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OFFICIAL REPORT
(HANSARD)

Thursday, May 4, 2000

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, May 4, 2000

The House met at 10 a.m.

[English]

Prayers

• (1000)

[English]

HOUSE OF COMMONS

The Speaker: I have the honour to lay upon the table the report on Plans and Priorities for 2000-01 of the House of Commons administration.

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, pursuant to the standing orders I have the honour to table, in both official languages, the government's responses to seven petitions.

* * *

INTERPARLIAMENTARY DELEGATIONS

Hon. Andy Mitchell (Secretary of State (Rural Development)(Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, I am pleased to table the first ever annual report to parliament on rural Canada entitled "Working Together".

• (1005)

[Translation]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I have the honour to table, in both official languages, the report of the Canadian branch of the Assemblée parlementaire de la Francophonie, as well as the financial report. The report relates to the education, communication and cultural affairs commission meeting held in Libreville, Gabon, on March 6 and 7.

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent, I move:

That the membership of the Standing Committee on Procedure and House Affairs be modified as follows: Norman Doyle for André Harvey.

(Motion agreed to)

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PETITIONS

MAMMOGRAPHY

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I have a petition signed by constituents who are calling upon parliament to enact legislation to establish an independent governing body to develop, implement and enforce uniform and mandatory mammography quality assurance and quality control standards in Canada.

CHILD PORNOGRAPHY

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, I have two petitions to present this morning. The first petition deals with the issue of child pornography.

The petitioners ask parliament to take all measures necessary to ensure that the possession of child pornography remains a serious criminal offence.

DELTA—SOUTH RICHMOND

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, I also have two petitions which deal with the issue of federal funding for a road which is referred to in my community as the South Fraser Perimeter Road. It is a road necessitated by the construction and growth at two ports, the Fraser Port on the Fraser River and the Roberts Bank container terminal known as Vanport.

Those two ports have caused a serious increase in traffic to flow through the neighbourhood of North Delta through residential streets. The truck traffic is horrendous.

Routine Proceedings

The proposal to build a road on the south shore of the river is unsatisfactory. The petitioners would ask that no federal moneys be made available until such time as their concerns about this road are taken into consideration.

CHILD POVERTY

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I have a petition signed by people in Saskatchewan and Ontario related to child poverty.

The petitioners remind us that one in five Canadian children live in poverty, and that on November 24, 1989 the House unanimously resolved to end child poverty in Canada by the year 2000.

The petitioners tell us that since that time the number of poor children in the country has increased by 60%. They therefore ask parliament to introduce a multi-year plan to improve the well-being of Canada's children. I wholeheartedly concur.

[Translation]

FOOD QUALITY

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, I am presenting a petition to the House from petitioners in the riding of Shefford, who are calling upon the Government of Canada to enact legislation to ensure that the public may eat food that is better for them, thus benefiting Canadian society and reducing the burden on our health resources.

[English]

RIGHTS OF THE UNBORN

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition signed by numerous citizens of Peterborough who point out that whereas the majority of Canadians respect the sanctity of human life, and whereas human life at the pre-born stage is not protected in Canadian society, these petitioners pray that parliament act immediately to extend protection to the unborn by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

• (1010)

BILL C-23

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, I have two petitions to present this morning on behalf of my constituents. Hundreds of people have signed these petitions concerning the sanctity of marriage.

The petitioners ask that the government take another hard look at Bill C-23 and make the necessary changes to entrench in law that marriage is an institution concerning a single man and a single woman.

CHILD PORNOGRAPHY

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, the second petition concerns child pornography. My constituents are quite concerned that the federal government has turned a deaf ear and a blind eye to the plight of children in this country. The government seems to be protecting the pedophiles as opposed to the children.

BILL C-23

Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present a petition from the people of Haliburton area asking parliament to withdraw Bill C-23 and affirm the opposite sex definition of marriage in legislation, and ensure that marriage is recognized as a unique institution.

NUCLEAR WEAPONS

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I have a petition here signed by a number of Canadians who are concerned about the continued existence of over 30,000 nuclear weapons on the planet Earth and the continued existence of nuclear weapons, which poses a threat to the health and survival of human civilization and the global environment.

Therefore, they call on parliament to support the immediate initiation and conclusion by the year 2000 of an international convention that will set out a binding timetable for the abolition of all nuclear weapons.

CHILD PORNOGRAPHY

Mr. Cliff Breitzkreuz (Yellowhead, Canadian Alliance): Mr. Speaker, I am pleased to rise to present four petitions in the House. These petitioners represent the communities of Barrhead, Wildwood, Sangudo, and all points in between, including Neerlandia.

The first petition deals with the issue of pornography and that the government is doing nothing about the possession of child pornography.

BILL C-23

Mr. Cliff Breitzkreuz (Yellowhead, Canadian Alliance): Mr. Speaker, the last three petitions pray that the government repeal Bill C-23 for a variety of reasons.

* * *

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.

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, I have two order paper questions, Questions Nos. 28 and 29. Question No. 28 was presented on October

15, 1999 and Question No. 29 was presented on October 18, 1999. Neither one has been answered yet. Question No. 29 was first asked on March 24, 1999 as Question No. 227, which was never answered.

These questions go to the heart of the mefloquine scandal and the illegal and inappropriate use of that drug by the Department of National Defence during the Somalia crisis.

I realize that it is very difficult and embarrassing for the government to answer these questions but I think they are questions that do deserve an answer. The drug did have an impact on the behaviour of troops in Somalia and the public has the right to have those questions answered promptly.

Mr. Derek Lee: Mr. Speaker, the hon. member has raised this issue on the floor within the last couple of weeks. The answer that I would hold out today is not terribly different from what I described the last time. A draft to the member's question was prepared and it was returned for revisions. I am advised that it is certainly in the pipeline and imminent.

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

HEALTH CARE

The Deputy Speaker: I am in receipt of a notice of motion under Standing Order 52 from the hon. member for Winnipeg—Transcona.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I have provided you with the requisite letter and make a small argument now for an emergency debate on the subject of Canada's health care system.

The subject of debate would be the threat to Canada's health care system posed by the imminent passage of bill 11 in the Alberta legislature and the ramifications for all Canadians as a result of the North American Free Trade Agreement and the relationship between that agreement and the provisions of bill 11.

Parliament of Canada must have an opportunity to debate whether the Alberta government has the right to endanger medicare for all Canadians, as it is doing, given the provisions of NAFTA, and what the Parliament of Canada should do about it, and what the Government of Canada should do about it before bill 11 is passed.

• (1015)

Time is of the essence. That is the nature of the emergency. It is not something we can debate next week or the week after. It is

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something that we can only debate now. The Parliament of Canada should be seized with this subject as soon as possible. I beseech the Chair to see the wisdom of this request.

The Deputy Speaker: The Chair has considered very carefully the request put forward by the hon. member for Winnipeg-Transcona and has concluded that while the matter is obviously a serious one it is not one that in the view of the Chair ought to be the subject of an emergency debate at this time.

GOVERNMENT ORDERS

[English]

CRIMES AGAINST HUMANITY ACT

The House resumed from April 14 consideration of the motion that Bill C-19, an act respecting genocide, crimes against humanity and war crimes and to implement the Rome Statute of the International Criminal Court, and to make consequential amendments to other acts, be read the second time and referred to a committee.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

• (1020)

And the bells having rung:

The Deputy Speaker: At the request of the chief government whip the vote on this motion will be deferred until tomorrow.

Mr. Bob Kilger: Mr. Speaker, I rise on a point of order. I will be asking that the vote be further deferred until Monday at the end of Government Orders.

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However, I would ask for unanimous consent of the House to revert to the bill being debated at second reading stage, Bill C-19, to recognize the member for Beauharnois—Salaberry who would take the floor for 10 minutes. That would conclude the debate on Bill C-19, if the House would give its consent.

The Deputy Speaker: Is there unanimous consent of the House to revert to the second reading motion on Bill C-19?

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. I think we would be willing to give that consent provided that our member who wanted to speak would also have the opportunity.

Mr. Bob Kilger: Mr. Speaker, I do not want to be negotiating across the floor and taking up the time of the House, but following the intervention of the member for Elk Island the government side would be agreeable to allowing the House leader of the Canadian Alliance Party a 10 minute intervention after the 10 minute intervention by the member for Beauharnois—Salaberry.

Following further discussions we have an even more generous offer to put to the House. If the House would give its consent, we would go back to the second reading of Bill C-19 to allow other members to contribute to this debate. Then we will deal with the matter after the debate has been concluded.

The Deputy Speaker: The question is no longer before the House, but we will pretend that never happened and go back to second reading of Bill C-19. Is there unanimous consent to proceed in such a fashion?

Some hon. members: Agreed.

• (1025)

[*Translation*]

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, I am pleased to rise on behalf of the Bloc Québécois to speak to Bill C-19, an act respecting genocide, crimes against humanity and war crimes and to implement the Rome Statute of the International Criminal Court, and to make consequential amendments to other Acts.

This is a bill of vital importance, not just for this House, but also for the international community as a whole. The purpose of this bill is to implement the Rome statute of the international criminal court, adopted on July 17, 1998 in Rome, after decades of debate and deliberation on the appropriateness of creating an international criminal jurisdiction with the authority to bring to justice those who have committed international crime.

The efforts of the international community finally came together in Rome in the summer of 1998, after repeated attempts had been made to agree upon an instrument to fight international crime, be it war crimes, crimes against humanity or the crime of crimes, genocide.

I would like to draw particular attention to the contribution made by Canada and some of its officials. I am thinking, among others, of a friend, a distinguished jurist, Philippe Kirsch, who chaired the plenipotentiary conference that led to the Rome statute, and of a number of individuals whose services were drawn on and whose hard work during preparatory conferences and the Rome conference helped bring this statute to life.

I am thinking specifically of John Holmes, Alan Kessel, Darryl Robinson, Dominic McAlea, Kimberley Prost and Don Piragoff, public servants I have met, at least some of them, who certainly played a key role in having the Rome statute adopted for the creation of an international criminal court.

I must, moreover, mention in this House, as I have in the case of other debates pertaining to bills implementing international treaties, that it is not entirely satisfactory to have a treaty as important as this one, which we are asked to debate through an enabling act, the ICC statute, not formally approved by this House and not the subject a significant debate before Canada signed.

It is true that the Standing Committee on Foreign Affairs and International Trade spent one sitting reviewing the draft bill, as it was worded at the time, and I was able to take part in that exercise, since I was then a member of the committee. However, hon. members probably did not have enough time to look at the content of the statute, to express their opinions and to state their views on it before it was adopted by the conference and signed by Canada, before its ratification.

Again, it would be very desirable for the House of Commons and its parliamentary committees to review international treaties and proposed treaties during negotiations, so that in future members of parliament can have some influence on negotiators, on the content of these treaties and proposed treaties, before Canada makes a commitment or expresses, through its signature, its intention to comply in good faith with the international treaties that it ratifies.

• (1030)

There is currently before the House a private member's bill, Bill C-214, which I introduced last year. Its purpose is to give a more extensive role to parliament, to the House of Commons, when it comes to international treaties, so that such treaties are approved and then better promoted, introduced and published by government authorities after their ratification, that is after Canada has agreed to be bound by them.

There will be a third hour of debate on Bill C-214. I hope that members of this House will allow the bill to be referred to a committee and that they will support it at third reading stage.

As for Bill C-19, which I have examined closely, the short title is the Crimes Against Humanity Act, a title which could be made much more rigorous by including a reference to war crimes. This

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bill focuses on prosecuting war crimes, which are not included in the definition of crimes against humanity, unlike the crime of genocide, which these crimes can be considered to include. If I could make a suggestion, a more appropriate short title would be the Crimes Against Humanity and War Crimes Act.

The purpose of the bill is to implement the international criminal court statute provisions requiring implementation in Canadian domestic law. It seems that this bill is viewed, internationally, as adequate implementation of the Rome statute. It is sometimes cited as a model of effective implementation of the international criminal court statute. At the present time, a number of parliaments worldwide must pass enacting legislation before states can agree to be bound by it and the statute can be implemented. It cannot take effect until 60 states have tabled their instruments of ratification.

The bill has to do with offences committed in Canada. The provisions in clause 4 are intended to correct, to a certain extent, the situation in Canadian domestic law, which right now does not permit prosecution of individuals for the crime of genocide per se.

This bill repeals some provisions of the Criminal Code, namely sections 3.71 and following, which allowed individuals having committed the crime of genocide, as well as crimes against humanity and war crimes, to be prosecuted for murder under international law. However, clause 4 addresses a shortcoming of Canadian law by bringing it in line with international obligations and allowing prosecution under domestic law for international crimes as defined under international law.

Besides, clause 4(3) refers to definitions provided in the Rome statute, which are implemented under international treaty law and which are inspired by customary international law.

Clause 6 of the bill, which is a very important provision, gives Canada, through its courts, extraterritorial jurisdiction that will allow judge people alleged to have committed war crimes, crimes against humanity and genocide to be prosecuted in Canada.

• (1035)

All this is in line with the Rome statute and customary international law, which allows Canada and any other country, to assume extraterritorial jurisdiction to prosecute people for such serious crimes, so that they do not go unpunished.

Clause 6, which is both prospective and retroactive, contrary to clause 4, which only applies to crimes committed after the bill becomes law, will allow Canada to prosecute people for serious crimes in its own courts of justice, which is absolutely in line with the spirit and the letter of the Rome statute.

Besides, those provisions will be protected, despite their retroactive nature, by section 11(g) of the Canadian Charter of Rights and Freedoms, pursuant to which people may be prosecuted for crimes

recognized under international law, even if the prosecution is of a retroactive nature.

I would like to draw the House's attention to something that would allow for a review of the contents of this bill. It is the provision that clearly gives Canadian tribunals jurisdiction over crimes committed outside the country. Clause 8(a) recognizes that Canada has jurisdiction when crimes have been committed by Canadian citizens or when the victims are Canadian citizens. Clause 8(b) also provides that Canada may prosecute a person if, at the time the offence is alleged to have been committed, Canada could, under international law, exercise jurisdiction over the person with respect to the offence on the basis of that person's presence in Canada and, after that time, if the person is present in Canada.

This is an example of the kind of universal jurisdiction that may be exercised by the various states under international law, but it could be broader. This ought to be debated and discussed since, in this case, universal jurisdiction could only be exercised over a person who is present in Canada.

For example, this would prevent Canada from prosecuting someone who is not present in Canada. It would prevent it from prosecuting a person who is alleged to have committed international crimes—whether it be General Pinochet, who returned to Chile without having been brought to justice for crimes of this type he allegedly committed. It would prevent Canada from prosecuting other war criminals or persons who have committed crimes against humanity or genocide, for example soldiers from Rwanda not present in Canada.

It would be interesting, in examining the bill, to broaden the scope of this particular provision so it is not limited to persons who are present in Canada. Canada—like other jurisdictions such as France, Spain and Belgium, I think—should claim jurisdiction over persons even though they are not present in Canada.

Extradition proceedings could help in this regard and allow Canada, as we asked in this House in the case of General Pinochet, to request the extradition of a person alleged to have committed serious war crimes and perhaps to prosecute that person.

• (1040)

Consequently, the Bloc Québécois could, in due time, present an amendment extending the scope of clause 8(b) so that Bill C-19 would allow a broader, universal jurisdiction. Canada could then have jurisdiction over serious crimes such as genocide, war crimes and crimes against humanity, thus ensuring that these crimes will not go unpunished.

It is also interesting to note that the bill deals with a number of defences that may be used by those accused of international crimes covered in the bill. Clause 14 provides that obeying orders of a superior is not a defence. This seems to be consistent with existing international law and compatible with the letter as well as the spirit

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of the Rome Statute for an International Criminal Court. Criminal Court

The purpose of many of the bill's provisions is to ensure that certain obligations under the Rome Statute for an International Criminal Court be given effect in Canadian domestic law.

There is, for example, the part concerning the proceeds of crime, clauses 27 to 29 of the bill. There is also the part concerning the Crimes Against Humanity Fund. This fund, if my memory serves me right, was established under the Rome Statute for an International Criminal Court. It is designed to help the victims of crimes against humanity. It would give the Minister of Public Works and Government Services in particular a chance to pay into this fund the net proceeds from the disposition of any property and fines collected in relation to proceedings for an offence under the Criminal Code.

By and large, this bill is a clear reflection of the obligations that will flow from Canada's agreement to be bound to the Rome Statute and the Statute of the International Criminal Court.

In addition, the Bloc Québécois reserves the right to examine fully the provisions of this bill and to propose, if required, amendments to ensure full conformity of the Canadian internal law with the international criminal law, as modified by the hopefully soon to come Statute of the International Criminal Court.

The bill contains a number of consequential amendments to many federal acts. For example, the Citizenship Act is greatly affected by this bill. The Extradition Act is also greatly modified. In the light of the Finta decision, a number of amendments contained in this bill in relation to the Extradition Act will clarify the situation arising from a controversial decision that, according to some people, was enough to justify corrections and amendments to the Extradition Act.

This bill also contains a part on conditional amendments. These are amendments to the Citizenship Act. This act is currently before this House since Bill C-16 is a rewrite of the Citizenship Act.

• (1045)

This overhaul of the act and the introduction of this new proposed legislation would require additional conditional amendments, in light of Bill C-19 on immigration, which at the same time is under consideration in the House.

No doubt consideration should also be given to bringing forth conditional amendments to another act also under consideration in the House, an act that should be amended not in accordance with provisions contained in other parts of Bill C-19, which are in relation to the old act, that is Chapter I-30 of the Revised Statutes of Canada, but in accordance with Bill C-31, which is the proposed new Immigration Act presently before the House and which we have examined earlier this week.

The international community is in the process of giving itself a tool absolutely essential to ensure justice and the supremacy of international law, especially international criminal law. The action that Parliament will take by passing an act to implement the Rome Statute will allow for the ratification of the Statute of the International Criminal Court. The Bloc Québécois hopes for speedy ratification. It will help ensure justice, peace and international security.

This is an important bill for the entire international community.

[English]

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, it is a pleasure to participate in the debate on Bill C-19. This legislation has been precipitated by Canada's obligations under the Rome statute of the International Criminal Court.

The bill deals strictly with three clearly defined offences: genocide, crimes against humanity and war crimes. As well, Bill C-19 makes consequential changes to Canada's extradition and mutual legal assistance legislation to enable Canada to comply with its obligations to the International Criminal Court.

Bill C-19 will equip Canada with domestic legislation to facilitate the prosecution by Canadian courts of the three above mentioned crimes whether committed outside Canada or within our borders. It also gives Canada the right to have the first crack at the investigation, prosecution and sentencing of such cases at home. We may also waive the right and extradite an accused to the International Criminal Court.

The bill also affirms that any immunities otherwise existing under Canadian law will not bar prosecution in Canada or extradition to the International Criminal Court or to any other international criminal tribunal established by resolution of the security council of the United Nations. In other words, if an individual is suspected of war crimes and is living in Canada, then that individual will stand trial either in Canada if we choose or before the International Criminal Court. If Canada undertakes an extensive investigation and the individual is found innocent of any charges, then that will satisfy the requirements of the International Criminal Court.

Let me turn to the history and evolution of this initiative. Since the Nuremberg trials in 1945, the international community has been working toward the creation of a permanent international criminal court. There is a lot of momentum worldwide for such an undertaking. After years of preparatory negotiations and an intensive five week diplomatic conference, the basis for the ICC was adopted in Rome on July 17, 1998.

The International Criminal Court will be a permanent international institution mandated to prosecute persons responsible for genocide, crimes against humanity and war crimes when national judicial systems fail to investigate or prosecute such individuals.

The International Criminal Court statute will enter into force when 60 states have ratified it.

• (1050)

The ICC will be located in The Hague, Netherlands. The 18 judges of the ICC and the prosecutor will be selected on qualifications similar to supreme court level appointments and must be ratified by two-thirds of state parties. Their terms will be for nine years. Judges may be removed by a similar two-thirds vote.

The rules of procedure and evidence are currently being negotiated through a series of meetings of a preparatory commission which includes delegations from signatory states and other interested states. An assembly of states parties will ratify these rules of procedure and evidence.

Turning to the costs of this new court, at present we do not know what this initiative will cost Canada. All member states of the ICC will pay a fee for the creation, operation and management of the ICC. The United Nations will contribute half of the initial startup costs and will contribute financially when specific cases are mandated by the security council. The remaining costs will be shared equally by all states parties.

Some have projected that Canada's initial contribution could be anywhere between \$300,000 to \$500,000. Once the ICC is up and running, Canada could be asked to contribute \$1 million to \$2 million per year. In comparison, Canada's contribution to the Rwanda and Yugoslavia war crimes tribunals for 1998-99 was \$6.3 million.

I would like to raise some concerns and questions regarding this new court. A permanent international body may become unaccountable and may override the sovereignty of a nation's legal and governance system. Although the ICC is to be complementary to national courts, it will investigate and prosecute a crime when the states with the jurisdiction are unwilling to do so. This is clearly one way in which the ICC could overrule the sovereignty of a nation.

The ICC has been structured so the sovereignty of nations will remain primordial. It does so by requiring the enactment of domestic legislation in each ratifying state which gives that sovereign state both judicial equipment and the right to prosecute suspected cases of a said crime domestically. Bill C-19 is Canada's version of that legislation. We can also choose to waive the sovereign right to prosecute in our own court system and send the case and the accused to the ICC.

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It is my understanding that this right cannot be circumvented unless we are unable or unwilling to use it, that is, there is a deliberate fraudulent attempt to shield a suspect from prosecution or that our rule of law has completely collapsed and we have no government. That this assessment could ever be made in the case of Canada is agreed among Canada's negotiating team and justice officials to be simply unthinkable.

We also hope that this court does not lead to any proliferation of judicial activism. Again we have been given assurances that the mandate of the judges and the court is clear and the terms of operation cannot be expanded. We trust this is correct.

One critical issue that stands out with this new court is that the United States has not yet signed the Rome statute. We are told the current mood in the United States Senate is to remain in this position. There is an argument that without the United States as signatory, the court will be very ineffective.

We must also be vigilant not to allow international law to supersede Canadian law. Again we have assurances this cannot happen.

The negotiations of the preparatory commission on rules of procedure and evidence address critical and fundamental issues of the ICC. They are not discussed or ratified in parliament. Issues such as the definition of aggression and other terms, the conditions of imprisonment, and judicial protocol are controversial issues in the implementation of the Rome statute. All of the negotiations should be subject to the input and ratification of this parliament; otherwise our requirement that the values of Canadians are adequately enshrined in law, structure and procedure of the ICC may be in jeopardy.

There are two ways we can approach these concerns. We could delay ratification until the negotiations are concluded and can be ratified by parliament, or we could amend Bill C-19 to ensure Canada's final accession to the ICC is subject to the ratification of parliament regarding the rules and procedures of evidence.

• (1055)

Some conclude that individual tribunals would be superior to a permanent existing ICC. A tribunal would examine a specific case, render a verdict and then disband. However, these tribunals have proven to be ineffective in tracking down criminals and having the legal authority to prosecute criminals. On that front the ICC is attractive.

The Canadian Alliance favours the prosecution of individuals who commit genocide, war crimes and crimes against humanity. At the same time we are very conscious of the need to protect our own sovereignty and want assurances that this will be built into Bill C-19.

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As this bill proceeds, I suspect analysis of it particularly in committee will look at such areas as what some interested parties have called vague and imprecise definitions of offences. As well there has been concern expressed about the specifics of crimes committed in Canada as opposed to those committed outside Canada.

Bill C-19 requires a lot of study and review. I am confident this debate and the following assessments made on the bill will fashion a document that we can all accept.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

[*English*]

And the bells having rung:

The Deputy Speaker: At the request of the chief government whip, the vote on the motion before the House is deferred until Monday at the conclusion of the time provided for the consideration of Government Orders.

* * *

BUDGET IMPLEMENTATION ACT, 2000

The House resumed from April 13 consideration of the motion that Bill C-32, an act to implement certain provisions of the budget tabled in parliament on February 28, 2000, be read the second time and referred to a committee.

• (1100)

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I am happy today to rise to debate the budget implementation act, Bill C-32. In my capacity as industry critic I am quite concerned about the lack of progress on tax reduction. I want to refer to the study we commissioned in the industry committee and

our dissenting opinion, which I will refer to with regard to taxes and the ways in which we could become more competitive in Canada.

In November of last year the Standing Committee on Industry undertook a study on productivity. The study was initiated in response to concerns expressed by many prominent economists and business leaders who warned of the alarming productivity gap developing between Canada and our major trading partner, the United States, and in particular the gap which developed over the past decade.

These leaders confirmed through statistical evidence what Canadians instinctively already knew. Our standard of living had fallen over the past 30 years and the rate of decline had accelerated during the 1990s. Currently Canadians earn \$9,000 less per capita than their American counterparts and that disparity continues to grow.

Productivity is the measure of efficiency in which people, capital, resources and ideas are combined in the economy, which show up basically as our standard of living. From the 1950s to the mid-1970s we had a tremendously high rate of growth in productivity, approaching 4% per annum in terms of labour productivity and 2% per annum in terms of multi-factor productivity. Since 1973, however, Canada's growth in productivity has hovered around the 1% level.

What does that really mean? The picture becomes much clearer when we contrast the Canadian experience with that of our G-7 partners. At the end of the second world war Canada and the United States were by far the most productive countries in the world, but the levels of European countries and Japan have converged with those of North America. This of course was inevitable as the European and Japanese economies recovered from the second world war.

However, the data is clear and unequivocal. The United States remains the most productive country in the world, but Canada no longer holds second place. That is a concern. Canada is the only country in the G-7 that has not closed the gap relative to the United States in terms of productivity. In 1976 Canada was second in terms of productivity among the G-7 countries, but 20 years later, by 1997, Canada was fifth. Other countries are now much closer to the U.S. and have overtaken Canada. Italy and France are respectively the second and third most productive countries in the world. Germany, despite the reunification of the west with the east, is now the fourth most productive economy in the world.

After hearing from dozens of witnesses the standing committee tabled its 182 page report on productivity and innovation in the House of Commons on April 11. The report did a good job in providing a 30 year history of Canada's decline and documenting our current situation, but it failed to identify the underlying reasons for Canada's productivity decline. I say that it is a failing in the

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report. That failure is a significant weakness in the report and it prompted the Canadian Alliance members of the committee to offer a dissenting opinion.

I believe that if we fail to understand or choose to ignore the fundamental reasons for this decline it will impair our ability to offer constructive solutions. The issues related to Canada's productivity and weakened competitiveness are complex, to say the least. Many factors, including external shocks to a country's economy, can cause disruption. However, some countries, such as the United States, are better able to adapt and restructure their economies. The restructuring that took place in the U.S. in the 1980s enabled the Americans to lead the world in growth for much of the 1990s, and that continues to the present. Canada, however, did not enjoy that same level of growth.

For almost a century the Canadian and U.S. business cycles and economies were synchronised and could be charted with no divergence between the two. Between 1900 and 1980 Canada never experienced a recession without a corresponding recession in the United States. However, it is no small coincidence that Canada's business cycle began diverging from that of the United States in the late 1960s after the Canadian federal government expanded rapidly and became more interventionist. The role played by public policy in Canada during this period is a significant factor which needs to be examined.

• (1105)

I suggest that a fundamental shift in government policy in the 1960s and 1970s created the conditions that led to Canada's decline in productivity and currency devaluation.

Over the years major social programs were introduced and the federal government expanded through successive Liberal and Conservative administrations. Changes made to the unemployment insurance program, as an example, moved it away from the concept of an insurance program to that of a social program function. The result was an increase in Canadian unemployment rates, several points higher than those in the United States.

Meanwhile, federal program spending continued to grow every year, which had to be financed by tax increases and deficit budgets. The accumulated deficits created a federal debt of over \$575 billion. Currently one-third of each tax dollar taxpayers send to Ottawa is required to pay the interest on our national debt.

Looking over the past 30 years, the Conference Board of Canada told the committee that the Canadian way—Canada's traditional economic and social programs established largely in the 1960s—is unsustainable. The Liberal response to this crisis is very weak.

The committee report claims that the latest federal budget is the answer to Canada's problems of productivity. While it did propose

some tentative steps to improve our productivity, the budget is too little, too late, to resolve the problems caused by 30 years of misguided public policy.

Canada currently finds itself in a very competitive tax environment worldwide and it is becoming more competitive all the time. As such, the overdue tax cuts in budget 2000 are welcome, but their value is hampered by long phase-in periods and other half measures. For example, the corporate tax rate is not scheduled to decrease until 2001 and then by only 1%, from 28% to 27%. The planned seven point reduction will not be fully achieved until 2005.

As the United States, France and Germany continue to reduce taxes and increase their productivity levels, Canada will continue to fall behind. Canada currently holds the unenviable position of having the highest personal tax rates as a percentage of GDP of all the G-7 countries. Canadian tax rates in the manufacturing and service sectors are becoming the highest in the G-7, as rates in those countries continue to decline. Moreover, the \$86 billion in new government spending announced on budget day clearly demonstrates that the priority of the federal government is to continue to increase its program spending, which is exactly the wrong thing to do.

The government claims to have taken decisive action in paying down the national debt, but its current commitment of \$3 billion annually pales in comparison with the \$13 billion handed out in the form of grants and contributions each year. Even at \$3 billion a year, it will take 191 years to retire the debt. Meanwhile, half a percentage rise in interest rates would increase charges to the national debt by \$5 billion annually. We know that interest rates are starting to rise.

Investors take small comfort from the tepid measures found in the federal budget. In fact, bold measures are needed to restore confidence in the Canadian economy. I agree with leading Canadian economist, Pierre Fortin, when he advised that the best answer for Canada's declining standard of living is to cut taxes and pay down debt.

Investor confidence is a very important factor as companies seek profit and increased productivity in this globally competitive environment. Unfortunately, the signals generated by government policies over the past 30 years have not instilled the confidence required to increase that investment necessary to improve our productivity and standard of living. As a result, the percentage of foreign direct investment coming into Canada has steadily declined over the past several years. Even Canadians are increasingly looking beyond our borders for better opportunities for investment.

From 1988 to 1998 foreign direct investment flowing out of Canada rose more than six times. Meanwhile, incoming foreign direct investment rose only two and a half times. In fact, by 1997 Canada had become a net exporter of foreign direct investment.

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Among other things, Canada's productivity decline and government policy have led to the Canadian dollar becoming very weak and some companies are relying on it to remain competitive. It is a poor way to try to get ourselves out of this problem.

• (1110)

As Jim Frank from the Conference Board of Canada said:

Surely to goodness. . . If 68 cents was a good idea, why don't we try 50 cents? Depreciating our currency will not serve us well. . . . At some point there is a relationship between the cost of stuff we import and consume and our currency—

I want to sum up by saying that Canada is the second largest country in the world. It has a vital pool of human and natural resources. We have untapped potential for growth, but we need the proper environment to nurture that prosperity. I am confident that Canada can regain that prosperity and competitiveness; however, it will take strong leadership by government to do that. Our solution 17 on tax reform is a way to show confidence and we intend to introduce a confident budget when elected in the House of Commons to form the government.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to rise to speak to Bill C-32, an act to implement certain provisions of the budget.

Having closely examined each component of the latest budget by the Minister of Finance, we reached exactly the same conclusions as we did on February 28 when it was brought down. We have much criticism to level at it.

I would like to make one aside about the size and importance of the surplus to come. The people listening to us need to understand that when we refer to the surplus we mean the overpayments the taxpayers of Quebec and of Canada have made to the Minister of Finance. This has merely gone to swell the annual surpluses that are largely used for government propaganda. This money is also used to grease the palms of friends of the party, also known as looking out for one's buddies. The government has no control over at least part of this money.

The surpluses the Minister of Finance is projecting for the next five years are in the order of \$90 billion or \$95 billion. Knowing the Minister of Finance and how he loves to fiddle with the figures, and knowing how in the past he has deliberately hidden the true situation of public finances, the validity of his estimates are suspect.

It would be more accurate to speak of a cumulative surplus, over the next five years, of more than \$140 billion. For the employment insurance fund alone, despite the decrease in contributions in the last budget and the one before it, there will still be a surplus of

more than \$6 billion. Employers and employees are, therefore, paying too much in the way of contributions.

Worse still, the majority of workers who pay into the fund while employed are excluded from benefits. Only 42% of the jobless can benefit, although 100% of them contributed while employed. This is a disgrace. This is why there are stupendous surpluses every year in the fund, like the average of \$6 billion annually over the past three years.

We were expecting a thorough reform of employment insurance. My colleague, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, introduced a general proposal to reform the employment insurance plan. Under this proposal, all the bias in the plan, all the harmful aspects of the plan that the Bloc Québécois has criticized so often, all the elements preventing the people who should benefit from the employment insurance plan from doing so could be totally and readily corrected.

It would even be possible to set aside a bit of a surplus annually to ensure there would be something of a cushion in the event the economy slows down. The cushion in the employment insurance fund for the past four years has been over \$26 billion. That is a lot. This is robbery, because the federal government does not put a cent into it anymore. The employers and the employees pay.

Worse yet, those who contribute the most, in these two categories of taxpayers, are the small and medium businesses and the middle income workers, because of the ceiling on contributions.

Not only are the SMBs penalized by the federal tax system, especially compared to big business, not only are middle income workers penalized by the tax system and the various programs they cannot access, but they are obliged to pay more than their share of contributions to employment insurance.

• (1115)

While the Minister of Finance has surpluses coming out his ears and polishes his image as the possible next leader of the Liberal Party of Canada, it is appalling that this man is responsible for really botching a policy that had in the past made Canada an example in the area of social programs.

This man, with his ambitions for the leadership of the Liberal Party of Canada, has ruined the work of a number of important politicians before him. He has wrecked the employment insurance plan. He stayed firmly seated on his fanny when he was asked to reform the tax system to make it a little fairer. He did not do anything for the poor. He let the ship drift. Let us not forget that he is a shipowner first and foremost, before being a Minister of Finance.

This man's ambition is to become the leader of a country. Imagine the catastrophe that could result if he were at the helm.

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People often forget that he is the one responsible for the increase in poverty since 1993, because of all the cuts he made to employment insurance and social programs.

Considering the surpluses that are coming out of his ears, we expected the Minister of Finance to fully restore transfers to the provinces for social assistance, higher education and health. But no. The minister earmarked only \$2.5 billion, over the next three years, while everyone was asking him to allocate \$3.7 billion immediately and to continue to do so every year.

This is far from restoring federal transfers to fund health, higher education and social assistance to the levels they were at before the man responsible for this chainsaw massacre came into the picture.

For social housing, \$54 million has been earmarked. The minister was boasting, saying "I care about the poor". It is hypocritical to present things like that. The minister gave \$54 million when he knew full well—because of the representations that had been made to him, by FRAPRU, among others—that a minimum of \$1.7 billion this year was required for a minimum number of social housing units.

Let us not forget that even if money has been put into social housing since 1993, it is not for new units. It is not to meet the needs of thousands of Quebecers and Canadians who are getting poorer because of the Minister of Finance. It is to maintain housing that has already been built. That is the difference. There is also quite a difference between \$1.7 billion and \$54 million.

I have a few words of congratulation for the Minister of Finance with respect to the indexing of the income tax tables. Since 1993, the Bloc Québécois has been calling for the income tax tables to be fully indexed. Why? Because taxpayers are being robbed. Although the Minister of Finance does not rise in his place, when bringing down the budget, and announce that he is raising taxes, the government's coffers kept filling up at an incredible rate because, since 1994, he has ignored our requests to index the income tax tables.

And what has been the result? Since 1994, the Minister of Finance, who has visions of leading the nation, has taken in \$17 billion of taxpayers' money—taken in and stolen, it boils down to the same thing—because there is no indexation. He might deserve some praise for what he has done in this year's budget, but it took seven years and \$17 billion stolen from taxpayers before this Minister of Finance decided to act. This is unacceptable.

Those who are worst off and those in the middle income category will have to wait longer for tax breaks. With Canada's social policies scrapped, the worst off will benefit later from this huge sacrifice. The middle income earners, who have had billions squeezed out of them to eliminate the deficit and build up the surplus, will have to hold their breath too.

Do people realize what the real tax reduction will be this year and next for a couple with one child earning \$20,000? The tax savings for this couple will be \$106 this year and \$269 the next—not even a dollar a day. The tax savings for a couple with two children with a family income of \$35,000 will be \$115 this year and \$195 the next. If this is not thumbing their nose at people, what is it?

• (1120)

A couple with two children and an income of \$65,000 saves \$485 in taxes this year, and \$500 in 2001, which works out to about \$1.25 a day. This is really laughable. However, the buddies of the ship-owning Minister of Finance, with their annual incomes of \$250,000 or more, will benefit this year from a tax savings of \$4,785. Next year, another \$3,500 will have to be added to that figure, because the 3% surtax is going to be gradually eliminated.

We look at this on top of the enormous scandals at HRDC—the \$3 billion hole, and that is just the amount we know about—the Placeteco affair and the creation over the years of no fewer than 80 government bodies which have no obligation to report to parliament in any way and which have a budget allocation of more than \$10 billion, over which we have no control. We look at this mismanagement, this misuse of funds that could have gone to the disadvantaged and the middle-income earners. We look at the Minister of Finance greasing the palms of his little buddies, and we cannot do otherwise than to regret this latest budget and all this pretence at lowering taxes.

In light of the analysis I have just presented, it can be seen that, yes, there were tax reductions, but for the millionaires, the peers and buddies of the Minister of Finance. It is possible that these shipowners do pay taxes elsewhere, but not in Canada.

[English]

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is a pleasure to rise today to speak to Bill C-32, the Budget Implementation Act, 2000.

I have spoken in the House in the past about the government's failure to embrace the realities of a globally interconnected, hypercompetitive economy that is writing new rules for the game of economics. We do not write those rules. In fact we ignore those rules at our own peril.

The government continues to play by yesterday's rules and to foster the types of programs that were dubious 20 years ago but today are recognized as being downright wrong. It refuses to embrace some of the elements of tax reform and deregulation that are necessary to prepare Canadians to embrace these realities, not just to compete globally but to succeed globally.

I will speak to some specific elements of the Budget Implementation Act, Bill C-32. The first is the increase of the basic personal amount. In the budget the government is proposing to

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increase the basic personal amount by \$100 this year. This works out to be a tax cut of about 33 cents per week or \$17 per year. That is about four cups of Starbucks coffee over the next year for Canadians. I am sure Starbucks and all Canadians are grateful to the government for this grudging, belittling, ridiculous insult of a tax relief.

The plan we are looking at would effectively raise the basic personal exemption over a period of time to \$8,200. The fact is that in the U.S. the basic personal amount at which one begins to pay personal income taxes is not hit until about \$11,000 Canadian. We are taxing the poorest of the poor in Canada. We call ourselves a kinder and gentler nation, but the fact is that in the U.S., our neighbour to the south, the greatest economic superpower in the world, there is actually more compassion extended to lower income Americans relative to the tax system than what is afforded to Canadians by our tax system.

The Progressive Conservative Party task force which reported in January would raise the basic personal amount to \$12,000. We would like to see that amount raised further, but there is a huge difference from \$8,200 to \$12,000. It would liberate a number of Canadians from the Liberal tax regime which is attacking them at the very lowest levels of income.

One of the greatest disappointments in the budget was the failure of the government to commit significantly to increasing Canada's health and social transfers.

• (1125)

I do not need to remind anyone in the House that the Liberal government devastated health care in Canada by making draconian slashes to health care, by reducing health care funding and by putting health care in a crisis in every province in the country.

For the government, the finance minister and the health minister to be condemning provinces as they try to work creatively under the stress created by the government's draconian cuts to health care and social transfers is hypocritical at best.

The government has been the Dr. Kevorkian of the Canadian health care system. Through its indifference to the provinces and its failure to fund properly health care in Canada, the government has effectively almost euthanized the Canadian health care system or the capacity of the provinces to provide the type of health care system Canadians need in an increasingly expensive health care environment. If the federal government wants to play a meaningful role in working with the provinces and determining the future of health care in Canada, it had better come to the table with its chequebook.

There was a time that health care funding in Canada was shared 50:50. The federal government would provide 50% and the prov-

inces would provide 50%. At that time there was a real partnership between the federal government and the provinces. There was some legitimacy to the notion that the feds and the provinces could work together on seeking new and innovative solutions to health care.

Currently some estimates are that federal government contributions are down to as low as 13%. It is very difficult if one is only paying \$1.30 of \$10 worth of gas to tell the driver where to take the car. The government is refusing to step up to the plate and provide adequate funding and leadership to address the complexities of health care in this very complicated period.

When the Canada Health Act was first introduced, health care realities were fairly simple. Since then pharmaceutical costs have increased to about 30% of total health care costs in Canada. Most pharmaceutical costs are covered privately. With the rising cost of pharmaceuticals and the increasing rate at which the pharmaceuticals are comprising our overall health care spending, we already have a two tier health care system. The federal government is not addressing the rising cost of pharmaceuticals and the composition of total health care costs as comprised by pharmaceuticals.

The federal government is not addressing the biotech industry. Increasingly there are very advanced and complex approaches to health care, almost to the extent that miracles are possible. However the cost of these health care miracles is immense. We have to address what could actually be considered ethical issues and work with the provinces on them.

Is it possible to have universal access to all new and advanced therapies and treatments? Has the federal government worked with the provinces to estimate what the cost would be to provide to each and every Canadian with the total and utter extent of treatments that are available to them in today's global health care environment? These types of things have to be considered.

Currently our health minister is sounding less like a health minister and most like an electioneering politician. Unfortunately, until we see some real movement of the federal government on the part of both the finance minister and the health minister on the health care funding issue, I would suggest that Brian Tobin, Premier of Newfoundland and former Liberal cabinet minister in this House, is correct when he says that the government has missed the boat by not reinvesting significantly in health care.

• (1130)

Across Canada the medical associations, nurses associations and provincial governments all agree that the federal government has to take a more proactive and aggressive approach to health care in Canada. It has to either butt out or butt in with more money for

investing in health care. Clearly the budget missed the point on that.

In terms of the government's failure to embrace the importance of general tax reform, it is important to point out that our competitors in every country in the industrialized world are using tax reform and tax reduction as a vehicle to greater levels of economic growth and opportunity for their citizens.

Over the past 10 years Ireland's GDP on a per capita basis has increased by 92%. During the same period of time the American GDP per capita increased by around 20%. Canada's GDP per capita increased by an anaemic 5%. Clearly, as citizens in other countries are getting richer, Canadians are getting poor.

Productivity is the currency of the economic environment. If we are allowing Canada to fall behind, effectively we are reducing the standard of living of all Canadians not only now, but well into the future. The Royal Bank of Canada's chief economist, John McCullum, predicted not so many weeks ago that under current trends Canada's standard of living would be approximately half of that of the Americans, that within 15 years our standard of living would be reduced to half of that of Americans.

The brain drain is a damning barometer of the performance of the government. Over the last several years the number of people leaving Canada to seek opportunities elsewhere in other countries has gone from 16,000 per year to approximately 100,000 per year. That is happening under the stewardship, or lack thereof, of the government.

It is not just a matter of tax tinkering based on Liberal focus groups and short term political polling. We need significant levels of tax reform focused on doing what is right for Canadians well into the next century, not simply poll monitoring focused on Liberal fortunes in the next election.

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, it is a pleasure to speak to the budget brought forth by the government.

Once again the finance minister and his spin doctors are using five year projections to exaggerate his changes and to sell benefits to Canadians. It is too bad the government cannot be straight with the public over just what the budget will or will not do for the citizens of this country.

With a little more integrity and honesty the government would have to inform the Canadian taxpayer that the announced tax cuts for this year will already have been eaten up by recent increases in the price of fuel to operate our motor vehicles. After all, the tax cuts amount to about \$10 a week and we have all seen how much we now have to pay each time we pull up to the pumps.

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With a little more clarity the government would tell Canadians that the increase to the Canada pension plan premiums on January 1, 2000 was one of the largest tax grabs in the history of this country. The government sings the praises of its \$10 per week tax cut, but says very little about the \$8 a week tax increase to cover its mismanagement of the Canada pension plan.

With a little more sincerity the government would inform Canadians that it has done little if anything proactively to address the \$576 billion debt. The government keeps putting off the reduction of the debt for some rainy day far into the future. The finance minister has survived this albatross around our necks solely because of the pace of the economy. Should the economy ever slow down or even recede, we will be in big trouble for not paying our bills when we had surplus capability. It is unfortunate when we have a Prime Minister and a finance minister who put off this problem until some time when they are no longer around to tackle the consequences of their inaction.

As I say, the spin doctors have worked overtime to sell this budget but Canadians are not buying. It is no wonder politicians are ranked so unfavourably by citizens. Even the government after years of good fortune and years of fancy bookkeeping now admits that our revenues are greater than our expenditures.

• (1135)

I mentioned the fancy bookkeeping or creative accounting and bring up the millennium scholarship fund as just one example. It is still a wonder how the country's chief accountant was able to write off a future year's expenditures in his current financial year. At least we now have a balanced budget even in the eyes of the finance minister and his strange accounting practices.

With a balanced budget the surtax should have been eliminated. After all, its only reason for being was to address the deficit. The deficit has been eliminated but the surtax remains and will only be finally removed sometime in the future. This reminds me of the GST. The government makes promises but fails to fulfil them.

I fully appreciate that the budget process is primarily about the money held by the government on behalf of its citizens. Maybe the government should recognize this fact occasionally. It seems to think the money belongs to it, the Liberal Party. Not too long ago the Minister of Veterans Affairs had the temerity to imply that the tax department was a Liberal Party institution. I always assumed that government departments were supposed to operate independently of the political arm of government. Perhaps he let the cat out of the bag as to the real truth in Ottawa. I would hate to think so as Canadians already have enough reasons to despise the tax collector.

Getting back to the budget and the money process, the Minister of Finance spends a great deal of time allocating money to this department and that department, but he does not spend a great deal of time ensuring the problems are corrected or that ministers are

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efficient and effective with their allotments. There appears to be little concern when the Minister of Human Resources Development admits to billions of tax dollars having been expended with hardly any checks and balances to ensure that we obtained value for the money invested. It appears the government views the taxpayer as a bottomless pit as the finance minister added to the problem in this budget by giving HRD more money to waste. As the saying goes, only in Canada you say. HRD should have been dramatically reduced in funding instead of being rewarded. It is a disgrace.

Let us break our budgetary process into very simple terms. Over the next five years the Minister of Finance projects he will have in excess of \$119 billion from his excessive taxation policies. We all know how conservative the minister becomes when he projects his revenues. There is at least \$119 billion that taxpayers are being forced to pay in excess of what this money grabbing government needs to operate. This includes the billions of dollars that are mismanaged, written off as bad debts and spent like the proverbial drunken sailor. There will be \$119 billion of excess taxation over the next five years.

This \$119 billion includes the \$5 billion per year the finance minister continues to overtax through the employment insurance fund. There is a surplus of \$30 billion in the fund but the government continues to overcharge workers in order to fund pet projects. The minister likes to point out cuts to employee and employer contributions over the past number of years. The simple fact is that there is an enormous surplus and there is absolutely no valid reason to continue to overtax workers.

The minister should be absolutely ashamed of his actions. He overtaxes citizens to the tune of \$119 billion and then tries to buy them off by giving back a few tax breaks. The rest is used to perpetuate the Liberal legacy of spend, spend, spend. And we wonder why we are \$576 billion in debt. And we wonder why we are facing a brain drain.

As an aside, I note that the Prime Minister and the Minister of Finance have been noticeably quiet lately about the brain drain. Last year they said there was no such thing. They appear to have finally clued in.

Speaking of being clued in, where was the government prior to the budget? In the budget there was very little for health care. Now the Liberals seem to understand that health care is the highest priority among Canadians. The provinces are in desperate situations and have been demanding to meet with the Prime Minister.

Two tier health programs are now once again threatening our universal health care system. What strikes me as very questionable is that the health minister says that he wants to consult the provinces and additional financial resources are available. If more funds are available, why were they not included within the budget just a few weeks ago? A national plan seems to be seriously lacking.

In essence the government deserves very little praise for its accomplishments over the past seven years. Yes, when it took power in 1993, it faced a very shaky financial picture. Canadians were grossly overtaxed, government was far too big and we were in a deficit position as the revenues were less than the expenditures. The government likes to blame the Mulroney government for all our financial ills, but I seem to recall that it was the Trudeau Liberal government that started us on this downward spiral that will take generations to rectify.

● (1140)

Through a little bit of cost cutting but primarily through a significant change in world economic growth and significant tax increases to an already overburdened taxpayer, this country was able to balance the budget. Canadians owe very little to the Liberal government for our present economic outlook. The deficit was conquered solely on the backs of Canadian taxpayers.

I would like to go on especially on such an important topic as the budget but my time is limited. I would like to mention the new money provided to the RCMP and I would like to talk about border security problems. In both cases the government has put more money to the problems.

The government created the financial disaster within the RCMP when it gave members a long overdue raise in salary but then forced the organization to fund the raise from its existing budget. This resulted in the closing of the training academy and resulted in shortages to the extent that the RCMP had difficulty in putting fuel into its vehicles and even into buying tires for its cars.

As to the border security problems, money is not the sole solution.

Unfortunately, the government has no other solutions to the problems of the country. There is no plan. There is no vision. We continue to ride on the seat of our pants and hope that the problems are solved by themselves. Canadians expect much more. The government has gotten very old and very tired.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am pleased to rise today to speak to budget 2000, which may be described as failing to meet the needs of the people and should have taken into account all the problems facing the people of Canada and Quebec.

The federal government failed to do a very important thing: to restore the social transfers throughout Canada. In 1995, \$48 billion in cuts to the social transfer to the provinces were forecast; in 1999, we have reached \$30 billion in cuts. This is money for health, education and income security that has been cut.

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We would therefore have preferred to see happen what we have called for on a number of occasions, namely the return of the Canada social transfer to better support the provinces, which provide the frontline services to the public. So, \$3.7 billion a year was sought by the Bloc Québécois even before the budget was presented. What the Minister of Finance delivered was \$2.4 billion over five years, in trust, for the provinces to spend as they need.

We know that this practice of the government of putting money in trust for health does not permit the provinces to develop a long term strategy to better meet the needs of the public. At present, the health program is in a state of crisis everywhere in Canada, and it is often said that the need is greater than our ability to meet it. Still, some money will need to be invested after the government has reconsidered its way of doing things in the health sector.

In light of such factors as the ageing population, the new techniques to adequately deal with emergencies and health problems, and the increase in poverty, which requires more prevention work than in the past, I say that we now find ourselves in this situation because the government has been accumulating a social deficit and letting the public down for six years. This is why the situation is so disastrous in the country.

Because of all the cuts made to the Canada social transfer, Quebec has been experiencing a shortfall that has prevented it from hiring 3,000 doctors, 5,000 nurses and 5,800 teachers. Let us not forget that income security recipients could have received an extra \$500 annually.

• (1145)

This is a federal government initiative that is far from pleasing the provinces, which are faced as a result with increased demands and an acute problem in health and education. The school drop-out phenomenon tells us that we need more teachers, helpers and educational psychologists.

The federal government's underfinancing has been condemned by a number of stakeholders in health and education. Social rights advocates also demand a greater degree of fairness to ensure adequate financial assistance.

So, regarding the Canada social transfer, it is a big zero in terms of this government's social concerns. This is the mark that I would give to the Liberals.

We noticed a second thing about this budget. It is unacceptable that the government has not budgeted on EI. The Bloc Québécois, through the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, proposed a series of bills that would improve the government's approach to eligibility for employment insurance. It is no longer insurance when six people out of ten do not qualify. And there are all sorts of reasons why they do not.

We wanted to adopt a reform that would take the market into account, but here again I think we have our heads in the sand. What we are seeing now is people trying to cope with insecure and atypical jobs with few social benefits. When people no longer have EI to help keep them afloat until they find another job, it is a disgrace.

The government knows perfectly well what is needed to correct the situation. We know that in the meantime Treasury Board coffers are brimming over with more than \$30 billion from the pockets of workers and employers throughout Quebec.

This is unacceptable and, once again, we know only too well that what the federal government likes to do is build up its revenue and its room to manoeuvre with an eye to an election so that it will get the biggest political bang for its buck.

So, there is EI and the Canada social transfer, and I would add social housing. It is unacceptable to see how the government has, since 1993, totally abandoned the help families and single mothers have been calling for, along with low wage earners who can no longer afford to pay the rent, and who often have to pay 30%, 40% and even 50% of their incomes to keep a roof over their heads.

These are alarming figures to the percentage of the population, of single parents and low income families who cannot find a decent place to live at a price they can afford.

In December, with great fanfare, a project was announced which will include the homeless and the street people. There was talk of a bill that would involve the major cities of Canada. As far as Quebec was concerned, there was talk of Montreal and Quebec City, but there was nothing for the regions. The project is being re-evaluated. Now they say there would probably be something for the regions as well.

With \$305 million over three years, this is merely a drop in the bucket given the pressing need. It is hoped that the program which has been created will also take into account the realities of Quebec as far as assistance with social housing is concerned. All Quebec community groups comprising the membership of FRAPRU are calling for 1% of the budget, which represents \$1.6 billion yearly, for five years.

• (1150)

This is a far cry from the \$8 billion the various organizations, and we in the Bloc Québécois, had called for in order to properly deal with the social housing issue.

The groups have received the message of the Minister of Finance loud and clear, when he plays to the crowd at major international conferences, talking of how we must think of the disadvantaged, that globalization should apply to the poor as well as to the rich, that poverty must be taken into account.

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It is unacceptable that, despite the three measures in which the government had room to manoeuvre—much more than what was done in the last budget—to properly respond to the whole problem of the gap between the rich and the poor, nothing was done.

In another area, that of taxation, the tax tables have been indexed. The government did not go far enough in cutting the taxes of low income earners. A single person earning \$20,000 will pay \$2 less in taxes in 2000-01. The person will pay a huge \$14 less in taxes in 2004.

Here again there is very little for people with low incomes. There is nothing either for people on welfare, nothing for those wanting better care or prevention. In the meantime, the Liberal government wanted to ensure it had a lot of manoeuvring room in an election period, so that it could spend for home care and for other forms of help. I always say that the federal government is more concerned with being returned to office in an election than with going after the real problems and, in the end, meeting the needs of the people.

I am currently touring Quebec to listen to what people have to say on the problem of poverty and the social safety net. Clearly, the federal government is evading its responsibilities to provide proper funding in this area through channels of investments; funding is inadequate and often non-existent. That is what we see.

The Bloc Québécois said that there was \$95 billion in surplus, but I believe the figure is much higher. The government should have given us a social budget, and not—

The Deputy Speaker: I apologize for interrupting the hon. member, but her time is up.

[*English*]

Mr. Richard M. Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, speaking of the very sharp contrast between the tax and spend Liberal federal government and the fiscally innovative and prudent way that the Government of Ontario, the Mike Harris Tories, runs its finances, I want to remind the federal Liberals of something that is occurring in the country right now. I want to read this for their benefit.

An article in the *Globe and Mail* yesterday stated “Ontario is on top of the world. Canada’s economic heartland has put behind it almost 30 years of deficits, decline, bad government, unsound investments and painful restructuring and emerges as one of the most successful economies in North America, and in the world”. This is from the *Globe and Mail*, which is known to be somewhat friendly to the Liberal government of late.

The article went on to state “The latest calculations in finance minister Ernie Eves’ fifth budget reveal that the province’s

economy last year grew by 5.7%”—and get this, Mr. Speaker—“better than anyone had expected, better than anywhere else in Canada, better than in the United States, better than any nation in the group of seven”. Imagine that.

• (1155)

Why are the citizens of Ontario blessed with such an incredible economy? Let me give an example. The article continued “Ontario celebrates the economic fruits of four years of measured, comprehensive income and property tax reform”. Translated, that means tax cuts.

“Thanks in part to those tax cuts, real disposable income over the past three years in Ontario increased by 11.6%, double that of the rest of the country. Corporate profits rose last year by 22.3% and real consumer spending rose 4%. An economy like that can generate 200,000 net new jobs in a single year”, which, surprise, surprise, Ontario did in 1999.

Contrast that with the Liberal government. Since 1993 there have been somewhere in the neighbourhood of 50 to 60 individual tax increases. The average disposable family income has decreased since 1993 by over \$4,000. The average disposable income of Canadian workers has decreased by about \$2,200.

The Liberals simply do not get it. They believe that the way to increase the tax revenue in government coffers is not to cut taxes, like most people in the real world would assume, to stimulate the economy. If taxes were cut citizens would have more money in their pockets to spend. Consumer spending would increase. Investors would invest in the economy, set up manufacturing plants and create jobs.

No, the Liberal philosophy is “We will simply hold the magic tax lever. In order to balance our budget we do not really have to grow the economy. We will let Ontario do that for us, or in spite of us. We will just wring that money out of the people of Canada, the businesses of Canada and the investment community”. That is what they have done.

That is how they got the money to balance the budget; not through prudent fiscal planning, but riding on the backs of the province of Ontario and the province of Alberta.

When Mike Harris and Ralph Klein formed their governments they said “We are going to get the finances of this country in shape. We are going to use a tried and true formula which we know has worked in numerous jurisdictions and countries around the world”.

That formula is simply this. Lower taxes equal a more buoyant economy. Higher taxes equal a sluggish economy. The government picked the first one. It was so simple, but the government does not get it.

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In the last budget the finance minister claimed that he was going to give Canadians \$58.4 billion in tax relief over five years. That sounds pretty good on the surface. We could almost get excited about it. Here is the real truth. From a \$58.4 billion gross tax relief claim, we have to take away \$7.5 billion over five years for social spending, which is the child benefit. Then we have to add to that \$29.5 billion in increased CPP premiums because the Liberal government, which for so many years, unfortunately, has been in office in this country, has mismanaged the Canada pension plan since 1965 when it was introduced.

This is a good one. The solicitor general is going to love this one. The government has said that it will provide \$13.5 billion in tax relief. It plans to schedule \$13.5 billion in tax relief over the next five years. It plans on doing this but it will not do it so that it means \$13.5 billion in tax relief or a tax cut.

• (1200)

For the benefit of the former parliamentary secretary of finance, the Minister of Health and the solicitor general, here is a simple formula. Let us say that I was a taxpayer earning \$1 a year and paying taxes on that. The government says that it will, let us say, give me 13.5% in tax relief. I say “Whoopee”. However, what it means is that the government will not increase my taxes by 13.5% and therefore I will have a tax break. I look at my pay stub and say “Gee whiz, I did not get a tax break. All I got was no increase”. In Liberal terms that somehow translates into a tax break.

Let me talk about a couple of other things that the Liberal government has told us about its budget and the way it runs the country fiscally. All through this it has tried in vain to portray itself as being the caring and generous party of Canada. In the meantime, since 1993 it has cut \$25 billion out of the Canadian health and social transfer. Does that sound like a caring, generous government? I do not think so.

Mr. Speaker, I know that you are a wise person sitting in that chair and I know that you probably get it before some of the ministers here. This generous, caring government cut \$25 billion out of the CHST.

The government says it will end bracket creep. That is not a reduction in tax. It only means that a regular scheduled tax is again not going to occur. All the time the government has blown its spending budget. Every year since 1993 it has spent more than what it said it would. It basically adds up to a Liberal sucker tax cut, if I can use that term, or, in better terms, a no break tax break.

Canadians are waiting for it and they have not received it. While they look at the performance of the provinces of Ontario and Alberta, they say to themselves “Why does this Liberal not get it? Why can it not follow the example?” I hate to tell working Canadians but this government has never gotten it and never will get it. The only way Canadians will get substantive tax relief is by

electing in the next federal election a Canadian Alliance government to sit on that side and bring in the tax cuts that they so dearly deserve.

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, it is indeed a pleasure to rise today to speak to the government’s budget implementation act, Bill C-32, mostly because it gives the members of the Canadian Alliance another chance to poke holes in that big myth out there that the Liberal government is a prudent manager of the nation’s tax money, to use the finance minister’s term.

The fact is that a number of words may be used to describe Liberal economic management. I would use unimaginative, intrusive, counterproductive, ad hoc and so on, but prudent is not a word that fits the real story of this budget or any other in the last few years.

Bill C-32 has a number of components that taken in isolation can be argued to have or not have merit depending on the application. As a whole, they reveal two things about this Liberal government. It really does not have a clue about what it takes to build a greater country and it has no intention of giving up its ability to dictate and intrude in the lives of Canadians or in the activities of the provincial governments. He who has the money makes the rules.

• (1205)

Let us look at these pieces. On the positive side of the ledger is a provision for one year versus the now standing six month maternity leave. This is a nod to the fact that parents should attend to the raising of their children in the first crucial months of their young lives. However, since only about 30% of Canadian mothers qualify for the six month maternity leave now, it really begs the question: Why increase it? Why not put 60% into the six month slot? This leaves single income families, self-employed parents and many part time workers out of that loop.

There is a better solution, solution 17 to be exact, and I will get to that a bit later.

There are provisions in this legislation to give the Minister of National Revenue more authority—scary fact—to pounce on Canadians who are either trying to avoid the GST-HST levy or are having trouble figuring out what to charge it on. The rules keep changing. I know the members opposite will say it is the former. This measure is just meant to catch the unscrupulous. When did a qualification like that ever slow down a tax collector? The examples of ordinary, law-abiding Canadians, small business people, who find themselves in a kangaroo court over paperwork screw ups or whatever are legion. We cannot expect that to improve until the whole system is overhauled.

In any case, what happened to the Liberal promise to scrap or get rid of the GST? Seven years later the GST is dinging Canadians for

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over \$46 billion a year. Out of that figure, it gives back \$24 billion in rebates, which makes one wonder why it takes that much in the first place. Why not reduce it to 5% or take it off things like reading materials or whatever? That would require imagination and political will and we do not see that. Let us not forget that the Liberal government was supposed to scrap the whole thing anyway. We should not expect any action on this very soon. We will have to continue to pay it.

I want to make another point about the GST before I move on. In the 1995-96 budget the finance minister pre-booked nearly \$1 billion for transitional assistance to provinces that were going to harmonize their sales tax with the GST. The problem was that at the time no one had signed on to this harmonization scheme and of course no money changed hands that year.

In 1996-97 the Canada Foundation for Innovation received \$800 million before it even existed. In 1997-98 the millennium scholarship fund received \$2.5 billion. This money walked out the door despite the protests of provinces, opposition parties and even the students it was supposed to help.

In 1998-99 almost \$4 billion in pre-booking went on, including \$2.5 CHST funding that does not actually get to the provinces all at once but over four years. That is not a very big amount when we break it down over four years. We cannot make a big splash unless we are willing to throw a big wad of taxpayer money overboard.

The big problem is that the finance minister's shenanigans throws into question the real state of the country's books. The auditor general attaches a reservation to the accounts, which is the harshest criticism an accountant can level at the government. He saw that the Liberals were deliberately overstating the deficit and using taxpayer money for the very political purpose of making grand, empty gestures and claiming to be wonderful managers. There was no money for tax cuts or debt reduction. Just monuments and increased spending.

Members opposite like to defend the government's largesse by saying that it is spending on education. In reality, only 7% of university students in this country get in on the millennium gravy train and many of them have discovered that the taxpayer money from the feds only displaces money from other sources. That is a big point. There are bursary and scholarship programs out there already. Why invent new ones unless we are trying to build a monument to somebody, and the Liberals do such a poor job of it.

I know a 14 year old student from my riding who has qualified for a \$16,000 scholarship to a very good school in Montreal. His parents have recently found out that they have to pay \$4,000 in income tax for him to qualify for that scholarship. The government gives with one hand and rips it back with another. The family is beginning to find out that they cannot afford to send their child to

that school. It is cost prohibitive because of the tax law. This is absolutely ridiculous.

In section 3 of this bill, the federal government has to take back the Canada student loans. A story circulated a few months ago that banks would get over \$100 million to pay for defaults and costs. I can tell the House that my constituents were upset to hear that the billion dollar banks would be bailed out with taxpayer money. It turns out that the federal government pays a premium to these banks for them to co-operate in the student loans program. The situation remains murky as to who pays what in the end. The new program may cost \$155 million versus the \$75 million under the previous set up. This is more taxpayer money flushed. The *Montreal Gazette* reported on that.

We are aware that students are carrying \$9 billion in loans right now and, despite publicity to the contrary, most students do pay back their loans. They are good citizens.

• (1210)

Considering the long term value to the economy of higher education, one would think that the Liberals would come up with a better plan than to place responsibility for doling out this money in the hands of the overworked HRD ministry, as we see in part 3 of the bill.

If the federal government feels compelled to join with the provinces in the education field, or compete with them, which seems to be the Liberal way, then it should offer a plan to alleviate student debt rather than add to it.

In view of the HRD track record, what assurances can we have that money will only go to people in need and to encourage our best and brightest to pursue legitimate courses of study? After all, this is the same government that defends the funding of dumb blonde joke books, porno films and displays involving dead rabbits.

There is a bright side, I guess, for the students, and I suspect the burdensome finance minister's tax system has a secondary purpose. By driving our best young graduates down to the United States, he assures them that they can make more money, get to keep more of it and pay back their Canadian student loans with a more valuable dollar. Our dollar is worth less than 67 cents today.

If I thought the finance minister was that clever maybe I could find an excuse to applaud him. However the real reason for the complex, archaic, confusing and unworkable tax system, which Bill C-32 barely tinkers with, is that it continues to allow the Liberals to indulge their overarching ambition to control the lives of as many people as they can.

Taxes are not just government revenue, they are power; power to pick losers out of the marketplace and keep them limping along, and power to reward loyal supporters. The old adage that the

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government picks losers and losers pick government is certainly reinforced in a lot of the things being brought out in question period lately.

It is not a prerogative that the Liberals are about to give up because they distrust individual choices. They fear entrepreneurship and they despise the fact that provinces, like Ontario and Alberta, are succeeding with 21st century politics while the Liberal government is stuck trying to make its 1960's policies work.

Part 6 of the bill includes provisions for eliminating bracket creep. It also raises the foreign content restrictions on RRSPs. That is great for the Liberals. Welcome to the 1990s. These ideas have been kicked around for the last 10 or 12 years. If we allow them to borrow more of our policies like that, we might even nudge them into the next century, though of course they would not be on that side of the House to enjoy it. The Canadian people will leave them behind.

The Liberals seem to think that the tax changes they are making are in isolation in the country. Unfortunately they are not. We are still coming up short when it comes to the G-7 ratings and most of the other countries around the world. They are making changes far faster than we are, and in the right direction.

My colleague from Medicine Hat has long been advocating the removal of the foreign content restriction on Canadian savings plans. While this country has incrementally lost ground to the U.S. economy, Canadians have been penalized billions of dollars in lost opportunities. Now that the stock markets everywhere are becoming increasingly volatile, the Liberals say "feel free to risk your retirement in other countries". They are a day late and a dollar short, but even worse, they have the nerve to turn their stubborn vices into a new found virtue.

We have been warning them for years that bracket creep was eroding the values of Canadian tax deductions, even while their own experts complained that Canadian net incomes were falling. Finally they decided to come clean and try to take the credit for reforming one aspect of a flawed tax system. Some \$10 billion have been unfairly raked in by bracket creep alone. One million low income Canadians were dragged onto the tax rolls while another two and a half million found themselves paying outrageous rates on their few dollars of earnings.

The Liberals will want us to congratulate them for lower taxes but I am afraid we will have to hold our applause. Like all promises by this government, lower tax rates are today's headline and tomorrow's excuse.

Solution 17 will work to fix all this, and part of that solution 17 is increasing the basic personal deduction to \$10,000 for both the husband and wife. A \$3,000 credit for every child, real values.

Anyone who believes the government's budget spin should take a reality check. People should look at their pay stubs and judge for themselves. The real measure is whether or not we are gaining or losing.

Mr. Derrek Konrad (Prince Albert, Canadian Alliance):
Madam Speaker, I am glad to be here to speak on Bill C-32 today. Although we are close to the end of the debate, it is good to get one's two cents worth in, particularly right after tax season when it is all that many Canadians will have left as a result of the tax and spend policies of the Liberal government.

We just had a budget introduced in Ontario that gives significant tax relief. On the heels of that budget, there was a dinner in Toronto last night at which every leader of a major Conservative-minded, Conservative policy political party, were in attendance. We note that the leader of the Tories at the far end of the building was not there. We thought maybe Joe Clark did not consider himself to be a Conservative. We have been saying that for quite some time.

• (1215)

The reason our taxes are so high is that the Liberal government is not really in control of spending. Since I am deputy critic of Indian affairs I thought I would talk about some of the uncontrolled and misdirected spending occurring in that area with which I am most familiar.

In committee recently it is interesting to note that members of all parties have begun to speak out on the mismanagement of resources and the wasted lives of Canada's aboriginal people despite massive government spending that is equal to or exceeds the amount spent on other Canadians. Spending on elementary and secondary education of Indian children is in the region of \$976 million annually. This is second only to social assistance in the amount of \$1.097 billion. That is a lot of money. The money spent on education amounts to 21% of all spending by Indian Affairs and Northern Development.

In chapter 4 of the latest report of the auditor general he pointed out that money spent on aboriginal education was not being properly accounted for. The report makes statements like:

Actual education costs are not known to the Department.

The report goes on to say:

It is noteworthy that education funding and costs may be different from each other. For example a March 1999 study concluded that it is not possible to determine how education funds provided by the Department for First Nations schools are actually spent. . . We reported similar concerns in our previous audits of funding arrangements between the Department and first Nations.

I note the use of the plural of audit. In section 4.65 he says:

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We could not find any separate cost per student analysis for First Nations elementary and secondary schools; nor could we find information that identified per student costs paid directly to provincial authorities.

I have spoken to a couple of school boards in my riding about that same issue, where funds have not found their way to the school board responsible for educating the children who have moved in off the reserve. It is getting to be a major issue. Moving on to section 4.66, the auditor general again raised the issue of funding by saying:

—methods used to allocate funds from the Department's headquarters to its regions are based largely on information that was developed at least 15 years ago. The Department has no updated analyses.

What can I say? That 15 year old information is still being used to base spending. The Minister of Finance is raising funds to transfer for Indian education based on 15 year old information, which is a complete waste of taxpayer money.

Special needs students are a special responsibility of society, and here is what the auditor general reported on this area:

In one region of Canada the amount spent on special needs children was \$581 per year for all students. In another costs range from \$2,047 per special needs student to \$65,650 although there was no mechanism in place to ensure that the needs of those students were being met.

What can we say about that? Why should Canadian taxpayers be happy about statistics like those? These figures are not out of the air. They are actual statistics used by the auditor general in making his report.

• (1220)

The finance department collects taxes from all Canadians to fund education for Indians. It is necessary to ensure that the taxes and other funds collected are well spent. Mismanagement of public funds is one of the main reasons taxes are so high. Repayment of Canada's national debt which stands at almost \$580 billion is negligible.

We have been speaking about the money side of it, but the numbers only tell half the story about Indian education. The latest auditor general's report uncovers a human tragedy. Students are just not getting the education they need to succeed in society. Their dropout rates are far higher than normal. They are not moving from high school into jobs.

The dropout rate before completion of grade 9 is 18%, whereas the rate for all Canadians is 3%. For Indian youth between the ages of 18 and 20 who left school the rate is 40% and 16% for the Canadian population. For Indian youth between the ages of 18 and 20 who graduated the rate is 30% whereas for all Canadians it is 63%. The population with at least a high school education is 37% for Indians and 65% for all Canadians.

Canadians are paying a lot of money in the form of the millions of dollars the finance minister's bracket creep has brought into the taxation system. This includes people from the first nations and immigrants. It includes all taxpayers from teenagers with after school and evening jobs to people past retirement age who are still working and everyone in between, the rich and the poor. People have been pushed into higher tax brackets and are paying more and more money for results that just do not amount to anything. It is a disaster for the human beings involved in this kind of program. We should all be ashamed of it. I certainly am.

What can we say about the government when it comes to other things like debt repayment? Does debt repayment amount to anything? Not at a bit. No homeowner or businessman would be permitted to take such a cavalier attitude toward debt reduction.

Let us imagine what would happen if people with mortgages on their houses were permitted to tell the bank how much they were going to pay. What would happen if they could walk into a bank, reach into their pockets or wallets and pull out some change? What would happen if they counted out a few bills, tossed them down and said that is what they were paying on their home mortgages? They would not even get out of the bank without the manager grabbing on to them and saying that they need to sit down, sign something and make a plan to get out of debt.

When people get too far in debt I am told counselling is available. Maybe we should send the finance minister for counselling to figure out how to handle Canada's debt. The government is putting a mortgage on the future of our young people. Anybody who deals in mortgages knows that is a dead hand, that we cannot move. That is the way of the future.

Unless the Minister of Finance gets a grip on Canadian taxation and allows the economy to get moving, we will pass on to our children a non-performing economy and a country that will be better to leave if future economic prospects mean anything. The best alternative is a Canadian Alliance government, and that is what will happen after the next election.

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

Some hon. members: Question.

The Acting Speaker (Ms. Thibeault): The question is on the motion. Is it the pleasure of the House to adopt the motion?

• (1225)

Some hon. members: Agreed.

Some hon. members: No.

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

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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.

And the bells having rung:

The Acting Speaker (Ms. Thibeault): The vote on the motion will be deferred until Monday, May 8, at the end of Government Orders.

* * *

PROCEEDS OF CRIME (MONEY LAUNDERING) ACT

The House resumed from May 3 consideration of Bill C-22, an act to facilitate combatting the laundering of proceeds of crime, to establish the Financial Transactions and Reports Analysis Centre of Canada and to amend and repeal certain acts in consequence, as reported (with amendment) from the committee, and of the motions in Group No. 2.

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

Some hon. members: Question.

The Acting Speaker (Ms. Thibeault): The question is on the amendment to Motion No. 2. 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 yeas have it.

An hon. member: On division.

(Amendment agreed to)

[*Translation*]

The Acting Speaker (Ms. Thibeault): The next question is on Motion No. 2, as amended. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Ms. Thibeault): I declare Motion No. 2, as amended, carried.

(Motion No. 2, as amended, agreed to)

[*English*]

The Acting Speaker (Ms. Thibeault): The next question is on the amendment to Motion No. 3. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

The Acting Speaker (Ms. Thibeault): I declare the amendment carried.

(Amendment agreed to)

• (1230)

[*Translation*]

The Acting Speaker (Ms. Thibeault): The next question is on Motion No. 3 as amended. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Ms. Thibeault): I declare Motion No. 3, as amended, carried.

[*English*]

(Motion No. 3, as amended, agreed to)

Mr. Jim Abbott: Madam Speaker, I rise on a point of order. If I am not mistaken, the vote on Motion No. 3 will apply to Motion No. 4. I need clarification of that.

The Acting Speaker (Ms. Thibeault): The vote was on Motion No. 3, as amended, and therefore Motion No. 4 is adopted.

[*Translation*]

I will now put the motions in Group No. 3 to the House.

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Mr. Richard Marceau (Charlesbourg, BQ) moved:

Motion No. 8

That Bill C-22, in Clause 71, be amended

(a) by replacing line 32 on page 37 with the following:

“71. (1) The Director shall, on or before Septem-”

(b) by adding after line 40 on page 37 the following:

“(2) The report referred to in subsection (1) shall include a copy of the instructions and regulations governing the exercise of powers and the performance of duties and functions under this Act which could affect human rights and freedoms.”

[*English*]

Mr. Bob Kilger: Madam Speaker, I rise on a point of order. I think you would find, if you recognized the Parliamentary Secretary to the Minister of Finance, that we are ready to move an amendment to the motion put forward by the member from the Bloc Québécois.

The Acting Speaker (Ms. Thibeault): I propose that I read all the motions in this group and then I will recognize the parliamentary secretary.

Mr. Roger Gallaway (Sarnia—Lambton, Lib.) moved:

Motion No. 9

That Bill C-22, in Clause 71, be amended

(a) by replacing line 32 on page 37 with the following:

“71. (1) The Director shall, on or before Septem-”

(b) by adding after line 40 on page 37 the following:

“(2) The annual report stands referred to the committee of Parliament that is designated or established for that purpose. The committee shall review the report and the operations of the Centre and report to Parliament within 90 days after the tabling of the annual report by the Minister or any further time that Parliament may authorize.”

[*Translation*]

Mr. Richard Marceau (Charlesbourg, BQ) moved:

Motion No. 10

That Bill C-22 be amended by adding after line 40 on page 37 the following new clause:

“71.1 (1) The Director shall, on or before September 30 of each year following the Centre’s first full year of operations, submit a report to the Privacy Commissioner on the measures taken by the Centre to ensure the confidentiality of any personal information obtained in the course of its operations.

(2) The Commissioner shall, within three months after receiving the report, submit to Parliament the Commissioner’s opinion on the report.”

• (1235)

[*English*]

Mr. Roger Gallaway (Sarnia—Lambton, Lib.) moved:

Motion No. 11

That Bill C-22, in Clause 72, be amended by replacing lines 1 to 9 on page 38 with the following:

“72. (1) This Act and the regulations made thereunder shall cease to have effect five years after the day on which section 98 comes into force.

(2) Within four years after the day on which section 98 comes into force, this Act and the regulations made thereunder shall stand referred to the committee of Parliament that may be designated or established for that purpose. The committee shall, within one year, undertake a comprehensive review of the Act, the regulations and their administration and submit a report to Parliament including any recommendations pertaining to the continuation of, or changes to, the Act, the regulations or their administration that the committee wishes to make.”

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.) moved:

That Motion No. 8 be amended by replacing all of the words after the words “(2) The report referred to in subsection (1) shall include” with the following: “a description of the management guidelines and policies of the Centre for the protection of human rights and freedoms”.

The Acting Speaker (Ms. Thibeault): The amendment is receivable.

[*Translation*]

Mr. Richard Marceau (Charlesbourg, BQ): Madam Speaker, the purpose of the amendment that was moved, which was then amended by the Parliamentary Secretary to the Minister of Finance, is to ensure that parliament has a good idea of the rules and policies adopted by the centre so that it can better play its role as guardian of human rights and freedoms.

• (1240)

[*English*]

The Acting Speaker (Ms. Thibeault): If we were to vote now, we would be voting on Motions Nos. 8 to 11 inclusive, without the possibility of a new motion.

[*Translation*]

Mr. Richard Marceau: Madam Speaker, I rise on a point of order. I am perhaps mistaken but I thought we were debating only Motion No. 8. If that is not the case, I wish to move amendments to Motions Nos. 9 and 11 moved by the Liberal Party member. If the question is not just on Motion No. 8, I wish to continue to avail myself of my right to speak.

The Acting Speaker (Ms. Thibeault): Yes, I think that is an entirely understandable error. We are now debating Group No. 3. It includes Motions Nos. 8 to 11 inclusive. If the hon. member wishes to continue speaking, he has seven minutes and 48 seconds left.

Mr. Richard Marceau: Madam Speaker, we agree with the spirit of Motions Nos. 9 and 11 moved by the member for

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Sarnia—Lambton, but we wish to make a slight amendment so that it is not parliament as a whole but the House of Commons which has authority over such matters.

I therefore move:

That Motion No. 9, in paragraph

(b), be amended by replacing the word “Parliament” with the following:

“the House of Commons”

In addition, I move:

That Motion No. 11, in paragraph

(b), be amended by replacing the word “Parliament” with the following:

“the House of Commons”

I believe these amendments improve the bill by stipulating that elected representatives, members of the House of Commons—we all know the esteem in which the member for Sarnia—Lambton holds the other House, and I am sure he will agree—oversee the process and not people appointed to the Senate.

The Acting Speaker (Ms. Thibeault): The amendments moved by the hon. member are in order.

• (1245)

[*English*]

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Madam Speaker, I am rising today to speak to the third grouping of amendments to Bill C-22, in particular Motions Nos. 9 and 11.

I want to say first that I support the bill. We all know there is a need that has been agreed upon both nationally and internationally to combat money laundering. It is a global phenomenon. Enabling and co-ordinating the efforts of different law enforcement agencies through a centralized body such as would be established by this bill certainly is not in question.

I should also say that the amendments I have proposed do alter the bill. I would ask my friends opposite who have proposed a subamendment to think about what my amendments in fact say because I do not believe that we are saying anything differently. I would ask them to consider the following points.

The reason I have proposed these amendments is that I have very specific concerns about the lack of a role for parliament, in particular the House of Commons, in the oversight of the centre established pursuant to the bill, and the limited accountability to parliament, in particular the House of Commons, on the part of the Minister of Finance for the centre's practices. However that certainly is not a criticism of the minister.

My amendments attempt to redress what I would characterize as an undermining of what some would call backbenchers' rights by a bill that allows for too little accounting of actions undertaken in the name of Canadian citizens by the centre. My amendments do not attempt to micromanage or second guess the daily activities of the centre. They attempt to provide a role for members of parliament to monitor the means used by the centre to fulfil its mandate and also to enable members to scrutinize periodically the effectiveness of the policy that underlies Bill C-22.

My first amendment modifies the reporting obligations of the centre's director. As it now stands the director must submit an annual report to the Minister of Finance on the centre's operations for the preceding year. The minister would then table the report to both houses of parliament within 30 days.

Merely tabling the report in parliament does not provide members the opportunity to seriously consider the effectiveness of the centre's activities. It does not enable them to question officials from the centre. It does not permit members to monitor the centre for potentially abusive practices. This is particularly troubling to me, given that some of the witnesses before the committee described the bill's breadth as excessive and the powers reserved for it as potentially sweeping. Legal experts testified that the danger of abuse of power is real and that the safeguards they foresaw in the bill might not be adequate to forestall such abuses.

My amendment proposes an additional step to the formal report made under the current legislation to the Minister of Finance, that it be reviewed by an appropriate parliamentary committee. I understand the desire of my friends opposite to have the bill say it is the House of Commons, but if we look at this, the amendment in fact says that it be reviewed by an appropriate parliamentary committee. It could be designated as a committee of the House of Commons. It is very rare that a committee of the Senate would take upon itself such an activity. It could be referred to a committee of parliament that has been established for that purpose.

I would also point out to my friends opposite that the traditional role is for the finance committee to carry out those sorts of things. In some respects I can understand the fear they have that the Senate will come into this but our tradition shows that will not happen.

• (1250)

Requiring a committee to make a report of its own would obligate, I would suggest to my friends opposite, members of parliament to study the effectiveness of the centre. It also would permit concerns to be addressed to the director of the centre and his officials as well as raise any problems that may not have been seen when the bill was created. That is not a very radical idea. I am not in any way suggesting that members could ask who they are investigating, how they are investigating or anything of that nature.

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It would simply be about where the money is going, how it is being spent and whether it is working.

I have also proposed changes that would add a sunset clause to the provisions that would give effect to the bill limiting those provisions to a period of five years, just like the Bank Act. To quote from the proposed amendment, the sunset clause would require a parliamentary committee to “undertake a comprehensive review of the act, the regulations and their administration and submit a report to parliament including any recommendations pertaining to the continuation of, or changes to, the act, the regulations or their administration that the committee wishes to make”. This process already exists in the Bank Act. It would have to be completed so that new re-enabling legislation could be introduced to parliament. It is very simple. It would have to be considered, voted and acted upon within five calendar years of the time that this act is given royal assent.

Such a provision would allow members of this place to further scrutinize all the aspects of the money laundering act. The sunset provision would also allow changes to be made as new law enforcement techniques are discovered and more important, as different ways of money laundering emerge. There will certainly be techniques and ways we cannot even foresee or imagine today especially with the emergence of electronic technology. In short, I would call it a guard against statutory rust-out. It is a Ziebart provision, if I can call it that.

I said at the beginning of my remarks that this bill undermines backbenchers' rights because we are creating it, giving it regulatory powers, and there is a reporting provision. We know this is not the only piece of legislation that has short-circuited the rights of members in this place. Over the past number of decades, we the backbenchers have witnessed a decline in means of participation in and influence on the great public policy debates. We have little ability to influence new legislation as it is being drafted in the faraway reaches of this place. Nor do we have a parliamentary committee structure that enables members to adequately influence the course of action taken or even to hold ministers to account.

It has become a common practice here to time allocate legislation so that it does not get bogged down in the House. While it is important to ensure against parliamentary gridlock, not having adequate time to debate legislation in some ways invalidates our roles as legislators.

These impediments do not only have implications for our jobs as lawmakers or legislators. Most important, it dangerously weakens the link between those who govern and those who are governed. Important questions about the true nature of democracy arise. In a parliamentary democracy like ours, we as well as our leaders must be aware that the elected members of the House of Commons are the repositories of democracy in this country. We must at all times be aware of the fact that our obligations must remain to our constituents, to national objectives and the ability for us to ask the kinds of questions that are expected.

In recent times these obligations have become misplaced. Increasingly as a body we are giving up our ability to question, to debate and to propose changes to legislation. By having the sunset clause we will bring that back to this place. The idea of depositing a report with the minister is fine and that minister's depositing it in this place is fine, but we need that other connection for us. That is the ability to bring the person responsible before a committee of parliament and allow us from this place to ask those questions. A committee report on the table here does not allow debate, does not allow questions.

● (1255)

I am simply saying that these amendments are not revolutionary. They just allow for the centre and its operations to be subject to the scrutiny of us in this place. The way it stands, that is not the case. For the department to resist such an amendment is not the correct thing to do. It enables us, the backbench members and those who will come here in the future to have some scrutiny of that operation.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, it is a pleasure to speak to Bill C-22, the money laundering act.

The report stage amendments have been very constructive and helpful in addressing some of the issues I raised when speaking to this legislation earlier. The legislation without these types of constructive amendments would provide a carte blanche, a blank cheque to the new agency which has the ability to effectively pursue activities without any checks and balances and potentially persecute innocent Canadians in the course of its activities.

It is in the interests of accountability and ensuring that the rights of all Canadians are respected and protected against all powerful institutions, particularly these new agencies, whether it is the Revenue Canada agency or this new money laundering agency. We need to ensure that we in the House are vigilant in protecting the rights of each and every Canadian.

My greatest concern, and I raised this when speaking to this legislation earlier, is that ultimately the money laundering agency would have the power to refer information on questionable cases to Revenue Canada. If that is done only in cases where there are reasonable grounds to suspect money laundering is one thing. However, if in a case where there may not be enough evidence to suggest money laundering activities but some evidence of tax evasion exists and the money laundering agency refers the matter to the Revenue Canada agency, that is a very different matter. We need to ensure that with the combination of these two agencies we are not creating a turbocharged Revenue Canada agency that has a greater level of power to pursue and persecute Canadians.

My concern on the Revenue Canada agency as brought forth earlier was that it has the capacity to become an IRS style agency,

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Godzilla the tax collector. The new money laundering agency could augment the powers of an unaccountable agency and make it even more frightening to the average Canadian taxpayer.

The accountability and transparency that would result from the amendments would go a long way to help address a fundamental flaw with the original legislation. I would hope that members in the House will support these amendments and will continue to monitor the activities of these agencies on an ongoing basis.

We do not want to create a system of fear in Canada for the average taxpaying citizen that at the other end of the tax enforcement side we are actually creating a turbocharged Revenue Canada agency. We do not want to tilt the balance against the average Canadian taxpayer who in the past has had to deal with Revenue Canada, now the new Revenue Canada agency, without a lot of defences.

• (1300)

Again, with the new money laundering agency, anything we can do to ensure that its activities are held accountable by some means, in this case by reporting and by some independent analysis and parliamentary reporting and so on, that will all help take the necessary steps in the right direction.

The Progressive Conservative Party would be supportive of the direction of these amendments and hope that other members of parliament would see these amendments as being constructive.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, when I made the amendment on Motion No. 8 I did not realize we were speaking on all the motions. With the indulgence of the House, I wonder if I could speak to Motion No. 8, the motion by the member for Charlesbourg. With some compromise on the government side, we were able to accommodate his amendment which has been dealt with.

The Acting Speaker (Ms. Thibeault): The parliamentary secretary has already spoken to this group, I believe. We can seek the consent of the House for you to proceed. Does the hon. member have the unanimous consent of the House to speak at this point?

Some hon. members: Agreed.

Mr. Roy Cullen: Madam Speaker, the bill already requires that the director of the anti-money laundering centre submit an annual report to the minister and that the minister table a copy of the report in each House of parliament. This is a fundamentally important accountability measure in the bill.

In our view there was no need to add a provision that would require the centre's annual report to be reviewed by a committee of parliament. Parliamentary committees have the right to conduct such a review as they see fit. The motion would merely create a

rigid procedure and timetable for parliamentary review without doing anything to strengthen the accountability of the centre.

With respect to Motion No. 9, we were prepared to accommodate the member for Sarnia—Lambton with an amendment that would strike out the words “and the operations of the centre”. Unfortunately we cannot support the subamendment by the member for Charlesbourg to replace the word “parliament” with “House of Commons”. Unfortunately, we also cannot support the motion by the member for Sarnia—Lambton because we cannot support the subamendment.

With respect to Motion No. 10, the Privacy Act authorizes the privacy commissioner to investigate the centre to ensure that the confidentiality of personal information is being properly protected. The proposed amendment would not therefore provide any additional safeguards. For this reason, I do not support the proposed amendments.

However, we do believe there is merit in having the director report in some fashion on the very important matter of confidentiality. That is why we accepted some revised language to Motion No. 8 which would call for the centre to describe its policies and practices as it relates to the privacy of information of Canadians.

Finally, with respect to Motion No. 11, I believe that the bill as currently drafted strikes the right balance by requiring that within five years of coming into force a committee of parliament review “the administration and operation of this act” and report to parliament. Clause 72 also explicitly requires that the committee's report to parliament include a statement of any changes to the act or its administration that the committee recommends.

The existing provision in the bill will ensure that parliament will re-examine this legislation carefully within five years with a view to considering possible changes to improve Canada's anti-money laundering regime. This is appropriate given the importance of this legislation.

I do not believe that anything would be gained by the amendment proposed by the member for Sarnia—Lambton to the five year review clause in this bill because the bill is already going to be reviewed by parliament within five years. I also cannot support the subamendment by the member for Charlesbourg to strike out the word “parliament”.

• (1305)

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Madam Speaker, we continue with the saga of pulling the bill together with amendments, subamendments, everything happening at the last minute and negotiations happening even at 11 hours and 59 minutes.

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I continue to feel a sense of distress over this bill. We all want the bill to go through so I am begrudgingly recommending to my colleagues that we support these motions. However, there has been so much chewing gum, baling wire and paper clips put to this bill at this particular point I do not have a lot of confidence that we will not see a big problem in three or four years after this bill comes into effect. I am very concerned about that.

I will speak to Group No. 3 specifically. I will also comment on Motion No. 9 by my esteemed colleague from Sarnia, and I say that in all seriousness. I take him to be a very serious and competent gentleman. He has certainly put some very legitimate concerns in front of the House and has a deep concern about this bill. He is a very serious and worthy member of parliament but the problem with his motion is the phrase "and the operations of the centre" contained in that motion.

Why I prefaced my remarks yet again with this business of negotiating at the last second is that if in the procedure the government had seen fit to remove that or to propose an amendment to move that, then my colleague from the Bloc Quebecois could then have entered the motion that he has before the Chamber. The point is that we have to deal with his motion and we could have dealt with the motion against this wording and the operations of the centre. It could have happened and we could have had a clause in this bill that would have in its own small way gone to strengthening the bill. Unfortunately that did not happen. As a consequence, because the member's motion includes those six words "and the operations of the centre", I will have to recommend to my colleagues that we turn down an otherwise worthy amendment.

With respect to the member for Charlesbourg, for whom I also have a great deal of respect, I understand what he is trying to do in terms of talking about parliament as opposed to the government and the whole attitude that there is vis-à-vis the Senate. The Canadian Alliance is certainly in favour of a total revision of the Senate before we afford it perhaps the kind of respect that a chamber like that should have. However, because we want to get this bill through quickly and come up to speed, in spite of the three year delay on the part of the government, I would have to vote against revising the Senate for the very simple reason that we will not have any constitutional change. We will certainly not have this Prime Minister do anything about the Senate. This would have to be included in the motion which we will have to defeat. This is terribly confusing.

On Motion No. 11 the Canadian Alliance generally would be in favour of sunset clauses. As a matter of fact, we have proposed them for bills like Bill C-68 and other very contentious bills that have no proven value. Just to parenthesize that particular bill is completely off track. It is costing hundreds of millions of dollars and going nowhere. There is no sunset clause. Under normal circumstances our party would be in favour of a sunset clause.

However, the fact that this bill, as written by the government, does call for a review in five years, and the fact that money

laundering will not go away in the next five years, I do not think this particular motion would be at all helpful.

• (1310)

Those are the comments of the official opposition. I hope we can get through this without more chewing gum and baling wire because we are getting a little bit low. The confectionery is getting concerned.

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

Some hon. members: Question.

The Acting Speaker (Ms. Thibeault): The question is on the amendment to Motion No. 8. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

(Amendment agreed to)

[Translation]

The question is on Motion No. 8, as amended.

[English]

Mr. Bob Kilger: Madam Speaker, could I verify something with the Chair? In the first instance, we dealt with Motion No. 8. Are we still dealing with Motion No. 8?

The Acting Speaker (Ms. Thibeault): First, we adopted the amendment to Motion No. 8. We are now voting on Motion No. 8 as amended. Is it the pleasure of the House to adopt the motion as amended?

Some hon. members: Agreed.

(Motion No. 8, as amended, agreed to)

[Translation]

The Acting Speaker (Ms. Thibeault): I declare Motion No. 8, as amended, carried.

The next question is on the amendment to Motion No. 9. Is it the pleasure of the House to adopt this 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.

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

Some hon. members: On division.

The Acting Speaker (Ms. Thibeault): I declare the amendment lost.

(Amendment negated)

[*English*]

The Acting Speaker (Ms. Thibeault): The next question is on Motion No. 9. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): I declare Motion No. 9 lost.

(Motion No. 9 negated)

[*Translation*]

The next question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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.

Some hon. members: On division.

The Acting Speaker (Ms. Thibeault): I declare the Motion No. 10 lost.

(Motion No. 10 negated)

The Acting Speaker (Ms. Thibeault): The next question is on the amendment to Motion No. 11. 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.

Some hon. members: On division.

The Acting Speaker (Ms. Thibeault): I declare the amendment lost.

(Amendment negated)

• (1315)

[*English*]

The Acting Speaker (Ms. Thibeault): The next question is on Motion No. 11. Is it the pleasure of the House to adopt the motion?

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): I declare Motion No. 11 lost.

(Motion No. 11 negated)

Mr. Bob Kilger: Madam Speaker, I rise on a point of order. I believe earlier in the debate on this important subject matter there was a recorded division requested on Group No. 1. I think you would find unanimous consent to deal with the matter at this time.

The Acting Speaker (Ms. Thibeault): Does the hon. government whip have the unanimous consent of the House to proceed in such a fashion?

Some hon. members: Agreed.

The Acting Speaker (Ms. Thibeault): The House will now proceed to the taking of the deferred recorded division at the report stage of the bill.

[*Translation*]

The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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.

Some hon. members: On division.

The Acting Speaker (Ms. Thibeault): I declare the motion lost.

(Motion No. 1 negated)

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Hon. Allan Rock (for the Minister of Finance, Lib.) moved that the bill be concurred in.

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

Some hon. members: Agreed.

(Motion agreed to)

Mr. Bob Kilger: Madam Speaker, if you would seek unanimous consent, I believe the House would agree to proceed to third reading of this bill.

Mr. Ken Epp: Madam Speaker, I rise on a point of order, which is one of clarification. It seems to me that the request for a recorded division was made yesterday. Therefore, we should now be ringing the bells to proceed with the vote, unless the whip would specifically ask for the vote to be further deferred.

• (1320)

Mr. Bob Kilger: Madam Speaker, if it would help the House, particularly in addressing the issue raised by my colleague from Elk Island, earlier I asked for the unanimous consent of the House to dispose of the deferred vote that was requested on Group No. 1. I want to assure the member that we dealt with the matter in the best traditions of the House.

The Acting Speaker (Ms. Thibeault): The hon. government whip asked for consent and the Chair did not hear any disagreement to the request, so we proceeded as if consent had been given.

The hon. government whip has asked for consent to proceed immediately to third reading. Does the House give unanimous consent to proceed in such a fashion?

Some hon. members: Agreed.

Hon. Stéphane Dion (for the Minister of Finance, Lib.) moved that the bill be read the third time and passed.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I am pleased to rise at the third reading of Bill C-22.

I would like to thank members for their co-operation and their indulgence. We have dealt with a number of amendments that were presented just days ago, or in some cases hours, and I think we have accommodated a number of the concerns of the members who proposed amendments.

In fairness to Canadians who are watching this debate, the substance of the bill is sound and the amendments will add further clarity to the reporting mechanisms. The amendments will certainly add value to the bill.

In my view it is important that the bill be sent to the Senate and promulgated so that law enforcement agencies and financial institutions can finalize the development of the regulations and the guidelines that will set this initiative into motion as quickly as possible. We know that money laundering will not go away. What we are trying to do with this legislation is curtail the growth and decrease the levels of activity that are prevalent in Canada and internationally.

There have been extensive consultations, not only at committee, but with a number of stakeholder groups. Bill C-22 provides a statutory minimum 90 day pre-publication requirement for any regulation proposed under the legislation and a minimum 30 day notice period if further changes are to be made. This goes well beyond what is provided in many federal statutes and reflects the importance that the government attaches to public consultations in this area.

• (1325)

[Translation]

In the same vein, the House should know about the guidelines that will be given the institutions and the people, who, in order to meet the reporting requirements of this bill, must establish the existence of reasonable grounds to suspect that the transaction is related to the commission of a money laundering offence.

[English]

As we explained at committee, the guidelines will be issued by the proposed anti-money laundering agency to assist with that determination.

Flexibility will be the key word in developing the guidelines and regulations. The money launderers of this world are constantly changing their modus operandi. They are constantly moving into new areas of activity. Therefore, we need to have some flexibility within the regulations and guidelines.

As an example, there will need to be some clear rules around the professions. If an accountant or an auditor is doing a regular attest audit and he or she comes across what might be a suspicious transaction, the legislation does not put the burden on that person to report it. That would create an unnecessary burden. However, if that person becomes party to a financial transaction which involves a suspicious activity or an amount of money defined by regulation, that person is obliged to comply with the legislation. In the normal conduct of professional activities that would not be required. This will be spelled out in the regulations.

Our other G-7 partners are devoting considerable resources and energies to combatting money laundering activities. With this law we will do the same.

At committee we heard very strong representations from lawyers in terms of solicitor-client privilege. The bill specifically calls for respecting solicitor-client privilege. However, we cannot allow the opportunity for lawyers who might be involved in transactions

involving money laundering operations to be exempt on the grounds of solicitor-client privilege. That aspect of this law will be very similar to the law in other jurisdictions.

Bill C-22 targets the financial rewards of criminal activity by creating a balanced and effective reporting regime. It protects the integrity of our financial systems and enables Canada to meet its international obligations while protecting individual privacy. We will have an effective money laundering system in place to ensure that Canada fulfils its responsibility both as the founding member of the financial action task force on money laundering and as a member of the G-8 to co-operate in the international fight against money laundering.

[*Translation*]

Not only are we joining with other members of the financial action task force on money laundering in order to make the reporting of dubious operations mandatory, but our system of reporting will now be equal to that of most of the industrialized countries, including the other members of the G-7, most European countries and many of our Commonwealth partners, such as Australia and New Zealand.

[*English*]

Let us waste no time in passing this legislation. I urge all hon. members to accord this bill speedy passage, as we have done to date. Let us pass this legislation so that Canadians can be protected from money laundering activities.

[*Translation*]

Mr. Richard Marceau (Charlesbourg, BQ): Madam Speaker, it is with great pleasure that I rise today to take part in this debate on the third reading of Bill C-22. I can see that all my colleagues and the pages are eager to hear my remarks and are deeply interested in this debate, which has a major impact on Canadians and Quebecers.

First of all, I cannot help but deplore, once again, the fact that the committee had to rush its examination of the bill.

● (1330)

We heard the last witnesses on Wednesday night at 5 p.m. or 5.30 p.m., and we had to sit the next morning at 9 a.m. to begin the clause by clause review of the bill. It is easy to understand that, after hearing interesting evidence, very intelligent and well documented evidence, members should have been given a little time to weigh this evidence and come up with amendments.

Unfortunately, this was just before our two week recess. We had some time to digest all of this, and we came up with amendments that passed. I hope this will serve us a lesson to ensure that, if we really want to give witnesses who appeared the credit, I would say, that they deserve, the least the hon. members could do is take the time to assimilate and to re-read their testimonies. The quality of

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witnesses who appeared before the Standing Committee on Finance concerning Bill C-22 was particularly impressive.

I would be remiss if I did not tell members of the House that the Bloc Quebecois has probably the most intelligent, balanced, concrete and imaginative anti-crime agenda of all political parties represented in the House. It is an anti-crime agenda that does not fall into populism, into demagoguery, and I think we can see the result with Bill C-22.

I would remind hon. members that the 1997 election platform of the Bloc Quebecois—I know this is almost bedtime reading to you, Madam Speaker—provided for and clearly asked for such a measure to fight money laundering.

Indeed, as early as 1997, even before the federal government introduced Bill C-22 and its doomed predecessor, Bill C-81, the Bloc Quebecois was already working on this issue, holding numerous intensive meetings with different crime fighting agencies. This is only one example. We could give others.

For instance, I introduced a bill to take \$1,000 bills out of circulation. The federal government decided to listen to the Bloc Quebecois and to take them out of circulation to fight money laundering.

We spent a full opposition day trying to get all the parliamentarians in this House to agree to have the Standing Committee on Justice look into the problem of organized crime in Canada. It is a third victory for the Bloc Quebecois.

These three victories are quite impressive. I would be remiss—and I am pretty sure that all the members would hold it against me—if I overlooked the relentless campaign against organized crime that the member for Bagot is engaged in, despite all the risks involved, particularly in his region where farmers live in fear, terrorized by criminal groups who grow marijuana in their corn fields and other fields. It deserves the support of all members of the House.

Those were four specific actions taken by the Bloc, and we claimed victory on three of them. Of course, when we hear the clever and convincing arguments brought forward by the Bloc Quebecois, it is hard to imagine that the House would decide not to follow the lead of the Bloc on this matter.

Coming back to Bill C-22 per se, and I repeat that it was an original idea of the Bloc, it is important to mention that it is indeed an obligation, as the parliamentary secretary for the minister of Finance said, an international obligation for Canada to fight this worldwide phenomenon known as money laundering. Canada meets its obligations in this regard.

On the whole, this is a good bill. The amendments proposed, again, by the Bloc Quebecois bring some pretty major improvements to the bill. I see a number of people agreeing with that. The

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regulative jurisdiction is one of the main problems of this bill. It was extremely broad, and one can understand the logic of all that.

• (1335)

The centre that will be created under this bill will have to be flexible. Indeed, considering the ever changing new technology, it will have to be able to adjust very quickly. This is why the regulatory power is very broad.

We wanted to ensure that not only would the Access to Information Act and the Privacy Act apply, but also that parliamentarians would be properly informed about the centre's operations. This is why I moved Motion No. 8, which was carried with an amendment, but which still ensures that the policies and benchmarks set by the centre are known by members of the House, who are ultimately accountable to the public.

This bill deals, among other things, with the issue of privacy. Given today's technology, that issue can raise some concerns and this is understandable. It is therefore important to give elected members of the House, who are the only ones accountable to the public, at least an opportunity to understand and the authority to ask what is going on in a centre that could potentially have excessive powers.

I congratulate the House, and particularly the Bloc Québécois, which promoted the idea of fighting money laundering and of reporting suspicious transactions over \$10,000. This great victory for the Bloc Québécois is made even sweeter by the fact that several of our amendments were accepted by the House, and for good reason.

Again, the House showed great wisdom in supporting the amendments proposed by the Bloc Québécois. I congratulate the House, and particularly the Bloc Québécois for its excellent work in the fight against crime.

[*English*]

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Madam Speaker, this is possibly the strangest bill I have ever had anything to do with in the eight years I have had the privilege of serving the people of Kootenay—Columbia.

As the solicitor general critic I am fully aware of the consequences of the bill. It will be used basically as a highly sophisticated sieve to be able to look at countless billions of dollars of transactions literally on a daily basis. The bill is a highly sophisticated response to a highly sophisticated problem.

In one presentation during the course of our committee work the law enforcement people showed us a graph with three different pictures. When we first looked at it, it appeared as though there was a yellow sun approximately 30 inches in diameter and there were some notations around its perimeter.

When we looked very closely at it, we realized they were all simply lines. It was much like taking the wrapping off a golf ball and looking at how the elastic band was wound on it. Another section showed a bit closer that indeed they were lines, but they were so complex that it was difficult to perceive any kind of pattern.

A smaller section was blown up to the same size as the original sun and we could see the number of transactions by organized crime they had traced in this one instance to take a look at the money coming in from illegal activities that are dragging down society such as drugs, prostitution and so on. Those activities were detailed in the study by this law enforcement organization. Of everything I saw, the graph was the most graphic illustration of what we are discussing today.

We now have the ability because of the power of computers to enact all sorts of transactions and exceptionally sophisticated transactions on the part of organized crime.

• (1340)

I have been exceptionally critical, and I think rightfully so, of the solicitor general, the finance minister, the Prime Minister and the government for the fact that they have strangled the ability of law enforcement agencies in Canada to come even close to the level of sophistication of which even the most rudimentary organized crime units are capable.

It is not only organized crime. We are also talking about the laundering of money, much of which ends up sticking to the fingers of people involved in terrorism. The new immigrants to Canada, the people who come here to help us build our great nation, the people who see the opportunity and seize it, are most disadvantaged by the fact that the Liberal government consistently strangles the ability of law enforcement to get to the bottom of terrible terrorist organizations that not only plague the world but indeed individuals in Canada.

The speed by which the legislation is going through the House today and over the last couple of days is well warranted. It is something we desperately need to do, but we put that against the fact that over the last three years the government has dillied and dallied. It has dragged its feet and has not got around to giving us the necessary legislation. In just a second I will describe the process that led up to the point where the government finally brought the legislation to the House of Commons.

Unfortunately the legislation has been subjected to crass opportunism on the part of the Liberal government which sees this Chamber and the work of the people here as being worthy of nothing more than being treated as though it were a rubber stamp, as though we do not have a function in the process.

I was elected in my constituency not just to represent the people there. Along with the other 300 members in the House of Commons, we were collectively elected to come here to work on behalf

Government Orders

of the people of Canada. I find it absolutely appalling that the government continuously treats the opposition and this Chamber as though it was a matter of yet another rubber stamp.

I can give an example. I am deeply concerned that the bill will be so egregiously flawed that we will run into the problems in two, three or four years after the bill is enacted and the centre gets going. We will find all sorts of flaws because of the terribly bad process it has gone through.

We have spoken during report stage about the number of things that were going on in the background. First, we ended up with negotiations between all parties on a work schedule. The government will say that the work schedule for the committee was on the basis that we would be hearing witnesses up to a particular point. The hearing of witnesses was to close at 5.30 p.m. one day and at 9 a.m. the next day we would start clause by clause consideration.

For those who are not familiar with how bills go through the House of Commons, clause by clause is exactly that. Every law is made up of any number of clauses to a bill. The number of clauses can be as few as two or three. In most instances there are 100 or more clauses to a bill. Those describe in great detail so that judges, law enforcement officials and interested Canadians can see what the intent was of the people in this Chamber with respect to any kind of legislation.

When we go through clause by clause on any bill there is the government side and, depending on how contentious the bill may be, there is the opposition that will then debate each word, each parse, each phrase and each piece of punctuation to make sure that it is indeed the way the government wants it. Of course at the end of the day the government will prevail. That is the parliamentary process.

• (1345)

What happened in this instance was we had a number of very interesting witnesses who gave all of us pause for concern. They made us stop and realize that we have to make sure that our Canadian legislation reflects the values within the Canadian Charter of Rights and Freedoms.

A witness, a law enforcement official from the U.K., gave us illustrations. I asked him some questions about his illustrations on what was being done in the U.K. We very clearly discovered that if we are going to have the Canadian Charter of Rights and Freedoms, every piece of legislation has to match it. Therefore the bill was working around the restrictions of the Canadian Charter of Rights and Freedoms that many of our ancestors or relatives of our ancestors currently living in the U.K. do not have to work around. We realize in every jurisdiction in all of the G-7 countries and any of the signatories to any of the agreements with respect to money laundering that there will be different platforms that legislation will be working from.

We listened to different professional agencies. We listened to businesses that were going to be affected by the legislation. We had some very thoughtful presentations from most of the presenters. One or two of the presenters we collectively found were a bit over the top but that is fine. That is their right and their privilege to come before us in committee.

Against the 2,000 or 3,000 lawyers the government has in the justice department, the solicitor general's department, the finance department, every government department, against the 2,000 lawyers the government has on its side who could be taking apart this testimony, the official opposition has one lawyer. Count him. There is one lawyer who is basically responsible for three different ministries, that is 2,000 to one in terms of strength.

I acknowledge that the work schedule was agreed to by all parties, my party included, but when we came to the conclusion of this process it was very evident that the work schedule was no longer workable. That we were going to be hearing witnesses at 5.30 p.m. on Wednesday and at nine o'clock in the morning on Thursday we were supposed to be prepared to do clause by clause study was clearly and specifically unworkable. I drew that to the attention of the parliamentary secretary.

In good faith I went to that committee session. My colleague from Charlesbourg went to that meeting. We both basically said that we needed more time. The member from Sarnia who was at the meeting actually put forward a motion that we needed to have time over the two week parliamentary break when members are at home working with their constituents. That period of time would give our lawyer an opportunity to take a look at the testimony and to parse it to see how it related to all of the clauses.

The government saw fit to vote down the motion put forward by the member from Sarnia over the objections of three members of the opposition. Therefore we did not take part in the clause by clause study. The reason I did not take part in the clause by clause study was that quite candidly I was not prepared. I have not received counsel. This is an exceptionally complex bill. I say again it is going to screen countless billions and billions of currency in and out of Canada. I wanted to be prepared. There was no way I could be prepared.

Let us fast forward to bringing this matter to the Chamber yesterday. What a disgraceful display that was. This was brought into the Chamber yesterday while we were still in the process of discussions. As a matter of fact I recall the clerk at the table stood to introduce Group No. 1 and the Speaker at the time began to read the motions. We were all running back to our seats halfway through negotiations as to how we were going to be handling the various amendments.

We got into the process and then the Liberals ended up discussing things with the Bloc Québécois, which is entirely their privilege. I do not think much of that myself but I do think very much of the fact that I represent Her Majesty's Official Opposition. We

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were left out of any discussions of that type. All of a sudden the government was presenting motions to the Chair which the Chair could not receive.

• (1350)

I say for the third or fourth time this bill is basically responsible for acting like a highly sophisticated sieve involving countless billions of dollars on a daily basis and we are running around giving motions from the Government of Canada that the Chair cannot receive. It is no wonder I asked that the debate be adjourned. It was only logical. It gave the government an opportunity to get a breather.

What a disgraceful display for a government of a G-7 nation to come forward with this kind of vital legislation and to do it in such a slipshod way. It has been the height of folly. It has been absolutely frustrating to try to perform my duties on behalf of Her Majesty's Official Opposition when we have seen this type of chewing gum and baling wire.

As I pointed out on Group No. 3 that was just passed, again the government member from Sarnia presented a motion to amend the bill as written. That is what can happen at report stage, just so the people who are not familiar with the parliamentary process understand. That motion actually had some merit. I think it would have strengthened the bill not in a large way but certainly in a small way, and for something as sophisticated as this bill every little small part helps.

What happened? The member included a phrase that unfortunately was unworkable. The phrase would have caused a situation where the centre that will be doing the work would have to reveal far too much detail in public, and I understand that. My understanding in conversation with the member from Sarnia is that there had been agreement that he would agree to the removal of that phrase.

My colleague from Charlesbourg for his own very good reasons brought forward an amendment. He wanted to remove the word "government" and insert the word "parliament" thereby freezing the Senate out of the ability of being involved in the five year review of this. This is important.

Had the government been on the ball, and I drew it to the attention of certain government members at the time, and had it inserted the amendment to the motion by the member from Sarnia and then my colleague had put his subamendment, we could have had that improvement to the legislation in the bill. This just happened within the last hour.

Instead the government was remiss and did not do that. As a consequence, as we voted down the amendment by the member for Charlesbourg, we closed off the ability to make the necessary amendment for that improvement to the bill. I just despair for this process.

I have not been involved in a lot of the legislation that has gone through the House in terms of shepherding it through the House for Her Majesty's Official Opposition. I have not been as involved in the detail. Heaven forbid that the the process on every piece of legislation is as messed up as the process that was involved in this piece of legislation has been.

I recognize we are reaching the time when the Speaker will tell us it is time for members' statements. I will want to complete my speech following question period. I will conclude this portion without talking about the substance of the bill, which I will happily do following question period.

I state again that I have the greatest feeling of despair for this piece of legislation because of the fatally flawed process through which it has rumbled through this Chamber. This is where the Senate does come in. God bless their souls over there. They do have the ability to take a look at this legislation. Hopefully they will not go through as badly flawed a process.

• (1355)

The government now wants to get this bill through like greased lightning and wants to get this bill enacted finally after three years. I would hope that if the Senate comes forward with meaningful amendments the government will not take those as hostile and that we will not be involved in another seriously flawed process in the event that the bill ends up coming back from the Senate.

The Speaker: My colleague, of course you are absolutely correct that you still have close to 22 minutes. I am sure it will fit in with your plan to give us the second half of your talk today.

As it is almost two o'clock, we will go to Statements by Members.

STATEMENTS BY MEMBERS

[English]

CANADA BOOK DAY

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, Canadians across the country celebrated Canada Book Day on April 27. To mark this event I had the pleasure of hosting my annual Canada Book Day luncheon on April 19 in my riding.

Attendees included renowned Canadian and local authors Christopher Moore, chairman of the Writers' Union of Canada, and Greg Gatenby, the founder of the Harbourfront Reading Series. Also in attendance were publisher Kim McArthur and Sheryl McKean of the Canadian Booksellers Association. A special guest appearance was made by Professor Stephen Leacock, also known as Neil Ross, while on his whirlwind tour to cheer up Canada and promote literacy.

Founded in 1976 the Writers' Trust of Canada has endeavoured to advance and nurture Canadian writers and Canadian literature. This national non-profit organization has, with Canada Book Day 2000, launched new programs through schools and libraries and a Canada Book Day coupon program.

This day also provides us with the opportunity to recognize the contribution writers make to the cultural richness of Canada and to pass on our previously loved books so that others may benefit.

* * *

LAKE DAUPHIN FISHERY

Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance): Mr. Speaker, I rise today to bring the attention of the House to a very important matter in my riding. Over the past few months the health of the Lake Dauphin fishery has been questioned. Fishing practices and conservation are the issues.

The matter has taken on an urgent sense this spring as some aboriginals have been using gill nets to catch fish during their river spawning runs. This has upset the people of the parkland who have worked hard to stock the lake to ensure it thrives for generations to come.

It should be noted that many aboriginals and first nations leaders do not condone this reckless act toward this precious resource.

The minister responsible for fisheries has a duty to explain to the people in my riding of Dauphin—Swan River how this issue will be resolved.

Does conservation of a natural resource take precedence over an aboriginal fishing right? What does the word sustenance mean when quoting these rights? What are the acceptable methods of carrying out sustenance activities?

* * *

[Translation]

DANIEL RICHER

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, last week, the 20 best town criers in the world were in Bermuda to compete in the tournament held by the Ancient and Honourable Guild of Town Criers.

It is with much pride that I pay tribute today to Daniel Richer dit Laflèche, a resident of Aylmer, who won the title of best town crier in the world, thus becoming the first francophone to achieve this prestigious international distinction.

Mr. Richer won the praise of members of the jury and fellow challengers during his last cry, a ringing tribute to unity and rapprochement at the beginning of the third millennium. A wonderful ambassador for his region, his province and his country, the

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senior crier for Quebec and Ontario, Daniel Richer represents us proudly wherever his voice takes him.

Congratulations to his wife Sylvie, who won the title of most elegant escort at the same competition, as well as their two sons, because of whom the Richer family were able—

The Speaker: The hon. member for St. Paul's.

* * *

[English]

LOUIS APPLEBAUM

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, on April 20, 2000 Canada lost an important pillar of its culture. Louis Applebaum, noted music composer, conductor, arts administrator and champion of the arts, passed away at the age of 82 after a long illness.

Most of us will remember Louis Applebaum's name for his participation as chairman of the Applebaum-Hébert commission, a committee of 18 eminent Canadians who undertook to review cultural policies for Canada.

Mr. Applebaum's accomplishments are legendary. He began his career in 1941 with the National Film Board where he served as music director. After composing for many feature films in Hollywood and New York, he became the first music director of the Stratford Festival. Likewise, he was part of the planning group that led to the founding of the National Arts Centre Orchestra and the Department of Music at the University of Ottawa. He was also a founder of the Canadian League of Composers, executive director of the Ontario Arts Council and president of the SOCAN from 1994 until his death.

● (1400)

The recipient of a Gemini, a Juno, the Diplôme d'honneur, the Order of Canada and several honorary degrees, Mr. Applebaum will be remembered for the many things—

The Speaker: The hon. member for Yorkton—Melville.

* * *

GUN REGISTRY

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, the Minister of Justice appears to be ending up with egg on her face after a recent announcement that her useless gun registry is doing something about reducing firearms crime in Canada.

A bit of an investigation revealed that she has not even bothered to put into force the part of Bill C-68 that requires guns entering the country to be registered. If the minister believes the registry is so important, why was the entire shipment of World War II army

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rifles, which she says was a threat to public safety, knowingly waved through Canada customs without even being registered?

The RCMP advised me that Canada customs does not even tell the registrar about the guns coming across the border. The minister's own research shows that between 200,000 and 300,000 firearms enter Canada illegally each year but are never registered because the minister has not put into force legislation passed in 1995.

Everyone should be wondering why the minister waited for a so-called criminal to register a 1,000 World War II rifles destined to collectors if registration is so important for public safety.

The minister cannot change this mountain into a molehill. This is a billion dollar boondoggle.

* * *

[Translation]

JOE BEELEN

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, once again, I am proud to pay tribute to Joe Beelen, a resident of Dollard-des-Ormeaux, who took part in a one month volunteer assignment in San Petro Sula in Honduras for the Canadian Executive Service Organization, CESO.

Mr. Beelen is representative of CESO's highly qualified volunteers and has several missions to his credit.

His last assignment was to a company manufacturing and distributing pharmaceutical products.

He was of great assistance to the company, helping improve product quality, revising and modifying a number of formulations, and then implementing continuous product updating methods.

He recommended changes to the existing facilities and examined the plans for the proposed new facilities. In addition, he provided advice on administrative aspects of the company.

I congratulate Mr. Beelen and thank him for his devotion. He proudly represents CESO's motto, which is "Sharing a lifetime of experience".

* * *

[English]

NATIONAL PARKS

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, over the past 18 years, over 6,000 animals have been killed by trains, cars and trucks in Jasper, Banff, Yoho and Kootenay National Parks. The victims include grizzly bears, a species classified as vulnerable in Canada, mountain lions, bighorn sheep and wolves. The explanation is that animals are attracted by grain spilled by trains.

Then we have bighorn sheep and mountain lions taking refuge inside the Brulé Tunnel near Jasper.

There are solutions to stopping this wildlife carnage in the national parks. Canadian National Railways could repair leaking hopper cars, clean up spilled grain from the railroads and build fences near the Brulé Tunnel.

Wildlife must be safe and protected when moving in national parks and CN Railways has a responsibility to discharge in exchange for the privilege of using railway tracks through the pristine wilderness of our national parks.

* * *

FOREIGN AFFAIRS

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, the Prime Minister's ill-fated trip to the Middle East on how to embarrass us and weaken Canada's reputation made headlines at home and abroad.

The Liberal member for Wentworth—Burlington has his own take on it. He said that the Prime Minister's Middle East gaffes were actually part of an extremely sophisticated policy testing strategy. He said "I believe the Prime Minister's visit and the remarks he made were a set-up. He was working from a prepared script on behalf of the parties to the peace process".

The member also said that in March 1999 the Prime Minister and the Palestinian leader, Yasser Arafat, struck some sort of secret agreement during their private discuss in Ottawa. He said "The truth of this will emerge after the peace process is finished".

When will the Prime Minister tell Canadians the truth about the secret plan?

* * *

[Translation]

PREVENTION OF MENTAL ILLNESS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, the first week of May is Mental Health Week, devoted to the prevention of mental illness.

Everyone, regardless of age, income, sex, origin or occupation, must feel concerned by mental health promotion within the community.

• (1405)

The World Health Organization defines mental health as the ability to feel, think and act in such a way as to enhance our capacity to live life to the fullest and to cope with challenges. Mental health relates to positive emotional and spiritual well-being and respects the importance of culture, equity, social justice, personal interaction and human dignity.

As an illustration of the significance of mental health, by 2020 it is predicted that depression will rank second among the illnesses representing the heaviest economic burden in Canada.

One thing is certain: mental health depends on solid community and family support networks. Each and every one of us, and all those we represent, are responsible for the quality and viability of these networks.

* * *

[*English*]

GOVERNMENT OF NUNAVUT

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, today I would like to say that the Premier of Nunavut, Paul Okalik, is pleased to be back in Ottawa for a few days on government business.

As hon. members know, the Government of Nunavut celebrated its first year anniversary on April 1, 2000. One year ago the world watched as this historic event changed the face of Canada.

In these last 12 months the Government of Nunavut has demonstrated stability and strong leadership in establishing the policies, programs and partnerships to benefit the lives of Nunavut residents.

Despite the excitement of a new government, there are many challenges facing both the Government of Nunavut and the federal government toward improving the quality of life of Nunavummiut. The federal and the territorial governments must work hard to deal with such significant issues as lack of housing, unemployment and education.

I am very happy to see Premier Okalik in Ottawa meeting with federal government officials to dialogue on the opportunities and challenges facing his territory.

* * *

HEALTH

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, today I had the privilege to join with the National Union of Public and General Employees Women's Committee in their call upon the federal government to invest in women's health care initiatives, in particular, funding a Women's health research institute.

In its recent announcements to provide \$60 million this year for the Canadian Institutes for Health Research and \$500 million next year, the government ignored the majority of users of the system and 52% of Canada's population by not earmarking a single dollar for women's health research.

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Lost in the rhetoric and television ads has been the real health concerns of women. Access to timely, quality health care for women is at an all time low while the provincial and federal governments play politics.

The money is there. The time to act is now to improve women's health care, and Canadian women demand it.

* * *

BRADLEY GASKIN MARSHALL CRITICAL CARE FUND

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, to celebrate their 100th anniversary, Bradley Gaskin Marshall Insurance Brokers Ltd. donated \$35,525 to the Cambridge Memorial Hospital Foundation. This represents \$1 for every day BGM has been in business in Cambridge.

The Bradley Gaskin Marshall Critical Care Fund will support the emergency and intensive care units of our hospital.

Cambridge corporations and individuals have long been known for their compassion and giving. BGM managing partner, Mr. Fred Gaskin, has been generous with his time by providing astute insight and a broad perspective as a member of my Community Advisory Council since 1997.

I congratulate BGM on its centenary and I encourage others in Cambridge to adopt the "dollar a day" concept.

* * *

[*Translation*]

OPPOSITION PARTIES

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, the opposition parties are total cowards.

Before Easter, they did everything they could to undermine the credibility of the Prime Minister in the Middle East. This week, now that he is back, there is barely a squeak out of them.

The Bloc Quebecois feigned concern for Canada's reputation. Yet now that they have the Prime Minister right in front of them, how many questions have there been about his mission? Zero, nada, nil. What a fine example of courage.

[*English*]

With all their attacks while the Prime Minister was in the Middle East, how strange it is that the opposition has not even bothered to ask a single question directly to him about his trip. For example, members opposite, who were so eager to criticize the Prime Minister, were not so eager this week when he was sitting 10 feet across from them.

What does this show? It shows that when it comes down to it, the opposition is all talk and no action.

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• (1410)

*[Translation]***QUEBEC TAX SYSTEM**

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, yesterday, the Minister of Finance said that if taxes were higher in Quebec it was because a sovereigntist government was in power. Perhaps the minister, the pretender to the Liberal throne, has forgotten that the federalists, his Liberal cousins, were the ones to have taxed Quebecers so heavily, while Bernard Landry is lowering taxes.

Perhaps too, taxes are so high in Toronto because the mayor there is a sovereigntist?

Or perhaps taxes are higher in Quebec than in Ontario because of the \$2 billion shortfall in constructive spending by his government? Or because of the refusal to compensate Quebec in the amount of \$2 billion for the harmonization of the GST with the QST? Or the cuts to transfers, a very large portion of which fell to Quebec? Or because the Quebec tax system is much more generous than anywhere else in Canada to the disadvantaged, students, seniors and low income families.

Or perhaps it is because the Minister of Finance is a Liberal, a federalist and rich that the level of taxation by his government requires certain shipowners, including himself, to sail under foreign flag in order to avoid paying tax in Canada?

* * *

CIDRERIE MICHEL JODOIN

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, in 1901, the patriarch Jean-Baptiste Jodoin bought 100 apple trees at the Sunday auction on the steps of the church in Rougemont. From very modest beginnings, this first orchard blossomed over the generations into a thriving business.

In Rougemont, the apple capital, the Jodoin family is known for the abundance and excellence of its apple crop. The art of cider making is passed on from father to son.

Michel Jodoin, the current head of the business, yesterday inaugurated the first micro distillery in Canada. Eleven years of hard work, red tape and research went into producing his very first litres of Quebec style Calvados.

Congratulations to Cidrerie Michel Jodoin, which I encourage you to visit this summer as you tour Rougemont in the riding of Shefford.

FRENCH LANGUAGE EDUCATION IN MANITOBA

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, the Canadian government has once again invested in the future of our young people.

On April 27, the Minister of Canadian Heritage, Sheila Copps, and Manitoba's education minister, Drew Caldwell, reached an agreement in principle to implement special investment measures—

Some hon. members: Oh, oh.

[English]

The Speaker: Order, please. I want to know what the hon. member is saying.

[Translation]

Mr. Reg Alcock: Mr. Speaker, the Canadian government has once again invested in the future of our young people. On April 27, the Minister of Canadian Heritage, Sheila Copps, and Manitoba's education minister—

[English]

The Speaker: That is what I thought. We will hear from the hon. member tomorrow.

The hon. member for Halifax West.

* * *

RESERVE FORCE UNIFORM DAY

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, yesterday throughout our land Canada's reserve force personnel wore their uniforms with pride as part of Reserve Force Uniform Day.

Reservists have served Canada for over a century and serve on peacekeeping and humanitarian missions. On behalf of the federal New Democratic Party, it is my honour to commend all reservists on their commitment to their community and country.

In my riding of Halifax West, reservists played an essential role in the recovery of Swissair Flight 111. Elsewhere, reservists have played an invaluable service throughout Canada, including during the Manitoba flood, the 1998 ice storms, avalanches and forest fires.

I urge all Canadians to take time to say thank you to the reservists so committed to our country. I also urge the Liberal government to pass legislation offering job protection to Canada's reserve force soldiers called upon to serve their country. It is appalling that the government refuses to take simple measures to ensure reservists' jobs would be protected while they are defending the interests of our country.

I also call upon the government not to reduce or eliminate these most valuable components of the military who serve their commu-

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nities and their country so well, but rather to resource and support them fully for the work they do.

* * *

NATIONAL DEFENCE

Mr. Mark Muise (West Nova, PC): Mr. Speaker, as everyone in the House knows, the Minister of National Defence steadfastly refuses to return memorial stained glass windows to the old St. George's Church in Cornwallis because the church is no longer consecrated.

Despite the fact that the church has now been transformed into a new naval museum, the minister continues to ignore the pleas of our veterans who themselves struggled and bought these windows to commemorate the naval personnel who lost their lives during the Battle of the Atlantic.

On May 21 the Royal Canadian Naval Association meets in Cornwallis. Many of these individuals made donations for these memorial windows. When will the minister return these windows to their rightful place?

ORAL QUESTION PERIOD

• (1415)

[English]

HUMAN RESOURCES DEVELOPMENT

Miss Deborah Grey (Leader of the Opposition, Canadian Alliance): Mr. Speaker, yesterday the HRDC minister said that if I had been at committee I would have seen that Deloitte & Touche had endorsed her six point plan. In fact, the minutes of the committee do not bear that out. They said no such thing. In fact, their representative, Mr. Potts, said that his firm never even saw the final draft. He said "We did not perform any review or analysis of that action plan".

Why does the minister not just step aside and take up another profession that she seems to be getting so good at, something like writing fiction? How about it?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us go through this again. From the point of view of the department, making sure that we had an effective action plan to implement was a priority. We drafted a strategy. We contracted with Deloitte & Touche and asked them for their advice. They provided it.

We implemented their recommendation. We provided it to the auditor general. I would remind the hon. member that he said "The

action plan prepared by the department represents an exceptional response, I believe".

Miss Deborah Grey (Leader of the Opposition, Canadian Alliance): Mr. Speaker, on February 2 Deloitte & Touche came out with that scathing report. The minister says that she in fact implemented those plans. That is not true. There were no substantive changes between February 2—

The Speaker: Order, please. I am sure that members could use other terms. I would prefer that we would stay away from that kind of statement for today.

Miss Deborah Grey: Mr. Speaker, I would beg that we would stay away from that kind of action, not just that kind of statement.

She thought that Deloitte & Touche's incredible credibility across this country might just rub off on her. That was a vain hope. It did not. Her claims were not backed up by fact. Deloitte & Touche never even saw the final report. She knows that there was no substantive difference.

Are any of this minister's words to be believed?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let me clarify again that we implemented the recommendations of Deloitte & Touche.

From the point of view of the department, we have a plan that has been encouraged to be implemented by the auditor general and that is being done. On this side of the House we are prepared to take action. On that side of the House they want to stay stuck in the past.

Miss Deborah Grey (Leader of the Opposition, Canadian Alliance): No, Mr. Speaker, we would like to move on to the future.

With that realization, and the substantive changes maybe that Deloitte & Touche talked about, this minister did not implement them and she knows it. Mr. Potts basically said that very thing, that they never even saw the final review. She did not seem to care about it because four days later, on February 6, she pretended that everything was going to be just fabulous in that department. She knew that plan had no credibility and she knew that it would fail.

Why has she told the House and Canadians that she took that advice when she knows perfectly well she did not?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, Deloitte & Touche said that individuals need to understand their responsibilities and expected timeframes. What did we do? Our final plan identifies senior managers as accountable for specific tasks and clearly states commitments and deadlines.

Deloitte & Touche said that the draft plan did not assign overall leadership and responsibility for implementing the plan, so we put

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in place a senior management team to lead the implementation. Deloitte & Touche recommended that we strengthen our information systems. In the final plan we will implement three new information systems, including a new financial tracking system.

We implemented the recommendations.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, yesterday the minister stated in the House that she established a grants and contributions team on the advice of Deloitte & Touche contained in its report of February 2. She said the same thing today.

The program integrity audit released three months ago says that the grants and contributions performance tracking group was launched in September 1999. Why did the minister give the impression that she had taken the advice of Deloitte & Touche when in fact she had not taken any new action at all?

• (1420)

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, in the context of the work of my department in this undertaking it is absolutely clear that it has been made a priority of the senior management team.

The men and women of the Department of Human Resources Development are implementing this plan on a daily basis, working day and night to ensure that the contributions they make in the communities are good ones, to ensure that our accountability back to the taxpayer is clear.

If the hon. member opposite has recommendations to make, why have I received none to date?

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the first recommendation was that the minister resign.

The minister also said yesterday that she put in place a departmental directive on the issuance of payments following Deloitte & Touche's concern that grants may have been paid inappropriately. That was in their February 2 report. But we have a copy of that departmental directive and it is dated January 20, three months ago.

Why is the minister giving the impression to the House that she incorporated the advice of Deloitte & Touche in her six point plan when she so clearly has not taken any new action? Why is she telling people that she has taken action?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, if the hon. member would take the time to visit some of the human resources development offices across this country to see the work that is being done on site, he would see that we have implemented changes. He would see that the men and women who are part of this very important department are working very hard to represent the interests of the Canadian public.

What we see on that side of the House is more misinformation. Clearly they are not interested at all—

The Speaker: I would ask that we stay away from those words. I am sure we could use others.

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[Translation]

CINAR

Mr. Gilles Duceppe: Mr. Speaker, yesterday, an RCMP officer reported that there was a total lack of co-operation between the RCMP and the Canada Customs and Revenue Agency, and he even said that the RCMP had its hands tied regarding CINAR.

How can the government explain the statements made by the Minister of National Revenue, who boasts about the great co-operation between his department and the RCMP?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I can assure my hon. colleague that there is excellent co-operation between the RCMP and this department. There are certain regulations that must be followed and they are being followed. There is excellent co-operation.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we must have misunderstood the RCMP officer, who said yesterday that his hands were tied, that there was a total lack of co-operation and that they had reached an impasse. I imagine it is the minister who has the hot potato in his hands.

How does the minister explain that this government, which asked the Swiss government to violate the financial discretion rule in the Airbus case, is now doing its utmost to prevent any light being shed on CINAR, thus allowing, perhaps, some key players to get away with what they did? Perhaps these people are also friends of the Liberal Party.

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, the government is not preventing anything from taking place. What this government and every government does is let the RCMP do its job. There are laws and regulations in this country concerning what information can or cannot be released.

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, yesterday, RCMP officer Pierre-Yves Carrier said that matters were at a complete impasse in the investigation into the CINAR affair and that he would be able to complete only two-thirds of his investigation because of the Department of National Revenue's lack of co-operation.

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Does the minister realize that because of the impasse created by the department's lack of co-operation, the RCMP, as we heard yesterday from officer Pierre-Yves Carrier, may miss important players in its investigation?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I can say very clearly that there is full co-operation between the RCMP and the Canada Customs and Revenue Agency.

Some hon. members: Oh, oh.

The Speaker: Order, please.

• (1425)

Hon. Don Boudria: Mr. Speaker, as I just said, there is full co-operation. I am certain that Bloc Quebecois members will understand—and if they need proof, they can perhaps ask the member for Chambly, who certainly understands that it is important to maintain confidentiality in revenue files—that there are Canadian laws in place that are still respected by the agency and the RCMP.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, if Bloc Quebecois members had not asked questions about CINAR in the House, if journalists had not probed deeper, if an RCMP officer had not raised the alarm on television, there is a good chance that none of this would have come to light and that, consequently, nothing would have been done to put a stop to these dubious practices. Ms. Charest would probably still be hosting benefit dinners for the Liberal Party of Canada.

Who does the government want to protect? What important players may be missed because of the lack of co-operation of the Department of National Revenue? More friends of the Liberal Party?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, these gratuitous accusations are completely unjustified. The Bloc Quebecois member opposite, like most Canadians I am sure, knows that these accusations are false.

The Government of Canada and the Canada Customs and Revenue Agency are co-operating fully with the RCMP but, at the same time, of course, we are respecting the law as passed by this House and this parliament.

* * *

[English]

HEALTH

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister. Bill 11 is now in its final form in Alberta. The government is faced with a bill that has not been amended in the way that the federal Minister of Health

requested. Many would say that Premier Klein has sentenced medicare to death. The only power in the country that can commute that sentence is the federal government acting decisively to make sure that bill 11 is not implemented.

I ask the Deputy Prime Minister, what does the federal government intend to do to make sure that medicare does not die on its watch?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, we will uphold and enforce the Canada Health Act. We have been proud of our creation of medicare and we will ensure that it continues. We will oppose the concept of two tier medicine which is being promoted, it appears, by the Klein government.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, perhaps the Deputy Prime Minister could tell us then whether that means that in his view bill 11 violates the Canada Health Act and sanctions on the part of the federal government will be forthcoming. Could he be clear about that? Time is of the essence with respect to the possible NAFTA implications. Has the federal government, whether in the department of justice or trade or health, or somewhere, arrived at a point of view with respect to the NAFTA implications of bill 11? Albertans and all Canadians deserve to know this before the bill is passed.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Minister of Health has written to the Alberta minister of health setting out views on bill 11 and what should be done with it. The important thing is that we are committed to upholding and enforcing the Canada Health Act. All should take note of our commitment in this regard.

* * *

PUBLIC WORKS AND GOVERNMENT SERVICES

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, in order to complete renovations on the parliament buildings, public works purchased and renovated the St. Andrew's tower and the East Memorial Building at a cost of \$89 million. It then began spending \$9 million to renovate the justice building so that MPs could be moved in while the House of Commons was worked on.

Why has the minister delayed this work for at least two years, at an additional cost of \$90 million?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, if I understand the question of the hon. member, there has been no delay. Work on the justice building is going as planned. Because of the new communication technology that all members of parliament enjoy we want to make sure that such tools of communication are installed in the justice building before the building is turned over to you, Mr. Speaker, and members of parliament. Work is going according to schedule.

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, the justice building was supposed to have been completed last

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summer; not this year, not next year, last summer. Instead, it will sit empty until the summer of 2001.

• (1430)

The commercial cost of this property is \$25 per square foot or \$3.8 million per month. The total cost of keeping the justice building empty for two years is over \$90 million. Will the minister order the department to complete the work so that the parliamentary renovations can proceed on time and on budget?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, again, the work is on time. I explained why it was taking a certain time to make sure that when members of parliament move to the building they can have the same installation and accommodation as they have in the existing building.

Maybe the hon. member should ask his own House leader who sits on the Board of Internal Economy. Maybe he would understand.

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HUMAN RESOURCES DEVELOPMENT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the human resources minister has been telling the House that she changed her six point plan to correct the serious deficiencies pointed out by Deloitte & Touche.

The firm told the House committee on Monday that the minister's department assured them that the final plan incorporated Deloitte & Touche's recommendations. I ask her to explain why a comparison of the January version with the final version clearly shows that the recommendations were not dealt with in any meaningful way.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is incorrect. The recommendations of Deloitte & Touche were incorporated.

What is interesting here is I recall that the hon. member, when asked by the media about the six point plan, said it is something that should have been implemented a long time ago. Does she think differently now?

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, that was the last time I took the minister's word for anything.

Some hon. members: Oh, oh.

The Speaker: Order, please.

Mrs. Diane Ablonczy: The minister uses the credibility of Deloitte & Touche, but the fact is that the firm never saw the final

draft of her plan. The minister never even let on to anyone that they gave her plan a failing grade, the plan that she was bragging about.

The minister now says their advice was incorporated but there is nothing to back that up. Deloitte & Touche were obviously disapproving of the first draft. Why did the minister not make sure they were satisfied with the final version before using their name as an endorsement?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, Deloitte & Touche was contracted to give us advice on the draft. They did that. We implemented their recommendations and the auditor general, having seen the final plan, endorsed it.

The other thing I would like to point out yet again is that on February 10 I presented that plan to the committee and I asked for committee members to make any further recommendations they would like to see in that action plan. I received no recommendations from that party.

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[Translation]

CINAR

Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, according to Pierre-Yves Cartier, an officer of the RCMP, the hands of the RCMP are being tied by Revenue Canada. This situation is unacceptable.

How can the solicitor general explain that the RCMP, for which he is responsible, is reduced to having to go on TV in order to be able to continue with its investigation and to do its job?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I have been informed by the RCMP that there was excellent co-operation. Under the laws of this country there is some information that can or cannot be submitted from one department to another, but there is excellent co-operation.

[Translation]

Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, can the solicitor general provide this House with a guarantee that the officer who did his job by denouncing the lack of co-operation from the revenue department will not be the victim of reprisals?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I have said a number of times in the House, I am not responsible for the internal operations of the RCMP. I am also not responsible for any disciplinary action that might be taken within the RCMP.

• (1435)

HUMAN RESOURCES DEVELOPMENT

Mr. Maurice Vellacott (Wanuskewin, Canadian Alliance): Mr. Speaker, after watching the minister fumble and stumble for days in question period—

Mrs. Suzanne Tremblay: Why are you minister? Why are you minister if you are not doing anything? You don't have any responsibility.

The Speaker: Order, please. The hon. member for Wanuskewin.

Mr. Maurice Vellacott: Mr. Speaker, after days of watching the minister stumble and fumble in question period the human resources department slyly changed the contents of the six point plan on its website.

Yesterday the six point plan on the website did not mention anything about incorporating the advice of Deloitte & Touche. Today mysteriously it does. There are five words strangely added. Why was the minister trying to alter the record by changing her website?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we added it for the benefit of members of that party. Even though I have told them time and again, day after day that we incorporated the recommendations of Deloitte & Touche, they do not get it. I thought maybe if they read it on the website they would.

Mr. Maurice Vellacott (Wanuskewin, Canadian Alliance): Mr. Speaker, I have read it very carefully side by side. There is no material difference from the draft to the final version.

Deloitte & Touche recommended this. They said "the draft plan does not clearly assign leadership and responsibility. It does not clearly assign to specific individuals the actions they are responsible for. It does not establish timelines, deliverables and milestones. It does not identify the systems and practices needed to monitor progress".

They are not in the final six point plan. If the minister is prepared to change her website contents at the drop of a hat, why did she not amend her plan to include the Deloitte & Touche recommendations?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is wrong. We incorporated the recommendations.

I say again that if the hon. member wanted to make further recommendations for improvements I would have been glad to receive them, but I received none because on that side of the House they are not interested in this issue at all.

They want to cut a billion dollars from people with disabilities. They do not want to help them get jobs. They want to cut a billion dollars for young people, youth at risk who do not have the

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opportunities to find employment that they so desperately need. They want to cut a billion dollars from the grants and contributions program so that those regions of the country that have not been able to benefit from our economic upsurge have got the opportunity—

The Speaker: The hon. leader of the Bloc Quebecois.

* * *

[Translation]

CINAR

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, according to the investigator himself, there are key players who may elude the RCMP in the CINAR affair. There are persisting rumors to the effect that one or more law firms specializing in copyrights and close to the Liberals might be involved in this affair.

What interest does the Minister of National Revenue have in frustrating the investigation?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Minister of National Revenue is certainly not frustrating the investigation. That is totally false.

The Income Tax Act is designed to protect the rights of Canadians to privacy. As a country, we have decided, under our legislation, that the personal financial data collected for the purposes of the Income Tax Act should not be accessible to police forces for investigation purposes.

This is what we decided as a parliament, as an institution. I respect the decision made by this parliament. Some day that decision will certainly be changed, but in the meantime, it is the law of the land.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the parliamentary leader tells us that the act will certainly be changed.

This government cares a great deal about its image. Yet, when we ask questions about Placeteco, we are told that the invoices have disappeared. When we ask questions to the solicitor general, he tells us he is not responsible for anything. When we ask questions to the Minister of National Revenue, he cannot talk.

• (1440)

The RCMP investigator told us that the government's interpretation of the act was very strict and that a more flexible interpretation would allow them to find the guilty parties. This is from a government that asked, in the Airbus affair, that banking secrecy be ignored. Is there not a taint of corruption around this government?

Some hon. members: Oh, oh.

The Speaker: Order, please.

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Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member opposite, the Bloc Québécois leader is stretching the facts somewhat, but I will try to be polite. I do not want to make accusations.

What I said is that, if the Income Tax Act is changed some day, we will certainly comply with it. The law is the law, and we intend to comply with it.

In the meantime, I would ask the Bloc Québécois leader to consult with his colleague, the hon. member for Chambly, who will recognize, as we all do in this House, that Canada's legislation regarding privacy, particularly the data contained in revenue files, is extremely important. The hon. member is well aware of that reality, even if other members of the Bloc Québécois seem to forget it.

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[English]

AIRLINE INDUSTRY

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, as Air Canada continues to consolidate its dominance of the domestic airline industry, the minister claims that Bill C-26 is the only thing to protect consumers.

The competition commissioner stated last fall that it was vital that every opportunity be taken to promote and create competition. Will the minister finally take the competition commissioner's advice and create some much needed competition by addressing the foreign ownership component and Canada only carriers?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I certainly do not disagree with my hon. friend with respect to competition, and that is why we have taken the commissioner's advice. That was the basis of the report that he gave us last fall. It was incorporated into the deal with Air Canada which is being enshrined in the legislation.

We believe that there will be real competition as a result of this bill. We believe that the commissioner has the powers on predatory behaviour and predatory pricing. He will be able to hold Air Canada to account. We do not think it is necessary to surrender our sovereignty any further by raising the foreign ownership limit.

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): It is interesting, Mr. Speaker. The minister could increase competition in a real and meaningful way by getting a couple of his cabinet colleagues to sign an order in council.

Even Air Canada's CEO Robert Milton stated today that he supports and thinks that raising foreign ownership to 49% would be good and healthy for the Canadian airline industry. Why does the minister refuse to consider bringing greater competition into the

airline industry by raising the foreign ownership component from 25% to 49%?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, because of the 10% rule and now the 15% rule Air Canada does not care whether or not it goes to 49%. In effect most of the shares will be owned by Canadians and control will not go to any one group larger than 15%.

What about those other airlines? I ask my hon. colleague to go to Air Transat, Royal Airlines and the charters and ask them if they want to have some U.S. investor come in and takeover those companies. I do not think they want that.

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[Translation]

OFFICIAL LANGUAGES

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, in 1998, 252 complaints were made against Air Canada for failure to comply with the Official Languages Act.

In 1987, the former president of Air Canada, Pierre Jeannot, was aiming to have 24% of Air Canada's pilots francophone. In 1997, only 17% of its pilots were francophone.

Will the Minister of Transport promise before this House that the bill on air transportation will make Air Canada and its affiliates subject to parts V and VI of the Official Languages Act, as proposed in the amendments of the Bloc Québécois?

• (1445)

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, in the bill currently before the House, we have strengthened the provisions of the Official Languages Act.

I invite my colleague to read the bill. The provisions were strengthened, because this government believes in effectiveness and the right of all francophones to equal treatment across the country, even in the air industry.

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[English]

RURAL DEVELOPMENT

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, the federal government is committed to respect the unique perspectives and needs of rural Canadians. Can the Secretary of State for Rural Development tell the House what the federal government has been doing to respond to the unique challenges faced by rural Canadians?

Hon. Andy Mitchell (Secretary of State (Rural Development)(Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, I was pleased today to table the first

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ever report to parliament on rural Canada called "Working Together in Rural Canada".

It is part of our rural dialogue where we have engaged some 7,000 rural Canadians to tell us what their priorities are in rural Canada. This dialogue was continued this past weekend in Magog where we had an opportunity to bring in 500 rural Canadians from across Canada. In fact we had representatives from all political parties, except the Canadian Alliance which did not show up.

Quite frankly, rural Canadians themselves are telling us what their priorities are. The report indicates how we are responding. I look forward to the comments from rural Canadians and parliamentarians on that report.

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HEALTH

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, thanks to the government's unilateral cuts to medicare, hospitals across the country have been forced to scale back core services which were supposed to be covered by the Canada Health Act.

Instead of paying his fair share, what is the health minister is doing? He is musing about adding more things which were never covered. If the minister wants to spend money, why does he not start paying his fair share for core services first?

[Translation]

Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, the latest budget has testified to the government's desire to assume its responsibilities in the field of health care.

We have invested more. We have made commitments for the medium term. We have also told our provincial and territorial partners that, if we have an agreement on the priorities for the future, there will be further investment in the area of health care.

I fail to see why the Canadian Alliance health critic is asking this question.

[English]

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, maybe the parliamentary secretary should realize that the health minister is talking about an institute for comprehensive medicine down in McMaster. That would intrude upon the provincial responsibilities for both health and education.

I ask my question again. Why will the health minister not look after core medical services before he sticks his nose into provincial responsibility?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member might explain why his colleague the member for

Esquimalt—Juan de Fuca, a leadership candidate for the alliance, has said that a two tier health system will strengthen the public system, not erode it. Why would the leadership candidate Tom Long say, "We are going to have to find a way to involve the private sector"? Why does the candidate Stockwell Day advocate user fees?

Instead of asking us questions about things we are already doing, adding to and strengthening a public accessible medicare system, why does the alliance not get together and explain why its different candidates are going around, each in their own way, proposing measures which will destroy medicare in this country?

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NATIONAL DEFENCE

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, my question is for the Deputy Prime Minister.

The Prime Minister has been reluctant to answer questions concerning the national missile defence system. The foreign affairs minister is against this particular system, while the national defence minister is in favour of Canada participating in this system.

What is the Prime Minister's position? Is the Prime Minister for or against Canada participating in a national missile defence system?

• (1450)

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I have said on numerous occasions that the government has not taken a position on the matter.

The hon. member is not correctly characterizing the positions of the two ministers he has noted. We have both indicated concerns. We have both indicated the desire to have the matter debated and discussed publicly before the government makes a decision. I have also indicated quite clearly on previous occasions that the United States government has not even taken a position. It has not even asked us to be a part of this yet. Obviously this is the time for discussion and public debate on the matter and eventually the government will be taking a position on it.

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, serious problems can arise from Canada's participation in this system and I would say that Canada is participating. There is evidence that Canada has already spent money on this system and is participating in the system at the moment.

Because of the concerns Canadians have around this issue, I would ask the Deputy Prime Minister, will the government ensure a full debate in parliament before there is any more work or participation by Canadians on the U.S. NMD system?

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Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, in the policy paper before parliament in 1994 which forms the government policy, there is mention of the national missile defence system and our involvement in terms of research and consultation. That is all that is going on. There has been no decision with respect to deployment by the United States or of course any participation by us. In fact the technology has not yet been perfected.

Certainly the government welcomes the widest possible consultation, discussion and debate on the issue.

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, my question is for the Minister of National Defence. I would like to know on whose desk is the statement of requirement and procurement strategy for the Sea King replacements sitting, his or the Prime Minister's?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the matter is before the government and the government will make the decision. It is a very major procurement and the government is going through the procurement strategy. In fact the file is moving.

As I have said on numerous occasions, it is a priority for acquisition. We have a timeframe for replacement of the Sea King helicopters in 2005. Meanwhile we are spending some \$50 million to upgrade the current Sea Kings to make sure that between now and their replacement they are able to function in a safe manner.

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, we know that the Sea King is now at a critical point and Talon 441 is proof. I am certain the minister can see that incident summary in his sleep. To quote from the Friends of Maritime Aviation's statement, "We now believe the elastic band has been stretched as far as it can go".

Will the minister go to the Prime Minister this afternoon and ask him to initiate the maritime helicopter program before we have a tragedy? Yes or no?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I note that of the three people who made a concerned statement, and I understand their concern, later the retired general said, "We could not bring ourselves to say that they are dangerous or they are unsafe, but there is no doubt about it that we are fast approaching that critical point". They are not saying that it is at that point now.

As I indicated we are putting some \$50 million into upgrades for this equipment to make sure it is safe.

I have recently spoken directly to the chief of the air staff and have his assurance that in fact these are safe to fly and they will not fly unless they are.

ENVIRONMENT

Mr. Rick Limoges (Windsor—St. Clair, Lib.): Mr. Speaker, today, May 4, is World Asthma Day. Today also marks the 100th anniversary of the Canadian Lung Association.

We are reminded that each year an estimated 5,000 people die untimely deaths due to poor air quality. Thousands more are being treated for bronchitis, asthma and other breathing problems. This coming summer will be no exception.

Can the Minister of the Environment tell the House what progress is being made to make the air we breathe better for all Canadians?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the hon. member is correct. The number of Canadians who die prematurely by reason of asthma and other respiratory diseases is indeed appalling.

We are approaching the subject on two fronts. One is domestically. We are attempting to work out with the provinces a new agreement to limit airborne contaminants to levels which will reduce that death toll.

• (1455)

In addition, I have undertaken discussions with the United States administrator of the Environmental Protection Agency. These negotiations will continue until October. We hope to have a transboundary agreement on ozone, which is one of the major components of smog. I should add that is particularly important, because some 30% to 85% of the smog in Canada is from American sources.

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IMMIGRATION

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, because of the cutbacks and strangulation of funds for the RCMP in B.C., they are flatly refusing to guard any new immigrants who come into B.C. on leaky ships this year. Yet the immigration minister said on Tuesday "We are anticipating every eventuality and we are prepared".

If the government is so prepared, probably the solicitor general can now tell us just who will guard those migrants.

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I want to assure the member and the House that we are preparing for all eventualities. There are a number of partners involved and we are working together to ensure that we are prepared. Whether one or none or many arrive and whether they come by boat or plane or car, the government will be prepared to respond as required to any eventuality this summer.

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[Translation]

HUMAN RESOURCES DEVELOPMENT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, in 1997, the Anjou firm of International Minicut received \$360,000 to create 36 jobs. It was able to create only 33 of the 36. As a result, Human Resources Development Canada requested, according to the rules, that \$30,000 be reimbursed. Nothing like that happened in the case of Placeteco, however. No invoices, no jobs created, and \$1 million gone.

Are we to understand that, in the case of Placeteco, they are trying to cover the Prime Minister's buddies?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again we have talked about this file over and over in the House and 170 people continue to be working at this company and its sister company. From our point of view that is a good investment. I would remind the hon. member again that the Government of Quebec supported this undertaking.

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[Translation]

CRAB FISHERIES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, last month, more than 1,000 fish plant workers on the Acadian peninsula were forced not to report for work. The reason was that the crab fishers were not prepared to negotiate in good faith in connection with the solidarity fund to compensate for the black hole created by this government's employment insurance reform.

My question is for the Minister of Fisheries and Oceans. Would he give some thought to giving the fish plant workers quotas on the amount of crab taken by the coastal fishers, in order to stabilize the solidarity fund and share the resource within the community?

[English]

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I am certainly not aware of this particular situation but I will take it under advisement. As hon. members know, snow crab quotas are issued and there is a plan on a yearly basis renewed. I will certainly look into this matter and get back to the hon. member.

* * *

NATIONAL DEFENCE

Mr. Mark Muise (West Nova, PC): Mr. Speaker, the minister keeps missing the point. We know that the Sea Kings have a good

maintenance regime and the ground crews are at the top of their profession, but that is no longer enough.

Take for instance the Iroquois helo detachment commander's report of March 1999 which indicates 35.5% of all missions were cancelled due to aircraft problems.

Will the minister go to the Prime Minister and tell him to make a decision or face tragedy?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, it is true that the Sea Kings do not fly as much as we would like them to fly. That is why we need to replace them quite obviously. I think the member is making the point that the reason they do not fly is because we will not put them up unless they are safe to put up. The safety of our personnel is of utmost importance. We want to make sure if that aircraft goes up it will be safe to fly and it will be able to complete its mission.

Meanwhile we are not standing still on the replacement of the Sea King. The file is moving and we are moving toward its replacement.

* * *

FOREIGN AFFAIRS

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, my question is for the Minister for International Co-operation.

Over 150 million school age children in developing countries especially have no access to basic education and millions are operating in substandard systems.

Last week Canada was represented by the minister at the World Education Forum in Senegal.

What action can be expected and having gone to this conference, what is Canada's involvement in this issue?

● (1500)

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, first, I am very proud of the lead role that Canada played at the forum, including the drafting of the final strategy which calls for action on the ground.

One of the first things we are doing is calling for all the developing countries to make education one of their major priorities, including transparency in their budgets. Canada is committed to working with any country that makes education one of its major priorities.

I announced several projects while I was there. One of them was for \$50 million to Senegal which has made a major commitment to education for all children, especially girls.

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Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Madam Speaker, the question today is not who is going to win the Stanley Cup. We will wait for that.

I do have a question for the hon. House leader. Specifically, what kind of business does he plan, funny business or otherwise, over the next couple of days? I also want to know whether or not the ever mercurial changes to the standing orders, which keep getting sent to the Standing Committee on Procedure and House Affairs, will actually come to a conclusion or will we keep debating that for the rest of this parliament.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Madam Speaker, I regret to inform the House that the Ottawa Senators are no longer in the running for the Stanley Cup, but I am sure they will do it very eloquently next year.

[Translation]

However, while we are waiting for the Senators to come back and win the Stanley Cup, I would like to inform the House about upcoming business.

Bill C-22, the money laundering bill, is currently before the House. When we have finished with this bill, if we have not already, we will then call Bill C-25, the Income Tax Amendments Act, 1999, followed by Bill C-27, the parks legislation.

• (1505)

When second reading of that bill is completed, we will call Bill C-5, respecting tourism, followed by Bill C-24, the excise tax amendments. We will then consider Bill C-31, the immigration bill, and Bill C-16, concerning citizenship.

[English]

On Monday we shall consider Bill C-11, the Devco legislation.

Starting on Tuesday we shall return to the listed bills.

If we have not reached Bill C-27 before Wednesday, we shall start with Bill C-27 on that day. Similarly, if Bill C-31 has not been completed by Thursday, we shall put it first on that day.

This completes my report, other than wishing the Ottawa Senators very best wishes for a Stanley Cup next year.

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[English]

PROCEEDS OF CRIME (MONEY LAUNDERING) ACT

The House resumed consideration of the motion that Bill C-22, an act to facilitate combatting the laundering of proceeds of crime, to establish the Financial Transactions and Reports Analysis Centre of Canada and to amend and repeal certain acts, be read the third time and passed.

The Acting Speaker (Ms. Thibeault): The hon. member for Kootenay—Columbia has 22 minutes left in debate.

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Madam Speaker, as you said I am resuming debate. In the first half we had a few choice words about the way the government proceeded to bring Bill C-22 to the House and, indeed, the debacle that we have seen in that whole procedure, to the point where we had to shut down debate yesterday.

Let us now turn to the bill itself. I received a research paper from the Library of Parliament which gives a very good explanation of Bill C-22. It received first reading in the House of Commons on December 15, 1999. The broad purpose of the bill is to remedy shortcomings in Canada's anti-money laundering legislation, as identified by the G-7's Financial Action Task Force, FATF, on Money Laundering in its 1997-98 report.

This is a quote from that report:

The only major weakness is the inability to effectively and efficiently respond to requests for assistance in relation to restraint and forfeiture. The use of domestic money laundering proceedings to seize, restrain, (and) forfeit the proceeds of offences committed in other countries is recognized as sometimes ineffective, and legislation to allow Canada to enforce foreign forfeiture requests directly should be introduced.

In addition, the FATF recommended that reporting requirements in Canada be made mandatory, rather than voluntary, as is currently the case, and that a "financial intelligence unit" be established "to deal with the collection, management and analysis and dissemination of suspicious transactions, reports and other relevant intelligence data".

What does this mean to the ordinary citizen either watching these proceedings on televisions or reading these proceedings in *Hansard*? First, this activity is a criminal activity. It basically undermines Canada's financial and social systems by increasing the power and influence of illegal business.

Experts estimate that some \$300 billion to \$500 billion in criminally derived funds enter the international markets annually.

In Canada alone the estimates range from \$5 billion to \$17 billion. The fact that they range from \$5 billion to \$17 billion gives me cause for concern. That being such a broad spread, it is very clear that even our law enforcement officials have not really been able to quantify this problem.

There are many ways to launder money, including through financial institutions, foreign exchange dealers, significant cash purchases, brokerage houses, foreign tax havens and cross-border transfers. The methods of laundering money are becoming more and more sophisticated, as I indicated in my remarks before question period. Indeed, many of the transactions are so immensely complex that there is no possible way, other than with the power of the most high powered computer programmed to do this, that we could actually conduct the kind of transactions that are currently being undertaken by criminal activity.

If Canada is viewed, real or otherwise—and I think it is real—as having weak controls, we become a haven for organized crime and money laundering.

• (1510)

In the second reading of this, I drew to the attention of the House the situation with YBM Magnex, which turned out to be a money laundering operation for the Russian mafia, and the fact that there were many prominent Canadians, names people would know, who ended up being sucked into that vortex. Six hundred million dollars disappeared as a result of YBM Magnex being a money laundering operation and getting by the Ontario Securities Commission and other organizations like that.

If we look at the situation of the \$6 billion Bre-X debacle and put the YBM Magnex on the back side of that, we can see why people around the world are deeply concerned about the lax attitude that Canada has displayed in this very important area.

As I also indicated prior to question period, it is not just the issue of organized crime. There are also violent street gangs in Toronto and Montreal that are channelling criminal profits to tamil terrorists waging a bloody fight for an independent homeland in Sri Lanka.

According to an RCMP intelligence report that was reported in the Ottawa *Citizen* on March 27 this year, it said that an extensive probe by the Mounties found strong connections between outlaw gangs and the liberation tigers of tamil eelam, one of the world's most dangerous groups. "There is clear evidence to support the relationship and that the money involved is being funnelled to the LTTE for extremist purposes in Sri Lanka", says the newly classified report obtained through access to information.

Many people who come Canada as legitimate landed immigrants are here to help us build our great nation. These people come to this

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country looking at it as being a law-abiding country where they can live in peace and harmony with their neighbours. They come to this country looking at the opportunities that they have to advance the fortunes of their own families. They come to this country as a haven of peace. However, because of the laxity of this government and its slowness to bring either dollar resources or necessary legislation like this piece of legislation into effect, law enforcement is unable to protect those very people who come to this country to help us build this great nation.

Shame on the government, particularly for its delay in bringing this legislation to the House of Commons, if only for that reason.

The RCMP implicate the tamil criminal groups in a staggering variety of activities, including extortion, home invasion, attempted murder, theft, importation and sale of brown heroine, arms trafficking, production and sale of counterfeit passports, migrant smuggling, bank and casino fraud and money laundering. This is from an RCMP security intelligence report.

The report goes on to say that the activity is escalating and will likely become more difficult for police. It also says that there are other armed conflicts and hot spots in the world where there are allegations of smuggling profits that finance military operations.

This is why we, as Canadians, whether we are recently landed immigrants or our families have been here for a long time, should care about this piece of legislation. Money laundering feeds armed conflicts and illegal activities that threaten everything from our families to our society, our national and international economies and perhaps even world peace.

The act establishes a financial transactions and reports analysis centre to receive the reports. Under normal circumstances, as a Canadian Alliance MP, I would be opposed to the enactment of any legislation that would set up yet another analysis centre or another way to have more bureaucrats. However, in this particular instance, the independence of the financial transactions and reports analysis centre is absolutely critical because of the level of expertise to track these transactions that were described earlier.

• (1515)

The level of expertise to analyze the reports as they come out of the data that will be collected is very specialized. However there is the whole problem of personal security, the security all Canadians have from unreasonable search and seizure and big brother over-looking our shoulders.

In this instance what we are doing under this bill is to establish the financial transactions report analysis centre totally apart from our enforcement agencies so that all transactions will end up going through a highly sophisticated microscopic sieve. From that sieve

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and from the entrails that come out of the money flowing through it, skilled analysis will say that we should be looking at this track of money or that track of money.

The way this will work, as I understand the legislation, is that then there would be a report to law enforcement agencies to say here is something they might want to take a look at. That is it. The idea then is that the law enforcement agencies would say that they already are looking at a particular terrorist group or a particular group of organized crime and that the preliminary information, this heads-up that the financial transactions report analysis centre has given them, fits the mould of what they are already doing.

On the basis of the other police work, together with this heads-up from the centre, they would then have to go to a judge and fulfil all the ordinary obligations that would be required of law enforcement agencies so that they could then undertake other activity that would be outside where they could normally go.

To that extent this centre has to be separate because it has to be highly sophisticated, not only the centre itself but the people manning it. Additionally, the centre not being under the thumb of, answerable to, or under the jurisdiction of any police enforcement body or any military enforcement body gives me some feeling of comfort that it will not be abused and that my civil rights and the civil rights of all people in Canada will not be compromised by the enactment of the legislation.

As I mentioned, the centre would report any suspicious transactions or series of suspicious transactions to the appropriate police force, the Canada Customs and Revenue Agency if the information is relevant to tax or customs duty evasion, CSIS if relevant to threats to the security of Canada, the Department of Citizenship and Immigration and a foreign state if there is an agreement with Canada on money laundering.

Concerns have been raised, as I have mentioned. On behalf of people who have raised them, as the member of parliament responsible for the official opposition I have been very sensitive to any of the testimony that has come before committee and any other research that I have been able to do to arrive at the feeling of comfort that indeed the reports analysis centre will be isolated from being able to easily do anything in terms of infringing on our right to privacy.

I note that criminal defence lawyers and the federal privacy commission warned that the reporting scheme could turn Canada into a nation of snitches. With that in mind I listened to all the testimony very closely. The Canadian Security Intelligence Service said the transaction reporting machine could become a bureaucratic monster. Again, we have taken a look at that. The fact that it has to report back to the government and to parliament is a very important issue, which again is why we feel comfortable with the legislation.

CSIS proposed more selective measures that would target parties known to engage in dubious activities, but it would be my judgment that in all likelihood the centre would end up doing that in any event.

I want to deal specifically with some comments in the March 4, 2000 edition of the *National Post* by Terence Corcoran who wrote:

If passed, Bill C-22 would give Ottawa fresh authority to trap the innocent, infringe on privacy, collect mountains of information on citizens and put routine money transactions under suspicion. It would also conscript lawyers, banks, accountants and others into a national subculture of informants and snitches.

● (1520)

With due respect to Mr. Corcoran, I think he got a little carried away with his hyperbole. He went on to say:

In a letter to Justice Minister Anne McLellan last December, the Canadian Bar Association listed some of the threats posed by Ottawa's plan to increase its surveillance over money transactions greater than \$10,000. It said routine legitimate business transactions could be disrupted and solicitor-client relationships undermined.

Again, I was sensitive to this and other pronouncements by people who have expressed concern about it. I am sorry, but I do not see that as being a problem. I know a member from the Toronto area was as upset as I was when we heard testimony from the Canadian Law Association. It was really very unfortunate. It was like they knew everything, that they were present but should not have been included, that they should have an exemption just because they are lawyers. It was just a tad thick.

Although I am sure there were grains of good information they were giving us, I am sure many of us had to sift through an awful lot of chaff that these lawyers were giving us. I agree with the government that there were no amendments required to give exemptions to the law profession.

I suggested that it would be a hole big enough to drive a truck through. If somebody was intending to try to get around the legislation and find exemptions in it, they could end up getting their transaction through. By making an exemption for the lawyers, anyone interested and possibly engaging in this kind of nefarious activity would naturally choose a lawyer to do the transaction as opposed to choosing an accountant or some other professional. Unfortunately that testimony, although I am sure it was sincere, was not singularly helpful. Mr. Corcoran went on to say:

In the name of fighting organized crime, Ottawa also wants to set up a new bureaucratic agency with big powers. The Financial Transactions and Reports Analysis Centre of Canada would collect information supplied by bank informants and lawyers, and—depending on regulations—could end up with a licence to harass the innocent and legitimate.

I say to Mr. Corcoran and other people who are concerned about this issue that I take their expressions of concern as being serious.

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In spite of all the missteps we have had in this process, nonetheless there has been fundamental goodwill among members of parliament. We have all been looking very closely to ensure that the concerns brought forward by Mr. Corcoran and others have been answered within the legislation.

One concern all of us should have is that there is an ever increasing encroachment on our ability to be able to relate to each other within society either as business people, as neighbours or even within our own families.

The headline of an April 4 *Globe and Mail* article read "Mob threat getting worse, RCMP says Top Mountie warns of organized crime's threat to democracy". That is not a false threat at all. That is not hyperbole. We have seen the tentacles of organized crime reach right into the Chamber. A member of the Bloc Quebecois, his wife and his young child are being threatened by organized crime. This is something that comes to a neighbourhood near us, if not to our own homes. This is something we have to stand on guard against and we have to fight collectively.

As I have said many times, I have been desperately unhappy with the amateur hour we have had in terms of getting the legislation through the House. I maintain a concern because I do not know. Because of this flawed process I maintain a concern that two, three or four years into the legislation we will probably need a massive review of it, probably preceding the five year mandated review for the legislation.

• (1525)

We are faced with a delay created by the government of at least three years to bring the legislation forward. Because of the urgency of the legislation we have to enable the various public servants that will bring the transaction centre into place to get on with the job. This is an important tool to put into the hands of our law enforcement people. Therefore we will support the legislation proceeding through the House, to the Senate and hopefully to royal assent as quickly as possible.

There are things that we can join hands on. We notice that there has been full co-operation, to the best of my knowledge, among all members of the House respecting the bill. Any interventions I have made on behalf of the official opposition have been made in the spirit of having a proper process to bring this urgent legislation to successful completion and of making it as good as we could possibly make it.

Mr. Dick Proctor (Palliser, NDP): Madam Speaker, I am pleased to join in the debate on Bill C-22. This proposed legislation on money laundering involves transactions through financial institutions and other financial intermediaries with the intent to conceal criminal profits and make them appear legitimate.

Bill C-22 builds on the existing Proceeds of Crime Act. The legislation institutes mandatory reporting of suspicious financial transactions and of cross-border movement of large amounts of currency. It creates an independent analysis centre as has been remarked upon by the previous speaker, the mandate of which will be to receive and manage reported information.

The legislation meets commitments that Canada made as a member of the OECD and of the G-8. Canada is one of the last G-8 countries to establish such a regime. That was pointed out to a parliamentary delegation of which I had the privilege of being a part at the European Union in the month of March of this year when we had an opportunity to discuss with our European colleagues what they are doing in this regard.

In developing the bill, Canada has taken into consideration the 40 recommendations set out by the Financial Action Task Force on Money Laundering which encourages the strengthening of international co-operation with regard to the exchange of information on currency flows.

Some of the reasons this is important is that money laundering is now the world's third largest industry by value. It extends far beyond hiding profits from narcotics. It now includes trade fraud, tax evasion, organized crime, arms smuggling, bank, medical and insurance fraud. In this country alone somewhere between \$5 billion and \$17 billion are laundered each and every year. With those kinds of gaps, \$5 billion and \$17 billion, obviously nobody knows for sure how much, but it is estimated worldwide that somewhere between \$300 billion and \$500 billion U.S. are laundered in these ways. Tax evasion is not addressed in the proposed legislation.

The recommendation of the New Democratic Party is to support the legislation in principle. It is obvious that we should support the introduction of any legislation that curbs illegal activity. However there is some wariness on our part as to the lack of certainty and of clarity in some parts of the bill.

We think that a number of concerns should be examined and addressed further. There is a potential for charter violations. The guarantees of reasonable search and seizure appear to be at risk. For example, the Criminal Lawyers' Association argues that the standard of suspicion outlined fails to meet even the first and fundamental requirements of reasonable grounds. The legislation may also create an irreconcilable conflict for professionals, such as lawyers who remain subject to certain codes of conduct that prohibit them from disclosing information. It must also provide a mechanism to absolve an individual from potential liability that may result from disclosing such confidential information.

• (1530)

A second point is the possible pressure on consumers. The reporting regime set up to track and communicate suspicious transactions has at least two financial repercussions. One, there is a

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cost to be borne by the taxpayer for the establishment and maintenance of the tracking system. Second, in having to establish compliance mechanisms there is a concern that the cost for setting up reporting mechanisms for financial institutions will be borne by the customers of those institutions and the concern that there not be consumer gouging as a result.

A third point is with regard to the system's effectiveness. There remains a series of concerns about the planned reporting effectiveness. There is a warning that the new regime has the potential to create a bureaucratic monster and there is a chance that organized crime would be able to short circuit such a system through a series of shadowy, sophisticated transactions. We wonder whether money might not be better spent granting law enforcement and investigative bodies additional resources to detect and prosecute money laundering offences.

We are also concerned that the bill does not appear to address technology based crimes, the white collar crimes which surely we will see grow in future with the growth of the Internet and computers in general. Technology based crimes include credit and debit card fraud, telephone fraud, stock market manipulation and computer break-ins. Increasingly organized crime syndicates are using technological and digital means of communication, including encryption and scanning devices, thus potentially circumventing the provisions of this bill.

We would recommend to the government that a clearer and more precise definition of what constitutes a suspicious transaction be formulated. The subjective nature of the definition could provide an excuse for compliance failure and as a result many suspicious transactions might not be reported.

In addition, the use of a vague definition could result in institutions over-reporting for fear of involuntary non-compliance, thus creating unnecessary, unwarranted scrutiny of innocent individuals.

We think that the proposed legislation must clearly address the issue of the threat to the privacy of all Canadians and especially the possible disclosure of information to Revenue Canada should it involve a taxation matter. Obviously, strict guidelines must be established in this area. The bill must also address the possible violations of the guarantee against reasonable search and seizure in the charter of rights and freedoms.

In addition, the issue of tax-related offences could be addressed. Tax offences occur when money is transferred to offshore tax havens through companies, trusts and bank accounts. The purpose obviously is to conceal assets from Revenue Canada. Money laundering, on the other hand, involves the intent to conceal criminal profits and make them appear legitimate.

It is perplexing that even the definition of a suspicious transaction, a fundamental principle indeed, is to be determined after the

legislation is passed. Many other key dispositions would be determined after that fact by regulation. These include: the appointment of the centre's director and the determination of his or her remuneration; the determination of the individuals or businesses that will be subject to this legislation and how they will report; the delay which will be granted to financial institutions to retrieve and report information; bodies and institutions which will be required to report on how records are to be maintained; the delay a financial institution must respect; and the length of time records are to be kept.

In agreeing to a bill such as this we also wonder about things like the Tobin tax which the member for Regina—Qu'Appelle brought forward. Indeed, it was passed as a private member's bill in this House. Why could that not be established with the same alacrity with which we are working in this area?

• (1535)

As the House knows, a Tobin tax framework would be an excellent initiative to establish an international monitoring system of currency flows.

Those are the points I wish to make. After listening to the remarks of the hon. member for Kootenay—Columbia I was pleased to note that the financial reporter for the *National Post*, Terence Corcoran, has many concerns about this bill. That resolves my belief that the bill is worthy of support. It is one of the few things that has resulted from the fact that the *National Post* is now in existence that I do not have to look at Terence Corcoran's column in the *Globe and Mail*.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, it is with pleasure that I rise to speak to Bill C-22 at third reading to address some of the very important issues about the legislation which would create the new money laundering oversight agency that would be positioned to help protect Canadians from organized crime and be part of a global effort to combat the insidious and pervasive nature of organized crime.

Like most business activities, organized crime has become very much a global enterprise. As such, Canada's procrastination and tardiness in not addressing this issue earlier is unconscionable. It is unfortunate that the government had not seen the need to address this issue earlier.

As hon. members have noted, we are lagging behind other members of the G-8 and the OECD in terms of pursuing this very important initiative of establishing within our country a sound oversight agency to reduce the incidence of money laundering.

It is a huge issue. The estimates of money laundering are even difficult to get a handle on. Some estimates in Canada are as low as \$5 billion or \$8 billion and some are as high as \$20 billion. There is a huge variance and disparity on this one issue. That indicates the degree to which we are really only beginning to understand it.

One concern I have about this legislation is that it addresses in many ways yesterday's issue, that is, the very conventional means of money laundering. Nowhere in the legislation or in the new agency do I see some sort of commitment that the agency will have the type of resources and technological strength to address some of the current and emerging issues of technologically oriented money laundering.

With the sophistication of financial instruments and the inability of sovereign governments to track either cross-border financial transactions or intra-state transactions, whether they be derivatives, which are not considered to be a particularly sophisticated financial instrument in the current context, the fact is that increasingly we are dealing with these sophisticated financial instruments and the ability of any agency to track transactions, large or small, intra-state or cross-border, is a real challenge. I would hope that this agency will have not only the resources to pursue technologically driven approaches to the very serious issue of money laundering, but beyond that would work with the private sector and many of the companies involved on the Internet security side to develop private sector solutions.

The technology being developed by both American and Canadian companies in these areas is very advanced. I would hope that the government would do a better job at seeking input from the private sector in developing more sophisticated approaches to this problem than it has in other areas.

• (1540)

The accountability of this new agency has been of significant concern and remains a significant concern. Amendments have helped and have been constructive in assisting to ensure that there will be some level of accountability for this agency and some level of rigorous reporting that has the capacity to provide some checks and balances. That is all well and good, but we have to be vigilant as parliamentarians to ensure that we provide mechanisms to protect Canadians against these all powerful new agencies.

I do not think that any law-abiding Canadian would have any difficulty with getting tough on money laundering. That being the case, it is very important to separate the powers of these agencies. For example, I expressed concerns at the time of the creation of the new Revenue Canada agency that it could emerge as an IRS style agency, Godzilla the tax collector, which would have the power to persecute and relentlessly pursue individual Canadian taxpayers, and in many cases bring about undue suffering and unfair treatment of ordinary law-abiding, tax-paying Canadians.

The more powerful the agency, the more difficult it is for individual Canadians to muster the resources to fight it. My concern has been and continues to be with the new money laundering agency that we ensure that any sharing of information between this new agency and the Revenue Canada agency is done under very strict conditions.

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For example, if the new money laundering agency sees some level of evidence to suggest money laundering and feels that sharing that information with Revenue Canada would help bolster the new agency's case in pursuing a case of money laundering against an individual or a group of individuals, that could be seen as being reasonable.

If, on the other hand, there is not sufficient evidence to suggest money laundering, but if the new agency sees some evidence that there may be some level of tax evasion and shares that information with the new Revenue Canada agency, I think that would be overstepping the boundaries and would be leading to an incredibly powerful, turbo-charged Revenue Canada agency that could wreak havoc on the lives of ordinary Canadians. We have to be careful to ensure that there is a Chinese wall between the Revenue Canada agency and this new money laundering agency.

The nebulous nature of the description of suspicious transactions is also disturbing. It seems to be a very qualitative description that is very difficult to narrow in a substantive way.

The issue of resources is very important. Certainly the RCMP calls this legislation long overdue, but we have to ensure that the RCMP on a national level is funded properly to pursue some of these activities and work with this agency. It is critical to ensure that we not create these new agencies without providing some level of resources to ensure that they can do their jobs and at the same time maintain our traditional policing of white collar crimes through the RCMP in a way that is consistent and which provides over a period of time a reasonable level of support and resources. The government has not provided ongoing and consistent levels of support to the RCMP, and in fact has starved the activities of the RCMP on a national level.

• (1545)

The Progressive Conservative Party supports this legislation. We support some amendments which in my opinion improve the accountability of the new agency. This is a step in the right direction but the government is prone to taking baby steps as opposed to more substantive steps.

While we do recognize that this is a step forward, a lot more needs to be done to ensure that ordinary Canadians are protected against organized crime. In the future we must work more proactively with our trading partners and with our partners in the G-8 and the OECD to develop solutions and introduce them within our borders earlier as opposed to always playing catch up and lagging behind our partners on something as important as money laundering and organized crime.

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

Some hon. members: Question.

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The Acting Speaker (Ms. Thibeault): 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 third time and passed)

Mr. Bob Kilger: Madam Speaker, I rise on a point of order. There have been some discussions and there is probably some ongoing work relative to a matter concerning the member for Rimouski—Mitis. It would only be a matter of a few minutes so I wonder if we could suspend the House until that matter is before us. I believe it would take less than five minutes, which seems to be the indication. I wonder if we could suspend to the call of the Chair and then reconvene the House to deal with the matter of the member's riding name change with all the information we require.

SUSPENSION OF SITTING

The Acting Speaker (Ms. Thibeault): Is it the wish of the House to suspend the sitting to the call of the Chair?

Some hon. members: Agreed.

(The sitting of the House was suspended at 3.48 p.m.)

• (1550)

SITTING RESUMED

(The House resumed at 3.52 p.m.)

* * *

BUSINESS OF THE HOUSE

BILL C-445

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I rise on a point of order. I think you will find consent in the House for the following motion: I move:

That notwithstanding any standing order, Bill C-445, an act to change the name of the electoral district of Rimouski—Mitis, standing on the order of precedence on the order paper in the name of the member for Rimouski—Mitis, be deemed to have been concurred in at report stage with the following amendment:

That Bill C-445, in clause 1, be amended by replacing the words "Rimouski—Neigette et La Mitis" with the following:

"Rimouski—Neigette-et-La Mitis"; and

That the bill be deemed to have been read a third time and passed.

[*Translation*]

The Acting Speaker (Ms. Thibeault): Does the parliamentary secretary have unanimous consent to introduce the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

• (1555)

[*English*]

INCOME TAX AMENDMENTS ACT, 1999

The House resumed from April 7 consideration of the motion that Bill C-25, an act to the Income Tax Act, the Excise Tax Act and the Budget Implementation Act, 1999, be read the second time and referred to a committee.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Madam Speaker, it is a pleasure to debate Bill C-25. Whenever we bring legislation before this place that comes from the Department of Finance, in fact legislation that comes from anywhere in government, one of the things we should be doing is examining very closely that legislation to determine whether or not it is working to enhance Canada's productivity as a nation. I am going to argue that Bill C-25 does not seriously do that.

I am going to argue that most of the legislation that comes from the government in fact does not enhance our productivity as a nation. That is one of the reasons Canada is chronically an underachiever. It is one of the reasons we continue to fall behind in the world. Any objective review of the facts will bear that assertion out. I think it is absolutely the case. We can point to lots of research that will underscore what I have just stated.

I want to run through why I think it is so critical that we start to improve our productivity as a nation. It is a simple fact that when a country becomes more productive, the standard of living increases. This is an obvious truth; it is self-evident in a sense. When we produce more things of value, it means we have more income, more money. That allows us to spend it on things that are important to us, not the least of which is ensuring we have a good health care

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system and the things that are important to people that they finance sometimes through their government.

Not very long ago despite the best efforts of the government, a government that has been in power now for seven years, we saw another report which indicated that the productivity gap between Canada and the United States is widening. It is getting larger. This should be alarming to us because over the last couple of years report after report after report has said that the Canadian federal government should be worried about this and it should start to do something about it.

Sadly, apparently the government is deaf to that message. It does not seem to understand. It cannot see the connection, which I argue is self-evident, that if we produce more things that people value, we are going to have a higher standard of living. The government cannot seem to figure that out.

We are in a position now where with every passing day we see Canada fall far short of its potential which means that Canadians are far poorer than they need to be. That is not just a hard economic fact, it is a personal human tragedy for many people. It is wrong when we as legislators have the ability to make changes to make this country better, more productive and wealthier than we do not do it, that we sit on our hands.

I am imploring the government to listen carefully to the argument I am going to make. It is one of many arguments that others have made imploring the government to do the same thing.

I mentioned a minute ago that the productivity gap continues to widen between Canada and the United States. It is important to measure us relative to the United States because in many ways there are things we can compare. We speak the same language, share the same continent and engage in many of the same kinds of industries. It was not long ago when Canada had a standard of living equally as high as that of the United States.

I do not think it is a birthright that we should have a standard of living that is higher than the United States or any other in the world, but if it is achievable we should strive for it. We know now, according to reports by people like John McCallum, the chief economist of the Royal Bank, that Canada has fallen far behind the United States, a country with which our standard of living was equal.

• (1600)

In his last report, Mr. McCallum pointed out that our standard of living was now two-thirds of that of the United States. If we keep going the way we will soon be at 50% of that of the United States. Bill C-25, and Bill C-32 which we addressed the other day, do not go anywhere far enough to addressing these fundamental problems.

The first thing we must do to ensure that our country becomes a lot more productive is to remove the impediments to wealth creation. We must beat down burdensome regulations that have

outlived their usefulness. There are tens of thousands of regulations on the books today that nobody in any particular industry can be expected to know all about. We cannot understand thousands of regulations that affect each and every sector of the economy. No one can possibly know all the regulations but we are somehow expected to comply with them.

Second, we still have interprovincial trade barriers that cost the economy a tremendous amount of money. In many cases, it is a lot easier, for instance, for Ontario to trade with Michigan than it is with Quebec, which is crazy. The federal government has the power in the constitution to ensure that those trade barriers are broken down. However, it refuses to act for reasons that I cannot understand.

One of the biggest impediments falls under the umbrella of tax policy. Something the government cannot seem to figure out is that high marginal tax rates hold back our economy. We have high marginal tax rates. What is important, when we talk about ways to make the economy more productive, is the tax that we pay at the margin. What I mean by that is, if we have an income in Canada of say \$80,000, every dollar we earn beyond that we pay over 50% to the taxman.

It appears to people who are innovators or entrepreneurs who invent things that they are being punished for the crime of producing these things that are good for the economy, for their families and for the world. Their reward is to pay higher taxes. The result is that many of these people get frustrated. They say "If I am not going to be valued in my country, then I will go elsewhere". That phenomenon is called the brain drain. Some people in the government deny that it happens, the Prime Minister being one of them, but according to the evidence there is a brain drain, and that is beyond question.

If we really want to find out about that all we have to do is go to one of the high tech firms in Ottawa and Kanata and ask them how many of their people have left for the United States or other jurisdictions. We will find out that brain drain is a real problem. When we talk about the high tech field, we are talking about the field that will create the lion share of the wealth around the world in the next several decades. As legislators, we are crazy if we do not do something about that.

It is public policy that is standing in the way. This is not because we have some natural disadvantage in Canada. On the contrary, we have all the natural resources in the world at our fingertips. We are one of the wealthiest countries in the world when it comes to natural resources. We have an educated public. We have great human resources. Unfortunately, we have a situation where public policy is standing in our way. The only people who can change it are the people in this place.

Sadly, that government across the way is fixed in cement when it comes to making the types of changes we are talking about.

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People are paying for it in the form of standards of living that fall far below their potential. That is a shame. Governments should not punish the people they purport to serve. I would argue that this government, through neglect, is doing exactly that.

• (1605)

I will make the case that this is happening by pointing to the OECD statistics from 1988 to 1998. During that 10 year period Canada's real output per capita, the standard of living of Canadians, grew by only 5%. Over that same 10 year period we saw the output per capita in Mexico grow three times as fast; in France, three times as fast; in Australia and in the United States, four times as fast; in Norway, six times as fast; and in Ireland, a staggering eighteen times as fast. Why is that? Is it because Ireland has so many more resources than Canada? No. It is because it put in place the right public policy, something this government has failed to do.

What I want to talk about now is in the context of the Ontario budget that came down yesterday. One thing that the Government of Ontario understands and the federal government does not understand is that we are in a global competition. If we do not react and put in place public policies that make our jurisdiction an attractive place to invest, then we will be left behind and our people will pay the price in the form of a falling standard of living. That is exactly what has happened to Canada.

Let us consider what happened in Ontario on Monday when the Ontario government brought down the budget. When it brought down the budget it made sure that it lowered corporate taxes so that they would be lower or the same as many American states. It lowered provincial income taxes to the point where they are now the lowest in Canada. What does that mean? It means that the Ontario government is sensitive to the fact that if it does not get taxes down it will lose crucial investment that will go somewhere else in the world.

Let us consider what happened with the Alberta budget. The Alberta government brought down a very unique tax proposal. It is essentially a single tax rate of 11%. It is designed to attract people to Alberta and to keep people who are currently there. We understand that when we attract investment and the people who create jobs everyone will ultimately benefit. The Alberta government understands that.

I would argue that the Government of the United States at times in its history has very much understood that. I think it is shocking that the United States, which has 10 times Canada's population, spends more per capital on public health care than we do. How do they do that? It certainly does not distribute it the same way and some people are left out. We eschew that system. We do not agree with it. However, how does it do that? How come it is not going bankrupt?

At the same time, how does the United States do that and still spend so much more as a percent of its GDP on military financing? How does it do that while at the same time have a debt to GDP ratio that is far lower than ours? In other words, it did not go into debt or borrow money to do this. How does it fund all those things? It is able to do that because its economy is much more productive. The output of the average American is much higher than that of the average Canadian. Why is that? Is it because they are smarter? Of course not. Do they work harder? Sometimes they do, but that is really not the key. The difference is that the United States has the proper incentives in place to encourage people to go out and create wealth. When wealth is created, some of it is paid to the government. That is how it is able to finance all those things with much lower taxes than we have in Canada.

• (1610)

I just pointed out that the United States spends more than Canada on public health care and far more on defence, but it has a much lower debt per capita and much lower taxes, about 30% lower, than Canada. The only way that can happen is if each individual American produces more. The way to ensure they produce more is to lower marginal rates. That is critical. That is something our government cannot get through its head.

In the last budget the government cut taxes very minimally but it did not do anything at all about lowering marginal tax rates. We missed a golden opportunity to send a message to the rest of the world that we are open for business and that we will value investment if it is brought here because then everyone gets to benefit from it. If it goes somewhere else it will benefit someone else. It is time we learned that lesson. How do we do this? How do we turn this ship around?

We must first change our attitude. We must look at legislation like Bill C-25 or Bill C-32 and ask what it does to improve the productivity of the country and, by extension, the standard of living of Canadians. When we ask that question, we say that we will beat down marginal rates. That is why the Canadian Alliance is advocating solution 17, this idea of lowering taxes for all Canadians at the low end, the middle and the high end. It is a single rate tax proposal. It has three elements. One element is to raise the basic and married exemptions to \$10,000. In doing that, we would lift 1.9 million low income Canadians right off the tax rolls. They will not pay any more tax. This plan also benefits people on the low end. We would extend a \$3,000 per child deduction to every family in Canada with children under the age of 16. Right away \$26,000 of income would be exempted for a single income family, or a dual income family for that matter, with two children. After that, we propose a 17% tax rate for everyone.

We would knock down the hurdles that make it difficult for people to climb up the income scale. The way it is now, when we begin to climb up the income scale, bang, we are into a higher tax bracket. All of a sudden the incentive to continue to work harder is gone.

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In the finance committee's majority report in December, the Liberals on the committee said:

The greatest economic gains, however, will be achieved when marginal tax rates, especially the highest ones, are reduced.

Those were Liberal members who were arguing this because they understood something that the government, in general, does not understand, which is that high marginal taxes impede productivity.

We argue that we must beat down those rates and not fall a little less quickly behind the Americans, the Irish, the U.K. and other countries, but to catch up and go beyond them. It is a sin, in a country as naturally wealthy as ours and with the human resources that we have, that our standard of living continues to decline relative to all these other countries around the world. It is a sin not to fulfil our potential, but that has been the legacy of this government. It has allowed that to happen. The Prime Minister is the one who sticks his head in the sand.

If members doubt for a moment any of what I am saying, they should reflect on the Prime Minister's sanguine attitude toward the fall of the Canadian dollar. "A low dollar is good", he says. However, a low dollar is a reflection of the strength of the economy. Our dollar today dropped about a quarter of a cent, down below 67 cents. Unbelievable. In the mid-seventies to late seventies it was higher, and that reflected our standard of living being so much higher relative to the Americans. On that fact alone, the government should stand indicted of a great crime which is to allow Canada to underachieve. Canadians, individually, are poorer for it.

• (1615)

I will conclude by moving an amendment. I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following: "this House declines to give second reading to Bill C-25, an act to amend the Income Tax Act, the Excise Tax Act and the Budget Implementation Act, 1999, since the principle of the bill does not provide for a Single Rate Tax Plan as proposed in solution 17.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I heard the comments of the member for Medicine Hat. The party opposite uses the expression "marginal tax rates". What are marginal tax rates? Marginal tax rates are taxes at the margin; what an individual will be taxed for every incremental dollar. It can apply to anyone in the income tax system, but when members opposite talk about marginal tax rates they talk about marginal tax rates at the high end. While it is true that the government has not reduced marginal tax rates at the high end as much as we have reduced marginal tax rates at the middle income and low income levels, we have reduced taxes significantly.

In budget 2000 we have a tax package of \$58 billion as a minimum. The economy continues to tick away at a growth rate of about 4% annually. There have been 18 consecutive quarters of growth. The way the member opposite was speaking we would think it was doom and gloom. There have been 18 straight quarters of growth in the country. We are leading the G-7 and the OECD countries. In terms of employment growth, we are leading the G-7. Unemployment is at its lowest level in a generation—in 24 years. I could go on and on about the good news. I am glad that Canadians do not listen all that carefully to the doom and gloom across the way.

I would like to address the member's premise in terms of the tax rates at the high end of the income tax scale. That really coincides with the opposition's flat tax proposal. Let me give a comparison. A taxpayer—

• (1620)

The Speaker: I do not know how we are going to divide this. You are asking a question, I believe. Perhaps you could put a question so that we would have time for a few more.

Mr. Roy Cullen: Mr. Speaker, I was building up to a question. I will leave the subject of the flat tax for a moment and come back to it later.

The member for Medicine Hat talked about the huge amount of money spent in the United States on health care. Will he acknowledge that in the United States, because of its private health care system, fully 30% of the costs of the total health care system is spent on administration, filling in forms?

Mr. Monte Solberg: Mr. Speaker, I do not know if it is or it is not. I am not advocating that we embrace the U.S. system. In fact, as I said in my speech, we do not agree with it. It is the wrong system.

My point was that the U.S. economy produces so much more wealth per person that it is able to fund public health care to a greater degree than Canada. I think my friend across the way should pay attention to that fact. Whether the administration eats up 30% or whatever is irrelevant to this debate.

My point is that the government is anaesthetising itself with happy talk about the growth in our economy. The truth is that one of the ways we are subsidizing the growth in our economy is by allowing our dollar to sink, producing a feeling of good times, but at the same time not preparing our economy in the proper way to take advantage of the new economy. We are allowing the government to cruise, perhaps through to another election campaign, sacrificing the best interests of Canadians in doing so and making us poorer in the long run.

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My friend across the way must acknowledge that if he is going to be completely upfront and forthright with Canadians.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, in response to the hon. member opposite who asked a question of my colleague, I would like to ask him what his view is of yesterday's Ontario budget which made cuts to corporate income tax and the capital gains tax. That has actually done more for the Canadian economy, for which the Liberals would like to take credit.

Mr. Monte Solberg: Mr. Speaker, first, it is a recognition of the fact that people in the Government of Ontario understand that they have to be leaders when it comes to attracting wealth and talent from around the world, so they move to cut all of their taxes significantly.

The federal government seems to think that if taxes are cut in the middle, very marginally by the way, only about \$8 billion over five years, when we net everything out—my friend across the way laughs, but I am happy to do the math for him—

Mr. Roy Cullen: I have heard it.

Mr. Monte Solberg: He has heard it, but the government does not include \$30 billion in tax hikes for Canada pension plan premiums when it does its figuring. Eliminating bracket creep is not a tax cut. It means that we will not have future automatic tax increases. That is not a tax cut.

With regard to the child tax benefit, the government is talking about it as though it were a tax cut. It is a social program by any reasonable definition.

My friend across the way is completely deluded if he thinks that somehow Canadians are going to end up being \$58 billion better off because of what the government brought down in the last budget. That is simply not the case.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, it is a pleasure to speak to Bill C-25 and comment on the exchange that took place between my colleague from Medicine Hat and the parliamentary secretary regarding the \$58 billion which the Liberal government is talking about as being tax cuts.

As my colleague from Medicine Hat indicated, there really are no tax cuts. We simply have to ask Canadians if they see more money in their pockets. It is a simple question. All members should go to their ridings and ask this question of their constituents: Have you seen the so-called tax cuts that the Liberal government has brought down in this budget; the \$58 billion which it is touting? They will not find Canadians who say that they have received any tax cuts. Where are these tax cuts? I do not know where these tax cuts are. Canadians do not see them.

• (1625)

The claim by the government that there is \$58 billion in tax cuts is all accounting and bookkeeping which the government has brought forward so it can spin it to the country that there are tax cuts.

I would like to address two areas. One deals with what Canadians are facing. The other deals with the impact of the government's fiscal policy on international trade.

I have received constituent complaint after constituent complaint, complaints of the draconian measures that Revenue Canada takes when going after people who cannot afford to pay, unfairly squeezing money out of them, putting them into more misery.

The government says that Revenue Canada has a system of fairness and that people can complain. I can tell the House that is not happening. What is happening is that Canadians are calling their members of parliament. Any member of parliament would tell us that Canadians are complaining about the draconian measures which the bureaucrats are taking at Revenue Canada.

I received a call this morning which concerns me. A constituent of mine is having problems with Revenue Canada. This case was given to the Minister of National Revenue six months ago and we have not had a reply. My constituent phoned the agent who seized an aircraft from U.S. Customs. What did this bureaucrat tell my constituent? He said "You went to your member of parliament. You complained to the minister. I am sorry, but we are going to take our sweet time in dealing with this". Is that how we deal with Canadians?

I have another case dealing with immigration bureaucrats, from whom I have written proof that they say to members of parliament "Sorry, we will not respond to your inquiries". I would like to tell these bureaucrats that members of parliament have been elected by Canadians. We are the voice of Canadians on the street. It is their democratic right to come to us for help. It is our right to ask the government and the bureaucrats questions and it is our right to expect a response.

Is that happening? No, it is not happening. What is happening now is that we are seeing the bureaucrats taking over, making decisions and then telling members of parliament that they cannot respond to them. This is becoming a trend which is quite disturbing.

With respect to the tax cuts which the government is talking about, time after time calls have come into my office asking where are these tax cuts. Where is this tax relief?

A constituent came into my office. He had been granted a CPP disability pension. Under the CPP disability plan he was eligible for a claim because he was recognized as having health problems. He is disabled. When he filled out his income tax forms and

included the disability credit, lo and behold, Revenue Canada said "No, you are not disabled. This disability claim is disallowed".

How can one arm of the government give him a cheque, saying that he is disabled, when another arm of the government, Revenue Canada, is actually telling him that he cannot claim the disability credit and, therefore, will have to pay tax? Then Revenue Canada charges interest on it, and this poor man just cannot afford to pay. He is on disability from CPP. How does this work? I do not know.

• (1630)

The government says that it is compassionate and is giving a tax credit. Students and single parents have come to me who cannot pay. Do members know what is killing them? It is the so-called interest and penalties, even if it is Revenue Canada's fault. That is the problem.

At times Revenue Canada will not tell the constituent what it is doing. It just goes ahead and assesses without giving due notice. That is why my colleague from Calgary Southeast is presenting a taxpayer bill of rights. That is the best legislation that could be brought down to give Canadians at least a voice against the draconian measures taken by the bureaucrats of Revenue Canada.

What can be done about a system which charges penalties and interest and says that we have to pay it? People are already facing problems and having difficulty paying in the first place. These are not people who are trying to cheat. They are not denying their incomes. It is not that. They are not making much income but the problem they are facing is that Revenue Canada without informing them is taking draconian measures.

They come to our offices and at times we are successful, but why does it have to take us to do it? Why cannot the government do it? This is a concern which I thought was appropriate to bring out when we are talking about Bill C-25.

I am the international trade critic and I would like to talk about the government's fiscal policy on international trade. Many times I have heard the Minister for International Trade mention very proudly that 43% of our GDP or one out of three jobs is tied to international trade. He says this proudly. As a matter of fact he said it today.

I refer to book entitled "Africa Trade Strategy 2000". That is fine and I accept it. We are proud of what is going on. However, I have a question to ask of him. Why has there been no trade mission to Africa? The Minister for International Trade rightly said that when Canadian companies are interested we will have a trade mission to Africa. The essence of the point is: when Canadian companies or businesses are interested in doing it.

The Minister for International Trade and all the trade officials that work for the Department of International Trade around the world are promoting trade. Trade means jobs for Canada. We all

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know that. They are promoting trade to the best of their ability, signing deals, creating corridors and opening windows of opportunity for Canadian companies. That is great.

The problem is that it is for Canadian companies. With the high taxation that the government's fiscal policy has created and the refusal of the Prime Minister to recognize that, will Canadian companies at the end of the day be able to take advantage of the international windows of opportunity? Absolutely not. As the minister said, he may go out there and find there are no companies.

A problem is also originating out of this, which is evident even from EDC's list of clients. We have a serious problem henceforth with calling for EDC's privatization. We are getting concentrically narrower and narrower and narrower with only a few Canadian companies out of the whole Canadian economy. I can name a couple of them, Bombardier and SNC-Lavalin. These are the companies that are taking advantage of it. The Canadian economy is growing. There are companies all over the country that would like to do international trade. We need to expand to get them to take advantage of international trade.

• (1635)

We cannot restrict it to companies that are benefiting from grants and that have connections with the government. We have to open it up. That can only happen if there is sound fiscal policy by the government. Lowering taxes is the peak criterion. Time after time every business leader says that productivity has curtailed and taxes are too high. At the end of the day the government refuses to listen. The Prime Minister says that if they do not like it they can leave the country.

About a week ago I saw an article in the paper indicating that 500 Newfoundlanders were going to Ireland to work. Companies from Ireland came to Newfoundland and asked people to work for them. What does that tell us? It tells us that in Ireland the economy must be booming. There is a shortage of people so they come to Newfoundland, and rightly so. Let them come to Newfoundland. If Newfoundlanders can find work in Ireland, great.

We can look at the massive change that has taken place in Ireland because of lower taxes. Ireland looked at its business environment and said that its economy had to be productive. It did that. Today its companies are coming to Canada looking for workers.

Our government refuses to do that. The Minister for International Trade and everybody else including me will proudly say that we are trying to promote international trade. That is good for Canada. International trade provides jobs. When we try to sell business opportunities in the international market to Canadian companies they say cannot do it. They cannot expand because people are leaving the country. They do not have the workforce and taxes are very high.

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As I was saying, it is critically important that we have a sound fiscal policy. That will create an environment where business can flourish, which in turn means jobs for Canadians, which in turn means prosperity for Canadians. If we do not do it, the prosperity of Canadians will go down and down. It is a question we need to be worried about because Canada has the potential. We are touted as the best country in the world. If we do not stop this now, we will start slipping.

I think we already are slipping, when we look at our partners that compete with us on the international trade scene. We have started to lose ground to them rapidly. If everybody else is recognizing the problems of productivity and high taxation and are addressing those issues, when will our government address them?

In solution 17 that my party proposed we are asking for the general corporate tax rate to be reduced from 28% to 21%. We are asking for the payroll tax, the EI premium, to be reduced to \$2. We are asking that the small business tax rate be reduced from 12% to 10%.

We do not have to be rocket scientists to know what all this means. It will mean more money in the hands of businesses and of Canadians. More money in their hands means more consumer spending, which means companies become productive, the business environment has the strength to grow and we will be looking at a robust economy. If we fail to do that it will not happen.

• (1640)

The international trade agreements we are signing are opening the doors for other countries to come here as it is opening the doors for us to go first. If we are not going to go, they are going to come here. When they come here there are jobs for Canadians, but we would be weakening Canadian companies. We want them to be strong and to take advantage of the ongoing globalization era around the world.

It is a question of priorities. Yesterday the Ontario government introduced a budget which targeted the business sector and a reduction of taxes as its number one priority. It is the largest province and it is doing well. I was at the dinner and I can say there was a great sense of optimism in that province. In my home province there is also a great sense of optimism. Those two provinces are optimistic. The question we might ask is why. The answer is simple. Their economies are becoming robust, not because of the federal government but because of the provincial governments which have taken the lead in reducing taxes.

The federal government is refusing to recognize the results. It is refusing to recognize the evidence that is out there. There is evidence of those provinces reducing taxes. The European Union started reducing taxes. If we are not careful, even with the NAFTA

trade we are doing with our neighbour to the south we can start losing ground. Nothing will stop them. They will be going down to Mexico.

We hope that by bringing it to light the government will recognize it and do something about it. At this time I would like to move an amendment to the amendment.

That the amendment be amended by adding the words "by the Official Opposition".

The Speaker: The amendment is in order. It would add those words after the words "solution 17".

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, given that we will be strict on time in terms of questions and comments, I feel like someone at a smorgasbord. I do not know where to start, but I will be succinct.

The member talked about the budget in Ontario, corporate income taxes and their impact on trade, et cetera. Has the member actually had a chance to read the Ontario budget or budget 2000 of the federal government? Budget 2000 of the federal government reduced the general corporate tax rate from 28% to 21% or seven percentage points. A few months later the Ontario government has come along and made similar reductions in the corporate tax rate. I applaud the Ontario government for following the lead of the federal government.

• (1645)

In fact, the member opposite talked about how Canadian companies are not competitive. He cited Ontario. I can tell the hon. member that when these corporate tax reductions are fully implemented, the combined federal and Ontario corporate tax rate will be significantly below the tax rates in that party's sacred cow, the United States, and in the United Kingdom, two jurisdictions that the member for Calgary East cited.

I am wondering if the hon. member has had a chance to actually read the Ontario budget and to read budget 2000 of the federal government and if he would reconsider the conclusion he reached earlier, because I think it clearly negates what he said earlier.

Mr. Deepak Obhrai: Mr. Speaker, I am glad the hon. member raised this question. Yes, the press release on the Ontario budget talks about reducing the corporate income tax. I did read about it.

I ask the member, aside from the corporate income tax, what about the payroll taxes? The federal government just increased the CPP premiums. How much money is it taking on the Canada pension plan because of the government's mismanagement? With the increase in the Canada pension plan premiums, the federal government is taking away the money. Look at the EI surplus. The

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government could reduce the tax burden on the corporations making them more competitive. Again it is the numbers game my colleagues on the other side like to play, but which at the end of the day does not result in what the corporations are looking for.

It is critically important that we say what is right. In our view, the budget does not create the environment required for Canadian corporations and businesses. It does not give the working Canadians the tax reductions that are needed.

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Madam Speaker, I enjoyed my colleague's comments immensely.

There are a couple of things he alluded to in his speech. One of them was constituents' complaints. The leading one I get is when they deal with Revenue Canada on GST and revenue taxation. I wonder if he would like to outline a little bit more on that.

He also alluded to the private member's bill which is almost a taxpayers' bill of rights and provides for an ombudsman for people to call. To whom do we go? I try to work out things for my constituents. In dealing with the revenue minister, the finance minister, the Prime Minister and so on, we seem to get pushed around and around and really do not get substantive answers to a lot of our concerns. Would the hon. member care to comment?

Mr. Deepak Obhrai: Madam Speaker, I would like to thank my colleague for bringing forward a very good point of view.

Every member of parliament sitting over here knows that the number of complaints against the federal government and Revenue Canada has skyrocketed in our offices. The majority of the complaints somehow seem to get settled after we get involved and we wonder why. Why can the government and Revenue Canada not just settle these problems? Why do they make Canadian taxpayers go through the pain and suffering and time wasting procedures?

The majority of complaints are that the laws that have been made by the government are so weak that they can be interpreted by the bureaucrats in any direction they want. One goes in one direction and one goes in another direction. One will accept it and one will not accept it. There is inconsistency. Where can people go? That is why my colleague has brought in the Canadian taxpayers' bill of rights. At least the people will have somebody to complain to about what is happening. Maybe then the government will listen.

• (1650)

I am surprised that the members of parliament on the government side will not tell their ministers or the bureaucrats what they are hearing from their constituents.

Mr. Bill Gilmour (Nanaimo—Alberni, Canadian Alliance): Madam Speaker, my colleague was talking earlier about international trade.

I would like to go back about 40 or 50 years when Japan was just starting out and when the image of made in Japan was not a particularly good item. However through progressive governments that have been favourable to industry, through productivity, individual work ethics, some of that productivity in Japan is now some of the best in the world.

We have seen that go from Japan to Korea to Taiwan, a similar move of where economies start at the low end but through progressive governments that are favourable to industry, they end up doing particularly well on the international market. These are the markets with which we have to compete. We will be competing with China over the next several decades. That will be an absolute workhorse of productivity and an economy that works.

My impression is that Canada is just about at the opposite end. The government is trying to penalize industry. It is not making progressive taxation or legislation that works for industry. That is my impression. I ask my colleague do we seem to be on the wrong side of this issue?

Mr. Deepak Obhrai: Madam Speaker, at the end of the day what concerns me is whether this new century will be the century of missed opportunity for Canada. It will be if we do not address the fundamentals in creating the economic environment for business to thrive.

My colleague alluded to Japan and other Asian tigers. They became tigers because they recognized the importance of international trade and of a freer market and creating an environment for business to thrive. I accompanied the Minister for International Trade to Latin America which is doing the same thing.

The question is will this century become the century of missed opportunities for Canada? I hope not.

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, I am pleased and honoured to enter the debate on the income tax amendments. It may interest those watching in the wonderful world of CPAC to know what it is we are actually debating here this afternoon.

I was talking to a lady at a trade fair a couple of weeks ago. We have these trade fairs out west. I stood all day and listened to people about their concerns. Among their concerns definitely with tax day looming was the whole situation of taxes. This one lady said she always watched CPAC. I asked her if she had any other problems. She was a very delightful lady.

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I want to bring to the attention of everyone in the House, as well as to those who are watching via the electronic medium, that we are debating Bill C-25. We have a tendency here, and the parliamentary secretary will agree, to bring all these things together. Even in his questions he was talking about budget 2000 which the Minister of Finance brought down several months ago. However, this bill is one which is now over a year old. I think people should know that. We are finally getting around to implementing measures that were introduced in budget 1999 some 13 or 14 months ago. It is really quite ridiculous.

• (1655)

Furthermore, this bill also covers two ministries. There are several amendments to acts which are under the co-ordination of the Minister of National Revenue and then others for the Minister of Finance. This is an act to amend the Income Tax Act, the Excise Tax Act and the Budget Implementation Act, 1999. We are really doing catch up here and I do not mean that in the sense of something we put on our fries.

I would like to also point out some of the individual topics that are covered and make little comments about them. One of the measures in the bill is that the tax credits for individuals, the basic amounts and spousal amounts, are to be increased and the amounts are specified. This is a lame halfway measure the government introduced last year to begin to index the tax system.

Bracket creep has been a real problem. The government just loves to crow now about the fact that it has ended bracket creep. We have been calling for that for six years. For six years we have been saying to index all of the provisions of the Income Tax Act, particularly the basic exemptions so that people do not have a hidden increase in taxes every year. Finally last year the government started to do something about it and it took further measures this year.

After my little lecture speaking about last year's budget I will mention about this year's budget. Now the government has said it will restore full indexation. While I would like to put my hands together to applaud that, the government missed because in the last six years it has used bracket creep to ratchet up the amount Canadian taxpayers pay, to the tune of around \$40 billion a year more tax revenue since the Liberals took office. That is since 1993. The Liberals have ratcheted up the income tax revenue over that time and now they say, "Are we not wonderful? We are now going to keep it there". We were at a lower level; the government allowed it to go up and now says it will no longer increase it.

By the way, since I was a teacher and an instructor for 31 years I have the habit of showing graphs from the point of view of the people watching me. When I raise my hand I presume that people will see a blackboard on which I am drawing a graph and they are

looking at it and I am sort of behind it. It is a skill I wish I could use here. I would love to have graphics, charts, overhead projectors and animated graphs using a computer. We would be able to communicate so much better.

The point I am making is a very important one. By lack of indexation over the last six years since the government took office, it has moved the basic rates up. Now it says it will increase the rates no further. As my colleague from Medicine Hat mentioned in his very fine speech, it is now claiming as taxes have been going up due to bracket creep, had the government not ended it in this year's budget it would keep on going.

The government is saying that based on what those rates would be in the next five years, it would be collecting a whole bunch of dollars but now it will not collect them and therefore the government will call that a tax cut and that will make everyone feel good. The fact is it has been a huge tax increase from the 1993 level to the 1999 level when the government started reducing the increase. Now it claims the level is flat. Let us hope the government keeps it that way.

There is the elimination of an individual surtax. We promoted and proposed that both the 3% and the 5% surtaxes be eliminated.

• (1700)

In the 1999 budget the Liberals undertook to eliminate the 3% last year, and I say great. I guess we should give them credit when credit is due. An income splitting tax is included in this legislation. It is rather interesting. While they talk about cutting taxes, here is one where they arrange to tax mostly young people. A tax is added to the earnings of a person living in a home with his or her parents. Those earnings are added to the income of the parent claiming an exemption. They introduced a tax on passive income. It is a tax increase no matter which way we slice it.

One could argue that it is only fair. Why should one person be able to earn an income and have to pay tax on it and the other one not? There is an element of fairness, but the fact of the matter is that they drew into the tax rolls individuals who were not there before.

The bill addresses a number of other issues. One I found particularly interesting was the one on communal organizations. There are a number of such organizations. We certainly have them in the west. I have several of them in my riding as a matter of fact. Instead of individuals owning farms there are communes. They are very successful farmers but do not own the land as individuals. Instead they all live on it. Actually they are delightful.

If any of my colleagues end up in western Canada and have an opportunity to visit one of the Hutterian Brethren communes it will be quite an experience. All the young people are taught to work. They all participate in the task of putting bread and butter on the

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table. They have animals. They are also excellent grain farmers and so on.

The particular measure provides that in order to compute the taxable income of communes they can apply the basic exemptions of all individuals who are part of the communes. This seems fair. I do not think there is anything patently wrong with it. I am not going to criticize it because I think it is fair.

Let us say that 50 people are making their living from a farm. If they all owned little pieces of land they could all claim their basic exemptions. None of them can claim personal incomes. They do not operate that way. They all live together. They share their food. They share their accommodations and so on. The costs are paid by the commune. To apply the collective exemptions of all of them to their income is a fair situation.

However it makes me think of a shortcoming that I often think about, particularly with respect parents who choose to have one of them stay at home and look after the children. That is also a form of commune. Only one parent is earning an income and the other parent and the children are dependants. Yet the government has never seen fit to apply a basic exemption for those members of the family who are not making an income. They always have a reduced exemption.

In our solution 17 we have proposed this in various income tax projections over the last number of years. We have been quite consistent in this regard. Both parents should enjoy the same basic exemption. There should not be a differential. Our solution 17 does the same thing. Whether it is a one income or a two income family it matters not. Each adult in the family would be eligible for a \$10,000 basic exemption.

• (1705)

If they recognize the principle for communes of 50, I invite them to recognize and apply the principle to a commune of two: a mom and a dad looking after their children. Let us have a fair tax system so that we stop bleeding families dry and making it so difficult for them to make ends meet.

There are a number of other issues in the bill. I will skip right to the last one and make a comment on the bill before I say some general things. The last one has to do with income taxes related to the hepatitis C trust. We will remember that the Liberals were hammered for the fact that they were very selective in whom they chose to give compensation. In the rules that were set up, if a trust is set up and it earns interest that interest should be taxable. They are talking about taxable income as a result of interest from these trusts.

Two days ago young Joey Haché was here again. He is one of the young fellows who has been highlighting the whole hepatitis C issue. So far we find that the bulk of the money paid out under that program has been to lawyers. The victims of the hepatitis C scandal

at this stage are still mostly struggling to get compensation to reach them.

I would like to say a few things in general about taxes. It is interesting that the decisions we make in life are based on our perception of facts. They are also usually based on certain assumptions. Assumptions are sometimes a little different from facts because what we are doing is saying if we do this, then this is likely to happen. Perhaps it is not 100% predictable. It is a non-repeatable experiment in many cases.

For example, if I throw a glass of water out of a 12 storey building, chances are pretty good that when it hits the ground the glass will break. If it actually breaks I cannot repeat the experiment of throwing it to see whether it will break a second time. It is a non-repeatable experiment.

That is the case with some economic assumptions. We often hear from the government in its budgetary policy that it is creating jobs. It keeps talking about this, but no one ever admits on the other side that for every job it creates it is probably killing 1.1 jobs. Another way of putting that would be to say that for every 10 jobs it creates, it is killing 11. The reason is very simple. Canadian families are taxed to death. With all three levels of government most Canadians will end up having half of their income confiscated from them.

I thought of something last week during the Easter recess. I noticed that my garage roof was leaking. That is unfortunate because the water falls on to the car and because it is a tar roof it marks the car. I thought of the money I pay in taxes to help create jobs building a fountain in Shawinigan. If I could have my taxes reduced I would have enough money to phone the roofer and ask him to come and fix my roof. He would have a job for a day. We know how much mismanagement and mishandling there has been of government funds. The boondoggle has become quite a large issue in the country.

The fact of the matter is that I have had this idea for many years. When we take money away from people who have earned it, we are not creating new jobs. We are moving the jobs. That is what we are doing. If we take the overhead costs of that process, the cost of collecting the taxes and the whole bureaucracy of distributing the money, we recognize that maybe my ratio of 11 to 10 is wrong. It is a number I have pulled out of the sky. Maybe it is 15. Perhaps for every 10 jobs the government claims it creates through grants and contributions, the government is killing 15 jobs in the economy. I do not know what the number is. Perhaps studies have been done that give us that information, but I have an idea that is a safe assumption.

• (1710)

I would much rather leave more money in the hands of the people who earned it and have them create the jobs by having the

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roof fixed or by making a new business investment which would directly hire people. To me the marketplace is a much better creator of jobs than the temporary jobs created by a handout government, especially at election time when we see these handouts peaking.

We are in May 2000 debating the budget brought down on February 16, 1999, well over a year ago. Most of these things have actually already been collected. That is quite an issue.

We have an increasing lack of respect for the taxation collection agencies in the country. More and more people are beginning to question the legality of paying taxes and all these things. I do believe in law and order and all that, and I really do not think the so-called anti-tax people who claim that it is unconstitutional to collect taxes are right. Even if they were, I would still like to have a tax regime that works. I want to maintain the structure of solid government, such as we have in this country, but not with excessive taxes. When we behave this way we build a stronger case for them to reject our tax system.

There are a number of items for which the people have already filled in their forms. They have filed their taxes on this basis. Strictly speaking, we have not yet passed the orders into law. Those people who claim that this is not constitutional or not legal could probably win in the supreme court. I hate to say that, but they probably could because the court would have to rule that it would be illegal for the government to collect the tax or in some cases to make an exemption which had not yet been passed into law. I think that is regrettable.

The government should make sure when it has a budget that it deals forthwith in implementing the provisions of the new budget so that people can have confidence that what they are being asked to do is legal. I regret that my time is up because I could speak for hours on the whole issue of taxation.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I listened to the hon. member for Elk Island finally get to budget 1999, but in his preamble he talked extensively about the reindexation of the income tax system which occurred in budget 2000.

The hon. member talked about the flat tax. People understand that the flat tax or solution 17 is not a progressive tax. In other words, it moves the tax burden from high income Canadians to middle income Canadians. For example, a single taxpayer earning \$30,000 would receive a tax reduction of 12% while a similar taxpayer earning \$200,000 would receive a tax cut of 39%.

We know it is not progressive but we hear about the simplicity where people will fill in a form with their income and they will just take 17%. I heard the member talk about various deductions.

• (1715)

I do not have the information on solution 17. Under solution 17 will there be various deductions and tax credits? For example right now under our tax system we have deductions for RRSP contributions, pension contributions, charitable donations, medical expenses over a certain amount, union dues, professional fees and special tax considerations for people with disabilities. Will items of that nature still apply under solution 17 or will it just be a matter of taking one's income and applying a percentage?

Mr. Ken Epp: Madam Speaker, I need to congratulate the parliamentary secretary. That is such a super question. He could not have asked a better question.

There is this myth going around that the single rate tax, which is different from the flat tax, is a tax break for the rich. It is not. It is an equalization of the tax burden.

The basic exemptions are increased dramatically. We are going to give a percentage tax cut indeed to the average Canadian taxpayer. However the people who benefit the most are the families. For example a mom and a dad and two kids who earn \$26,000, I do not have the numbers right at my fingertips on how much tax they would pay under the Liberal government but whatever it is, we are giving them a 100% tax break. Every tax dollar that they have paid they now will no longer have to pay. They get off the tax rolls completely because there is a \$10,000 basic exemption for each of the adults and \$3,000 for each of the two children which is \$6,000. That is \$26,000 they earn before they pay a single penny of tax. They get a 100% tax break.

I am not going to apologize for the fact that even those who are making more money also get a tax break. It is time for us to stop punishing people who earn money in this country.

If a person is making \$50,000 or \$60,000, and if they earn an extra \$5,000, I can see where we are going to tax them on that extra income. However I reject the hypothesis that as they earn more we have to take a higher and higher proportion of it because that totally stifles economic growth and it kills the enthusiasm and joy of our citizens. If they earn \$10,000, let them pay twice as much more tax as the ones that earn \$5,000 more. I am talking about after those basic exemptions.

The other question the member asked had to do with the deductions from taxable income for all of the other expenditures. The short answer is that most of the deductions that are in place now would still remain in place. It is not a flat tax per se. It is a single rate tax. It simply means that there is a certain level on which earners pay no tax and after that it is 17% on every additional dollar after the basic exemptions. They still will be able to apply, for example, their deductions for charitable donations and others.

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Mr. Maurice Vellacott (Wanuskewin, Canadian Alliance): Madam Speaker, my colleague was giving some very enlightening comments on our 17% tax proposal. I want him to carry on a bit to clarify and enlighten all of us here and the viewing audience as well.

Let us keep this real simple and use the example of a husband and wife with no kids on the scene. I have a brother and his wife who are in that situation. If they had an income of \$40,000 and they each had this \$10,000 exemption, in effect they are going to be paying 17% tax on that additional \$20,000. Am I correct in understanding that they are not going to be paying 17% on that second \$20,000, from \$20,000 to \$40,000? At that level they will not be paying 17%. It would be much less. In fact one would have to have a fairly good wage before one would be paying anywhere close to that actual 17%.

● (1720)

Mr. Ken Epp: Madam Speaker, again it depends very much on the individual situation. Let us talk of two adults, a husband and a wife, who earn \$20,000 between them. If they have no deductions, then they would pay 17% on \$20,000 which would be \$3,400. That would be their total tax but the effective rate for them would actually be 8.5%.

The beauty of this tax system is that for each incremental or marginal increase in one's income, the tax is linear. I am speaking as a mathematician. It does not go up exponentially as it does with the Liberal scheme where if we make more and more the Liberals take a higher and higher percentage of it. We propose to take a constant percentage. Therefore, it is a truly—and what is the opposite of a regressive tax system—a progressive tax system. Those people who make \$20,000 would pay zero. As the income goes up, the total amount that is paid in taxation goes up in a really nice continual curve. It does not have big leaps.

We hear these horror stories about people who got a raise or overtime pay but had less on their paycheques than if they had not worked that extra time. They got into a higher bracket. That will never happen with our system because it is a linear system.

It was a very good question and I appreciated the opportunity to answer it.

Mr. Grant Hill (Macleod, Canadian Alliance): Madam Speaker, one other thing my colleague from Elk Island did not mention is the impact of the underground economy on our tax system. Many people in the country feel our tax system is so unfair that they actually hide income. They put it under the table. That is part of this fair 17% solution which very few of my colleagues across the way seem to understand. If people feel the tax system is fair, they are far less likely to go through the process of hiding their income. Could my colleague comment on that?

Mr. Ken Epp: Madam Speaker, I am no different from other members of parliament. I am sure everyone in the House who is willing to admit it has heard stories and knows of some cases firsthand, as I do, of individuals who quote two prices to do something, for example to fix the roof. There is a price if they are paid cash and a price if they have to issue a tax receipt.

Yes, I think that is deplorable. It is really wrong for an individual to avoid the tax system. What he or she should do is help to elect a Canadian Alliance government to fix the tax system. Until that happens, people should really comply.

At any rate the problem is huge. I remember way back in 1993 when the Liberals were first elected and the Conservatives had been in power. Even then, because of the GST, it was stated that probably all of the deficit, which was estimated to be around \$40 billion but it turned out to be larger, but \$40 billion a year of government revenue was lost because of the underground economy. We never know exactly how much it is because the people who do not comply are the ones that are not tracked.

Mr. Bill Gilmour (Nanaimo—Alberni, Canadian Alliance): Madam Speaker, I would like to put a few points on the record in the five minutes that remain.

It is interesting to look across the way. It is almost a state of denial. Look at where 40 years of successive tax and spend governments have put us. I will show myself as being a little long in the tooth, but I remember in the 1950s when we went to the United States and put a dollar on the table, we got \$1.12 back or \$1.09. The Canadian dollar was worth more than the American dollar but today it is below 67 cents. That did not happen by osmosis; it happened through government policies.

● (1725)

We consistently get the denial from across the way “Well, we always look at our pals in the United States. It is the United States that we always look to”. In some ways we do, because the Americans have the luxury of an economy that is going far faster, in multiples of what ours is doing.

If we have to make a comparison, we do not have to go down to the United States. We just have to compare my home province of British Columbia with its next door neighbour Alberta to see what different taxation policies can do. We not only have the Liberal government to contend with but we also have the provincial NDP government and British Columbia has been put on its knees with the cumulative effect of the two. Compare that to Alberta which basically has no sales tax and has a very envious record. Again, that is through public policy, policies of successive governments that have gone in the direction of building the economy, not knocking it down.

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It is not just a simplistic answer. We have interprovincial trade barriers, for example. We have talked about it. It is a huge cauldron. In Ontario and Quebec it is a one-way street with workers going across one way but it is not reciprocal the other way. That is a simple example of the trade barriers in one province not being the same in others. It goes right across the country.

What about our debt? I started out by saying our dollar was \$1.12 compared to a U.S. dollar 50 years ago, and it is now down to 67 cents. Back in those days we had a very tiny debt. The reason our dollar is down on its knees is the huge burden. The world markets are looking at Canada and saying that with this huge debt we have hanging over us, they do not have faith in our economy and they do not have faith in our dollar.

Canadians would like the government to address that. For example, the U.S. plans to pay off its debt in about 13 years. Australia plans to do it in about three years. With the forecasting from the finance minister, in Canada it is something like 190 years at the present rate. There is no political will to move forward to attack that debt so that we can bring the economy forward.

It is the cumulative effect of taxes, of debt and of legislation that does not favour business. In fact, it penalizes business. It penalizes. It is as if it is a crime in this country to make a buck. This is with tongue in cheek but basically with the Liberal policy, the simple tax form in part *A* asks how much money we made and part *B* says to send it in. That is about where this government has been going.

Canadians are on their knees. They are taxed not only federally, but in some cases we have a provincial regime that does not work, and the municipalities as well. This country needs to get its tax burden across the board under control. All levels of government have to do that.

We have seen other countries that we have to compete with. I mentioned earlier in a question Japan, Taiwan and now China. These are countries that started off at the low end but through the years and with progressive government policies that favour industry and productivity have moved forward. These are the economies we as Canadians have to deal with.

I am running out of time, so I will wind up. On the tax issue, if there is just one message I wish the government would really listen to, it is that we need to lower taxes at all levels.

The Acting Speaker (Ms. Thibeault): I have to interrupt the hon. member at this time. The next time the bill is brought before the House, the hon. member will have about 14 minutes remaining.

[*Translation*]

It being 5.30 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

• (1730)

[*Translation*]

OFFICE OF THE CORRECTIONAL INVESTIGATOR

Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ) moved:

That, in the opinion of this House, the government should introduce amendments to Part III of the Corrections and Conditional Release Act so that the Office of the Correctional Investigator would report directly to Parliament and that its recommendations would be binding rather than simple recommendations.

She said: Madam Speaker, Motion M-228, which I am putting before the House today, deals with Part III of the Corrections and Conditional Release Act, which deals with the correctional investigator.

The Corrections and Conditional Release Act is now being reviewed by a subcommittee of the Standing Committee on Justice and Human Rights. While the conditional release procedure seems to capture the interest of the general public and of members of the House, the same is not true of Part III of the act, which deals with the correctional investigator. In my opinion, this is a very important part of the act.

The subcommittee reviewing the Corrections and Conditional Release Act will propose certain improvements to the Office of the Correctional Investigator. These improvements are acceptable, but I believe they are not sufficient to give the correctional investigator the powers he should have, given the importance of his functions.

That is why I have decided to draw the government's attention to that part of the act. I call upon the government to give more powers to the Office of the Correctional Investigator and to introduce the necessary amendments. Allow me to explain why the government should seriously consider my motion and the proposals it contains.

First, I think it is important to remind the House that, as stated in section 3, the purpose of the Corrections and Conditional Release Act is, and I quote:

—the maintenance of a just, peaceful and safe society by (a) carrying out sentences imposed by courts through the safe and humane custody and supervision of offenders; and (b) assisting the rehabilitation of offenders and their reintegration into the community as law-abiding citizens through the provision of programs in penitentiaries and in the community.

It is the responsibility of the Correctional Service of Canada to look after the custody of offenders and set up programs that

contribute to their rehabilitation and successful reintegration into the community. The correctional service must also prepare inmates for their release and supervise conditional and statutory releases, as well as the long term supervision of some offenders.

The commissioner of corrections has the control and management of the service and all matters connected with the service. The commissioner reports to the minister, in this case, the Solicitor General of Canada.

Under the act, the correctional investigator conducts investigations into the problems of offenders related to decisions, recommendations, acts or omissions of the commissioner or any person under the control and management of the commissioner that affect inmates.

I should be noted that the reasons for complaints are many. It could be a transfer or something to do with the special handling unit, access to rehabilitation programs, double bunking, health care and many others.

The main function of the correctional investigator is to conduct investigations and settle the complaints of each offender. The correctional investigator may conduct an investigation either on his own initiative or following a complaint by an inmate or a request by the minister. Unfounded or inappropriate decisions might compromise chances of success of rehabilitation and, in the longer term, they might also affect the public's security.

After having conducted an investigation, if the correctional investigator determines that there actually is a problem regarding one or more offenders, he must submit a report to the commissioner. The correctional investigator adds to his report a motivated opinion if he considers that the commissioner has contravened the law or an established guideline or rendered an unreasonable, unfair, oppressive or unduly discriminatory decision. He will also give a motivated opinion if the commissioner exercised his discretionary power for improper purposes, irrelevant reasons or no reason.

• (1735)

The correctional investigator must also include in his report the recommendations he deems appropriate and which are relevant to complaints from inmates. These recommendations ensure that systemic concerns within penitentiaries are dealt with properly.

For instance, the correctional investigator has jurisdiction over special detention units, grievance procedure, case preparation, access to rehabilitation programs, double bunking, as I mentioned, transfers, the use of force, injuries to inmates, and other matters.

As members can see, the investigator has important duties and he must deal with both sensitive and complicated matters. As mentioned in his departmental performance report for the period ending March 31, 1999, and I quote:

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The Office aims to assure the Canadian public that the federal correctional system is managed efficiently, equitably and fairly.

Unfortunately, the recommendations or findings of the correctional investigator following an investigation are not binding on the commissioner of corrections. With the current legislation, when the commissioner of corrections does not take action within a reasonable time after the correctional investigator has presented his report, the latter may inform the solicitor general of the situation and provide him with the information originally provided to the commissioner.

Nothing in the act says that the minister must act on the advice of the correctional investigator. The investigator must submit annually a report of the activities of his office to the solicitor general, who introduces it in the two houses of parliament.

Clearly, the decision-making power of the correctional investigator is quite limited. Furthermore, the appointment process does not guarantee total independence or neutrality. Indeed, the correctional investigator is presently appointed by the governor in council. In other words, the minister is his boss.

Considering the importance of the correctional investigator's role, I believe that changes are in order and that the government must act. Therefore, I submit that, to start with, the government must amend the act to make the correctional investigator accountable to parliament.

That means that he would be appointed by parliament. In legal terms, the provision could read something like this: the incumbent shall be appointed by commission under the Great Seal after approval of the appointment by resolution of the Senate and the House of Commons

Under this appointment process, the appointee shall report to parliament and, at the end of each year, submit an activity report. This report may include recommendations regarding the changes in legislation that are deemed desirable.

Once tabled, this activity report is referred to a committee designated or established by parliament pursuant to the act to monitor the enforcement of the act and its regulations. This designated committee also oversees the implementation of the reports tabled by the person responsible.

I believe that this change in the correctional investigator appointment process would really improve the role of the investigator, who would be accountable to parliament, which would give the function a more independent and impartial status than it currently has.

Some recommendations of the correctional investigator could be implemented at this level by the committee responsible for monitoring the enforcement of the act. The commissioner of official languages and the information commissioner are two examples of people who are accountable to parliament.

Private Member's Business

Because of his or her position, the correctional investigator can identify weaknesses in the Corrections and Conditional Release Act and see how it impacts on the prisoners and their rehabilitation. Any improvement of the status of the correctional investigator is likely to improve the very complex system provided for in the act. For these reasons, this change in the appointment process of the correctional investigator is desirable.

• (1740)

While the government ought to do more, this, in my opinion, is the first change that should be made to this act. Genuine decision making power must be given to the correctional investigator by making his recommendations binding.

As we have seen, at present, the commissioner is not bound by the recommendations made to him by the correctional investigator after a prisoner's complaint has been investigated. The only recourse, as the case may be, that the correctional investigator has to ensure his conclusions are acted on is to inform the solicitor general that the commissioner failed to act.

Several avenues could be explored by the government to ensure that the recommendations of the correctional investigator are binding. The government could simply change the existing legislation so as to direct the commissioner to follow the recommendations of the correctional investigator.

Between April 1, 1998 and March 31, 1999, the correctional investigator received 4,529 complaints made by inmates or on their behalf. The correctional investigator's workload is considerable. Moreover, the correctional investigator must make sure that custodial provisions are appropriate and look after the rehabilitation of inmates, while ensuring public safety.

That is why I encourage the government to introduce amendments to the appointment process, so as to give the correctional investigator an independent status, as I said earlier. I also say to the government it should introduce amendments to the legislation in order to give some real authority to the correctional investigator. In fact, the correctional investigator knows that I have moved this motion in the House today and he is, in his own words, totally in agreement with this motion.

I want to stress that this motion is absolutely non-partisan. I believe that all parties in the House stand to benefit from the correctional investigator reporting directly to parliament. We want to make sure that this function is real, efficient and independent. I believe this concerns us all as parliamentarians, whatever our political allegiance.

The Standing Committee on Procedure and House Affairs has not selected the motion I am submitting to the House this evening as a votable item, even if the issue is of primary importance. I think it is unfortunate that we cannot vote on such a serious issue. In spite

of that, I have addressed the House on the subject, and other members may do so for a total of one hour.

What is the use of debating for one hour if the members will never have the opportunity to vote on the issue? My speech tonight will certainly convince several members of the validity of my motion, but no concrete measure will be taken following the debate.

I am tempted to say that we are wasting time and precious resources. Members of parliament work very hard to introduce motions and bills on issues affecting the general public. That is why all members should have the opportunity to vote on such initiatives.

The introduction of motions and bills by private members allows them to speak for their constituents. It is also an opportunity for other members to express the views of their constituents on the issues before the House. To deny members the possibility to vote on these initiatives is to withdraw a basic vehicle for action in our democratic system.

Therefore, I think that out of respect for the voters and for the position of members of parliament, the issues submitted by private members to the House should all be votable items. Do members not believe that talking for the sake of talking is a waste of taxpayers' money? No, that is not why we were elected. I think that the job members of parliament do is a serious one and the motions and bills they introduce should be treated as such.

I admit that I am a little embarrassed to be doing this tonight. I know that I am not alone in this regard. As a matter of fact several other hon. members already expressed their views on votable items in 1996, before the subcommittee on private members' business of the Standing Committee on Procedure and House Affairs.

• (1745)

Many of us thought that there were not enough votable bills and motions in spite of the importance of the issues. Many also thought that all the bills and motions by private members should be voted on.

Accordingly, I urge all hon. members who share this view to keep on working to change the way things are done in the House. Furthermore, the subcommittee I mentioned recently sent a questionnaire concerning Private Members' Business, and I hope all hon. members take the opportunity to express their view on this matter.

If it is not the case—

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon. member but her time is up.

Mrs. Pierrette Venne: Madam Speaker, I rise on a point of order, I ask for the unanimous consent of the House to finish my speech. There are only two sentences left.

Private Member's Business

The Acting Speaker (Ms. Thibeault): Does the hon. member have the unanimous consent of the House?

Some hon. members: Agreed.

Mrs. Pierrette Venne: Madam Speaker, I will conclude by saying that if members have not yet taken advantage of the fact that they are being consulted on whether they want all motions and bills to be made votable, I invite them to do so.

Together, we should succeed in changing this practice that leads us nowhere.

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Madam Speaker, we have before us Motion M-228, which deals with the office of the correctional investigator. This motion asks the government to introduce legislative amendments to have the correctional investigator report to parliament directly, and not through the solicitor general, as is the case now.

[English]

For reasons which I will explain in greater detail, I simply cannot support this motion.

It seems that the criminal justice system has held a place of prominence in parliament in recent months. The Minister of Justice has initiated action in the area of youth justice. Her extensive proposals are still being considered by the Standing Committee on Justice and Human Rights. In the last session, among other initiatives, she oversaw the passage of significant additions to victims rights legislation.

The solicitor general has done his share of legislative reform by extending the protection of young Canadians from sexual predators with amendments to the Criminal Records Act, which has just received royal assent.

[Translation]

Our justice system is being updated practically on a continual basis. In fact, one could consider that correctional reform was undertaken when the Parole Act and the Penitentiary Act were replaced by the new Corrections and Conditional Release Act that was passed in 1992. It is in that new act that the Office of the Correctional Investigator was established.

In establishing that office through legislation, the government reinforced the right of inmates to have access to a grievance process, while ensuring better protection of their right to be treated in a fair and humanitarian manner.

[English]

We can take pride in our worldwide reputation for maintaining a correctional system which acts fairly while pursuing its primary

goal of public protection. I fear, however, that Motion No. 228 would change our law in ways not envisaged or intended by those who drafted, debated and later amended legislation which became the Corrections and Conditional Release Act as we know it today.

• (1750)

Motion M-228 asks us to reconsider an aspect of the office of the correctional investigator that could have been included in the 1992 legislative package, an item that was indeed proposed by some witnesses and committee members during the hearings before the Standing Committee on Justice and Human Rights.

[Translation]

But the proposal was rejected, and it is no more desirable today than it was then.

I will point out that we are expecting the report of the Standing Committee on Justice and Human Rights dealing with the most recent review of the Corrections and Conditional Release Act.

[English]

The solicitor general has said that he looks forward to receiving the recommendations of the subcommittee, and I am certain that he will consider those recommendations very carefully.

Motion No. 228, however, proposes a change to this act, and a change which I cannot support.

[Translation]

In the time I have left, I will try to shed some light on the way the Office of the Correctional Investigator currently reports and explain why this proposal is not judicious.

The solicitor general is responsible for the federal correctional agencies, of which there are two: the Correctional Service of Canada and the Parole Board of Canada.

The minister is accountable to parliament, thus to the Canadian public; moreover, he has the mandate to make the necessary changes—when they are called for—to the policies and practices of these agencies.

When the correctional investigator reports to the minister, as is the case now, he brings his concerns directly to the attention of the system's responsibility centre. If the report contains recommendations that it would be appropriate to implement, the solicitor general encourages the government to take the necessary measures accordingly.

There is no chance these reports will get lost along the way, or shelved as they say, because not only does this series of legislative measures make it mandatory for the solicitor general to present such a report, but also the act categorically states that it must be tabled in parliament by the solicitor general within 90 days. In

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short, the correctional agencies are independently monitored and reports must be submitted.

And besides, there is another important element, of course. The Standing Committee on Justice and Human Rights, of which the author of the motion is a member, may examine, at its own discretion, the annual reports and special reports of the correctional investigator.

Questions may be asked about the follow-up given to recommendations made by the investigator, either in his annual report or in his special reports. Questions may also be asked about the way complaints lodged by inmates have been dealt with.

Therefore today's motion is totally redundant.

[*English*]

We are living in times of tremendous change. You, Madam Speaker, and all of my colleagues are well aware that change is experienced no less by the criminal justice system than it is by any other institution in our society.

[*Translation*]

Obviously, the last decade has seen a great deal of activity in the area of criminal justice.

[*English*]

Is our justice system working? Is it indeed protecting our most vulnerable citizens? Are our actions in line with our speech in terms of making the safety of Canadians of paramount concern to the Government of Canada?

[*Translation*]

Our government was well prepared to deal with those difficulties. I would add that Canadians are not asking us to allow inmates to submit their problems directly to the House.

The rights of offenders imprisoned or on conditional release are protected by the law and by international codes of ethics, of which Canada is a signatory. Besides, the rights of individuals living under the authority of the correctional system are protected by legislative provisions on human rights, as well as by the Canadian Charter of Rights and Freedoms.

• (1755)

I sincerely do not believe that the motion moved—in all good faith—by my colleague, who is a hard worker, will improve those protections in any way.

Of course, what interests me most is that this proposal can in no way guarantee better protection of the public.

Therefore, since this motion can neither improve protection of the public nor increase the public's confidence in the correctional system, this motion is useless, in my opinion.

[*English*]

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, I am honoured to enter the debate on this justice issue brought forward by the hon. member for Saint-Bruno—Saint Hubert.

We are discussing once again the issue of justice and sentencing. I vacillate back and forth between the whole concept of holding people accountable for their actions in a meaningful way while at the same time upholding a very important principle in which I strongly believe. The principle I am talking about is our justice system, which in all aspects should be based on the principle that it is the safety of law-abiding citizens which should take pre-eminence in all cases. I also very firmly believe that if the rights of a victim and the rights of an accused collide, then the rights of the victim should take precedence.

I think this motion was brought forth today out of a sense of frustration with our justice system in Canada. I do not want to particularly pick on the current Minister of Justice, since I do not think the situation was substantially better under the previous minister. The way the justice system works in Canada is very seriously flawed. We have a minister who, unfortunately, does not respond well to issues which are very important to Canadians.

We have more than 500,000 names on petitions asking the government to do something with respect to the possession of child pornography. The Minister of Justice simply wrings her hands and says "I cannot do anything". Canadians do not understand that. They do not like it and they have expressed that to me.

I mentioned in an earlier speech today that I spent a number of hours at trade fairs in two of the major centres in my riding in the last couple of weeks. One of the issues that came up over and over was the issue of child pornography. I can see my colleague being motivated to bring forward her motion when the minister does not respond to issues such as child pornography. The member is really bypassing the minister with her motion.

At the present time the annual report of the correctional investigator is tabled in the House by the minister. It is required by statute that the report be tabled in the House so that it will be available to all of us. Consequently, the minister can sit on it and forget about it. There is never a requirement to actually act on any of the recommendations. I can understand the member's frustration.

I feel bad about this because I know this motion has come forward from correct motivation. I wish the member had worded it a little differently, because then I would have supported it quite heartily. However, I have a real concern with a motion which lets

26 correctional officer prepare a report with recommendations that are binding on the House.

• (1800)

When we actually so arrange our affairs, we are in danger that parliament will not be supreme. We have already done that thanks to former Prime Minister Trudeau who brought in the Canadian Charter of Rights and Freedoms with its overriding control over future parliaments. We have lost our autonomy. We no longer have a parliament that can pass a law based on the majority in a democratic process either of our people or of our representatives in the House.

If I am reading this motion right, the primary flaw that I see is that the motion would further erode the supremacy of parliament. I am sure the hon. member will correct me during her last five minute speech if I am wrong.

The way I read it, the motion states, and I quote, “recommendations would be binding rather than simple recommendations”. It means that the recommendations made in that report to parliament would not be debated or passed by the House. If they were, there would be no choice but to adopt those recommendations. I think that would be unwise.

Undoubtedly many of the recommendations would be valid and would carry the support, but if there were recommendations that were not supported by the majority of either our citizens or, by projection, their representatives in this place, then we ought not to allow yet another individual or small committee somewhere out there, that is neither elected nor accountable, to dictate to Canadians how the conditional system works. As I see it, that is the most serious flaw in the motion.

I would, however, like to say that we need to seriously look at the whole question of sentencing and we need to have better feedback.

Private Member's Business

I happen to have a major institution located a few miles from the boundary of my riding. Many of the people who work at that institution live in my riding. They live in the towns of Fort Saskatchewan, Gibbons or Bon Accord. They work at that institution and they express their concerns to me. Many of the things that happen in Correctional Service Canada are not really geared toward the protection of citizens they way they ought to be.

I commend the hon. member for bringing this motion forward. I certainly sympathize with her frustration with the system. We do need to look at the way this reporting should be done. However, it would have been better if she had moved a motion that said that those recommendations must be dealt with in the House within a certain length of time and that a subsequent vote on those recommendations would be a free vote, as Private Members' Business is. Perhaps that would have been a better way to accomplish the goals she is seeking.

[*Translation*]

The Acting Speaker (Ms. Thibeault): The member for Saint-Bruno—Saint-Hubert has five minutes to reply at this time, if she so desires. She has the floor.

Mrs. Pierrette Venne: Madam Speaker, following the comments I made earlier about having one hour to debate a bill or a motion that just dies after the hour is over, without even being voted on, I have no further comments to make on my motion.

The Acting Speaker (Ms. Thibeault): The time provided for the consideration of Private Members' Business has now expired. Since the motion was not selected as a votable item, this item is dropped from the order paper.

It being 6.05 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.05 p.m.)

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