliament for a good

long period of time. Any member of parliament who was worth his or her salt went to the HRDC office and talked about these programs to see if they applied.

In the undertakings of this program we were intending and actually did create opportunities, along with partners in communities right across the country, for Canadians who otherwise would not have had opportunities to work.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the minister is not answering a very specific and a pretty simple question.

Mel Cappe said today in committee that there were no explicit guidelines. Now the minister turns around and says that they had all kinds of flexibility with guidelines. There are two different stories here and Canadians deserve an answer. Who should we believe?

● (1420)

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, both the clerk and myself talked about the issue and the use of flexibility in this program to ensure that Canadians who needed the opportunities provided by this government got them.

What is most interesting in all this is that when we look at the investments of transitional jobs fund money we find the majority of them in the ridings of opposition members.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday, the Parliamentary Secretary to the Minister of Human Resources Development told us that, as regards the Placeteco case, the original firm now exists as two companies, namely Technipaint and Placeteco. What she did not say is that Technipaint had to resubmit a grant application, while Placeteco did not do so, in violation of the department's administrative rules.

Could the minister explain why Technipaint had to resubmit an application, but not Placeteco?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, what is clear is that we have two companies that continue to employ citizens in areas of high unemployment. In the case of both Techni-Paint and Placeteco, there are 170 people who are working today thanks to our partnership with headquarters, the Government of Quebec.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, with the grant, there is one job less at Placeteco, and the National Bank of Canada was repaid the \$1 million owed to it by Placeteco.

Could it be that if Placeteco did not resubmit a grant application it is because Placeteco's Claude Gauthier, who benefited from a \$1.2 million grant from Human Resources Development Canada, is the same Claude Gauthier who bought for \$500,000 lots that the Prime Minister had paid one dollar for?

Is there not some kind of hocus-pocus between the Prime Minister's friends and the Department of Human Resources Development?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, for the umpteenth time, I will clarify for the House that we have received invoices from the company which justified its investments in salaries and overheads. These were consistent with the transitional jobs fund program.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témis-couata—Les Basques, BQ): Mr. Speaker, still in connection with the Placeteco matter, Gilles Champagne was the Human Resources Development Canada trustee responsible for protecting the \$1.2 million grant. He was, however, at the same time the lawyer of Claude Gauthier, the man who nevertheless benefited from the \$1.2 million grant.

Are we to understand that, if Gilles Champagne was able, in total impunity, to act as both trustee for HRDC and counsel for Claude Gauthier, it is because he is such a crony of the Prime Minister and haunted the halls of the Liberal convention all last weekend?

The Speaker: Once again, I would ask hon. members to always stick with administrative matters which are governmental responsibility and not those of a political party.

If the minister wishes to respond, she may.

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let me reiterate the facts. In the early going there were issues and problems at Placeteco. There were 64 people employed there. Over the course of time there were upwards of 135 people working for this company. Today there are 78 people working there and there are prospects for increased opportunity.

Is the hon, member saying that he would have had us take our money away and have this opportunity taken away from those employees?

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témis-couata—Les Basques, BQ): Mr. Speaker, the Prime Minister also promised 174 jobs at Placeteco.

In the case of the Canadian Institute of Tourism and Electronic Commerce, the Prime Minister was very quick to call for an RCMP investigation, and even boasted of this in the House. In the case of Placeteco, however, despite some worrisome facts, there is still no investigation under way, several weeks after those facts have come to light, not even an administrative inquiry.

Why such a difference in the way the two files are being handled?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we have looked at these files. I have made reference to the fact that there were incorrect administrative application processes applied. I have made that public in this House on a number of occasions.

Fundamentally, the important point is that we have 78 people working at Placeteco and 170 people working in the two companies.

I remind the hon. member that the Government of Quebec supported us in this undertaking. From our point of view, having people working is the right thing to do.

* * *

● (1425)

HEALTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Prime Minister has given the green light to the health care privatization bill, yet Canadians have grave concerns. They have serious questions. For example, will bill 11 either directly or indirectly erode public medicare? Will bill 11 create a parallel system of private health care? Canadians want answers. When will the government respond?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the first thing is that we should have a law. The bill is before the assembly in Alberta and before a committee and is confronted with amendments. The members of the opposition in the Liberal Party are strongly opposing the bill. I presume that the members of the NDP are also opposing it.

We will wait for the result. I do not know what the result will be, but over the weekend I had my party's full support when I said that the five conditions of medicare would always be respected by everyone.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, while the government dithers, Klein privatizes. First we had the finance minister who managed a measly two cents in health transfers for every dollar in tax cuts. Now we have the health minister who is shadow boxing with Ralph Klein. These are supposed to be the two flowers of the federal cabinet.

Why will the health minister not take a clear stand against Klein's privatization?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Health was in Calgary and he could not have been clearer when he was there. I will be in Calgary on Thursday and I will repeat the same thing: that the five conditions will be respected by every government. On Friday I will meet with Mr. Klein in Edmonton and I will repeat that very clearly.

* * *

GASOLINE PRICES

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, for weeks now Canadians have been paying record high prices at the gas pumps. In response, the government has now announced it will spend \$750,000 to study fuel prices.

Can the industry minister tell us just how spending over a half a million dollars of taxpayer money will in any way relieve the escalating financial burden on Canadian motorists and truckers?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, 47 members of parliament from this caucus have worked very hard on understanding what was happening in the gas market and recommended to us that we perform such a study. In taking their recommendation, we have gone to a very respected research organization, an independent research body, once and for all, for the first time in many years, to do a thorough study of the market, the relationship between prices, supply, demand and the different players in the gasoline retailing business.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, if those members have done their work and made recommendations, why do we need a further study? It is a waste of taxpayer dollars to do yet another study on gasoline prices. It is more of an attempt by the Liberals to appear to be doing something when they are actually doing nothing.

Before the finance minister is sent into exile in the foreign affairs department, will he take some concrete steps to bring about some reduced excise gasoline tax for Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the hon. member knows, while the Canadian government obviously does impose taxes on gasoline, the majority of those taxes are imposed by the provincial government. Before anybody looks at any taxes, both levels of government would obviously have to meet.

* * *

HUMAN RESOURCES DEVELOPMENT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, today another credibility gap opened up involving the human resources minister. Weeks ago she justified grants to ridings that

did not qualify by saying that they had pockets of unemployment, but she had a hard time explaining what a pocket was. She also could not explain why other MPs were unaware of this deviation from the rules.

Just recently an undated document appeared from her department which for the first time mentioned this concept of pockets. Today, however, Mel Cappe said that there were no such guidelines. I think the minister has some explaining to do.

● (1430)

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again the clerk talked about the aspect of flexibility in the transitional jobs fund. As I have said a number of times in the House, it is precisely that flexibility that has allowed for investments in ridings of that party.

The hon. member talks about credibility. On the issue of credibility, why has she not moved to correct the erroneous information presented by members of that party, like the fact that they said there was \$3 billion missing and there is not; like the fact that they reduced it to \$1 billion, and it is not; like the fact that they talk in the House about the fact that they do not want grants and contributions but back in their own ridings they support individual—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Calgary—Nose Hill.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, what is missing is the smallest straight answer from the minister to even the simplest questions regarding her department. When asked about the notion of pockets of unemployment, the former deputy minister of her own department, now the top civil servant, said there were no such explicit guidelines.

If this is true, if pockets did not exist as explicit guidelines, then where did this document come from that the minister produced a few days ago?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again the whole intention of the transitional jobs fund was to help areas of high unemployment, to help build with our partners opportunities that otherwise would not exist.

If the hon, member would just take a trip up to northern British Columbia where many of her colleagues received this funding and talk to the individuals who are working in these companies, she would feel embarrassed about the question that she has asked.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, on June 17, 1998, Human Resources Development Canada authorized

trustee and lawyer Gilles Champagne to pay out \$1,190,000 to Placeteco for the maintenance of 77 jobs and the creation of 42 new jobs.

How can the Prime Minister live with a Gilles Champagne, a HRDC trustee, who receives with his right hand approval to disburse the grant, and who then, with his left hand, as counsel for Claude Gauthier, takes that grant and says "Yes, I accept it"?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us review the facts again.

On a number of occasions in the House I have identified that there were administrative errors made on this file. On a number of occasions in the House I have identified that as a result of the continued investment in this company with our partners, Canadians continue to be working.

I would ask the hon. member what she would have had us do, nothing? Take the money back? If that is what she would have liked, then why does she not say so? From our point of view, the right thing to do was to ensure that the Canadians who were working were able to continue to do so.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the letter from Human Resources Development Canada authorizing payment of the grant stipulates that 42 new jobs be created, but the department has admitted that only one in fact was.

In this context, will Placeteco be paying back the excess grant money, as the Prime Minister announced and as Vidéotron has done?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again on this file I have confirmed that we have reviewed the invoices and that the invoices have been provided which substantiate the moneys that were invested in the company. In this file there are two companies that continue to employ people. As a result of these investments, 170 people are working in areas of high unemployment.

If members opposite have further questions on these files, perhaps they would refer them to the Government of Quebec which also supported these investments.

● (1435)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, Canada's top public servant, Mel Cappe, told a committee this morning that there were no explicit guidelines for the use of this grant money in these so-called pockets of unemployment. The minister

said there were guidelines but that they were flexible. Who are we supposed to believe, Canada's top public servant or the politician?

The Speaker: The question is in order but I would remind hon. members, please use our titles that we have in the House.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again there is no discrepancy between what the clerk has said and what has actually happened.

Indeed as I have said on a number of occasions, 75% of the money for the transitional jobs fund was to go to areas with higher than 12% unemployment. The other 25% was to go to communities that needed help, where investments would create spin-off opportunities, where we found within the boundaries of a larger community, areas of high unemployment.

Again I point out that the vast majority of communities that received moneys in areas of less than 12% were in opposition ridings. Many of them were ridings of the Reform Party.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the minister just said there was no discrepancy between what Mel Cappe said this morning and what the minister has been saying. In other words, she is telling the House and Canadians that there are absolutely no controls on the use of this money by politicians, by political leaders. That is unacceptable. That is why we have a problem in the country with the minister bungling the use of a billion dollars.

Is it the minister's position that there should be absolutely no controls on the use of taxpayers' money?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, probably I should offer an apology to the people of Alberta because if we did not have any flexibility in the program, not one cent from the program would have gone to that province. It would have been the same thing in British Columbia. It would have been the same thing in Saskatchewan. It would have been the same thing in Manitoba. But we knew there were pockets of unemployment in those four provinces and we adjusted the program to make sure that the money went into those provinces.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, Michel Béliveau, the former director general of the Liberal Party of Canada's Quebec section, now the vice-president of the Liberal Party of Canada, who attended the Liberal convention on the weekend, who is a friend of the Prime Minister, is also a consultant for Placeteco.

My question is for the Prime Minister. Is it the presence of Mr. Béliveau, a friend of his in the Placeteco matter, that made him slow off the mark in calling for an investigation into this matter as

he did in the case of the Canadian Institute of Tourism and Electronic Commerce?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I categorically reject the assertions of the hon. member. I say again, on a number of occasions we have talked about administrative errors made on this particular file. Those were corrected.

At the same time it is clear to us that continuing to invest in Placeteco and Techni-Paint was the wise thing to do. These projects were supported by the Bloc member in one case, by the Government of Quebec in both cases, and we see today that 170 people are working at those plants.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, everyone is wondering how the \$1.2 million that went to Placeteco was given the way it was. That is the minister's explanation.

Then there is Claude Gauthier, who received a grant of \$1.2 million and who bought the properties from the Prime Minister for \$500,000; Gilles Champagne, who is a HRDC trustee and Claude Gauthier's lawyer; and Michel Béliveau, who is a friend of the Liberal Party and consultant for Placeteco.

• (1440)

Does the minister not think that there are enough coincidences, enough cronies in the Prime Minister's club, to ask what is going on and call for a public inquiry?

Some hon. members: Oh, oh.

The Speaker: The question is in order. The Minister of Human Resources Development.

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again I would point out that it is the very close friends of that party opposite who also participated in this decision. The Government of Quebec supported these undertakings. If they have questions, why do they not talk to their government?

* * *

EXPORT DEVELOPMENT CORPORATION

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, the public accounts list 10 long term loans to foreign countries made by the Export Development Corporation worth \$685 million that are not repayable for up to 55 years. On top of that, EDC has agreed to charge zero per cent interest on these long term loans. That is no interest and no payments for up to 55 years. EDC policy is better than that of the Brick or Leon's no money miracle.

Oral Questions

How can the government which is paying \$43 billion interest on our debt at home justify giving these sweetheart deals to foreign countries?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the EDC is a very fine institution that has helped thousands of Canadian companies export to international markets. It is a very fine institution that has actually made money year after year. It made \$118 million last year. It made \$124 million the year before. It makes money with the loans it gives on a commercial basis while all the time helping Canadian companies abroad.

Some hon. members: Oh, oh.

The Speaker: Order, please. I appeal to you once again that when it is difficult for me to hear a response it must be more difficult for you.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, here is a case in point. The Export Development Corporation loaned \$200 million to China interest free and not due until the year 2042. This is the government that charges interest on Canada student loans six months after graduation of the students but gives interest free loans to the Government of China for up to 55 years.

Can the minister explain why a country like China which enjoys a tremendous trade surplus over Canada cannot finance its own expenditures?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the EDC makes money from the loans it makes. Year after year it has helped Canadian companies sell goods and services around the world. The EDC is a very fine institution and is serving Canadian interests very well. That party might very well want to destroy itself in the next few months, but we will not let it destroy a fine Canadian institution helping us abroad.

* * *

[Translation]

GASOLINES PRICES

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, yesterday the Minister of Industry, the one who was so quick to find money for professional hockey players, announced the federal government's solution to the problem of high gasoline prices: a study, to be tabled by January 2001, to be undertaken by the conference board at a cost of \$600,000.

Does the minister realize that a study by the conference board, with members such as Shell Canada, Petro-Canada and other oil companies, is very much like an investigation conducted by the wolf to find out who ate the sheep?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the conference board has existed since 1954. It is made up of about

one hundred members. Is the hon, member insinuating that the Conference Board's reputation does not justify paying for the expenses incurred by its members, including the Quebec Department of Natural Resources?

* * *

• (1445)

[English]

AGRICULTURE

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, yesterday Nick Parsons arrived on Parliament Hill. He drove his combine all the way from Dawson Creek, British Columbia to Ottawa to bring attention to the problems that Canadian farmers are facing right across Canada.

Can the Minister of Agriculture and Agri-Food tell the House how the government recognized Mr. Parsons' efforts?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we recognized Mr. Parsons' efforts in a number of ways.

I personally spent an hour with Mr. Parsons yesterday, commending him for his initiative and the awareness he has brought to all Canadians of the importance of the family farm and the agricultural industry across the country. We shared thoughts and ideas about how we can do even more.

Even better than meeting with me, he met with our Prime Minister, and they too shared thoughts. The Prime Minister stressed the importance of the many things we have done for Canadian agriculture and that we are looking at doing even more.

* * *

EXPORT DEVELOPMENT CORPORATION

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, prior to 1984 the Export Development Corporation published a list of Canada account loans that included the amount and the recipients of the loans. Today the Minister for International Trade and the EDC rely on secrecy and confidentiality rules to hide these controversial and high risk loans from Canadians.

Past Liberal governments chose to lay their cards on the table regarding the EDC. Why is this Liberal government hiding the details?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, let me be very clear. The EDC has earned the auditor general's award for annual reporting three times over the last six years. The auditor general has access to the board of directors' minutes—

Some hon. members: Oh, oh.

The Speaker: Order, please. We will hear the minister.

Hon. Pierre S. Pettigrew: Thank you, Mr. Speaker. Some people really do not like good news in the House.

The auditor general has given the EDC the award for annual reporting three times over the past six years. The auditor general has access to the board of directors' minutes of meetings, transactions, details and financial records.

In 1998 the auditor general said "In my opinion, the transactions of the corporation have in all significant respects been in accordance with the Financial Administration Act".

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, the EDC is a government crown corporation that relies on taxpayers' money to fund its operations. Unfortunately for the Canadian taxpayer, the EDC remains unaccountable to parliament and the auditor general for its controversial lending practices.

What is the government hiding? Another get rich scheme for Liberal cronies?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, this again is just another attempt by the political right in the country to misinform Canadians about this 56 year old institution.

Some hon. members: Oh, oh.

The Speaker: Order, please. I would invite the hon. minister to be very judicious in his choice of words.

Hon. Pierre S. Pettigrew: Mr. Speaker, Canadians have the right to know. Let me be clear for the seven year old Reform Party. The EDC does not give out money or subsidies. The EDC lends money from its own coffers, not taxpayers' money, on a commercial basis. That is what it does.

* * *

● (1450)

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am not sure the Prime Minister appreciates the damage he has done by refusing to take action on Bill 11. His statements have been interpreted by Ralph Klein as approval for Bill 11, and they amount to a betrayal of all of those Canadians fighting to stop this destructive legislation.

Is this the sum total of federal leadership: sitting on the fence with fingers crossed, hoping the problem will go away? Is this the best Canadians can expect from their government?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the Prime Minister could not have been clearer. Alberta, like all

provinces in their legislation, must respect the five basic principles of the Canada Health Act.

There is another question and it is whether this bill and the measures it represents will do anything about the problems facing medicare. In fact, the evidence is that it will not. With private for profit clinics the waiting lists are longer and the costs are higher.

We hope that Premier Klein will listen to the people of Alberta and withdraw the legislation.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am glad the health minister answered the question because it shows the contrast between his answer and how two former health ministers of the Liberal government would have responded to that question. They would have stood in the House and said absolutely no to Ralph Klein. In fact, Monique Bégin, a former health minister, would have said that Canadians want leadership, they want a person of courage.

I want to know from this minister if he will get off the fence and if he is prepared to show the courage of his convictions, the courage of the convictions of former health ministers, and give leadership to Canadians who want—

The Speaker: The hon. Minister of Health.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I invite the member to read the speech which I delivered in Calgary, which very clearly expressed my view on the question. Alberta, like all provinces, must comply with the Canada Health Act, and this legislation will not help.

However, Premier Klein's challenges go far beyond me. He now has to contend with the opposition to this bill expressed by the Alberta Medical Association, the Association of Registered Nurses, chiefs of medical staff in Calgary and Edmonton, the Consumers' Association and the United Nurses of Alberta. We hope that Premier Klein will listen to the people of Alberta. Perhaps he might decide to withdraw the legislation.

GASOLINE PRICES

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, in response to the crisis in gasoline prices the Liberal government has done what Liberals always do. It appointed a committee to study the industry, and it is the 12th in the last 15 years. Does that make sense? The committee will cost Canadians \$750,000 and it will not report until next year.

Why does the finance minister not cut out the doggie doodle and reduce the federal tax on gasoline that he himself raised in 1995?

Oral Questions

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would congratulate the member for reminding the House that the excise tax is a product of his party in the previous government. I also want to congratulate the hon. member for finally coming to the realization of the problems that exist.

I want to congratulate the members of this caucus who for so long have been concerned about this particular issue.

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, if the finance minister is so concerned, why has he not done anything about it? Fuel prices have gone up 40%. If they do not come down, inflation will rise. That means skyrocketing interest rates. High interest rates mean higher debt service charges. When that happens the finance minister can kiss his sorry surplus goodbye.

It is very simple. Will the government cut taxes on fuel at least until it gets the crisis under control?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I can hardly believe my ears. The hon. member is talking about high interest rates. When we took office our interest rates were substantially above those of the United States. Today they are lower.

• (1455)

When we take a look at what the federal government has done in terms of its own debt, our debt has come down, the deficit has been eliminated and unemployment is down. This is a different country from the one we took over in 1993.

NATIONAL REVENUE

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

Members of the business community work long hours, far beyond the traditional nine-to-five workday. The last thing they want to hear when they call a government office is a busy signal.

What will the minister do to ensure greater access by Canadian businesses to the resources of this key government agency?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I would like to thank the hon. member for his very important question.

We all remember that we launched the agency last November 1. The aim and goal was to provide the Canadian population with better services. I am pleased to report today that we recently

launched a 1-800 number for the business community and that 97% of the people which have tried to get in touch with the department have been able to do so on their very first attempt.

I am pleased to report as well that the line is open from 8.15 in the morning until 8 o'clock in the evening. That is good Liberal government.

* * *

EXPORT DEVELOPMENT CORPORATION

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the Minister for International Trade has said that the EDC is a very fine institution. Let us see what a fine institution it really is. China's Three Gorges Dam is built on an earthquake fault line. It was shunned for funding by both the U.S. government and the World Bank.

What happened? The EDC stepped in and funded the Three Gorges Dam, despite serious environmental, corruption and economic charges.

Why is the government using taxpayers' money to support a dam that is an environmental disaster?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, let us be clear about this deal. Like so many others, the Government of Canada has certain positions which the member knows very well. The EDC works at arm's length from the Government of Canada. It has accepted the project. It is not the only institution. Similar financial institutions from France, Germany, Japan and Austria have also been onside with their exporters in this foreign deal.

* * *

[Translation]

GASOLINE PRICES

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, the June 1998 report of the Liberal committee on gasoline pricing in Canada, stated the following:

The committee finds [...] disturbing the recent tendency of the federal government to turn to outside authorities to obtain data and information on the oil industry. The committee wonders if that is acceptable.

Is the Minister of Industry not making the same mistake he made in the professional sports issue by ignoring the opinion of the Liberal caucus and asking the Conference Board to undertake a study that should be conducted by an objective parliamentary committee?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the caucus committee recommended that we undertake such a study. We took time to find an independent organization with a spotless reputation with respect to the quality of research that it can

perform. We are convinced that, based on facts, better political approaches can be found.

* * *

(1500)

[English]

NORTHERN DEVELOPMENT

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. The minister is responsible for economic development in the north. Northern foreign policy has clear directions for economic development in the north, yet the department has not done a thing in over a decade.

However there is some hope because the Yukon government and the chamber of commerce, all parties, are building to create a labour sponsored venture fund, the Fireweed Fund. I ask the minister for a commitment today to support this fund that would be an economic initiative in the north.

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, as the member knows because I have talked to her personally about this matter, we are looking at this proposal very carefully. We think it is important to work on economic development for northerners. Once we have reviewed it I will give her that information.

* * *

GASOLINE PRICING

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, it seems the only people commending the industry minister's recent study are Liberal backbenchers. The Canadian Automobile Association, the Canadian Petroleum Products Institute, the Canadian Trucking Alliance and others have all questioned the need for yet another gasoline pricing study.

Will the minister admit this study is simply a stall and delay tactic to ensure that he and his government will not have to take action and work at this question until after the next election?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am very happy to be initiating a study at the request of Liberal backbenchers. I am glad they are happy that we are doing it. Unlike the hon. member they are prepared to see us understand what the facts are, how this market works, how the prices relate to supply, and how the market functions between independents and vertically integrated suppliers.

Those are questions that are perhaps a little too sophisticated for the hon. member, but we on this side of the House think they are important. **●** (1505)

PRIVILEGE

STANDING COMMITTEE ON CITIZENSHIP AND IMMIGRATION

The Speaker: Last Friday the member for London North Centre rose on a question of privilege concerning the premature release of a confidential document that was a work in progress by the Standing Committee on Citizenship and Immigration. At that time I decided to reserve my decision until the committee itself dealt with the issue. The chair of the Standing Committee on Citizenship and Immigration presented a report on this matter earlier today.

I also said I would hold my decision in abeyance until the member for Lakeland had an opportunity to address the House on this matter. I would now invite the hon, member for Lakeland to do so.

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, I am very pleased that you have given me a chance to speak to this very important issue. In my presentation I will explain why I do not believe in fact that I was in contempt of parliament. I would like to elaborate on that a bit.

I will begin my statement by quoting from the constitution of our country. There are a number of procedural requirements of the House of Commons provided in the constitution. These procedural requirements make up the rules of the House. These rules must be respected by the House and by its committees.

Section 49 of the Constitution Act provides that questions arising in the House of Commons shall be decided by a majority of voices. Further, Standing Order 116 states that in a standing committee the standing orders shall apply.

The Standing Committee on Citizenship and Immigration did not decide to go in camera by a majority vote. It did not decide to go in camera as a result of a motion or a vote of any kind. The committee did not make the decision. The chair made the decision unilaterally. In fact it decided the opposite and reaffirmed this on March 2, 2000.

Even though in my opinion the committee could go in camera by way of a motion pursuant to the rules and practices, it only confirmed what these rules are. Specifically the evidence from the committee meeting of March 2 shows that the committee reconfirmed the House rules and therefore committee rules requiring a vote to pass by a majority to cause the committee to go in camera.

At the very next meeting the Liberal chair of the committee decided on his own and against the clear rules of the committee to ignore the democratic process and move the proceedings away from public scrutiny.

Privilege

I think it is important to note that the reason the issue came up on March 2 at the committee meeting and at previous meetings is that the chair of the committee, the hon. member for London North Centre, had unilaterally moved meetings in camera, in other words to become secret, apparently to protect the government from possible embarrassing comments that Liberal members might make during discussion of what the committee had heard. That is what the discussion was on.

The discussion was on what the committee had heard from witnesses who appeared before the committee. There was no apparent reason other than political considerations. After all, all the witnesses were heard in public. I protested this improper decision and the committee chair agreed there was no good reason to hold these discussions secretly. I fully expected of course then that the next meeting would be a public meeting.

At the same March 2 meeting of the House of Commons Standing Committee on Citizenship and Immigration the committee agreed, and I quote from the minutes of proceedings "that the draft report be considered in public". This is from the minutes of proceedings of the Thursday, March 2, 2000 meeting, the very meeting before the chair unilaterally chose to hold this meeting in camera with no vote from the committee. I would be happy to table this document, the minutes of proceedings.

• (1510)

Therefore the chairman did not only breach the constitution and the rules of the House, I would argue, but he breached the committee's own internal rules and the clearly documented will of the committee.

Furthermore I would like to draw the Speaker's attention to an argument at page 10464 of *Hansard*. On October 9, 1997, the Speaker ruled that committees must address their work processes and be very clear about how they expect draft reports and other material relating to in camera meetings to be treated. That was your ruling, Mr. Speaker.

In my opinion the committee had set out very clearly that the draft report was to be discussed in an open meeting prior to meetings being held in camera and that prior to any meeting being held in camera a vote would be taken.

The Standing Committee on Citizenship and Immigration was in camera illegally. If anyone were in contempt, I would charge that the chairman was in contempt of the House for usurping the authority of the House as provided for in the constitution of our country, in the rules of the House of Commons, and as decided by this committee itself. Therefore I believe the House should find the member for London North Centre in contempt for exercising authority beyond the authority granted by the committee.

For all these reasons I believe that I was not in contempt of parliament. To make it clear, the committee was not in camera.

Privilege

Therefore I was providing public information to the public. I am not in contempt, in my view.

There is one important and very pertinent piece of information which I feel I should present. The document I released was not the final draft of the committee report. Because the committee had gone illegally I believe in camera, this draft document was the only record I had of the proceedings of the committee. As the House knows the official record of the committee is not available to the public if the meeting is declared to be an in camera meeting.

As I have already explained, I believe the meeting was in fact a public meeting because the chair of the committee, the member for London North Centre, had illegally convened the committee in secret. The final draft of the committee has yet to be tabled in the House, but as I am sure you will find when it is tabled, Mr. Speaker, that draft is not the same as the draft of the document which I released in public.

Some hon. members: Oh, oh.

The Speaker: Order, please. We are here on a question of privilege. I would prefer not to have any interruptions. I want to hear what the member has to say. I listened to the other member before, as did the House, and I want to hear what he has to say.

Mr. Leon E. Benoit: Mr. Speaker, I really would appreciate if the chair of the committee would allow me to say my piece. That is the respectful thing to do.

Perhaps I could add a few more comments regarding the minister and the chair of the committee. The committee launched at my request into hearings on the issue of illegal migration into our country. The chair of the committee, the hon. member for London North Centre, assured members of this all-party committee that our findings would culminate in a report which would be considered by the Minister of Citizenship and Immigration in developing long awaited new immigration legislation. The minister also assured committee members and Canadians right across the country that the report would be considered in developing this new legislation.

How do you think, Mr. Speaker, Canadians who are carefully following the proceedings of this committee, and especially the people who appeared as witnesses, must feel when three weeks before the committee presents its report I have received a draft copy of the new act which I released in public some two weeks ago? This new act is not to be confused with the draft committee report which I released in a media conference last Thursday.

Not only did I receive a copy of the new act, but I also received along with it the schedule called the critical path for the final stages of approval and tabling of the legislation. I have a copy of that here to be tabled, Mr. Speaker, if you would so choose to accept that document.

• (1515)

Of course, I would like to refer to just three dates in the critical path. It is important. The draft bill was sent to all the provinces on Monday, February 21. The final draft of the bill was to be signed by the minister on Thursday, March 7 and the act was to be introduced to parliament on March 30.

How is it that the very legislation which was supposed to have included information from the report of the committee on citizenship and immigration was a done deal before our draft report was even written? What a sick joke.

Members of the committee, each witness who appeared and all Canadians should be furious for using them like this. They presented to the committee with the best of intentions believing what they said would be taken into account in developing the new act. What a complete lack of respect for democracy and what a complete lack of respect for the Canadian public.

I am here today to answer to the government's charge that I stand in contempt of parliament for my action of releasing to the media, and to Canadians, a draft of the committee report which was marked confidential.

I believe I have made the case that in fact this report was a public document. I am here today as well to charge the chair of the committee, the member for London North Centre, with contempt of parliament for the reasons I have outlined in this presentation. I ask the Speaker to rule at his earliest convenience. I am looking forward to your ruling on both the charges which have been laid against me, contempt of parliament, and the charges which, Mr. Speaker, I am presenting to you against the chair of the committee, the member for London North Centre.

I look forward to your rulings, Mr. Speaker, and I thank you in advance.

The Speaker: If members have new facts to share with the House, I want to hear them. I do not want to get into a debate. I will hear the hon. government House leader.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it was a little hard to go through all of this and to assume that it would work. I am sure that Your Honour probably has difficulty in that regard as well.

Mr. Speaker, on one hand we hear the hon. member say that he as a way of defence is accusing the chairman of the committee for having used an improper procedure and that is tantamount to his justification for the act he has committed.

Regardless of what occurred, that is not justification for his own behaviour. If the proper motion was not adopted by the committee for the committee to go into camera, that is a matter for the

Privilege

committee to discuss. The fact still remains that citation 877 of *Beauchesne's* still applies. It says very clearly:

No act done at any committee should be divulged before it has been reported to the House. Upon this principle the House of Commons of the United Kingdom, on April 21, 1937, resolved "That the evidence taken by any select committee—

That is the equivalent of a standing committee in the British House.

—of this House and the documents presented to such committee and which have not been reported to the House, ought not to be published by any member of such committee or by any other person".

Not only was the document published and circulated by the hon. member, but the chair of the committee informed the House and provided both the chair and the table with written proof of a press release in which the member for Lakeland was actually advertising the fact that he was committing this act. I read further where it says:

The publication of proceedings of committees conducted with closed doors or of reports of committees before they are available to Members will, however, constitute a breach of privilege.

It does not say "and". It says "or".

● (1520)

I believe that citation was read into the record when I was in the House by the chair of the standing committee.

I do not know if the committee moved the appropriate motion to proceed to in camera or if the chair concluded that there was agreement to that effect and it was not challenged. Whichever way it was, the fact still remains that the committee was considering a report which of course was eventually going to be tabled in the House. Until it is tabled in the House, the relevant citation of *Beauchesne's*, 877, still applied. This was a premature disclosure.

The final argument we heard from the hon. member is that his disclosing this report was somehow immaterial. He says that the minister was not going to give the report consideration because the minister was already working on a draft of the bill. First, those two concepts are not mutually exclusive. Second, it is immaterial. Whether or not the member believes that a minister would or would not have considered the report is not justification for a breach of the rules of parliament.

If I think we are going to win a vote tonight on supply or any other issue, would that justify me or anyone else in the House dispensing with having the vote because we firmly believe that based on our numbers that we would win it anyway? That is ridiculous. That kind of defence by the hon. member clearly does not work and I suggest that it will not wash with Your Honour.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. opposition whip was on his feet. I will recognize him.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I just wanted to raise a point of order arising from the intervention by my colleague from Lakeland.

During his intervention, as you noted when you tried to restore order to the House, Mr. Speaker, the chairman of the standing committee in question, the hon. member for London North Centre, was heard very clearly to shout out that my hon. colleague is an embarrassment to the House. I would ask that he retract those words. It is despicable that he would—

Some hon. members: Oh, oh.

The Speaker: Order, please. I would first like to deal with this point of privilege. If such a thing occurred, then I did not hear it. We will hear one side and then the other. I do not want to get into the debate. Is there more information to offer?

Mr. Leon E. Benoit: Mr. Speaker, I believe there is a clarification. In his reply, the hon. House leader for the government said that somehow I was using my complaints against the chair of the committee as a defence, and I was not. That is a separate issue. I only raised it at this time because the same information applies.

If I could just also mention that the hon. House leader talked about whether or not a committee goes in camera is a decision to be made by the committee. That was part of my argument. That never happened and the record will show that.

The Speaker: We are getting into debate. I am looking for new facts on this particular matter.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, very briefly, I am on that committee. I knew nothing of the concerns of the hon. member for Lakeland. I arrived one day at the committee and found that it was in camera on the discussion of the report which was very important. I moved a motion such that the in camera *Hansard* would be available to the public as soon as the report was tabled. I think that would have been a way to get around the problem expressed by the hon. member for Lakeland, but unfortunately this motion was unable to go forward because we did not have quorum.

• (1525)

Mr. Joe Fontana (London North Centre, Lib.): Mr. Speaker, I will leave it in your good judgment and perhaps the good judgment of the procedure and House affairs committee to determine which facts are right and which facts are wrong as put forward by myself last Friday.

Mr. Speaker, as you know, I gave notice on Thursday, half an hour after the member prematurely released a confidential document. I will not recite the citations. I also stood this morning and indicated with a heavy heart that the committee itself, in its first report, indicated that it felt its privileges were breached because of the premature release of a draft report in confidence that will be made public tomorrow. Everyone's rights have been breached. That is the additional piece of information.

I want to make one clarification because obviously an awful lot of information has been put before you with regard to this matter. It is an embarrassing matter.

First of all I want to say that I respectfully informed the whip of the Reform Party two hours before the member for Lakeland was to make this issue public. He, I might add, was as concerned as I was as to the actions of the member for Lakeland. I point that out to the House.

The Speaker: Order, please. I think we are getting into debate. I will go now to the hon. member for Mississauga West.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I have some new information that I think might be of interest to you.

The member for Lakeland mentioned the meeting on March 2. At that meeting he said he objected to the fact that the committee would be moving in camera to deal with the report.

Mr. Speaker, I should point out to you that he actually threatened the committee at that meeting by saying that if we went in camera he had a tape recorder, which he showed the committee, and he would be tape recording the proceedings to release the information in whatever way he chose to release it, notwithstanding the fact that the committee would have ruled in some form of obvious democratic way. That was the kind of intimidation tactic frankly that we were faced with.

The member for Wentworth—Burlington has pointed out to you, Mr. Speaker, that it was his suggestion that the minutes of the meeting be made available to the public after the document was completed and reported to this place.

The second point of information that I would leave with you, Mr. Speaker, is that the member has actually admitted that the document he released was not a completed document. In fact, this same member has refused to participate in the amendments at committee to finally get the document to a stage where the committee was ready to pass a motion to present it to the House. We know that with 301 members in this place, not all members are able to serve on every committee. By extension, the committee is therefore required to report to the House before it reports to anyone else. That is understood.

Mr. Speaker, I would also add that if you look in the rules and procedures, which I am sure you do not need to do because you

know this, it also says that even if a draft report is written in public session, it is still confidential until it is reported to the House. Mr. Speaker, that is some additional information for you to consider.

Mr. Rey D. Pagtakhan (Winnipeg North—St. Paul, Lib.): Mr. Speaker, I would just like to reinforce one thought and that is the reason the standing orders are there. They should override any decision contrary to them because, as has been said, every privilege of each member of the House will be adversely affected if a report, deemed expressly prohibited to be released, is released. Therefore, as a member I feel aggrieved.

The Speaker: We have now heard the original claim of privilege by the hon. member for London North Centre. We have heard an explanation by the member for Lakeland. Now we have had interventions by at least another five members of parliament.

The hon, member for Lakeland said that he had a document that he would lay on the table. I invite him indeed to lay all of the documents on the table so that I can examine them.

• (1530)

I am going to reserve my decision and I will get back to the House when it is necessary.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—MANAGEMENT OF THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

The House resumed consideration of the motion and the amendment.

Mr. John McKay (Scarborough East, Lib.): Madam Speaker, I welcome the opportunity to participate in this important debate.

It is pretty frustrating sitting here in the nosebleed section listening to what passes for debate in question period as being informative to the Canadian public. There seems to be an endless amount of accusation on what seems to me to be a fairly thin issue.

The minister of human resources apparently can never be too transparent. It does not seem to matter that the minister has released over 10,000 documents. It does not seem to matter that she has established a website. It is essentially a feeding frenzy. Regrettably it feeds into some of the most cherished notions of Canadians who do not take the time to inform themselves with respect to debate in the House, namely that government is wasteful

by definition, that government is intrusive into the lives of Canadians, that government is therefore corrupt.

HRDC is a very big department. It spends something in the order of \$60 billion of taxpayers' money on an annual basis. It administers the pension program but I assume that members of the opposition are against pension programs. It administers programs with respect to people with disabilities but I assume that members opposite are against people with disabilities. It administers funds in all kinds of areas of interest to Canadians including jobs funds.

Frequently government is faced with some fairly unhappy choices in areas of high unemployment. We all wish our country could be equally blessed and enjoy equal areas of low unemployment such as the community from which I come, Toronto. Nationally the unemployment rate is 6.8%, and for us it is something lower, around 6% and possibly even under 6%. We wish that all Canadians were able to find employment wherever they find themselves in this country but regrettably that is simply not a reality for many of our fellow citizens.

When government tries to address these problems, it does an uneven job. Usually the focus is on some area of high unemployment. Frequently the choices are social assistance, unemployment insurance or some form of job training program. These are unhappy choices. We look at a constituent or a fellow citizen and ask "What do you want to do here? Do you want to collect social assistance, do you want to collect unemployment or do you want to try this job program?" That is what it boils down to.

The debate on this issue has generated a great deal of heat and very little light. I want to put on the record a number of statistical facts which hopefully will get somewhere close to the facts on the debate.

The money in question is something in the order of \$1 billion which by anybody's definition is a lot of money. Bear in mind that \$1 billion is out of the entire government's budget of \$160 billion. What we are talking about and focusing on is 1/160 of the government's overall budget.

The government to its great credit did an audit of about 20% of its \$1 billion program, in other words about \$200 million. It audited something in the order of 459 projects. Of those 459 projects 37 were found to have some problem, some administrative problem, some filing problem, some this, some that. About 8% of the projects were found to have something wrong with them.

• (1535)

Of the 37 projects involving some irregularities, all moneys were accounted for except at this point something like \$600. That is not big money, but in the House it seems to be an exaggerated amount of money. Even if we project that forward and say that something in the order of \$80 million of this \$1 billion is in question, and that

is the highest it gets for the opposition, if we say that is true, that is roughly 8% of the overall project.

Bear in mind we are dealing with people who are in some considerable distress. As I indicated earlier, the choices are social assistance, unemployment insurance or this jobs fund. Frankly it does not work all the time. What is the insight there? I am perfectly prepared to debate hon. members opposite if they think all of this kind of thing should be cancelled.

In my view at this point on the evidence that is available to us, even projecting forward the \$600 that is missing, we have \$3,000 in question. Members opposite think we should call a public inquiry over \$3,000. That level of absurdity even this House has not seen in a long time.

It is never in the interests of either the media or the opposition to talk about success stories. In my riding no one seems to be interested in the money that the University of Toronto spends in this program, nor is there interest in West Hill Community Services. There are 800 volunteers on the ground each and every week providing assistance to all kinds of Canadians in my riding but no one wants to talk about that.

How about the West Rouge Community Centre? The canoe club burned down and we helped to get some money together so that it could be restored. No one wants to talk about that. It was not in the Scarborough *Mirror*. It was not on the local Shaw Cable. It was not in the Toronto *Star*, the *Globe and Mail* and it was certainly not in the *National Post*. Does anyone want to talk about the Scarborough Philharmonic Society?

All these programs in my riding make us a more civil nation. Frankly, it gets a little tiresome listening to what passes for debate in the House over what is utter nonsense. These are ways in which government civilizes our communities.

Classically businesses are not interested in this sort of stuff. To be perfectly blunt about it, businesses want to make money. I understand that. That is their area of expertise. I just do not quite understand why businesses should adhere to a failure rate of something in the order of 25%, if we compare first year businesses, and governments on the other hand have to achieve a standard of absolute perfection or else those opposite go absolutely nuts.

Some of the grants are problematic. I am prepared to admit that. The government depends on the community, the province and local businesses to generate the projects. Clearly not all projects are equal. Clearly the conception of the project may be different from its execution. No advocate of a project ever starts off with a proposition that it is going to scam the government, that it is going to be one big wonderful scam.

The best projects and the vast majority of projects are welcome in their communities and no one ever hears about them. Good news is no news. It does not hit the headlines.

The ones that do hit the headlines divide into two categories: the projects that are problems that have an explanation and can be fixed and the projects that are problems with no explanation and cannot be fixed.

The first category is one question in question period and it dies. What is the biggest killer on a question period question? It is facts. No one really wants to hear the facts. When the issue can be explained, that is it. It dies and it is gone.

The second category is more problematic for the government. The question becomes the size and the percentage of impact. I understand that the opposition is criticizing the spending in HRDC. At this point in time what is known is what I reiterated earlier. What is known is that 37 projects have raised some question in an audit of something in the order of \$200 million. I do not see that as a big issue; 8% is not a great thing. To be perfectly candid about it, how in heaven's name can we expect the government to adhere to a standard of perfection working in an area that is difficult at best?

(1540)

This is a category of questions and the issue is whether the glass is half empty or half full. Hon. members opposite think that something in the order of \$600 missing, which is the only fact that is on the table at this point, requires a public inquiry. This is an interesting exercise. Even projecting forward that we have only hit one-fifth of all of the projects, this would be \$600 times five which is \$3,000. I do not know whether we really want to deal with facts here because that is not really good for politics, but the fact is that based on this the members opposite wish to call for a public inquiry on an issue of a missing \$3,000.

I urge hon. members to vote against this motion for the very simple reason that this is one major tempest in a very tiny teapot.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Madam Speaker, I am pleased to have the opportunity to put a question to the Liberal member on the opposition motion introduced by he Bloc Quebecois, but before asking my question, I would like to remind the House of the motion we introduced. It reads as follows:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that Department and to report to the House by September 19, 2000.

I would like to give an example of mismanagement which is happening right now in my riding: the closure of a plant where several older workers have been paying into employment insurance for 30 years, 35 years or more. The employer has been paying his share too.

The plant will be closing at the end of the month and these workers will probably have to go on social assistance. Since it

came to power, the government has withdrawn from a program called POWA. Under this program designed to help older workers, they were guaranteed \$1,000 a month until their retirement.

According to the government's own data, when a worker gets to be 45, it becomes very hard for him to find another job. These men have worked for 30 years at the same job, in the same plant, in the same place, they have acquired great experience. Now that they are 50, that they still must look after their family, that they have a mortgage, that they have children in university, if the plant closes down, they will be left without means, they cannot get back into the labour market. As a result of the government withdrawing from the Program for Older Worker Adjustment, they are pushed on social assistance. If this is not mismanagement, I do not know what is.

I would like to ask my Liberal colleague whether he thinks it is all right to waste money handing out partisan grants while nothing is being done to help older workers? What is the government willing to do for these older workers who are losing their jobs due to a plant closure?

[English]

Mr. John McKay: Madam Speaker, I thank the hon. member for giving a classic illustration of exactly what I was talking about.

• (1545)

The government is faced with an unhappy situation in that riding. I understand that. Possibly it is a pocket of high unemployment, one of those terrible things. Since it is a pocket of high unemployment what is the government supposed to do? Is it supposed to walk away and say "Well, that's too bad, you are on your own?" There are choices. Do they want to go on social assistance, do they want to go on unemployment or do they want to try this program?

I do not know much about the POWA program but the illustration is perfect. How in heaven's name that translates into some sort of partisan exercise escapes me altogether. Presumably that program and the transition jobs fund program are available in a Bloc riding. Presumably, if this was truly partisan, these programs would not be available in a Bloc riding, a Reform riding or an NDP riding. The only places they would be available would be in Liberal ridings.

When the facts come out—and it is a strange concept that in fact 52% of the grants under these programs have gone to opposition ridings as opposed to Liberal ridings—one has to ask oneself what the basis is for this silly motion on partisanship.

[Translation]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Madam Speaker, I am pleased to take part in this debate as a former member of the human resources development committee.

First of all, I would like to read the text of the motion brought forward by the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques. The motion reads as follows:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that Department and to report to the House by September 19, 2000.

There is also an amendment, which reads as follows:

That the motion be amended by adding after the word "condemn" the following: "vehemently"

As I was saying, after the 1993 election, I was a member of the human resources development committee. That committee toured major cities in all the provinces, including Quebec. My colleague opposite was on that tour. If he could talk, he would certainly tell us that, every place we went, the majority of witnesses who came before the committee were against cuts in social programs. They were against cuts in the unemployment insurance program, as it was then called.

There were several protests. I do not encourage protests, but it happened several times during that tour. My colleague is nodding in agreement; he remembers. He may be a Liberal, but he witnessed those protests.

I remember our visit to Montreal, where people turned over tables to protest against the government's intention to cut employment insurance.

A subcommittee had been set up and, on the last day, we went to Bathurst. I wondered why we were going to that riding, the riding of the former Minister of Human Resources Development. Why were going there at the very end, as a subcommittee, without the TV cameras? That was Doug Young's riding. Protesters were particularly vocal there. People told us that the situation in Acadia was similar to that in the Gaspe Peninsula. The Liberal majority had rejected the idea of going to the Gaspe region or the Magdalen Islands.

Nor did we go to the Abitibi or the Saguenay—Lac-Saint-Jean region, where seasonal unemployment is extremely high. Still, even if the subcommittee's destinations had been carefully selected, we had to go to the minister's riding. But the minister did not come on that day.

It was quite a surprise for me to see that the protest was even better organized there than elsewhere. This was because there were real problems. The wives of fishers came to testify. They told us that switching from a number of weeks to a number of hours of work would have a major impact in their area.

(1550)

We remember that Doug Young, the former minister, was ousted, as had been the Conservative minister before him, Bernard Val-

court, who, at the time, had wanted to proceed with an unemployment insurance reform. I remember—that is Quebec's motto—that at the time the current Prime Minister had criticized the idea in a debate against then Prime Minister Kim Campbell, saying "You intend to cut social programs and the UI program. This is unacceptable". The Prime Minister has left a trail. He even wrote a letter, using the same arguments ans stating that social programs and unemployment insurance should not be tampered with. These programs were necessary in the so-called seasonal unemployment regions.

But Ms. Campbell would not promise not to follow through on her plans, or the plans of Human Resources Development Canada officials. So the plans went ahead and the minister made the cuts in question, but it will be remembered that there was a marvellous transitional fund with up to \$300 million for Quebec.

The reaction was "Fine, they are making changes but, with the transitional fund, people will be able to adapt". But the problem was the way in which this transitional fund was managed, when it was realized that it would be limited to regions where unemployment was higher than 12%.

Unemployment in my riding, and in most ridings in the Quebec City and Chaudières-Appalaches region, was less than 12%. They therefore did not qualify for this program but, in the riding of the present minister, where unemployment stood at 6%, businesses and organizations did. Why? Because, she said, there were pockets of poverty.

All members in the House are capable of showing that there are pockets of poverty everywhere. There are pockets of poverty in my riding. I go to the Lauzon and, when the shipyard lays people off, it is not long before there is a pocket of poverty. There is still one right now.

But, oddly enough, we in the Bloc Quebecois and members of all the opposition parties were not informed of this directive. Only the Liberal members heard about it. Luck was on their side.

It hits even closer to home is when one realizes that 54.3% of the sums allocated over three years through this transitional job fund were during the six months before and the two months after the election. Promises had been made and there had not been time for the grants to be authorized. After the fact, when questions were raised, it became obvious that the money was sometimes six months or a year in coming. This is unbelievable.

The hon, member has said that there were partisan attacks from the opposition. Why are there such attacks which he calls partisan? Simply because the facts point very clearly to there having been partisan action in Liberal ridings or in ridings with opposition MPs on which the Liberals had designs.

The facts are even more worrisome. I will not spend much time on the Prime Minister's riding, but it is clear that, particularly in

the riding of Saint-Maurice, there was a sort of flood of grants. Sometimes grants that had been awarded to another riding, such as Rosemont, got added to the ones already promised. In the Prime Minister's election literature, he was not shy about mentioning that this was the result of his interventions. He even included a quote from the business owner in question.

I also recall another instance, during the first mandate, involving phone-in centres for the unemployed and other people with problems. There were a number of these centres, more or less everywhere, but they were reduced to two. In the Quebec City region, there was one in the riding of my colleague for Louis-Hébert. It was not a face-to-face service. Everything was done over the phone. They did not receive any clients.

• (1555)

All of a sudden, when there was not even an office, and it was not one of the centres concerned, the number dropped from 10 to 2. There was not even one in the riding of Saint-Maurice and, all of a sudden, they were cut to two, and one was opened in the riding of Saint-Maurice. The one in Montreal they left there.

The one in the riding of Saint-Maurice was to serve eastern Quebec. I can tell you that the Prime Minister's riding is a long way from eastern Quebec. This is an example of decision making.

The member for Trois-Rivières pointed out what happened when the employment office in Trois-Rivières had to be moved. They streamlined, and where did the office go? Once again, to the riding of the Prime Minister, the riding of Saint-Maurice.

We reveal all these facts, plus those mentioned by my colleagues before me, and the Liberal member opposite looks offended. It seems to him that the members of the Bloc Quebecois are making partisan interventions. These facts are never contradicted. In 19 instances, the RCMP, as the Prime Minister said repeatedly, is investigating.

For me, the evidence is very clear. There was political influence in the awarding of grants in the transitional jobs fund. Since I find that scandalous, I add my voice to those who are protesting.

[English]

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Madam Speaker, I first want to address my questioning in the form of motive and then put three questions to the hon. member with regard to his presentation to the House this afternoon.

With regard to motive, Madam Speaker, you, like many of us in the House, have had an opportunity over the past number of years to sit with Bloc members on numerous standing committees of the House. I certainly believe that no opposition members and no government members have any confusion that the Bloc members bring forward a very partisan position at the committees, the end goal obviously being secession and to eliminate the role of the federal government in their ridings in Quebec regardless of the

good work that comes out of the federal initiatives that do great work for their ridings. That is an indisputable fact. I can see heads nodding from the various opposition parties. It is a very partisan position that Bloc members take at the committees.

My question for the Bloc member is threefold. It is very simple and requires only yes or no answers.

First, does the hon. member recognize that more money was actually distributed to opposition ridings through the transitional jobs fund than there was to government ridings? This is a simple question and the answer is either yes or no. He either recognizes that or he does not.

If the member does not argue that absolute fact, I have a second question for him. Is he aware that in the province of Quebec the provincial government must sign on as a partner on every one of those transitional jobs funds?

My last question also requires a yes or no answer. Does he believe that Mr. Bouchard is working in collaboration with the federal government to put in place a slush fund to support Liberal members of parliament in Quebec? Or, is the true fact of his argument and his presentation simply that regardless of the good work the federal government does in supporting the Canadians in Quebec and all across the country, he does not want a federal role in supporting these great organizations within the province of Quebec and, for that matter, other provinces as well?

[Translation]

Mr. Antoine Dubé: Madam Speaker, the fact that more money went to ridings held by opposition members before 1997 is part of our argument. For instance, the Anjou riding was held by a Bloc Quebecois MP. The Liberal Party wanted to win it over.

An hon. member: No.

Mr. Antoine Dubé: It is a fact. We noticed how focussed it all was.

(1600)

In the Quebec City and Chaudière-Appalaches region, there are ten ridings, none of which go any money from this fund because they were considered as impossible to win over by the Liberal Party. Those where the Liberal Party had no hope of winning did not get any grant. But those where it might win did.

An hon. member: Is he or is he not?

Mr. Antoine Dubé: The member is asking me whether or not I believe Mr. Bouchard is creating a slush fund. We in the Bloc Quebecois have always asked for cash transfers to finance active employment measures. Speaking of the transitional jobs fund, we went along with it and we still support it in principle because of the

impact of the drastic cuts on individuals. Where there have been quotas, in some cases they even went back five years and required workers to reimburse so-called EI overpayments.

They have bled the unemployed dry in order to doll out grants for electioneering purposes. This is a vicious, undemocratic attack. I thought those days were long gone. Unfortunately the Liberal Party came out of the same mould as the parties that came before it under previous regimes. It wants to use public money for partisan purposes, which is unacceptable.

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Madam Speaker, I cannot say I am pleased to take part in today's debate, because it is not always pleasant to debate issues that reek of scandal. But we must do it, since this is about taxpayers' money.

I believe there is a consensus here on the importance of democracy. However, I am one of those who claim that several elements or factors are currently threatening democracy. I will not name them all because there are a number of them. There is one in particular that really gets me fired up. I am often invited in CEGEPs, universities and even high schools. The first question that I ask at these meetings is often "If I mention the word politics, what comes to mind?"

It is not always pretty. I hear words like "corruption", "money" and "liar", and comments such as "They put money in their pockets". Many words are used and this is probably the case all over the country. Politicians have a very poor reputation. In fact, only 4% of the population support members of parliament and trust them. This is a profession for which support is among the lowest.

It is not that serious, because I tell these students, who would often like to be in the House and say "You are all corrupt, you put money in your pockets, you mishandle funds" and so on, that they are not necessarily right, that in fact the problem is not politics, but the way it is practiced.

As I was saying, the threat to democracy is the fact that an increasing number of people are losing interest in politics, because they are disappointed to see how it is practiced. They are saying "I am never voting again. I am keeping right out of politics. There is no point. Nothing ever changes. Politicians are all liars". This is a very pervasive belief and I think it must be taken very seriously.

Today's debate is at the heart of this issue because we are talking about the management of public money. I think that, for many people, when the Human Resources Development Canada scandal hit the news, everything I said earlier certainly was in many people's minds. They saw it as one more scandal and nothing new. This is deplorable and I think it has very negative repercussions. People see this as politicians helping themselves to public money. There are ramifications.

Supply

This all began with the tabling of HRDC's internal audit report on grant programs. Approximately seven categories of program were investigated. These programs represented approximately \$1 billion annually in grants and contributions over three years, or a total of \$3 billion.

• (1605)

The report described important problems in the management of these programs, grants handed out unbidden, a serious lack of documentation showing an unbelievable laxity on the part of officials, and provided statistics.

Here are some figures to illustrate what I am saying: in 87% of projects, there was no sign of monitoring by officials; in 80% of projects—that is quite a few—there was no evidence of financial control; in 75% of projects, there was no evidence that expected results had been achieved.

In 70% of projects, there was no invoice or payroll to justify expenses; in 66% of projects, there was no analysis or documentation explaining the recommendation or approval of the project; finally, in 36% of the cases where the amount was increased, the reason for such an increase was not indicated.

This carelessness in management opens the door to fraud, mishandling of funds, political interference and patronage. This is how the lack of integrity of the government and the department with regard to grants and contributions began to surface.

This situation, which I think is alarming for the majority of Quebecers and Canadians, led the Bloc Quebecois to bring forward this motion on this opposition day.

The motion reads as follows:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry, whose members will be appointed by the House, and whose mandate will be to inquire into all practices of that Department and to report to the House by September 19, 2000.

I totally agree with that. If the government has nothing to hide, it should not be against an inquiry. I think the amounts involved justify an inquiry, not to mention the fact that public opinion could believe that these programs are useless, that they are used only for partisan purposes and that they should be eliminated, which is cause for concern. To me, this is a serious threat.

I personally had the opportunity of working with HRDC officials in my riding. Although we are sovereignists, that does not prevent us from working with federal officials, far from it. The taxes of my fellow citizens end up here in Ottawa. This is where things are managed and, even though we do not always agree with the way the money is distributed, I tell myself that a dollar invested in my riding should be invested as well as possible.

Today, we are calling for an inquiry in part because of the lack of an answer. Although we have an oral question period every day here, we do not have an answer period.

I am a bit disappointed by the responses we have had to our questions. In fact, we have had no responses at all. It seems that the minister is avoiding questions, that she is trying to get round them and has been for several weeks now. I think she has definitely honed her political sense of not answering questions. It is deplorable.

If we cannot get answers here, where are we going to get them? I think this issue must be brought to light. An independent inquiry would certainly be a relevant way to get the answers the party opposite does not want to give us.

I am disappointed by this whole scandal. In a time of plenty—I am talking like an old hand at politics, but it is nothing—a few decades ago, when governments were floating along on the wealth and money flowed, which perhaps contributed to the incredible debt our generation will have to pay all its life, there was some limit to spending here and there. A zero deficit and balanced budget policy was instituted. I said to myself "From that point on, expenditures were probably made judiciously".

• (1610)

As proof, in my riding, when an organization or company applied for funding, for example under the FPCE, I saw the forms regularly. There had to be a concrete and highly detailed explanation of why the money was needed. There was an audit carried out. It all seemed to be above board.

Now the scandal has broken, and I realized that the public's money has far too often been used to win votes. I know that the hon. member across the way is going to say shortly some opposition members got more money that government MPs, but the timing has to be looked at. When 54% of funds were allocated in the six months before the election, and when there was no audit, this is a great disappointment.

The reason why the public has less and less faith in politics is obvious. A public inquiry, such as that being called for by the Bloc Quebecois today, would strike me as one way of casting some light on the matter, and perhaps even bringing some peace. I hope that my colleagues across the way will be voting in favour of this motion.

I have no more time left. I am sorry this is so, because I would dearly love to continue, but I will yield the floor to my colleagues.

[English]

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I am pleased to be able to respond. I have done this a couple of times before, but

I would like to give an immense thank you again to the interpreters. Their brains must hurt by the end of the day, listening to this debate and speaking at the same time the words they hear in one language. I am actually a trilingual Canadian, but French is not one of my extra languages and I am totally dependent upon them.

My question for the member is actually twofold. First, in view of the fact that the motion calls for the creation of an independent inquiry, do Bloc members have any concerns when they look at the history of the Krever inquiry, the Somalia inquiry and the peppergate inquiry? These so-called independent commissions do not really appear in the end to be very independent. Would the hon. member have any comments on that?

Second, does he know whether in his riding taxpayers are paying more to Ottawa than they get back, or do they get back less than they send to Ottawa? I am not sure if he would have the answer to that question, but I would like his opinion on it.

[Translation]

Mr. Stéphan Tremblay: Madam Speaker, I also wish to thank the interpreters, who make it possible for us to carry out a dialogue in two different languages.

In my colleague's question about a commission of inquiry, or an investigation, it does not matter which term is used, as it is clear that this will not solve the problems. The harm has been done and that is the way it is.

There are already several investigations under way, particularly in the Prime Minister's riding. I am beginning to understand why he had the RCMP cottage renovated in Shawinigan County. Maybe it was so he can go and take up permanent residence there in comfort, because there are so many investigations under way.

Seriously, Madam Speaker, it is true that one cannot say that a commission of inquiry will solve everything, but I do think that it might cast some light on certain matters.

[English]

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Madam Speaker, I too commend the interpreters. Sometimes I wish they could change some of the words because some members do not make too much sense either in French or English.

The first point I would like to make is that the hon. member commented on his experiences when he travels throughout his riding and what his constituents feel about politicians. My experiences have been far different, so he might reflect on himself, his party and the separatists as to why some Quebecers have a feeling in that regard.

● (1615)

He also used the words scandal and democracy. "Bloc" and "democracy"—if that is not an oxymoron I do not know what is. Time and time again Quebecers have said no and time and time again the Bloc has continued to force the issue.

I was going to use the word scandal, as my hon. colleague has, but nothing could be further from the truth. The facts are very clear. There was no misappropriation of spending.

I want to hear once and for all, does the Bloc recognize, regardless of calendars or dates, that more money has gone into opposition ridings than Liberal ridings in Canada?

[Translation]

Mr. Stéphan Tremblay: Madam Speaker, sometimes I do not even feel like answering certain questions. The only question the hon. member has asked today is whether more money went to the opposition party members' ridings. I would be delighted if that were the case and if ridings represented by the Bloc Quebecois had received more money, but the point is when and why.

If opposition ridings are receiving more money because the applications coming in are perhaps more relevant and the needs greater, so much the better. That would only make sense. But when we find that 54% of money was spent in the six months leading up to the election, there is something odd going on. It may be an incredible coincidence—it could be—but something smells off.

[English]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Madam Speaker, I will be splitting my time with the hon. member for York West, who is a very valuable and active member of our all-party human resources development committee.

I thank the hon. member opposite for bringing his motion before the House. It gives the government an excellent opportunity to explain to Canadians how our programs really work. The point of the HRDC programs is to help develop our human resources to help those Canadians in greatest need.

I totally reject the substance of this motion. Is the hon. member being constructive? Does he really care whether we are successful in working with Canadians to expand and build on their opportunities for the new economy?

If members opposite really wanted more effective grants and contribution programs they would support our ongoing work in fixing existing programs. They would let the auditor general do his work. They would let our all-party standing committee carry out its legitimate role and functions.

Supply

Something should be said about the public servants in the Department of Human Resources Development. Should we not allow the internal audit process to fulfil its mandate? Should we not allow the department to carry out its action plan and modernize its administration?

One thing that is sadly lacking in this whole discussion is an informed debate. For example, the reason for creating the transitional jobs fund in the first place was to assist those who needed help the most.

Members who were in the House prior to the last election, including my colleague who brought forth this motion, will recall that the government brought in much needed legislation to overhaul the 25 year old unemployment insurance system. The result was the new employment insurance, the EI system. It brought forth a series of measures to help Canadians adjust to program changes and, most importantly, return to the workforce as quickly as possible.

The goal of the transitional jobs fund was to support job creation in areas of high unemployment and generate new permanent jobs in areas where people were having a difficult time finding work. The TJF was designed to be flexible and to have buy-in from all important partners. It had four basic criteria: to create sustainable jobs; government partners must contribute at least 50% to the cost of the projects; projects must meet local development plans; and the provinces or the territories must support the proposals.

Each region was allotted funds based on two specific criteria. Seventy-five per cent of the funds were allocated to areas where unemployment was at or above 12%. Twenty-five per cent of the funds were allocated to a province or a territory based on a decline in UI benefits resulting from the implementation of the new EI fund.

\bullet (1620)

This process ensured that every province and territory received program funds.

The TJF was designed to recognize that regional officials, working with partners, were in the best position to assess the needs of local communities. Built into the program was the need for regional decision making and flexibility. The goal was to meet the overall program's objectives and have a positive impact on the community in terms of job creation and job opportunities. Specifically, regional officials were encouraged to work with our partners to identify strategic priorities that would benefit the local communities. These partners included provincial and territorial governments, community groups, the private sector and local MPs.

Let me clarify the meaning of an unemployment rate at or above 12%. Human Resources Development Canada, which administered the program, used the 12% figure as a guideline for TJF eligibility.

Based on the 1995 Statistics Canada regional rates of unemployment, 18 of 62 regions were eligible for TJF funding. Yes, to be fair, northern B.C. and Yarmouth, Nova Scotia were also included because their rates of unemployment were 11.9% and 11.5% respectively.

However, the opposition and the media have raised a hue and cry that the transitional jobs funds went to areas where the rate of unemployment was under 12%. True, but within those regions were pockets of high unemployment that exceeded 12%. Provided the province or the territory agreed, those pockets of high unemployment met the criteria for funding TJF projects.

There was a process for determining those pocket areas within regions where the rate of unemployment was under the 12% guideline. Data was compiled from various sources, such as the Statistics Canada census, labour force participation surveys, as well as labour market information developed by the local HRDC offices. Decisions as to where transitional jobs funds were allocated were based on a real need to help hard-working Canadians adjust to the new EI program. After all, hon, members will agree that the goal of government programs should be to help those who require help and to help Canadians help themselves.

That is what the TJF did. Funds were allocated to regions or pockets within regions that met the greater than 12% unemployment rate percentage or met the program's overall objectives for supporting areas that lacked a strong labour market.

For example, community projects were approved in regions with under 12% unemployment. They were approved because there was a higher rate of unemployment amongst aboriginal persons or persons with disabilities or within the visible minority populations. The TJF also helped regions with economically depressed industries, such as forestry, mining and fisheries.

As I said, I am pleased to have the opportunity to clarify this issue. However, it is not as if this information was not readily available to all members of parliament at the time. At the time this program was announced and implemented, in fact as early as December 1, 1995 when the minister of HRDC announced the TJF program, the backgrounder to the news release said: "The regional allocation of the transitional jobs fund will target high unemployment areas across Canada. Allocations will be determined through discussion with provincial governments and other relevant partners".

In the summer of 1996 brochures were distributed to HRDC centres in Canada explaining to people who had an idea for a project how to apply for TJF funding.

As for the pocket issue, it was made abundantly clear in both the 1997 EI monitoring and assessment report and in the 1998 "Ser-

vices for Canadians" binder, which was distributed to all MPs in the House. Both the report and the binder stated: "TJF projects are targeted to areas of the country and to geographical areas within communities that have unemployment rates of 12% or higher".

The bottom line is simply that Human Resources Development Canada distributed plenty of information on the TJF and involved MPs and community leaders as much as possible. I hope hon. members now have a better understanding of how the TJF worked. It was an enormously successful program that funded nearly 1,100 projects and created some 30,000 jobs between July 1996 and March 1999. Instead of unduly criticizing the grants and contributions programs, hon. members should be explaining those programs to their constituents and helping those who qualify make use of them.

I want to take this brief opportunity to talk about some of the investments of HRDC in my riding of Hastings—Frontenac—Lennox and Addington.

• (1625)

In my hometown of Napanee, Ontario, the county seat of Lennox and Addington, money was invested, partnering with the town, the county and the business improvement association. Small amounts of funds were invested in many facets of our town.

Recently Napanee was named one of the 10 prettiest towns in North America. Some of the funding involved local partners. As we cleaned up our town and planted flowers with the Communities in Bloom program, it made a great difference.

Other money invested in the riding went into literacy programs, museums and historical sites, and a lot of money was invested in our youth. In my office today I have more requests from the municipalities for funding of these programs than ever before.

I do not like to see the politics that are played during Oral Question Period. The same party that has been attacking our minister is going around behind the cameras, asking us to get the programs into their ridings.

As you know, Madam Speaker, more money went into many of the ridings of Reform members than went into those of government members. It is not justice; it is politics. They are picking on the people who are unemployed, and I detest that.

[Translation]

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Made-leine—Pabok, BQ): Madam Speaker, I had a few questions for the hon. member. I took some notes and, with all due respect for the member opposite who, I think, has been a member of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities for a while, it must be hard for him to defend the government in the House today.

In his speech, he mentioned that projects under the transitional jobs fund had to show that they could improve the regional economy. When the member says, in good faith, that projects had to include similar arguments in their application, that means there was an application.

How does he explain the internal audit report's observation that there was no evidence of financial control in 80% of cases? According to the report, some people had not even filled in an application. I would like to believe—and this is often the answer given by members opposite—that there were only a small number of cases like this, because we are only talking about an internal audit report, but why then will they not agree to a public inquiry?

The answer we are getting is that they trust the auditor general. But not so long ago, last fall, the auditor general said, in answer to a question, that he intended to table a report in the House in the fall of 2001 and to look into the matter at that time. But what he said he wanted to do was make general comments on the quality of the management of these programs across the government.

One must know how an audit is conducted. If the auditor general is not asked specifically to analyse the whole list, we will never know. As far as the issue mentioned by the member in his speech regarding the regional unemployment rate, if it is above 12%, the riding is eligible, and when it is below 12%, people can still apply.

The population must understand one thing, the Bloc Quebecois is not questioning the usefulness of the grants as a catalyst and a boost to regional economies; the Bloc Quebecois is not blaming the civil servants, it is saying "The Liberals did not set any guidelines".

How is it that the Canadian Union of Public Employees, which represents HRDC employees, stated in a press release no later that this spring that the criteria made public recently did not exist before the program ended. The public servants themselves are saying they only had loose and flexible guidelines to go by, and that at no time were they informed of possible pockets, when they were managing this program.

How can the member maintain a public inquiry into this matter is not necessary?

• (1630)

[English]

Mr. Larry McCormick: Madam Speaker, my colleague leaves a little bit of room in his questions. I guess it is very natural to point them in whatever way we would like to see them go. However, the audit in HRDC was brought forward by the HRDC officials themselves.

Supply

Members of all parties were present today when Mr. Mel Cappe, the previous deputy minister of HRDC, was before our committee. Questions were asked by members on all sides of the House. I believe that on Thursday of this week the auditor general will appear before us. I do not think we can have a more independent body than the auditor general's department. There are dozens and dozens of people there who are professionals in investigating this.

The audit that has been done so far did not point to any political interference. Today Mr. Mel Cappe said that he never saw any sign of political interference during the time that he was deputy minister in the department, and he was there during most of this time. If any member of the House wants to challenge that, I would suggest he or she had better say outside the House that Mr. Cappe, who has given his life to this country, is not a man of honour.

The Acting Speaker (Ms. Thibeault): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Acadie—Bathurst, Employment Insurance Fund; the hon. member for Regina—Qu'Appelle, Banks.

Ms. Judy Sgro (York West, Lib.): Madam Speaker, I am pleased to have this opportunity to argue against this motion introduced by the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

I will begin with the issue of management, which is what this audit is all about. There is no money missing, as the opposition would like people to believe. It is an issue of management and administration.

The Minister of Human Resources Development has already dealt with the member's concerns about management. She has already announced her six point plan for dealing with the management issues and the administration of the grants and contributions program of her department. She has acknowledged that there are some problems that need to be fixed and they are in the process of being fixed.

Anyone who is seriously interested in improving public administration should accept that and recognize that once a problem is identified, we get on with fixing it.

The minister has shown her capacity to act decisively and those of us on this side of the House want to get on with it and to make sure that these programs are well managed and that Canadians continue to benefit from them. Because, after all, it is Canadians who benefit from these programs who we should be concerned about.

A public inquiry will not do anything to improve the lives of those hundreds of thousands of Canadians who are helped by the programs delivered by HRDC. It is important to note that it is not the people who use the programs who are calling for a public inquiry, it is simply the opposition.

It is interesting to hear what some of the people who do not have a political axe to grind are saying. These are the people to whom members should really be listening because these are the people who we were elected to represent in parliament.

I will give a couple of examples. I have quote from a letter written by the executive director of the Child Care Connection of Nova Scotia. The letter refers to an HRDC program that supports child care research. It says:

—this (HRDC) research and development program is a significant means by which the federal government can provide leadership in increasing the quality of services and. . .support the development of an infrastructure to deliver child care services to families in Canada.

Letters like this one illustrate the kind of support we have for these HRDC programs across Canada.

Here is another example of what Canadians think. This letter is from the Learning Disabilities Association of Canada. The Association has written a letter to the Hon. Jane Stewart to acknowledge the support that HRDC provides to help persons with disabilities. The writers urge the minister to remain steadfast in the pursuit of her mandate.

These are not government MPs that I am quoting. These are caring Canadians who work with individuals who need our help. These people look to us for help and recognize the value and importance of our providing the grants and contributions.

● (1635)

A motion like this one before us will not help these people. In fact it will work against them. These people do not care about the kinds of issues raised in this opposition motion. It will simply delay any help that those families are waiting for. They are concerned with real answers and answers to real problems. How would a public inquiry help them?

I am tempted to say shame of those who want to make a political issue out of this. However, I assume that those who propose motions like this do not understand the importance of the Government of Canada's grants and contributions to those who receive them.

It is too bad that the opposition does not recognize that all across Canada, including Quebec, HRDC grants and contribution programs are working in partnership with municipalities and their governments, with concerned Canadians who help those who depend on the Government of Canada for support.

From every part of the country we hear from people who know how important HRDC grants and contributions are to their well-being.

In Edmonton, Alberta we have heard from the Chrysalis Society about the value of HRDC's help to persons with disabilities who are trying to find work. We have heard from the Junction Day Care Centre in the west end of Toronto about how HRDC funding is improving the quality of child care there and for thousands of children. An organization called the Literacy Partners of Manitoba based in Winnipeg has also told us that improving literacy skills, awareness and resources for adults in Canada is vital work for all of US.

There are cases like this all across the country. They are not asking for public inquiries and neither are we. Instead, we want to continue to help literacy skills so that Canadians can feel comfortable in today's information society. We want to make it easier for a person with a disability to find work and participate fully in Canadian society. We want to keep funding the work to improve the capacity of our child care facilities to provide quality care for our children. We want to help people find jobs and meet the other needs that these programs are aimed at.

A public inquiry would not help any of the HRDC clients become more literate. It would not help a person with a disability to find a job either. It would not produce any jobs for people who really need them in high areas of unemployment. In fact, it would interfere with our ability to do these things.

Investing in the development of our human resources is one of the most importance things that governments can do. It is the responsibility of the federal government to do this. I doubt if the hundreds of thousands of Canadians whose lives have improved because of direct support from our grants and contributions when needed would vote for this motion either.

Our government has a responsibility to help those who are unemployed, to help those disabled and their families to find employment and to find usefulness in their lives. I applaud our government. We recognize that, yes, there are issues and, yes there are problems but the minister is fixing those problems. Let us continue on with helping people in Canada.

[Translation]

The Acting Speaker (Ms. Thibeault): Since quite a few members seem interested in asking questions, I will allow two one minute questions, followed by one minute for answers, and then we will see.

Mrs. Pauline Picard (Drummond, BQ): Madam Speaker, I do not know if my Liberal colleague took the time to read the motion proposed by the Bloc Quebecois on this opposition day.

I will read it to her. It asks:

That this House condemn the government for the poor management seen at the Department of Human Resources Development, particularly in the award and use of grants for partisan purposes, and that it recommend the creation of an independent public commission of inquiry—

Let us be clear here. We are not criticizing the transitional jobs fund. We are criticizing the mismanagement of that program.

Taxpayers' money has been used for partisan purposes. Moreover, money was taken from workers to build up a surplus in the EI fund. That surplus has now grown to approximately \$30 billion, but the money is being squandered and is not being used to create programs for those who need them, including older workers.

What does the member think of that? Does she find that normal?

[English]

Ms. Judy Sgro: Madam Speaker, in answer to those comments, I would much rather spend the millions of dollars that it would cost for an inquiry into helping Canadians.

In many cases, the provinces of Ontario, Quebec and all the other provinces of Canada were partners, as this money was spent to employ and help Canadians.

• (1640)

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, there is no one who supports the idea of helping people more than I. I think we need to help people whenever we can.

In light of the fact that the Prime Minister's riding received more money in grants than the entire provinces of Alberta, Saskatchewan and Manitoba put together, the fact that some of these dealings in the Prime Minister's riding involved some pretty shady characters and the fact that many of the grants were given to billion dollar organizations like Bombardier and Wal-Mart which are doing very well and just happen to be on the Liberal donor list, does that not cause any problems in the mind of this member? Does accountability not enter her vocabulary? I am talking about accountability for taxpayer dollars. Does it not matter that these three provinces did not receive nearly as much money as one member's riding? Does this not bother the member?

Ms. Judy Sgro: Madam Speaker, when we talk about accountability and transparency that is exactly what we are doing through the minister and the HRDC officials.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I congratulate the member for York West for an excellent maiden speech. I know how difficult that is and she did an excellent job. I also want to thank her for mentioning the carpenters' union in Manitoba, which is the union I used to lead. In fact the program she mentioned, the literacy program for the carpenters, is the program that I initiated.

I want to ask the member if she is aware that in the area of Winnipeg Centre, which I represent, an area where the unemployment rate is 14%, we were denied access to any transitional jobs

funds even though many individuals made inquiries to my office asking how they could get in on the transitional jobs fund. They were told over and over again by HRDC officials that the overall regional rate of unemployment was too low. We knew nothing about the pockets that everybody has referred to. Is the hon. member aware of that fact?

Ms. Judy Sgro: Madam Speaker, what we are talking about today is the CJF and TJF funding. There are thousands of other programs that amount to millions of dollars which, from my understanding, went to all ridings throughout the country.

Mr. Myron Thompson: Madam Speaker, I rise on a point of order. I apologize to the House and to the member for not recognizing this as being her maiden speech. I likewise want to congratulate her.

The Acting Speaker (Ms. Thibeault): Even though this is not a point of order, I think all members of the House are behind you.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Madam Speaker, I will start off with a point that the hon. member made during her answers to questions and comments.

The member said that she would rather spend the huge amount of money, which it would cost for a public inquiry commission, on job creation. I agree with that. I think the best way to have this inquiry would be through the auditor general who already has a mandate to investigate and who we could rely on for some impartiality.

The government has a habit of having independent inquiries. I think we should look at this. We do want to get some kind of inquiry on this. We do have to come to some kind of settlement to determine how much political interference there was on this and how much cover up there was once the interference had been discovered.

I have looked at some of the things the government has held public inquiries on in the past. Does this give us an example of something that we could rely on in the case of the HRDC scandal?

One of the things I was more directly involved with in the last parliament was the Pearson Airport inquiry, which was an interesting story right from the start. It began with two internal studies that were done by the department and both conflicting with the government's position.

I bet the Bloc Quebecois members wish they could do what the government does. The government just hires someone else, tells them what they should say and then gets them to say it. I am sure the Bloc members would like to have that kind of power in determining the next referendum where that could decide who would vote in the referendum and then get the people to vote their way.

● (1645)

The government named Robert Nixon, a close friend of the Prime Minister. This is supposed to be an independent inquiry so we are off to a good start with the word independent. He is someone who worked with the Prime Minister and, as I say, is a close personal friend and very heavily and closely connected to the Liberal Party. Even at that, his original report conflicted with that of the government.

Madam Speaker, I should have done this at the start, but at this point I would like to announce that I will be splitting my time with the hon. member for Esquimalt—Juan de Fuca.

The original Nixon draft report still conflicted with the government. He did not say exactly what the government wanted to have him say, so there was a second report that changed that and surprise, surprise, it said exactly what the government wanted to say. So much for independence.

We know he is a close friend of the Prime Minister. Is there another connection that we can use in this HRDC situation right now? As a matter of fact there is. This is a wonderful coincidence because Robert Nixon, the independent inquirer for the government, is none other than the father of the current minister of HRDC who is knee deep if not neck deep in this whole scandal. In fact the question has been asked in the House if the current minister of HRDC learned her tricks from the Prime Minister and this suggests the fruit fell a little closer to the tree than that.

With regard to Mr. Nixon from whom there was an independent inquiry, what did he get out of it aside from his fee, which I believe was \$50,000 but I am not sure on that so do not quote me. If during questions and comments hon. members want to say that no it was not that, it was \$70,000, I will not argue with them. Aside from that, what did he get when it was finished? He became the chair of Atomic Energy of Canada. An independent inquiry. We really like that.

What did this independent inquiry cost us? Not in terms of what we paid that individual, but how well did this work for us here in parliament to resolve the problems of the House by having an independent inquiry done in this manner? It cost us hundreds of millions of taxpayers' dollars because instead of proceeding, as all the studies prior to the independent inquiry suggested, by getting Pearson airport going, the government instead bought out the people involved who in fact were trying to sue the government. It bought them out and spent hundreds of millions of dollars just for that.

They were to rebuild terminal two at no cost to the government, but what did we get instead? The government will have to provide this money now. Here we are years later, and if anybody has been in terminal two lately, they will see that it has not been rebuilt. In fact, nothing at all has happened except that we are out of pocket by hundreds of millions of dollars. This is the way the government works.

This morning I would like to have intervened after listening to the mad dog act of the hon. member for Waterloo—Wellington. It was certainly an interesting performance.

The Acting Speaker (Ms. Thibeault): I believe that the hon. member is getting very close to the fine line. I will advise him to please try to be more judicious in choosing his words.

Mr. Jim Gouk: Madam Speaker, I will and I apologize. I certainly should not have characterized the hon. member in the way that he acted. That was standing to justification.

The hon. member for Waterloo—Wellington said that the House, particularly members of the opposition, instead of what we are saying should be praising the Minister of HRDC for attempting to solve the problems, that she is a great minister and she is attempting to solve the problems. There was some one handed clapping on the other side as a result of this. It seems that the hon. member's definition of a good minister is one who can solve a problem which, if she had done her job, she would not have got into in the first place.

An hon. member: That is not true.

Mr. Jim Gouk: An hon. member across the way says that is not true, that that does not make her a good minister at all. I bow to the judgment of the hon. member who is now basically saying that she is not a good minister. Far be it from me to argue with him on that point.

● (1650)

The second thing the hon. member said this morning was that the government was filling a need. This program is supposed to be about job creation. There is job creation at its pinnacle. The government is filling a need. First it creates one and then it fills it. It creates it through its oppressive tax regime so that companies need help just to survive. That is terrible. It is absolutely unbelievable.

Finally, in response to some of the other comments that have been made in the House by the government, I want to say that I am not necessarily opposed to all of these programs. I will be the first to say that my riding has done very well. If hon. members would button up long enough, I would tell them about the success of the program in my riding.

Why is it a success? I have worked with the HRDC people in my riding. They are good people. There have been no scandals or cover-ups. Criteria have been laid down. The first one is to determine if there is a need and if it is going to provide real genuine benefits. We do it to ensure that we never give a subsidy to anybody who is going to use it to compete with a company that is not subsidized.

What kind of things have been going on in the minister's riding? Companies have been lured away from a neighbouring riding. That is good job creation. Funds were used to get a company in the garment district into the Prime Minister's riding. That is an interesting conflict. What about a much needed subsidy for a really oppressed company that is struggling to survive and make ends meet, Wal-Mart? Is that not interesting.

Now we hear all the cries from the other side. The crocodile tears are coming down. It is a sorry sight to see the few Liberals who are crying out here because they have been caught manipulating the system.

If the Liberals have an inquiry into this, the kind of inquiry they want is one that they control. They want to appoint the person who will make the inquiry. They want a draft report to see if it is appropriately done.

The government should take responsibility for its mistakes when it makes them. Nobody expects it to be perfect. Heaven forbid, we certainly do not expect the Liberals to be perfect, but when they make a mistake, they should own up. They should say "yes, we made some mistakes but we are going to correct them. Let us move on. We are sorry and we will not do it again". Had they done that, it probably would have been okay but no, they had to deny it, blame others and cover it up. That is not the way the government should respond to the waste of Canadian taxpayers' dollars.

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Madam Speaker, I wish I had more time to respond to the absolutely ridiculous rhetoric which has been brought forward in the House today by the member from the Reform Party. These typical ultra right-wing positions, this rhetoric is divisive. The Reform Party is very clearly trying to divide Canadians.

I cannot use the words I want to because they are not parliamentary and are not supposed to be used in the House, but when the hon. member speaks there should be exceptions in that case. He has made statements that quite simply are not factual. Wal-Mart did not receive one cent yet he is trying to convince Canadians that it did. He made statements that were not based on fact. At the same time I see him grinning and smiling. He thinks it is okay.

What is happening is that Canadians are being misled. It is not right. There is no scandal. The only scandal is the fact that there is an ultra right-wing party in the House so bent on destroying the social fibre of the nation that it will say whatever it takes to get Canadians to support it. At the end of the day I think we have witnessed how Canadians perceive the Reform Party. We saw the drop it took in the polls.

• (1655)

I would ask, in fact I would beg, the hon. member to make use of the facts and have an open mind. There has been enough right-wing rhetoric and political posturing. Day after day I have sat in the House and heard the hon. members simply denounce the facts. It is just not right.

Would hon, members please try to have an open mind for once in this parliament.

Mr. Jim Gouk: Madam Speaker, I would be more than happy to respond to the hon. member. He is right. I was kind of smiling. I am sorry. I got carried away. When I hear nonsense I do tend to laugh at it. It is considered the best defence.

Mr. Paul Bonwick: Madam Speaker, I rise on a point of order. I would suggest that although it is likely that the hon. member does not appreciate parliamentary language, nonsense is not an appropriate term.

The Acting Speaker (Ms. Thibeault): I do not think that the word nonsense is unparliamentary.

Mr. Jim Gouk: Madam Speaker, I assure you that in using the word nonsense I was trying to be polite.

I hear things like ultra right-wing because we want to examine a scandal that the hon. member says does not exist. He said there is no scandal, that everything is fine in Liberal land. If that is the case, why are there 19 RCMP criminal investigations going into misconduct in the handling of these funds?

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Madam Speaker, there are members of the opposition Reform Party, such as my hon. colleague, the member from Yorkton, who did a lot of good work on the HRD committee. Members worked across the country on behalf of all Canadians. I challenge these other members to come forth and tell us how they also joined us in doing a lot of this good work on behalf of Canadians.

I have a question for the member of the Reform Party who just spoke. Members of the opposition have accused our government and our minister of political interference. How can the member explain the fact that several ridings held by the Reform Party received much more money than did any riding on this side of the House?

Mr. Jim Gouk: Madam Speaker, the hon. member's preface to his question asks why anybody on this side of the House does not stand and talk about the successes in the program. Obviously he did not listen to my speech because I did just that. I said that my riding has done extremely well and is the second highest recipient of these funds in the province of British Columbia.

The problem in their ridings is that they are inappropriately handed out, not all of them, but certainly in some particular ridings.

In my riding, because of the scandal of the minister and the Prime Minister, they had to do an audit. The audit was done early on in my riding. It was completely clear and there was absolutely no problem. The program has resumed.

It is interesting listening to the hon. member who spoke out previously. He does not want to listen. He asks the questions on behalf of his other colleagues and does not answer them.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, it is a pleasure to speak to the Bloc motion today. At the outset, the objective of the motion and of all of the people in the opposition, is to make sure that taxpayers' money is being spent wisely. That is the beginning and end of this motion. I will articulate how and why this motion came about, and the reason the opposition parties have been so critical of the government over the last month and a half.

The motion condemns the government for the very poor management of the Department of Human Resources Development which was brought to the attention of the minister.

(1700)

The motion can actually be used as a stepping stone to describe growth and widespread abuse by the government of the taxpayers' money. This is not the government's money. It is the taxpayers' money and I am going to demonstrate how and why that happened.

We have seen the grants put forth by HRDC supposedly to rescue jobs, save jobs and make jobs. We would agree that has to happen in this country, but we disagree on how it happens. Where were those jobs created?

One example is in the minister's own riding. It has one of the lowest unemployment rates in the country. The Minister of Human Resources Development received grants that were three times the national average. Why is it that the Minister of HRD, whose riding has unemployment rates much lower than the national average, received grants three times higher than the national average? Why is that so?

Also, the Prime Minister's riding received more grant money than that of any prairie province. We have seen the devastation that has been wrought upon the farmers in the prairies. We have seen that farmers, the salt of the earth of this country, have lost their farms, their homes, their families, their jobs and their futures and lost hope. Yet, HRD pours money into the riding of the Prime Minister or that of the Minister of HRD, which has a rate of unemployment far less than the average and far less than in the prairie provinces which have been crying out for help for so long.

HRD officials say that they were forced to break the rules and instructed to approve grants in the Prime Minister's riding. If that is not enough to make the public go ballistic, then I do not know what is. That is part of the reason why we and other parties have been bringing this issue to the front. We want this problem fixed

and we want it fixed now. We are sick and tired of the half answers or no answers that we have been getting for so long.

It is not only HRD. Let us take a look at the Export Development Corporation. This crown corporation uses the taxpayers' money to loan funds to Canadian companies. But who does it lend to? It lends to 5% of the companies that export, which represents less than 10% of the companies in the country today.

What kind of companies? Bombardier. Bombardier received \$1 billion in loans. Bombardier, which has \$5.6 billion in assets and \$11 billion in revenues, received a \$1 billion indirect loan through EDC to support Amtrak. The Canadian government supported \$1 billion of the taxpayers' money to be given to Amtrak, an American company that the U.S. government would not even put money into because it has been running deficits for a long time. That is what the EDC has done. That is what the government has done with the taxpayers' money. The public should be aware that it is out there slaving away and its money is being used to put into an American company, Amtrak. That company has lost billions of dollars and the U.S. government has said it is not going to give it any money. Yet EDC steps in with Canadian taxpayers' resources and says it is going to give money to Bombardier, which makes \$11.5 billion, so it can get a contract. What justification is there for that?

What justification is there for the Canadian government using the taxpayers' money to give money to China, which is building a superheated military complex as we speak and which has a \$5 billion surplus with Canada? We have given money to it to do what? We have given money to it so it can build the Three Gorges dam which sits on a fault line. The Canadian government is loaning China money to build the Three Gorges dam on an earthquake fault line. The U.S. said it would not have anything to do with this program. The World Bank said it would not have anything to do with it. It is rife with corruption. It is an environmental disaster currently and waiting to happen. It is going to displace 1.3 million people. Yet what does the Canadian government government do? It takes millions of dollars of the Canadian taxpayers' money and loans it to China, which is building a superheated military complex as we speak. We do not have enough money to buy choppers. We do not have enough money to buy search and rescue and anti-submarine warfare choppers. Our military people are falling out of the sky in choppers that are 25 plus years old. On the other hand the Canadian government is saying to China, "We'll give you money to invest in the Three Gorges dam that the U.S. has walked away from, that the World Bank has walked away from". That is what the government is doing with Canadian taxpayers' money. That is what the government is doing with the money that Canadians have slaved for.

• (1705)

What else has happened? With respect to the Three Gorges dam the Prime Minister violated the Export Development Corporation's own environmental code of conduct and said "We're going to invest money in this project", completely ignoring the comments by the non-governmental organizations, by international observers,

by the World Bank. When those organizations chose not to go, and for obvious reasons, Canada chose to lend Canadian taxpayers' money. If that is not rot, I do not know what is.

With respect to the money, there is \$22 billion in outstanding loans from EDC. Who is on the hook for this? What does the EDC do? It loans money on the good name of the Canadian taxpayer.

Hon. Arthur C. Eggleton: It makes money. There is a profit.

Mr. Keith Martin: The Minister of National Defence says it earns a profit. Let us take a look at that. There is \$22 billion in loans outstanding. The auditor general does not know where that money is. \$2.8 billion of Canadian taxpayers' money has been forgiven. They do not know where this money has been loaned and they cannot get it back.

Furthermore the EDC, under the rules that the government agrees to, is forbidden to have access to information requests. We cannot find out what is happening in EDC. The public cannot find out what is happening in EDC with their money. Parliament cannot find out what is happening in the EDC. Yet the EDC sees in its good ways to lose \$2.8 billion of taxpayers' money, and for what? So it can give it to China while our people in the armed forces cannot even put a roof over their heads half the time, while the private married quarters are falling down.

I met with the Canadian Police Association today in my riding in Colwood. They do not even have enough money to put their cars on the road. The RCMP does not have enough money to put cars on the road when they break down. In Vancouver they do not have money to put cars on the road. In east Vancouver, which is one area that is rife with crime, they do not have enough money for policing.

There is an acute gross shortage of police officers in this country. Why? Because there is not enough money. What does the government do? The government takes the Canadian taxpayers' money and says "We're not going to invest in our military. We're not going to invest in our police force. We're not going to give the hepatitis C people a package", which is currently \$95 million short. These are the people who were infected innocently in the hepatitis C scandal that is \$95 million short which the government saw fit to exclude in its compensation package. While the government will not even spend that for Canadians who are sick with hepatitis C, it sees fit to lose \$2.8 billion to foreign companies, foreign governments, foreign agencies, the Chinese government and American companies that have lost money and on and on it goes.

I could go on and on but I welcome questions from the other side Suffice it to say our objective in the Reform Party is to make sure that the Canadian dollar is spent wisely and what money is there is going to be used for making jobs and that the government stop wasting Canadian taxpayers' money.

• (1710)

[Translation]

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Made-leine—Pabok, BQ): Madam Speaker, I listened to the various members who spoke in the House today. The last speaker gave another example where the government seems to have mismanaged taxpayers' money. It really looks like the Liberal government is not operating in a transparent way and in conformity with sound management practices.

I would like to know if my colleague would agree that people be appointed by this House to conduct an independent public inquiry into what happened. We know that the future always depends on the past. If we want to know what the Liberals did wrong, I think we need such an inquiry.

I would like my colleague to comment on that.

Mr. Keith Martin: Madam Speaker, I thank my friend from the Bloc Quebecois for his question.

Currently, for instance, the situation in Quebec hospitals is very serious. They have no money to care for patients.

[English]

Cancer patients in Quebec who are waiting 14 weeks for treatment are being sent south of the border because the province of Quebec does not have the money to pay for their treatment.

If the money in HRD was spent wisely, we would not have a problem. We hear the question: Why waste billions of dollars through HRD, EDC or CIDA? Why not make sure the money is spent wisely and maybe money will be left over so the patients in Quebec will have an opportunity to receive the medical treatment they require?

Yes, I would completely agree to a public inquiry into the spending of HRDC. I would extend it to involve CIDA, HRDC, EDC and aboriginal affairs.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I appreciate the comments made by my hon. colleague. I would like him to comment on one thing.

It seems the Liberals over and over again are saying there is no problem, there is no money missing. Yet, the question is obvious. Why did the auditor general bring this problem to our attention a year ago? Why did officials in the human resources department call for an internal audit? Why have these things taken place if in fact there is no problem?

The Liberals are probably much more engaged in damage control and trying to smooth this issue over than to acknowledge

the fact that there is a huge mismanagement of grant money and I would like my hon. colleague to comment on this fact.

Mr. Keith Martin: Madam Speaker, I thank my friend from Elk Island for his very germane question. He is absolutely right. The members on the other side of the House should have a deep interest in ensuring that money that is available is spent wisely.

The auditor general is an apolitical institution. The auditor general is a man who has been giving very good advice for a long period of time to all governments to ensure that Canadian taxpayers' money is spent wisely. Is his advice ever adhered to? No, it is not. In fact, that is part of the problem. Despite the very effective solutions which the AG puts forth, the government completely ignores them. Why? Because the disposition of money has become highly politicized within the government. All members in the Liberal Party should be very concerned about this to make sure taxpayer money is spent wisely. If it is spent wisely, they will benefit politically and, more importantly, their constituents and all constituents will benefit effectively from it.

I would ask them to put away the partisan padding and the pork barrelling and use the money wisely. It would be in the government's best interest to pursue this.

[Translation]

The Acting Speaker (Mr. McClelland): It being 5.15 p.m., it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the supply proceedings now before the House.

• (1715)

[English]

Is the House ready for the question?

Some hon. members: Ouestion.

The Acting Speaker (Ms. Thibeault): 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 risen:

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

(1740)

Before the taking of the vote:

The Speaker: My colleagues, I understand that we will probably have eight votes this evening and they will be taken in the normal fashion.

(1745)

Rocheleau

St-Jacques

Thompson (Wild Rose) Tremblay (Rimouski—Mitis)

Wasylycia-Leis—102

Schmidt

Solberg

Vautour

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 1164)

YEAS

Members

Abbot Alarie Anders Bachand (Richmond—Arthabaska) Bachand (Saint-Jean) Bailey Bellehumeur Bernier (Bonaventure—Gaspé— Bergeron Îles-de-la-Madeleine-Pabok) Bernier (Tobique-Mactaquac) Bigras Blaikie Breitkreuz (Yellowhead) Breitkreuz (Yorkton-Melville) Brien Cadman Cardin Casson Chatters Chrétien (Frontenac-Mégantic) Crête Dalphond-Guiral Davies de Savoye Debier Desrochers Dubé (Lévis-et-Chutes-de-la-Chaudière) Dockrill Dubé (Madawaska—Restigouche) Duceppe Dumas Duncan Earle Forseth Epp Gagnon Gilmou Gauthier Girard-Bujold Godin (Acadie—Bathurst) Godin (Châteauguay) Goldring Gouk Grewal Grey (Edmonton North) Hanger Guay Hardy Harvey Johnston Hill (Prince George—Peace River) Keddy (South Shore) Konrad Laurin Lebel Lowther MacKay (Pictou-Antigonish-Guysborough) Manning Marceau Mark Martin (Esquimalt—Juan de Fuca) Martin (Winnipeg Centre) Mayfield McNally Meredith McDonough Ménard Mills (Red Deer) Morrison Nunziata Muise Nystrom Obhrai Perron Penson Picard (Drummond) Plamondon Riis Ritz Robinson

Sauvageau

Stinson

Turp

Venne

Scott (Skeena)

Thompson (New Brunswick Southwest)

Tremblay (Lac-Saint-Jean)

NAYS

Members

Adams Alcock Assad Assadourian Axworthy Augustine Bakopanos Barnes Bélair Bélanger Bertrand Bevilacqua Blondin-Andrew Ronin Bonwick Boudria Bradshaw Brown Bryden Bulte Byrne Calder Cannis Carroll Caplan Catterall Cauchon Chamberlain Chan Charbonneau Clouthier Collenette Comuzzi Cotler Copps DeVillers Dhaliwal Dion Dromisky Discepola Duhamel Drouin Easter Eggleton Finlay Fontana Gagliano Gallaway Godfrey Graham Goodale Gray (Windsor West) Grose Harvard Harb Hubbard Iftody Jackson Jennings

Karvgiannis Keves Kilger (Stormont—Dundas—Charlottenburgh) Kilgour (Edmonton Southeast)

Karetak-Lindell

Knutson Lastewka Lavigne Lee Limoges Lincoln MacAulay Longfield Mahoney Malhi Maloney Manley Marleau Martin (LaSalle—Émard) Matthews McGuire McCormick

McLellan (Edmonton West) McKay (Scarborough East) McWhinney

McTeague Mifflin Milliken Mills (Broadview-Greenwood) Minna Mitchell Murray

Myers Nault

O'Brien (Labrador) O'Reilly O'Brien (London-Fanshawe) Pagtakhan Paradis Patry

Peric Peterson Phinney Pettigrew Proulx Provenzano Redman Richardson Reed Robillard Rock Saada Sekora Serré Sgro Shepherd Speller St. Denis St-Julien Stewart (Brant) Steckle Stewart (Northumberland) Szabo Thibeault

Telegdi Torsney Ur Vanclief Whelan

Volpe Wood—137

Jordan

PAIRED MEMBERS

Lefebvre Normand The Speaker: I declare the amendment lost.

The next question is on the main motion.

(1750)

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say

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:

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

(Division No. 1165)

YEAS

Members

Abbott Ablonczy Alarie Anders

Asselin Bachand (Richmond—Arthabaska)

Bachand (Saint-Jean) Bailey Bellehumeur Benoit

Bergeron Îles-de-la-Madeleine—Pabok) Bernier (Bonaventure-Gaspé-

Bernier (Tobique—Mactaquac) Blaikie Bigras Breitkreuz (Yellowhead) Breitkreuz (Yorkton-Melville)

Brien Cadman Cardin

Casson Chrétien (Frontenac—Mégantic) Chatters

Crête Dalphond-Guiral

Davies de Savoye Debien Desrochers

Dubé (Lévis-et-Chutes-de-la-Chaudière) Dockrill Dubé (Madawaska—Restigouche) Dumas Duceppe Duncan Earle Forseth Epp Gagnon

Gauthier Gilmou Godin (Acadie-Bathurst)

Girard-Bujold Godin (Châteauguay) Goldring Gouk Grewal Grey (Edmonton North) Guay Hardy

Hanger Hill (Prince George—Peace River)

Harvey Johnston Keddy (South Shore)

Konrad Laurin Lebel Lowther

MacKay (Pictou—Antigonish—Guysborough) Marceau Lunn Manning

Martin (Esquimalt—Juan de Fuca) Mayfield Mark

Martin (Winnipeg Centre) McDonough McNally Meredith Ménard Mills (Red Deer) Morrison

Nystrom Obhrai Penson Perron Picard (Drummond) Plamondon Riis

Ritz Robinson Rocheleau

Private Members' Business

Schmidt Sauvageau Solberg St-Jacques Scott (Skeena) Solomon Stinson Strahl

Thompson (New Brunswick Southwest) Thompson (Wild Rose) Tremblay (Lac-Saint-Jean) Tremblay (Rimouski-Mitis) Wasylycia-Leis—102

NAYS

Members

Adams Alcock Assad Assadourian Augustine Baker Axworthy Bakopanos Barnes Bélair Bélanger Bertrand Bevilacqua Blondin-Andrew Bonwick Rondria Bradshaw Brown Bryden Bulte Byrne Calder Cannis Caplan Catterall Carroll Cauchon Chamberlain Chan Clouthier Collenette Comuzzi Cotler DeVillers Copps Cullen Dhaliwal Dion Dromisky Discepola Drouin Duhamel Easter Eggleton Finlay Fontana Fry Gallaway Gagliano Goodale Graham Gray (Windsor West) Grose Harvard Hubbard Iftody Jackson Jennings Jordan Karetak-Lindell

Karygiannis Keves Kilger (Stormont—Dundas—Charlottenburgh)

Kilgour (Edmonton Southeast) Knutson Lastewka Leung Lincoln Limoges Longfield MacAulay Mahonev Malhi Maloney Marleau Manley Matthews Martin (LaSalle-Émard)

McCormick McGuire

McKay (Scarborough East) McTeague McLellan (Edmonton West) McWhinney

Mifflin Mills (Broadview—Greenwood) Milliken Minna Mitchell Murray Mvers Nault

O'Brien (Labrador) O'Reilly O'Brien (London-Fanshawe) Pagtakhan

Patry Peterson Paradis Peric Pettigrew Phinney Proud Proulx Provenzano Redman Richardson Reed Robillard Rock Sekora Saada Sgro Speller Serré Shepherd St. Denis St-Julien Stewart (Brant) Steckle Stewart (Northumberland) Telegdi Szabo Thibeault Torsney Ur Valeri Vanclief

PAIRED MEMBERS

Wappel Wood—138

Lefebvre Normand

Volpe

The Speaker: I declare the motion lost.

PRIVATE MEMBERS' BUSINESS

[English]

WESTRAY MINE

The House resumed from March 13 consideration of the motion, and of the amendment.

The Speaker: Pursuant to order made on Monday, March 13, 2000, the House will now proceed to the taking of the deferred recorded division on the amendment to Motion No. 79 under Private Members' Business.

The question is on the amendment.

• (1805)

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

(Division No. 1166)

YEAS

Members

Abbott Ablonczy Alarie Alcock Assad Assadourian Asselin

Augustine Bachand (Richmond—Arthabaska) Axworthy

Bachand (Saint-Jean) Bakopanos Baker Barnes Bélair Bélanger Bellehumeur Bergeron Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok) Bernier (Tobique—Mactaquac) Bertrand Bevilacqua Blaikie Bigras Blondin-Andrew Bonin Boudria Bonwick Bradshaw

Breitkreuz (Yellowhead) Breitkreuz (Yorkton-Melville) Brien Brown

Bulte Byrne Cadman Cannis Caplan Cardin Carroll Catterall Cauchon Chamberlain Charbonneau Chrétien (Frontenac—Mégantic) Chan

Chatters Collenette Clouthier Comuzzi Copps Cotler Crête

Cullen Davies Dalphond-Guiral de Savoye Desrochers Debien Dhaliwal Dion Discepola Dromisky Dockrill

Dubé (Lévis-et-Chutes-de-la-Chaudière) Dubé (Madawaska—Restigouche)

Duceppe Duncan Eggleton Fontana Finlay

Lefebyre

Supply

PAIRED MEMBERS

Gagliano Gagnon Gallaway Gauthier Gilmour Girard-Bujold Godfrey Godin (Acadie-Bathurst) Godin (Châteauguay) Gouk Gray (Windsor West) Graham

Grey (Edmonton North) Grose Harb Hardy Harvard Harvey Hill (Prince George-Peace River)

Iftody Hubbard Jackson Jennings Johnston Karetak-Lindell Karygiannis

Keddy (South Shore) Keyes Kilger (Stormont—Dundas—Charlottenburgh) Kilgour (Edmonton Southeast)

Lastewka Knutson Lavigne Lebel Lee Leung Limoges Lincoln Longfield Lowther MacAulay MacKay (Pictou-Antigonish-Guysborough) Mahoney

Malhi Malonev Manning Marcea

Marleau Martin (Esquimalt-Juan de Fuca)

Martin (Winnipeg Centre) Mavfield McCormick McDonough McGuire

McKay (Scarborough East) McNally McLellan (Edmonton West) McTeague

McWhinney Meredith Mifflin

Mills (Broadview—Greenwood) Milliken Minna Mitchell

Morrison Muise Murray Myers Nault Nunziata Nystrom O'Brien (Labrador) O'Reilly Pagtakhan O'Brien (London-Fanshawe) Obhrai Paradis Perron Peterson Pettigrew Picard (Drummond)

Phinney Plamondon Price Proud Proulx Provenzano Redman Richardson Reed Riis Ritz Robillard Robinson Rocheleau Rock Sauvageau Scott (Skeena) Saada Schmidt Serré Solberg Sekora Sgro Solomon St. Denis St-Jacques St-Julien Stewart (Brant) Steckle Stewart (Northumberland) Stinson Strahl Szabo

Thibeault Thompson (Wild Rose) Thompson (New Brunswick Southwest)

Tremblay (Lac-Saint-Jean)

Tremblay (Rimouski-Mitis) Ur Valeri Vanclief Vautour Venne Volpe Wasylycia-Leis Wappel

Whelan-216

NAYS

Members

Anders Bailey Benoit Calder Bryden Casson Epp Goldring Hanger Kenney (Calgary Southeast) Mills (Red Deer) Mark

Penson—15

The Speaker: I declare the amendment carried.

The next question is on the main motion as amended. Is it the pleasure of the House to adopt the motion?

Normand

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

Some hon. members: On division.

The Speaker: I declare the motion, as amended, carried on

Some hon, members: Hear, hear,

(Motion, as amended, agreed to)

GOVERNMENT ORDERS

• (1810)

[English]

SUPPLY

ALLOTTED DAY—HEALTH CARE

The House resumed from March 17 consideration of the motion and the amendment.

The Speaker: Pursuant to order made on Thursday, March 16, 2000, the House will now proceed to the taking of the deferred recorded division on the amendment of the member for Richmond—Arthabaska relating to the business of supply.

The question is on the amendment.

• (1815)

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 1167)

YEAS

Members

Abbott Ablonczy Anders Bachand (Richmond-Arthabaska) Bailey Bernier (Tobique—Mactaquac) Renoit Breitkreuz (Yellowhead) Cadman Breitkreuz (Yorkton-Melville)

Casson

Dockrill Dubé (Madawaska-Restigouche) Duncan

Epp Gilmour Forseth Godin (Acadie—Bathurst)

Goldring Gouk Grey (Edmonton North) Grewal

Hanger

Harvey Johnston Hill (Prince George—Peace River) Keddy (South Shore)

Konrad

Kenney (Calgary Southeast) Lunn MacKay (Pictou—Antigonish—Guysborough)

Mark

Manning Martin (Esquimalt—Juan de Fuca)

Martin (Winnipeg Centre) Mayfield McDonough Meredith McNally Mills (Red Deer) Morrison Muise Nunziata Nystrom Obhrai Penson Price Riis Robinson Schmidt Scott (Skeena) Solberg Solomon St-Jacques Stinson

Thompson (New Brunswick Southwest) Strahl

Thompson (Wild Rose)

Wasylycia-Leis --- 67

NAYS

Members Alarie

Adams Alcock Assad Asselin Assadourian Augustine Bachand (Saint-Jean) Axworthy Baker Bakopanos Barnes Bélair Bélanger Bergeron Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok) Bevilacqua Bertrand Bigras Blondin-Andrew Bonin Bonwick Boudria Bradshaw Brien Brown Bryden Bulte Byrne Calder Caplan Cannis Cardin Carroll Catterall Cauchon Chamberlain

Chrétien (Frontenac—Mégantic) Charbonneau

Clouthier Collenette Comuzzi Copps Cotler Crête Cullen Dalphond-Guiral de Savove Debien DeVillers Desrochers Dhaliwal Dion Discepola Dromisky

Drouin Dubé (Lévis-et-Chutes-de-la-Chaudière)

Duhamel Duceppe Eggleton Fontana Finlay

Gagliano Gallaway Girard-Bujold Gagnon Gauthier Godfrey Godin (Châteauguay)

Goodale Graham Gray (Windsor West) Guay Harvard Hubbard Jackson Iftody Jennings Karetak-Lindell Jordan Karygiannis

Kilger (Stormont—Dundas—Charlottenburgh)

Kilgour (Edmonton Southeast) Knutson Lastewka Laurin Lavigne Lebel Lee Limoges Leung Lincoln Longfield Mahoney MacAulay Malhi Maloney Marceau Manley Marleau Matthews McGuire

McCormick McKay (Scarborough East) McLellan (Edmonton West)

McTeague Ménard McWhinney Mifflin Milliken Mills (Broadview—Greenwood) Minna Mitchell Murray

O'Brien (Labrador) O'Brien (London-Fanshawe)

O'Reilly Pagtakhan Paradis Peric Patry Perron Pettigrew Plamondon Peterson Picard (Drummond) Proud Proulx Provenzano Redman Reed Richardson Robillard Rocheleau Rock Saada Sauvageau Sekora Sgro Speller Serré Shepherd St. Denis St-Julien Steckle Stewart (Brant) Stewart (Northumberland) Szabo

Telegdi Tremblay (Lac-Saint-Jean) Torsner

Tremblay (Rimouski-Mitis) Valeri Vanclief Wappel

Volpe Whelan—171

PAIRED MEMBERS

Lefebvre Normand

The Speaker: I declare the amendment lost.

The next question is on the main motion.

• (1820)

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Calder

Supply

Cannis

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Some hon. members: Yea.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

• (1825)

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

(Division No. 1168)

YEAS

Members

Abbott Ablonczy Bachand (Richmond—Arthabaska) Anders Bailey

Bernier (Tobique—Mactaquac) Breitkreuz (Yellowhead) Breitkreuz (Yorkton-Melville)

Cadman Casson

Chatters Dockrill Davies Dubé (Madawaska—Restigouche)

Duncan Earle Forseth

Epp Gilmour Godin (Acadie-Bathurst) Goldring Gouk Grewal Hanger Grey (Edmonton North) Hardy

Harvey

Hill (Prince George—Peace River) Keddy (South Shore) Johnston

Kenney (Calgary Southeast) Lowther Konrad Lunn

MacKay (Pictou—Antigonish—Guysborough)

Manning Martin (Esquimalt—Juan de Fuca)

Martin (Winnipeg Centre)
McDonough
Meredith
Morrison Mayfield McNally Mills (Red Deer) Nystrom Penson Nunziata Price Riis Robinson Scott (Skeena) Solomon Schmidt Solberg

St-Jacques Thompson (New Brunswick Southwest) Thompson (Wild Rose)

Wasylycia-Leis—68

NAYS

Members

Alcock Asselin Assadourian Augustine Axworthy Baker Bachand (Saint-Jean) Bakopanos

Barnes Bélair Bellehumeur Bélanger

Bernier (Bonaventure—Gaspé— Bertrand Bergeron Îles-de-la-Madeleine—Pabok)

Bevilacqua Blondin-Andrew Bigras Bonin Bonwick Boudria Bradshaw Brown Bryden

Lefebvre

Cardin Caplan Carroll Catterall Cauchon Chamberlain Charbonneau Chan Chrétien (Frontenac-Mégantic) Clouthier Collenette Comuzzi Copps Cotler Crête Cullen Dalphond-Guiral Debien de Savove Desrochers DeVillers Dhaliwal Dion Discepola Dromisky Drouin Dubé (Lévis-et-Chutes-de-la-Chaudière) Duceppe Duhamel Dumas Eggleton Finlay Fontana Fry Gagliano Gallaway Gagnon Gauthier Girard-Bujold Godin (Châteauguay) Godfrey

Goodale Graham Gray (Windsor West) Grose Harb Guay Harvard Hubbard Jackson Iftody Jennings Jordan Karetak-Lindell Karygiannis

Kilger (Stormont—Dundas—Charlottenburgh) Keves

Kilgour (Edmonton Southeast) Knutson Lavigne Lebel Lee Leung Lincoln Limoges Longfield MacAulay Mahoney Malhi Maloney Manley Marleau Marceau McCormick Matthews

McLellan (Edmonton West) McGuire

McTeague McWhinney Ménard Mifflin

Mills (Broadview-Greenwood) Milliken

Minna Mitchell Murray Myers Nault O'Brien (Labrador) O'Brien (London-Fanshawe) O'Reilly Paradis Pagtakhan Patry Peric Perron Peterson Pettigrew Picard (Drummond) Plamondon Proud Proulx Provenzano Redman Reed Richardson Robillard

Rocheleau Rock Saada Sauvageau Sekora Serré Shepherd Sgro Speller St. Denis St-Julien Steckle

Stewart (Brant) Stewart (Northumberland)

Szabo Telegdi Thibeault Torsney

Tremblay (Lac-Saint-Jean) Tremblay (Rimouski-Mitis)

Turp Ur Vanclief Valeri Volpe Venne Whelan—169 Wappel

PAIRED MEMBERS

Adams

Supply

The Speaker: I declare the motion lost.

ALLOTTED DAY—CANADA HEALTH AND SOCIAL TRANSFER

The House resumed from March 20 consideration of the motion and the amendment.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the amendment relating to the Business of Supply. The question is on the amendment.

• (1835)

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 1169)

YEAS

Members

Abbott Ablonczy Alarie Anders Asselin Bachand (Richmond-Arthabaska) Bailey Bachand (Saint-Jean) Bellehumeur Benoit Bernier (Bonaventure—Gaspé— Îles-de-la-Madeleine—Pabok) Bernier (Tobique—Mactaquac) Breitkreuz (Yellowhead) Breitkreuz (Yorkton—Melville) Brien Cadman Cardin Casson Chatters Chrétien (Frontenac—Mégantic) Dalphond-Guiral Crête de Savoye Debien Dubé (Lévis-et-Chutes-de-la-Chaudière) Desrochers Dubé (Madawaska—Restigouche) Duceppe Dumas Epp

Duncan Forseth Gagnon Gauthier Gilmour Godin (Châteauguay) Gouk Girard-Buiold Goldring Grewal Grey (Edmonton North) Hanger Guay Harvey Hill (Prince George—Peace River) Keddy (South Shore) Johnston

Kenney (Calgary Southeast) Konrad Lebel Laurin Lowther MacKay (Pictou-Antigonish-Guysborough) Manning Marceau Mark Martin (Esquimalt—Juan de Fuca) Mayfield McNally Ménard Mills (Red Deer) Meredith Morrison Muise Nunziata Obhrai Perron Plamondon Penson Picard (Drummond) Price Ritz Rocheleau Sauvageau Scott (Skeena) St-Jacques Schmidt Solberg Stinson Strahl

Thompson (Wild Rose) Thompson (New Brunswick Southwest) Tremblay (Lac-Saint-Jean) Tremblay (Rimouski-Mitis) Vellacott

Venne—91

NAYS

Members

Alcock

Assadourian Augustine Axworthy Baker Bakopanos Barnes Bélair Bélanger Bertrand Bevilacqua Blaikie Blondin-Andrew Bonwick Bonin Boudria Bradshaw Brown Bryden Bulte Byrne Calder Cannis Caplan Carroll Cauchon Catterall Chamberlain Chan Clouthier Charbonneau Collenette Comuzzi Cotler Copps Cullen Davies DeVillers Dhaliwal Dion Discepola Dockrill Dromisky Duhamel Drouin Earle Eggleton Finlay Fry Fontana Gallaway Gagliano

Godin (Acadie-Bathurst) Godfrey Goodale Graham

Gray (Windsor West) Grose Hardy Harb Harvard Hubbard Iftody Jackson Jennings Jordan Karetak-Lindell Karygiannis

Kilger (Stormont—Dundas—Charlottenburgh) Keyes

Kilgour (Edmonton Southeast) Knutson Lastewka Leung Limoges Lincoln Longfield MacAulay Mahoney Maloney Malhi Manley Marleau Martin (Winnipeg Centre) Matthews McDonough McCormick

McGuire McKay (Scarborough East)

McLellan (Edmonton West) McTeague McWhinney Mifflin Mills (Broadview-Greenwood) Milliken Mitchell Minna

Murray Myers Nystrom Nault O'Brien (Labrador) O'Brien (London-Fanshawe)

O'Reilly Pagtakhan Paradis Patry Peric Peterson Proud Pettigrew Provenzano Proulx Redman Richardson Riis Robillard Robinson Rock Saada Sekora Serré Shepherd Sgro Solomon Speller St. Denis St-Julien

Steckle Stewart (Brant) Stewart (Northumberland) Szabo Telegdi Thibeault Torsney Ur Vanclief Valeri Volpe Wappel Wasylycia-Leis Whelan —146

Adams

Supply

PAIRED MEMBERS

Normand 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?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say

Lefebvre

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:

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

(Division No. 1170)

YEAS

Members

Ablonczy Abbott Alarie Anders

Bachand (Richmond-Arthabaska) Asselin

Bailey Bachand (Saint-Jean) Bellehumeur Benoit

Bernier (Bonaventure—Gaspé— Bernier (Tobique—Mactaquac) Bergeron Îles-de-la-Madeleine—Pabok)

Breitkreuz (Yorkton-Melville) Brien Cadman

Casson Chrétien (Frontenac—Mégantic) Cardin Chatters

Crête Dalphond-Guiral

de Savoye

Desrochers Dubé (Madawaska—Restigouche) Dubé (Lévis-et-Chutes-de-la-Chaudière) Duceppe

Duncan Forseth Epp Gagnon Gilmour Gauthier Girard-Bujold

Godin (Châteauguay) Goldring Grewal Gouk Grey (Edmonton North) Guay Harvey

St-Jacques

Hill (Prince George—Peace River) Keddy (South Shore) Konrad

Lebel Lowther

Lunn MacKay (Pictou-Antigonish-Guysborough) Manning Marceau

Johnston

Kenney (Calgary Southeast)

Martin (Esquimalt—Juan de Fuca) Mark Mayfield McNally

Ménard Meredith Mills (Red Deer) Morrison Nunziata Penson Muise Picard (Drummond) Perron Plamondon Price Rocheleau Schmidt Ritz Sauvageau Scott (Skeena) Solberg

Thompson (New Brunswick Southwest) Strahl Thompson (Wild Rose) Tremblay (Lac-Saint-Jean)

Tremblay (Rimouski-Mitis) Turp Vellacott

Venne—90

NAYS

Members

Alcock

Assadourian Axworthy Augustine Baker Bakopanos Barnes Bélair Bélanger Bertrand Bevilacqua Blaikie Blondin-Andrew Bonwick Bonin Boudria Bradshaw Bryden Brown Bulte Calder Cannis Caplan Carroll Catterall Cauchon Chamberlain Chan Charbonneau Collenette Clouthier Comuzzi Copps Cotler Cullen Davies DeVillers Dhaliwal Dion Dockrill Discepola Dromisky Drouin Duhamel Earle Easter Eggleton Finlay Fontana Gagliano Fry Gallaway

Godin (Acadie—Bathurst)

Goodale Graham Gray (Windsor West) Hardy Hubbard Harb Harvard Iftody Jackson Jordan Jennings

Karetak-Lindell Karygiannis

Kilger (Stormont—Dundas—Charlottenburgh) Knutson Kilgour (Edmonton Southeast) Lee Limoges Lastewka Leung Lincoln Longfield MacAulay Mahoney Malhi Maloney Marleau

Manley Martin (Winnipeg Centre) Matthews McCormick

McDonough McKay (Scarborough East) McGuire

McLellan (Edmonton West) McTeague

McWhinney Mifflin Milliken Mills (Broadview—Greenwood)

Minna Murray Mitchell Myers Nault Nystrom

O'Brien (Labrador) O'Brien (London—Fanshawe)

O'Reilly Pagtakhan Paradis Patry Peterson Pettigrew Proud Proulx Provenzano Redman Richardson Riis Robillard Robinson Rock Saada Sekora Serré Sgro Shepherd Solomon Speller

St. Denis St-Julien Steckle Stewart (Brant) Szabo Stewart (Northumberland) Telegdi Thibeault Torsney Valeri Vanclief

Volpe Wasylycia-Leis Wappel Whelan —146

Private Members' Business

PAIRED MEMBERS

Lefebvre

Normand

The Speaker: I declare the motion lost.

It being 6.45 p.m., the House will now proceed to the consideration of Private Members' Business, as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

BLOOD SAMPLES ACT

The House resumed from December 13, 1999 consideration of the motion that Bill C-244, an act to provide for the taking of samples of blood for the benefit of persons administering and enforcing the law and good Samaritans and to amend the criminal code, be read the second time and referred to a committee.

• (1845)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I am very pleased to rise in the Chamber in support of the hon. member and his Bill C-244 with respect to the taking of blood samples. The bill reads:

An act to provide for the taking of samples of blood for the benefit of persons administering and enforcing the law and good Samaritans and to amend the Criminal Code.

This is a very important and very timely piece of legislation that has been brought forward. The hon, member deserves a great deal of credit for taking the initiative.

Currently police officers, firefighters, ambulance attendants, nurses and many others involved in similar professions can accidentally or deliberately be contaminated by another person's bodily fluids while performing their professional duties, emergency first aid or other lifesaving procedures; that is to say, what is expected of them. The very nature of their jobs puts them very much potentially in harm's way.

It could also happen to a good Samaritan, an example being in the performance of CPR or in the performance of attending to an individual who has been injured and where blood and bodily fluids might be transferred accidentally. This is about encouraging the humanitarian aid of both those in the profession where they do so in the normal course of business and those who, as good Samaritans, might choose to lend assistance or help to a person in need.

We do not have to imagine in any great detail how commonplace this has become across the country. We can all envision an accident scene where individuals, sadly, because of the fear of contact with disease or the fear of somehow putting their own health at risk, might be reluctant to become involved and be reluctant to aid an individual who is in dire straits.

This bill is a very practical approach that would, at the very least, protect individuals who, by virtue of their good and humanitarian acts of assistance, may have made contact with a victim. The bill would give them the ability to find out whether the individual who is harmed, the victim, has contracted or is suffering from an illness that could be spread.

This is a piece of legislation that is worthy of support in the House. It was brought forward, I am sure, with the very best intentions and it is one that the Progressive Conservative Party of Canada will support.

• (1850)

I mentioned the timeliness of this motion based on the fact that members of the Canadian Police Association were on the Hill today meeting with members of parliament. Their lobby efforts on behalf of the police and community have become very fruitful and positive. They met individually with members of parliament to raise awareness of issues that affect them. By virtue of affecting them, it has widespread implications right across the country.

This motion, therefore, is timely in the sense that members of the police association are very much in support of this because of how it affects their operations and their day to day interactions with the general public. They are in favour of this and other very important motions that affect not only their profession but Canadians in general.

In the performance of their duty, police officers and people in other professions could, either accidentally or deliberately, become infected as a result of the actions of an unintended victim. Sadly, there are instances where individuals, who have knowledge of their infection, deliberately try to spread it by biting a police officer or by using a syringe that might have been contaminated with HIV or another such illness.

Obviously, police officers, firefighters and those in the medical profession, such as practitioners and nurses, are particularly susceptible to exposure and are in high risk positions by virtue of their day to day practise.

With that said, it is incumbent on us, as members of parliament, particularly in areas of justice where we can draft legislation and change the existing provisions of the criminal code and other statutes, to protect and support those brave souls who are putting themselves in harm's way on behalf of the public. Legislation such as this would do just that and would help to achieve that end.

Private Members' Business

As well, a high risk person is well within his or her right to refuse, for example, to supply a sample of blood. However, this legislation would prevent that refusal. Obviously, there are considerations as to privacy which certainly warrants protection under the law.

Let us draw a similar analogy. As it currently stands with respect to the need to protect the public, there is the ability to take a breath sample because of the carnage that results from impaired driving. There is the ability to get a warrant, for example, to take a blood sample in the pursuit of a criminal investigation. Similarly, there is the ability to demand a blood sample with respect to impaired driving. There are provisions that override an individual's right to protection for refusing to give a sample.

Blood analysis or a similar type of sample has to be given where there is a risk to an individual who has, by virtue of his or her profession or by virtue of simple humanitarian altruistic efforts, potentially been exposed. Why should we not do everything in our power to ensure that person is encouraged and supported in the effort that he or she has made?

Without the consent, the victim must undergo a series of chemical cocktails within the first six hours of the incident in an attempt to stop the spread of an undisclosed disease by a person who may have transferred this either intentionally or unintentionally. Again, it puts a much higher and onerous burden on the person who has put himself or herself on the line in an attempt to do his or her job or to help a struggling person.

So that everyone understands, these types of chemical cocktails are very powerful drugs that often have serious side effects. If it can be known at the earliest possible instance whether there is a need to undergo this process or no need at all and that could be determined quite quickly through a blood a sample, this would assist in the protection of the person who has rendered that assistance and undertaken that task.

• (1855)

There is also the timeliness. There are six hours in which to make the decision of whether or not it is necessary to provide the chemical cocktail. It is not necessarily an antidote or it is not necessarily going to do the job, but at the very least it provides hope that it might somehow stave off the side effects and the long term effects of contracting one of the serious communicable diseases.

This has caused concern not only in the professional world but obviously it is something that subconsciously now is very much in the public's mind when it comes to acting in good faith and rendering assistance to those in need who have been injured, particularly where there has been bloodshed. The most telling and obvious example is in performing mouth to mouth resuscitation, when CPR is administered. There is the potential to contract a

communicable disease just by virtue of rendering that breath of life. The altruistic effort to safe a person might result in potential long term suffering or loss of life for the good Samaritan.

Bill C-244 would at least allow the protection and give that person the knowledge as to whether they have paid that terrible price. It would allow them to react appropriately and try to prevent or to minimize the effects of what disease they may have contracted.

This has caused concern across the country. We have received numerous letters in support of the legislation. For example, the Canadian Corps of Commissionaires Nova Scotia division has spoken in favour of the bill. The Canadian Resource Centre for Victims of Crime has written in support, as have the Canadian ski patrol system and paramedics. The list goes on and on. There is very broad support for the bill brought forward by the hon. member. We in the Conservative Party are in complete support of it. I mentioned previously the support of the Canadian Police Association and others.

No qualified medical practitioner or qualified technician is guilty of an offence only by reason of a refusal to take a blood sample from a person for the purpose of the act. There is no criminal or civil liability for anything necessarily done with reasonable care and skill in the taking of blood samples. There are protections.

Individuals should have confidence that the system is there to support them. Integrity and safeguards are in place. Bill C-244 is not an infringement of a person's human rights. I have already referred to current sections of the criminal code that compel a person to submit blood samples. For those reasons, and I am sure more that will be sussed out in the course of this debate, we will be in support of the bill.

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, I rise on behalf of the people of Surrey Central to strongly support Bill C-244, the blood samples act.

I particularly commend the House leader of the official opposition for introducing the bill. It is very timely and effective. I highly appreciate that the bill has been introduced and I am sure all members in the House will support it.

The purpose of the blood samples act is to protect good Samaritans, health professionals and the front line emergency service providers should they be accidentally or deliberately exposed to another person's bodily fluids while performing their professional duties, emergency first aid or other lifesaving procedures.

This is a very timely bill because those front line officers and people who are there to protect other citizens need protection themselves. The blood samples will help them. They will not have to go through the unnecessary hardship of having to take medicine

Private Members' Business

and having to experience the side effects until a virus and antibodies show that the person was affected by a disease such as HIV, hepatitis C and hepatitis B.

It is very important that the blood samples which will be ordered by a judge of the court will be taken and not used for any purpose other than for the intended purpose. It would not infringe on the Privacy Act or the confidentiality of the person because under this bill the blood sample would be used for the intended purpose.

• (1900)

In the absence of that knowledge, not only would the person suffer from very serious side effects, it would also put emotional stress on the frontline emergency personnel, the police officers and people in other agencies. They would encounter shock. They would have to deal with the families, the wives, the children and the co-workers.

Police officers, firefighters, emergency response personnel and good Samaritans are at risk and should be entitled to reasonable information, protection and peace of mind in order that they can make informed decisions with respect to precaution and treatment to protect themselves and their loved ones.

This legislation could be tailored to meet the concerns of good Samaritans and emergency personnel, while respecting and balancing the legitimate privacy and security issues of the source person.

I strongly support this legislation and I look forward to seeing it become a permanent fixture in our criminal code and the judicial system.

Mr. Joe Jordan (Leeds—Grenville, Lib.): Madam Speaker, one of the joys of sitting on the private members' subcommittee is that I get to hear detailed pitches for virtually every private member's bill that comes to the House. I probably heard the hon. member speak in favour of the bill long before it was brought to the attention of the House. At the time I think he made extremely valid arguments as to why this piece of legislation was required.

If we give it a bit of thought, I think in the last 15 or 20 years blood related and blood transmitted diseases have appeared that were not around when the criminal code was crafted or amended the last time. I think it is a very timely piece of legislation.

We have to be a bit careful in terms of describing this as a panacea. There are cases where, let us say, someone may have contracted HIV who was involved in one of these scuffles, but if they are still in the incubation period it may not show up in their tests. Issues need to be hammered out. However, absolutely those concerns are very minor compared to the thrust of this bill.

I congratulate the member for Fraser Valley. I believe that the bill belongs in the committee. From what I have heard from some of the previous speakers who are members of the justice committee, I think they are in a good position to come to terms with what needs to be done.

I will be supporting the bill. I would encourage the member to let the debate collapse, because if he waits for his third hour we will be into May and I think it is important that we get the bill before the committee as soon as possible.

Mr. Chuck Strahl (Fraser Valley, Ref.): Madam Speaker, if there are no other speakers I would like a minute or two to summarize the debate.

The Acting Speaker (Ms. Thibeault): Is that agreed?

Some hon. members: Agreed.

Mr. Chuck Strahl: Madam Speaker, it appears as a bit of a surprise to me in many ways that the debate is likely to collapse at this time. Therefore, I wish to thank the many speakers who have taken part in the debate for their encouraging words. I recognize and all along I have said that there are other issues which need to be hammered out in committee. I do not pretend that perfection ever comes to a bill in its first reading. However, I thank members for their general support for the drift of the bill, for the idea behind it.

I wish to mention two cases in particular. One is the young gentleman in my riding, whom I named Tim, who actually spurred me on to get this bill on the order paper. He was a young guy, 17 years old, who went through six months of intensive cocktail chemical treatment as a precaution against becoming infected. He was a good Samaritan who had just done his job as a good citizen. He had helped the police in an arrest and in so doing was covered with blood. Because of the current laws he had no way of knowing whether the blood was contaminated. It is his story as the first one that spurred me on to bring this bill into the House.

• (1905)

The other example is someone who is with us tonight, a police officer by the name of Isobel Anderson. She has been brave beyond belief, in my opinion, to bring this issue forward and to use the story of her personal tragedy. She went through trauma as an individual police officer not knowing whether or not the blood on a needle which she had come in contact with was infected. Her story, her bravery and her consistency in getting this message out has been a good part of why the bill has received such wide support. I want to thank her tonight. She is up in the gallery.

I do hope that all parties will see fit to support the bill and send it to committee. It is there where we can all do our work to make this an even better bill for the protection of our front line workers, our police officers, our firefighters, our people on the front line and the good Samaritans who help them in the commission of their good work for society.

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

Some hon. members: Ouestion.

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

Some hon. members: Agreed.

The Acting Speaker (Ms. Thibeault): I declare the motion carried

(Motion agreed to, bill read the second time and referred to a committee)

[Translation]

Mr. Yvan Bernier: Madam Speaker, I rise on a point of order. I may not be very familiar with the procedure when debates come to an end that way, but I would have liked the record to read it was agreed, but on division. I am not too sure what happened because it went so fast I had trouble with the translation. I would like the record to—

The Acting Speaker (Mr. McClelland): To proceed that way, I would have had to hear one nay. I heard no objection, therefore I declared the motion carried.

ADJOURNMENT PROCEEDINGS

[Translation]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EMPLOYMENT INSURANCE FUND

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, I recently rose in this House to ask a question to the Speaker about the fact that, in 1986, the auditor general recommended that the unemployment insurance account be integrated with the government's general funds.

My question was the following:

Last Tuesday, the auditor general criticized the size of the surplus in the employment insurance fund and indicated that it should not exceed a maximum of \$15 billion, instead of the current \$25 billion.

It is now about \$28 billion.

Lasked:

Will the government listen to the auditor general, as it did in 1986, and reduce the size of the surplus by increasing the number of unemployed who can qualify?

Adjournment Debate

I was disappointed by the reply of the Secretary of State for International Financial Institutions, who said:

Mr. Speaker, since the beginning we have continually lowered employment insurance contributions. In 1993, these contributions were at \$3.07, while today they are at \$2.40. This is progress and we will continue.

That is what the government said.

I find it regrettable, because the question had to do with the increase in the number of unemployed. In Canada, only 30% of women qualify for employment insurance.

• (1910)

Only 15% of young people qualify for employment insurance, and the government says this is to encourage them to find jobs.

Do you know what this means? It means that in my region, the Atlantic region, for example, in our fishing communities, the Liberal government is telling young people that they do cannot remain in Atlantic Canada and should move somewhere else in Canada. We are losing all our young people because of discrimination in the EI system. A young person who is a newcomer on the labour market must accumulate 910 hours of work to qualify, while someone who is already on the labour market only has to accumulate 420 hours.

The auditor general said that too much money already, or \$15 billion, has been transferred from the employment insurance account to the general funds. I saw no one in Canada take to the streets because employment insurance contributions were too high. Thousands took to the streets, however, because they no longer qualified for EI.

Saturday evening, the Prime Minister of Canada admitted that he had gone too far with his cuts to employment insurance and that this was why he had lost the election in the Atlantic region.

I hope my colleague does not answer the same way his colleague did during question period.

Even the Liberal caucus of the Atlantic region made a proposal, during the Liberal convention held in Ottawa last week-end, to change employment insurance.

Does the government not recognize that it has hurt many Canadians throughout the country with the changes it has brought to employment insurance? The issue is not contributions to employment insurance, but rather the cuts to employment insurance that have hurt Canadians and, Canadian women in particular, with only 30% of women and 15% of young people qualifying for employment insurance. Those people contribute to the EI fund. They pay contributions, yet they are not eligible to benefits.

I would like to have the opinion of the government on that. I hope not to hear the same things I have been hearing for the past few months.

Adjournment Debate

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, in the *Economic and Fiscal Update* of last fall, the government announced it had agreed to set the employment insurance premium at \$2.40 for the year 2000, as the employment insurance commissioners had unanimously agreed to

It was the sixth consecutive year that employment insurance premiums had been reduced, from \$3.07 to \$2.40, for a total reduction of 67 cents since 1994, or a \$260 annual saving for the average worker.

[English]

Madam Speaker, we recognize that we must return to the point where EI premiums cover only ongoing EI program costs, and that is what is happening.

The government's commitment to maintaining the EI program as a critical element of the social safety net is clear. The EI reforms were intended to help Canadians get back to work, and they are doing just that.

The unemployment rate has fallen from 11.3% in October 1993 to 6.8% this past December, January and February. This is the lowest rate since April 1976. Furthermore, over 1.8 million jobs have been created since 1993, with 427,000 in 1999 alone.

[Translation]

The government has put great emphasis on active measures co-ordinated with provincial programs to help Canadians return to work as quickly as possible. These active measures are also offered to previous recipients who have been unemployed for a long period.

[English]

BANKS

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Madam Speaker, I rise to say a few words about a question I had asked in the House back on December 2 of the last millennium to do with the banks. In 1999 the banks in this country made \$9 billion in profits. I am concerned about what the government will do to protect jobs in the banking industry and ensure branches are not needlessly closed in many communities around this country. Banks are announcing the closure of branches in various parts of Canada and many people are being thrown out of work.

• (1915)

I was also concerned that despite these huge profits, we are seeing closures and a lot of the profits are going to the highly paid chief executive officers of the banks. The 24 top CEOs of the banks in this country received remuneration in excess last year of \$250 million. That is 24 people and \$250 million, equivalent to the salaries of some 12,000 bank tellers. This tells us the priorities of the banks.

The Secretary of State for International Financial Institutions responded to a question, but I thought his answer could have been a bit more forthcoming in terms of what he said. The main issue is to protect the jobs of the people who are working in our banks and to protect the communities that are served by some of these banks.

I am fairly pleased with the Bank of Montreal in my province of Saskatchewan and in the province of Alberta. The Bank of Montreal announced a month ago that it was going to close over 30 branches. This was going to be done by selling the branches to the local credit union.

In Saskatchewan some 17 Bank of Montreal branches in small towns and villages in the main park have been sold to 15 credit unions. These credit unions will expand by using some of the customer base of the Bank of Montreal. In two of these communities a Bank of Montreal building will be renovated and changed into a credit union. In the other case two of them will be amalgamated into one. The people in these communities will have service available to the community.

There are 63 people working in these 17 branches of the Bank of Montreal. As part of the agreement for buying this business, the credit union will offer employment to each and every one of these 63 people. They will now be working for a credit union or in some cases taking early retirement.

Some of these branches are very small. One only has one employee. But the fact that it is small does not mean it is not an important institution to a lot of people in a small rural town. This is a move in the right direction.

I would like to see leadership from the government to make sure that when the other banks decide to close branches, there will be some service to the people in those communities. Maybe we should look at what the United States has done. It has a community reinvestment act which gives some power to direct some of the funds which banks raise in communities right back into the communities and indeed in some places, there is some power given to the community to try to prevent the closure of a bank which is serving people in a particular area. This is very important.

Also important is the protection of jobs of the people who work in the financial services industry. This is also very important.

The banks can afford to be more generous and more flexible. They can afford to concentrate more on service. They made \$9 billion in profits last year and those profits are still coming in very nicely. The CIBC just announced that in its first quarter the results are anticipated to be about 25% to 30% better than it had expected. The TD bank has said that its earnings are up by 42% from last year.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, my hon. friend has expressed his concern regarding the fact that several of Canada's large banks

Adjournment Debate

have decided to reduce their workforce even though their combined profits reached \$9 billion last year. He calls upon the government to prevent job losses and branch closures.

[Translation]

The best way to create and to protect jobs is to have efficient and competitive businesses. This goes also for financial institutions such as banks. A strong, efficient and profitable financial sector is essential to our economic well-being.

[English]

That is why the government announced a new policy framework for the financial services sector last June. This is a comprehensive, balanced and fair package of reforms that promotes efficiency, growth and job creation in the sector. It also fosters domestic competition and empowers consumers to ensure that the sector remains responsive to the needs of Canadians. This new framework includes measures to ensure that banks have the flexibility they need to compete at home and abroad.

We expect banks to make their own business decisions, but at the same time we also expect them to take responsibility for them. That is why we intend to introduce a branch closure process for banks and public accountability statements for all large financial institutions. The branch closure process will give communities time to react and adjust to the closure of a bank branch in their area. It provides a minimum of four months notice of a closure, extended to six months for the last branch in that community.

In its annual public accountability statements, large financial institutions will be called upon to describe their contributions to communities, including their levels of employment and their branch openings and closings.

This represents a fair balance between the banks' need to compete and the needs of consumers and communities.

The Acting Speaker (Ms. Thibeault): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.20 p.m.)

CONTENTS

Tuesday, March 21, 2000

Privilege		Mr. Crête	4916
Member for Wentworth—Burlington—Speaker's Rul-		Mr. Laurin	4917
ing		Mr. Crête	4917
The Speaker	4913	Mr. Myers	4918
Mr. Bryden	4913	Mr. Crête	4918
Mr. Bryden	4914	Ms. Vautour	4918
Wil. Diyden	7717	Mr. Crête	4918
DOLUMNIE DDOGEEDINGG		Ms. Vautour	4918
ROUTINE PROCEEDINGS		Mr. Crête	4918
Government Response to Petitions		Mrs. Gagnon	4919
Mr. Lee	4914	Amendment	4920
	.,	Mr. Myers	4920
Committees of the House		Mrs. Gagnon	4920
Citizenship and Immigration		Mr. Asselin	4920
Mr. Fontana	4914	Mrs. Gagnon	4921
Petitions		_	4921
Taxation		Ms. Brown	4921
	401.4	Mrs. Gagnon	4922
Mr. Solberg	4914	Ms. Brown	
Child Pornography	401.4	Mr. Chrétien (Frontenac—Mégantic)	4923
Mr. Solberg	4914	Ms. Brown	4923
Human Resources Development	1011	Mr. Myers	4923
Mr. Solberg	4914	Mr. Chrétien (Frontenac—Mégantic)	4924
Families		Mr. Myers	4924
Mr. Solberg	4914	Mrs. Gagnon	4924
Registered Retirement Savings Plan		Mr. Myers	4924
Mr. Solberg	4915	Mr. Abbott	4925
Breast Cancer Society of Canada		Mr. Myers	4925
Mr. Sekora	4915	Mrs. Gagnon	4925
Child Poverty		Mr. Myers	4925
Mr. Lunn	4915	Mr. Epp	4925
Mammography		Mr. Myers	4926
Mr. Myers	4915	Mr. Chrétien (Frontenac—Mégantic)	4926
Abortion		Mr. Myers	4926
Mr. Myers	4915	Mr. Abbott	4926 4928
Canada Post Corporation Act		Mr. Sauvageau	4928
Mr. Myers	4915	Mr. Abbott	4929
Ms. Vautour	4915	Mr. Abbott	4929
Mammography		Mr. Kenney	4929
Mr. Lee	4915	•	4929
Marriage		Mr. Godin (Acadie—Bathurst)	4930
Mr. Solberg	4915	Mr. Kenney	4931
Young Offenders Act		Mr. Kilgour	
Mr. Solberg	4915	Mr. Kenney	4931
Genetically Modified Foods		Mr. Godin (Acadie—Bathurst)	4931
Ms. Girard–Bujold	4915	Mr. Kilger	4933
Pedophile Registry		Mr. Godin (Acadie—Bathurst)	4933
Mr. Solberg	4915	Mr. Kilger	4933
		Mr. Godin (Acadie—Bathurst)	4933 4933
Questions on the Order Paper		Ms. Davies	
Mr. Lee	4915	Mr. Godin (Acadie—Bathurst) Ms. Davies	4935 4935
		Mr. Bigras	4935
GOVERNMENT ORDERS		Ms. Davies	4936
Supply		Mr. Dubé (Madawaska—Restigouche)	4936
Allotted Day—Management of the Department of		Mr. Harvey	4936
Human Resources Development		Mr. Dubé (Madawaska—Restigouche)	4936
Mr. Crête	4916	Mr. Harvey	4936
Motion	4916	Mr. Dubé (Madawaska—Restigouche)	4936
Mr. Bergeron	4916	Mr. Chrétien (Frontenac—Mégantic)	4937
		,	

Mr. Dubé (Madawaska—Restigouche)	4937	Liberal Party of Canada	
Mr. Harvard	4937	Ms. Bennett	4948
Mr. Dubé (Madawaska—Restigouche)	4937	Postal District Control	
Mr. Harvard	4938	Racial Discrimination	40.40
Mrs. Tremblay	4938	Mr. Earle	4949
Mr. Harvard	4938	Racial Discrimination	
		Mr. MacKay	4949
Mr. Dubé (Madawaska—Restigouche)	4938	With Wideray	7,77
Mr. Harvard	4938	Gasoline Prices	
Mr. Dubé (Madawaska—Restigouche)	4938	Mr. Adams	4949
Mr. Chrétien (Frontenac—Mégantic)	4938	n	
Mr. Dubé (Madawaska—Restigouche)	4939	Reserves	40.40
Mr. Bryden	4939	Mr. Price	4949
Mr. Dubé (Madawaska—Restigouche)	4939	Prime Minister	
Mrs. Tremblay	4939	Mr. Bergeron	4950
Mr. Chrétien (Frontenac—Mégantic)	4941	· ·	
Mrs. Tremblay	4941	Racial Discrimination	
•		Mr. Mark	4950
Mr. Myers	4941	Racial Discrimination	
Mrs. Tremblay	4941	Mr. Laliberte	4950
Mr. Bigras	4942	Wii. Lanberte	4930
Mr. Pagtakhan	4943	ORAL OURCEION PERIOR	
Mr. Bigras	4943	ORAL QUESTION PERIOD	
Mr. Myers	4943	Human Resources Development	
Mr. Bigras	4943	Mr. Manning	4950
Mrs. Gagnon	4943	Mrs. Stewart (Brant)	4950
Ms. Blondin–Andrew	4944		4951
Mrs. Gagnon	4945	Mr. Manning	4951
Ms. Blondin–Andrew	4945	Mrs. Stewart (Brant)	
		Mr. Manning	4951
Mr. Thompson (Wild Rose)	4945	Mrs. Stewart (Brant)	4951
Ms. Blondin–Andrew	4945	Miss Grey	4951
Mrs. Gagnon	4945	Mrs. Stewart (Brant)	4951
Ms. Blondin–Andrew	4946	Miss Grey	4951
Mrs. Tremblay	4946	Mrs. Stewart (Brant)	4951
Ms. Blondin-Andrew	4946	Mr. Duceppe	4951
Mr. Epp	4946	Mrs. Stewart (Brant)	4951
Ms. Blondin–Andrew	4946	Mr. Duceppe	4951
		Mrs. Stewart (Brant)	4952
CTATEMENTS DX MEMBERS		Mr. Crête	4952
STATEMENTS BY MEMBERS		Mrs. Stewart (Brant)	4952
Taiwan		Mr. Crête	4952
Mr. Szabo	4946	Mrs. Stewart (Brant)	4952
1411. DZ4000	7770	Mis. Stewart (Brain)	4732
Deanna Geddo		Health	
Mr. Bailey	4946	Ms. McDonough	4952
·		Mr. Chrétien (Saint–Maurice)	4952
The Late Lyal Holmes		Ms. McDonough	4952
Mr. Sekora	4947	Mr. Chrétien (Saint–Maurice)	4953
14 P. 44 P P 1 C P P 1 4			
1st Battalion Royal Canadian Regiment		Gasoline Prices	
Mr. Clouthier	4947	Mr. MacKay	4953
Riding of Saint-Maurice		Mr. Manley	4953
_	4947	Mr. MacKay	4953
Mr. St–Julien	4947	Mr. Martin (LaSalle—Émard)	4953
Nisga'a Treaty		II D D. 1 4	
Mr. Gouk	4947	Human Resources Development	40.50
711 Odda:	., .,	Mrs. Ablonczy	4953
Agriculture		Mrs. Stewart (Brant)	4953
Mr. Myers	4947	Mrs. Ablonczy	4953
·		Mrs. Stewart (Brant)	4953
Young Offenders Act		Mrs. Gagnon	4953
Mr. Bellehumeur	4948	Mrs. Stewart (Brant)	4954
A lov Doub		Mrs. Gagnon	4954
Alex Pauk	40.40	Mrs. Stewart (Brant)	4954
Ms. Bulte	4948	Mr. Solberg	4954
CIAU Basketball Championships		Mrs. Stewart (Brant)	4954
Mr Casson	4948	Mr Solberg	4954
	サフサ ()	WILL WILLES	+714

Mr. Chrétien (Saint–Maurice)	4954	GOVERNMENT ORDERS	
Mr. Gauthier	4954	Supply	
Mrs. Stewart (Brant)	4955	** *	
Mr. Gauthier	4955	Allotted Day—Management of the Department of Human Resources Development	
Mrs. Stewart (Brant)	4955	-	4962
		Motion	4962
Export Development Corporation		Mr. McKay	4962
Mr. Penson	4955	Mrs. Picard	
Mr. Pettigrew	4955	Mr. McKay	4964
Mr. Penson	4955	Mr. Dubé (Lévis–et–Chutes–de–la–Chaudière)	4964
Mr. Pettigrew	4955	Mr. Bonwick	4966
Cli P-i		Mr. Dubé (Lévis–et–Chutes–de–la–Chaudière)	4966
Gasolines Prices	1055	Mr. Tremblay	4967
Mr. Brien	4955	Mr. Epp	4968
Mr. Manley	4955	Mr. Tremblay	4968
Agriculture		Mr. Bonwick	4968
Ms. Whelan	4956	Mr. Tremblay	4969
Mr. Vanclief	4956	Mr. McCormick	4969
Till validite!	1750	Mr. Bernier	4970
Export Development Corporation		Mr. McCormick	4971
Mr. Obhrai	4956	Ms. Sgro	4971
Mr. Pettigrew	4956	Mrs. Picard	4972
Mr. Obhrai	4956	Ms. Sgro	4973
Mr. Pettigrew	4956	Mr. Thompson (Wild Rose)	4973
Mr. Pettigrew	4956	Ms. Sgro	4973
Ç		Mr. Martin (Winnipeg Centre)	4973
Health		Ms. Sgro	4973
Ms. Wasylycia–Leis	4956	Mr. Thompson (Wild Rose)	4973
Mr. Rock	4956	Mr. Gouk	4973
Ms. Wasylycia–Leis	4957	Mr. Gouk	4974
Mr. Rock	4957	Mr. Bonwick	4975
Cli P-i		Mr. Gouk	4975
Gasoline Prices	40.55	Mr. Bonwick	4975
Mr. Bernier (Tobique—Mactaquac)	4957	Mr. Gouk	4975
Mr. Martin (LaSalle—Émard)	4957	Mr. McCormick	4975
Mr. Bernier (Tobique—Mactaquac)	4957	Mr. Gouk	4975
Mr. Martin (LaSalle—Émard)	4957	Mr. Martin (Esquimalt—Juan de Fuca)	4976
National Revenue		Mr. Eggleton	4977
Mr. Malhi	4957	Mr. Martin (Esquimalt—Juan de Fuca)	4977
Mr. Cauchon	4957	Mr. Bernier	4977
Wil. Cauchon	4737	Mr. Martin (Esquimalt—Juan de Fuca)	4977
Export Development Corporation		Mr. Epp	4977
Mr. Martin (Esquimalt—Juan de Fuca)	4958	**	4977
Mr. Pettigrew	4958	Mr. Martin (Esquimalt—Juan de Fuca)	
Contraction 1		Amendment negatived	4979
Gasoline Prices	40.50	Motion negatived	4980
Mr. Cardin	4958	PRIVATE MEMBERS' BUSINESS	
Mr. Manley	4958	FRIVATE MEMIDERS DUSINESS	
Northern Development		Westray Mine	
Ms. Hardy	4958	Amendment agreed to	4981
Mr. Nault	4958	(Motion, as amended, agreed to.)	4981
Wii. i Vauit	7/30		
Gasoline Pricing		GOVERNMENT ORDERS	
Mr. Keddy	4958	Complex	
Mr. Manley	4958	Supply	
n : 9		Allotted Day—Health Care	4001
Privilege		Motion	4981
Standing Committee on Citizenship and Immigration		Amendment Negatived	4982
Mr. Benoit	4959	Motion negatived	4984
Mr. Benoit	4960	Allotted Day—Canada Health and Social Transfer	
Mr. Boudria	4960	Motion	4984
Mr. Hill (Prince George—Peace River)	4961	Amendment negatived	4985
Mr. Benoit	4961	Motion negatived	4986
Mr. Bryden	4961		
Mr. Fontana	4961	PRIVATE MEMBERS' BUSINESS	
Mr. Mahoney	4962	Blood Samples Act	
Mr. Pagtakhan	4962	Bill C–244. Second reading	4986
		· · · · · · · · · · · · · · · · · ·	.,,00

Mr. MacKay	4986	ADJOURNMENT PROCEEDINGS	
Mr. Grewal	4987	Employment Insurance Fund	
Mr. Jordan	4988	Mr. Godin (Acadie—Bathurst)	4989
Mr. Strahl	4988	Mr. Cullen	4990
(Motion agreed to, bill read the second time and referred		Banks	
to a committee)	4989	Mr. Nystrom	4990
Mr. Bernier	4989	Mr. Cullen	4990



Canada Post Corporation/Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

03159442 Ottawa

If undelivered, return COVER ONLY to: Canadian Government Publishing, 45 Sacré—Coeur Boulevard, Hull, Québec, Canada, K1A 0S9

En cas de non—livraison, retourner cette COUVERTURE SEULEMENT à: Les Éditions du gouvernement du Canada, 45 boulevard Sacré—Coeur, Hull, Québec, Canada, K1A 089

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

Also available on the Parliamentary Internet Parlementaire at the following address: Aussi disponible sur le réseau électronique «Parliamentary Internet Parlementaire» à l'adresse suivante : http://www.parl.gc.ca

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from Canadian Government Publishing, Ottawa, Canada K1A 089

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions du gouvernement du Canada, Ottawa, Canada K1A 0S9

On peut obtenir la version française de cette publication en écrivant à : Les Éditions du gouvernement du Canada, Ottawa, Canada K1A 0S9