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Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, February 19, 2001

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1100)

[*English*]

FISH FARMING

Hon. Charles Caccia (Davenport, Lib.) moved:

That, in the opinion of this House, the government should undertake a study of the issues posed by the fish-farming industry, with particular regard to ecosystem health.

He said: Mr. Speaker, members may want to know what I mean by a study. Either an independent scientific panel or a House of Commons standing committee or subcommittee should investigate and examine this issue so long as the study is conducted at arm's length from the Department of Fisheries and Oceans and so long as it is comprehensive.

Members may also want to know what is meant by ecosystem health. What I mean is aquaculture's impact on water quality, other species such as marine species and birds, and the genetic integrity of the wild salmon stock.

The motion also focuses on the environmental risks posed by fish farming. A comprehensive study would also consider the impact of this industry on aboriginal and coastal communities.

In explaining to the House why a study of the environmental impacts of this industry is necessary, I will begin with a brief description of the industry itself. I will then describe the level of public concern with the impact of that industry, the federal government's involvement in promoting and regulating the industry, and finally a brief outline of the evidence of the damage caused by aquaculture.

By this I hope to demonstrate that the environmental impacts of fish farming in Canada is a significant issue of national concern.

More important, this is an issue where there is an urgent need to provide a forum for Canadians to express their views and for an independent comprehensive study of its environmental impacts. This is the intent of the motion before us today.

The major form of fish farming in Canada is salmon farming which currently accounts for 64% of total aquaculture production in Canada. Salmon are raised initially in freshwater hatcheries and at the juvenile stage transferred to open net pens in marine coastal waters to complete their growth. It is while in these net pens that possible interaction with wild salmon and their habitat occur and where escapes of farmed salmon take place.

Canada is the world's fourth largest producer of farmed salmon. British Columbia and New Brunswick produce almost all of the farmed salmon in Canada. While fish farming takes place mostly on the east and west coasts, it is an issue of significance to all Canadians since this fish ultimately ends up on our dinner table.

In fact, a recent pilot study conducted by a British researcher found that farmed salmon had higher levels of toxins such as PCBs and pesticides than wild salmon. Therefore this is an issue that should concern us all.

• (1105)

The Department of Fisheries and Oceans manages and regulates the aquaculture industry. Just last December the report of the Auditor General of Canada to the House of Commons contained a chapter entitled "Fisheries and Oceans: The Effects of Salmon Farming in British Columbia on the Management of Wild Salmon Stocks". It is disturbing to find that the first main point of the auditor general's report is that the Department of Fisheries and Oceans is not fully meeting its legislative obligations under the Fisheries Act to protect wild Pacific salmon stock and habitat from the effects of salmon farming.

The auditor general found that the department is not enforcing the Fisheries Act with respect to salmon farming operations, that there are shortfalls in the research and monitoring to assess the effects of salmon farming operations, and that the department has not put in place a formal plan for managing risks and for assessing the environmental effects of new fish farm sites.

According to the auditor general, a major constraint to enforcing the habitat provision of the Fisheries Act is the lack of scientific

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information. Hence, that is the importance of a comprehensive study as proposed in this motion.

Historically the federal government has provided substantial funds to support and promote aquaculture in the form of technical support, engineering assistance, moneys through the Atlantic Canada Opportunities Agency in the form of direct grants to fish farms, processing plants expansions, interest free loans, training programs through Human Resources Development, et cetera.

In August of last year the Minister of Fisheries and Oceans announced \$75 million in support of the aquaculture industries. Such extensive government support calls for an indepth analysis of the benefits and the costs of this industry.

The aquaculture industry has been one of the most rapidly growing industries in Canada and it is now time it came under public scrutiny. Therefore, I believe a thorough study by the government is the appropriate procedure to deal with this matter.

We must note that there are approximately 17 federal departments and agencies with responsibilities relating to the aquaculture sector. It is evident many aspects of environmental health have fallen through the cracks of the current patchwork of regulations.

We tried to close one of those gaps in 1998 when the Standing Committee on the Environment and Sustainable Development conducted its review of the Canadian Environmental Protection Act. The issue at the time was to clarify the authority of the Minister of the Environment to protect fish habitats from deleterious substances. Apparently the Department of Fisheries and Oceans still fails to enforce the fish habitat provisions of the Fisheries Act when it comes to aquaculture.

The House of Commons Standing Committee on Fisheries and Oceans in February and March of last year had a few meetings to study aquaculture. No report was issued but the records of those meetings reveal how anxious many Canadians and members of parliament are to see this industry adequately regulated.

In June 1999 the commissioner of aquaculture instigated a legislative review of all acts and regulations applying to the aquaculture industry with two perhaps conflicting mandates to this review. One was to undertake a comprehensive review of all federal legislation and regulations to identify and remove, where appropriate, constraints to aquaculture development. The other was to develop and implement a responsive and effective regulatory and policy framework to ensure aquaculture is conducted in an environmentally sustainable manner.

The review is now completed but it is not yet published. In the meantime the auditor general has warned that in responding to the review the department ought to give appropriate consideration to environmental issues in accordance to its mandate.

It is evident that the department is committed to expanding this industry despite growing evidence of its damages and that a double mandate as both regulator and promoter of the industry is inappropriate given the statutory mandate to protect fish habitats. I would go one step further and submit that the promotion and development side of the aquaculture industry, as with any other industry, should be left to the Department of Industry.

The debate of this motion is very timely as some members may have seen last week's excellent documentary on salmon farming on *The Nature of Things* by Dr. David Suzuki. The documentary presented a wealth of scientific research and reports on the environmental impacts of aquaculture, many of which I will make reference to.

● (1110)

For instance, Environment Canada recently released a study on the dispersion and the toxicity of pesticides used to treat sea lice on salmon in net pen enclosures. The study outlined the negative impact of those pesticides on water quality and other marine organisms. Fish farming also generates the release of cage wastes, feces, nutrients from the fish feed, antibiotics and other veterinary drugs, pesticides, antifoulants and other chemicals.

These wastes are deposited and accumulated on the sea floor. This accumulation can actually lead to the area being too rich in nutrients, triggering algae blooms which are toxic to fish. The composition of the accumulated waste can also lead to the release of noxious gases like ammonia and methane. This affects animals like crustaceans and arthropods that live in the sediment. It is worth noting the area under the net pens is actually often referred to as the dead zone.

Aquaculturists manage feeding regimes, temperature, light levels and genetic selection of fish. Atlantic salmon raised in fish farms frequently suffer from the salmon anaemia virus, a disease that spreads rapidly due to the conditions under which these fish are raised. What is even worse is that there are reported cases of the disease spreading to our already endangered wild stock of salmon. Fish in fish farms suffer from a wide range of bacterial, viral and parasitological diseases and these epidemics are controlled by extensive use of antibiotics and pesticides. These health problems are associated with ever more intensive production, the objective being to always bring the fish to market in the shortest possible time.

A recent scientific study entitled "Potential Genetic Interaction Between Wild and Farm Salmon of the Same Species" concluded that the large influx of genes from farm fish into wild gene pools could cause severe declines in the wild fish stock. Already escaped farm fish have been reported in streams and rivers of British Columbia and New Brunswick. The situation will likely get worse

as the industry continues to grow unchecked. Escaped fish can spread disease, compete with wild salmon for food and habitat and interbreed with the wild stock.

Wild salmon fish stocks are already declining due to loss of habitat and salmon farming puts an additional stress on this precious resource.

Wild salmon and fish farms can coexist. There is a possibility for a sustainable aquaculture industry, no doubt. However, we are clearly not on that path at the moment. We must put the brakes on the promotion and funding of the status quo and conduct a comprehensive study identifying the environmental effects before considering further expansion of the industry. Only then will we have accurate directions on how to put the existing fish farms on a sustainable path and whether and under which conditions the industry can be allowed to expand.

This improvement will likely require fulfilment of the government's statutory duty to protect the wild salmon stocks, changes in fish farm techniques, reductions, strict control and containment of pesticides, drugs, feed and the fish themselves. A greater regulatory presence in the aquaculture industry would prevent long term negative impacts on the environment and thus be beneficial to the long term economic health of this industry.

What is also at stake here are the stocks of wild salmon. Those great big fish, gifted travellers, covering immense distances to return to their native river, those accomplished swimmers, brave waterfalls, strong currents, grizzly bears and other obstacles in their way. Enduring symbols of nature's strength and determination and yet, now serving as a warning to us all of the fragility of the great Canadian wilderness, of how our once plentiful resources, the wild salmon stocks, can quickly be decimated when exploited for profits.

• (1115)

In conclusion, there is a serious problem that warrants this motion: the extensive influx of the aquaculture industry on the environment; the inadequacy of the current regulatory framework; and the negative publicity the industry will receive if the situation is not corrected. This issue is of significant concern to Canadians and it must and can only be addressed by a comprehensive parliamentary study, as suggested in this motion.

I look forward to the participation and input of my colleagues.

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, before I respond to the hon. member's motion, as this is my first time speaking in the House I would like to thank the citizens of Nanaimo—Alberni for the trust they have given me to represent their interests in the House. As I begin my career in serving them I pray that I will honour that trust. I thank my campaign manager and the wonderful team that worked hard to

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ensure our success during the election. I also thank my wife Helen for her love, constant support and encouragement.

Mr. Speaker, if you will permit me a small personal digression, I would like to pay tribute to my late father, Albert Lunney, who passed away during the election campaign on October 24. I know that there are a number of hon. members who have followed their fathers' footsteps into the House and I congratulate them. On his deathbed my father told me that he had bought a pair of shoes a number of years back and he liked them so much that he bought a second pair. He had never been able to wear out the first pair, so he wanted me to have the second pair. To my surprise, they fit me. When I visited him in the hospital the next morning, although he was unable to lift his head from his bed I could see the pleasure on his face when I whispered to him "Dad, I am going to wear your shoes in the House of Commons on my first day".

It gives me great pleasure to have fulfilled that pledge the day we first assembled in the House for the 37th parliament, the same day the Speaker was elected and, Mr. Speaker, you yourself were appointed. I congratulate you also. It is a day that I and many of us will never forget.

I have one final word and then I will turn to the matter of debate. One of the things I learned from my dad was a love for truth. My dad used to say that truth is stranger than fiction. It is my hope that during the 37th parliament members of both sides of the House will be known for a passion for truth and for service to the people who have elected us to this House.

Turning to the matter of debate, Motion No. 119 reads:

That in the opinion of the House, the government should undertake a study of the issues posed by the fish-farming industry, with particular regard to ecosystem health.

I am pleased to address this issue because it is one of particular significance, study, opinion and debate in my own constituency of Nanaimo—Alberni. Aquaculture in B.C. began in the early 1900s, with shellfish, oysters, clams and mussels. Farmed salmon were introduced in the early 1970s and have quickly become the leading product in the industry. The B.C. coastal area currently employs about 2,400 people and produces product worth about \$200 million Canadian.

Aquaculture shares elements of concern with all elements of agricultural activity. Indeed, all human activities leave a footprint of some kind on the environment. It falls to us as good stewards of the environment to consider the short term and long term impacts of that footprint and to make sure our practices are balanced so that our needs of food production and the growing demands of humanity for food are balanced with the environmental concerns to protect unpredictable wild stock and natural resources. We must ensure that we employ best science practices to balance these potentially competing concerns.

That said, we know that extensive studies have been and continue to be done. The minister announced last August, just in

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time for the election, a commitment of about \$75 million over the next five years for sustainable and environmentally sound aquaculture. I understand that included about \$32.5 million for science and research.

I know that we have an aquaculture commissioner's office now, with a \$2 million budget, and we have had travel to both coasts by the fisheries and oceans committee to look into the issue. Ongoing studies are continuing. We might wonder in this request in Motion No. 119 whether we are asking for funds for a study to study what the government is already studying and spending.

● (1120)

Referring to the Commons debate on the issue in the 36th parliament, I quote my colleague for Vancouver Island North, who stated:

The creation of a big budget aquaculture commission in Ottawa is not the answer. What is needed is a clear progressive mandate and budget for more biologists to vet project proposals. The committee heard from private investors who either had already or were prepared to invest their money in labour intensive aquaculture only to see their hopes and dreams dashed on the bureaucratic rocks.

The frustration of many in the industry has resulted in a brain drain coupled with capital shift as many highly skilled and experienced personnel from B.C. are increasingly leaving for countries such as Chile, Norway and Asia. Indeed, on my last flight home to Vancouver Island I spent considerable time in conversation with one such individual returning from Chile to his home in Nanaimo.

Many genuine and serious concerns about protection and wild stocks and the environment have been advanced. We have heard them articulated very well this morning by the hon. member in his motion. The concerns include, as he mentioned: escapement, the potential for escaped salmon to interbreed; disease; sea floor contamination; bioactive chemicals; and potential nutrification of the sea floor. Also, there are economic concerns on the west coast as commercial fishermen see their market undercut by low priced farm fish.

All of these are legitimate concerns and are worthy of scientific and public scrutiny. These issues have been studied, are being studied and no doubt will continue to be studied. I will say that intense scrutiny and study has brought about some changes, at least on the west coast where our provincial government has put in rather extensive controls. There was a moratorium on expanding fish farms a few years ago and to my knowledge it has not yet been lifted.

There have been improvements. The early farms involved shallow water which was sheltered. That of course led to real problems with disease and to sea floor problems. All farms now have to be in deeper water where there is a greater flush. That has reduced the problem of disease, at least in our end of the world, and the sea floor problems.

I understand that treatment is also expensive. Treatment has to be prescribed by a veterinarian and that adds to the cost of the feed. That in itself encourages good farming practices. Science has contributed to safety.

Predators do attack the nets. Auxiliary nets are now being used to keep them away.

A recent advance is the use of cameras to control feeding so that when feeding slows the dispensing of food also slows and reduces the sea floor pollution.

Although we have had escapes of Atlantic salmon and there are anecdotal stories of salmon in our coastal streams, there is no indication they have been successful at spawning or crossbreeding.

Many of the concerns originally advanced have been addressed by good science applications. A whole new area of concern is the attempt to develop genetically modified fish. The report of the Royal Society of Canada which was recently presented calls for an intense protocol of scientific screening before any GM organism is released into the environment. This principle should rightly be upheld in Canadian waters.

On the other side of the coin, I know that in our environment the fish farmers often come under criticism for being found in pristine areas where boaters or kayakers do not expect to find them when they are seeking solitude. However, occasionally these people have also been involved in rescue and in harbouring and sheltering boaters who have been in trouble. Also, they are involved in cleaning up the environment as they pick up after other boaters who discard diapers and floating bottles and other paraphernalia.

The hon. member mentioned some of the horror stories that have happened, where production has gone unbalanced. Indeed, there is going to be a need to maintain balance. There is a dynamic tension among production, regulation and conservation. To be successful we must find the balance. We must retain fundamental respect for the earth. The earth is our home. We must use the best tools of science, such as observation, measurement, quantification, verification and diligence, to ensure that production is optimized with minimal long term impact, but we must also strive to ensure that bureaucratic and unwieldy regulations do not frustrate an industry that has the potential to contribute to growing demands for food and to an urgent need for stable, long term, year round employment in our coastal communities.

The hon. member has raised some very good issues. The need for ongoing study is certainly there. We hope that much of the available funding already committed to by the minister for the next five years will be invested in continuing the research that needs to be done.

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• (1125)

[*Translation*]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, I am pleased today to intervene on the motion concerning aquaculture and the environmental impact of aquaculture as presented by the member for Davenport.

When a person rises to speak after two presentations like those, naturally there are a number of points, both statistical and actual, to be presented to the House. I would like to address a number of issues that have not been considered yet.

First, why is fish farming so often chosen? Why do we choose this type of production to raise populations of fry and fish, often for commercial purposes?

The fact is it is rather odd. Quite recently, the government decided to create the position of aquaculture commissioner to manage and oversee the operations of the various types of aquaculture in Canada. At the same time, it decided to invest several tens of millions of dollars in aquaculture.

There is something rather odd. There is something rather—the word is quite specific—paradoxical about the federal government's policy on aquaculture. It decides to spend tens of millions of dollars on an industry—and we can call it that—which, creates jobs and helps raise the gross national product, but this industry is defeating the environmental efforts of this selfsame government. For years, it has been signing international agreements, including one on biodiversity, but now it is financing this industry. This also defeats the efforts made on behalf of the environment in Canada.

We must remember that the whole issue of Atlantic salmon, the ever shrinking population of salmon in the ocean at the moment, is due in large part, naturally, to the environment of the commercial situation and to the major industries, which in recent years, have polluted the various oceans, if we may say so.

It is paradoxical as well, according to what I was reading recently: a report on the issue published by a university in Indiana. It speaks reams. A number of groups have referred to it. I am surprised that the member for Davenport did not refer to that study, which is rather eloquent in that regard. Many environmental groups quoted it, as recently as in January 2000.

That report indicated that there were major impacts linked to the new phenomenon of aquaculture. It also mentioned that fish which is genetically modified and transgenic through aquaculture is seriously affected. According to the report, the biggest fish can concentrate on preys that had so far been left alone while also going after a bigger volume of traditional preys. The imbalance that could result becomes obvious when one looks at a natural species such as

the Nile perch which could, less than a decade after being introduced, eliminate 50% of the species in Africa's Lake Victoria.

This environmental impact from transgenic fish is also found in Quebec. The introduction of mere minnows in trout lakes is enough to cause drops of up to between 50% and 60% in fish stocks.

• (1130)

Aquaculture is a type of production that must not be analyzed merely in commercial terms. While the government is investing in that industry, it might be appropriate, from an environmental point of view and for the sake of public health and the balance of ecosystems, to also invest money to deal with the environmental impact of that industry.

A number of researchers have made other eloquent findings. That same report from a university in Indiana mentioned that researchers and officials from Atlantic coastal countries indicated:

Wild salmon stocks in the North Atlantic are always in trouble and, according to scientists, they are currently at their lowest level ever reported.

There is an obvious reduction in the level and volume of wild salmon stocks in the North Atlantic.

We must ask ourselves whether aquaculture can be the solution to this reduction in salmon stocks. The answer is no. I sincerely think that, instead, we should work on our ecosystem and improve the environment in which this salmon lives.

Two strategies were put forward. The first one consists in reducing salmon catches. It is not merely a matter of introducing into our ecosystem, into our oceans, new transgenic fish; it might be wise as well to give some thought to reducing catches. As well, this fish's ravaged habitats on both sides of the Atlantic need to be restored.

It is, therefore, not a matter of merely increasing the stock through aquaculture, producing transgenic salmon fry, but rather of finding and working on solutions further back in the system, in order to reduce catches, restore habitat and ensure the survival of the species.

It might be wise, while the Canadian government is busy making noise about applying the principle of caution, to remind it, if I must, that at no time in 30 years has the Canadian government applied the principle of precaution to the aquaculture industry. At no time has the principle of precaution been applied. The only thing that counts is production. The only thing that counts is commercial markets. There is no assessment of the risks inherent in aquaculture

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and in this introduction of fish that have been transgenically modified to some degree.

Might it not be wise also, when looking at amending the International Boundary Waters Treaty Act, to seek some advice from the International Joint Commission in order to have a proper analysis of the impact of aquaculture on our environment? Why would this not be the time?

This is a joint commission that analyses a number of elements from certain points of view. I, and we, propose that it be consulted on water exports. Why would it not be the time as well for it to analyze the impact of aquaculture and transgenic fish on our waters? The joint commission could analyse the situation.

• (1135)

Unfortunately, the joint commission has nothing to say on this matter. I see my time is up. In principle, I support the motion by my colleague from Davenport, provided of course that this is done in close collaboration with the provinces and with Quebec.

[*English*]

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I am more than happy to address Motion No. 119 of the hon. member for Davenport which pertains to a study of fish farming and ecosystem health. I think that issue has been discussed in parliament. Certainly it has been discussed at the fisheries committee for some time. There are several areas that need to be looked at.

I should like to make a couple of points before I get into the gist of my speech today. I should like to comment on the documentary on the David Suzuki Foundation that was aired earlier about ecosystem health. It was very anti-fish farming.

All of us have a responsibility in this place to understand the facts as best we can and to present them in a manner that shows both sides of the story, not just one side of the story. A number of issues deal with fish farming in Canada. A number of issues will continue and will be ongoing.

I will quote from Suzuki's report. I have a serious problem with some of the science in that report. I also have a serious problem with members of parliament who simply want to quote something verbatim without taking a long, hard, serious look at it.

In the Suzuki report there was mention of the salmon that were tested. This is a major report which causes some doubt about a major food source on the planet. Millions of tonnes of salmon are grown every year by Canada, Norway, Scotland, Ireland and Chile. We also have some very serious salmon farming operations in New Brunswick, some in Nova Scotia, and a lot of salmon grown in B.C.

The Suzuki Foundation tested just eight salmon, four wild salmon and four farm salmon, and put out a report. That is far too few to reach any scientifically defensible conclusions about contaminant levels.

That does not say that we should not be worried about contaminant levels, that we should not be vigilant about contaminant levels, but it certainly says that it is based on bad science. The Suzuki study has been neither independently reviewed nor published and the organization has not released any of its findings to date.

The Scottish study to which he referred found no discernible difference in the PCBs and dioxins found in wild and farm salmon. The author of the Scottish study, Dr. Miriam Jacobs, has called the BBC 3 show claim absolute nonsense. The levels of the PCBs and dioxins that the Suzuki Foundation reportedly measured in farm salmon were well below the safety standards set by Health Canada and enforced by the Canadian Food Inspection Agency.

We have to question both on a scientific basis and, more important, on a public basis the use of limited, unpublished and unsubstantiated data purporting to claim health concerns respecting farm salmon. If there are health concerns, we should be the first people to be concerned about them. If there are not, we should not be supporting a bogus claim of such.

After that little statement on Suzuki's evidence, I make clear that I grew up on a small salmon river in Nova Scotia called the Gold River. As a young boy I was able to catch salmon in that river. We actually still have a few wild Atlantic salmon that return to that river every year. That should indicate that I am very friendly to the Atlantic Salmon Federation and to anyone who supports wild salmon.

• (1140)

I learned a long time ago to be very cautious in the aquaculture industry not to point the finger of blame at some place that it may not quite belong. Do we have some problems in the aquaculture industry? Absolutely we do. Have those problems been attended to, reported and looked at in a very serious manner over the last 10 years? A lot of them have. Do we still have problems with escapees, with algae bloom and with feces on the bottom? Yes, we do. Have most of those problems been attended to? Yes, they have.

I should like to break that down into a bit of detail. Last year the fisheries committee proposed a study on aquaculture. We finished the majority of that study, although we did not finish it all. We visited the west coast of B.C. and Washington State. The report will tell hon. members that we also visited the east coast. We were there for two days. All members were not able to attend. We were in Maine, New Brunswick, and had one quick stop in Nova Scotia. It is a long way from being an indepth study on aquaculture on the east and west coasts.

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We also spent six days in Scotland. While we were there we were able to meet with the minister responsible for aquaculture in Scotland, the minister responsible for aquaculture in Ireland, and a number of officials in Norway as well dealing with fin fish aquaculture. That is another difference that needs to be explained. We are dealing with two totally different types of aquaculture. It should be made very clear to the listening public that we do not want to get the two mixed up. Fin fish aquaculture and shellfish aquaculture are two entirely different things.

I can remember when shellfish aquaculture, which has been around for the last 20 years, was first becoming an important industry on the east coast. If anybody in the House is not aware of it, 95% of the blue mussels in the world are raised on P.E.I. A lot of oysters have been raised traditionally for the last thousand years.

I can remember in Mahone Bay in Indian Point when the Indian Point Mussel Farm first opened. There was a lot of fear between the traditional lobster industry and the farmer who was trying to introduce the blue mussels. What happened was that the mussel socks were put over muddy bottom, which is not lobster bottom. It attracted a lot of predators, including crabs and lobsters for the dead mussels that were falling out of the socks, and actually improved the habitat.

We have the same type of potential not necessarily to improve the habitat for other species by having salmon farms, but we certainly have the potential if we look at it in a smart, reasonable and responsible way to have fin fish aquaculture side by side with the traditional fishery. Will that be an easy process? Absolutely not. Is there a lot of fear out there from the traditional fishery about fin fish aquaculture? Yes, we do. Have there been some mistakes in the past? Yes, there have been.

Let us look at a couple of those mistakes. It is a fact that in the past way too many antibiotics were used on fish farms. That antibiotic rate has been cut down in the last three or four years in particular, first, with the use of more vaccines and less antibiotics. Second, it has been cut down so that probably today we can fairly accurately state that aquaculture uses less antibiotics than any other veterinary science. That is a big statement. If members visit some beef lots and some feed lots for the beef industry, and I am very familiar with those as well, they will see lots of antibiotics.

Another issue, which is a very real and significant one, is that of escapees. We have a problem with escapees. There is absolutely no question about it. If members have studied the aquaculture sites where they have significant problems with escapees in the past, they will see that problem has basically been managed. The escapee level has dropped dramatically in the last five or six years. The previous speaker said there were no incidents of escapees actually surviving. Unfortunately that is not true. There are incidents of escapees on the west coast. Incidents have also been recorded in New Brunswick and more incidents in Norway.

• (1145)

Do we need to protect the biodiversity and the salmon stocks that are there? Absolutely. Can we do that? Yes, a methodology can be applied that will do that and still allow for fin fish aquaculture.

The real culprit for the decline in the wild stocks is that we overfished them. We overfished them on the west coast. The government helped to do that. We overfished them on the east coast in a very serious way. When wild stocks were found off Norway, Canada, Norway and the United States fished them to extinction.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I wish to commend the hon. member for Davenport for bringing this very important issue to the House of Commons, the place where these issues should be debated.

I do not think we are here to either slam aquaculture or to promote aquaculture. We are here to debate the discussions and the perceptions that are around aquaculture in Canada.

Aquaculture is not new. A lot of Canadians think the industry is perhaps 15 or 20 years old, but in reality it has been around for a long time. It was in our hatcheries well over 100 years ago.

Aquaculture in Canada and around the world has expanded very rapidly. People have concerns over genetically modified foods. They have concerns over transgenics, or what is called Frankenfish. People have concerns about what they are eating when it comes to fish proteins.

I and other members of the Standing Committee on Fisheries and Oceans have studied aquaculture but not to the extent that we should. When the committee does meet, we will be meeting again on the concerns of aquaculture.

The Liberal government and the previous Conservative government were sleeping when aquaculture was happening. The industry said that it was looking for support and resources in order to ascertain the industry in the new world. How do we replenish fish stocks when we cannot do it for the wild species?

Wild species of salmon, cod, hake and turbot, as well as many other species, are declining in our oceans. The void is being filled by aquaculture, and therein lies the debate. There are people within the department who are traditionalists and who believe commercial fishing is the way to go and that it must be maintained. We also have people within the department saying that the commercial fishery is a thing of the past and that we have to go to aquaculture.

Exactly what does that mean? I and my party believe that aquaculture and the commercial fishing sectors can co-exist but

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only—and this is where I want to thank the member for bringing the issue up—when we have clear scientific evidence to move ahead.

In the Aspotogan Peninsula near St. Margarets Bay a big battle is being waged by a local community group that does not want to see an aquaculture site expanded in the area. The DFO is doing an environmental assessment. It will pass its recommendations on to the province and the province in the end will make a decision.

Meanwhile the community waits. Meanwhile the businessperson who wants to run the aquaculture site waits. Members can understand why there is so much friction between the community, the commercial fishers who harvest the lobsters and the person who will invest a lot of money in an aquaculture site. There is no streamlined process yet, and this is where a lot of the debate and anger heats up.

On the west coast the aboriginal people are saying that they will, under no circumstance, eat Atlantic salmon because to them it is foreign. When the debate involves all these sectors, it is no wonder people argue and facts go out that are maybe not correct and that there is misinformation. It is not fair to the aquaculture industry, the commercial sector or the communities.

We need clear guidelines on who is responsible for what. Right now the DFO is responsible for the environmental work and the provincial governments are responsible for the licensing and leasing of the sites. That is a contradiction that needs to be streamlined.

• (1150)

Open net aquaculture farming has been going on for many years. Along with the David Suzuki Foundation and many other people we have advocated it is time to move toward a closed net system because the problem with escapees is very real. It is extremely real. The aquaculture industry used to tell us that escaped salmon could not go up rivers and could not survive in the wild or reproduce. We know to the contrary that is not correct.

We also heard that 15 to 20 years ago a tremendous amount of antibiotics used to be added to the feed and to the other sources that feed the penned salmon that are there now. That has been greatly reduced. However, what is feeding those salmon today? Canada does not have that information. We know that a lot of it comes from grains and from vegetable proteins, but a lot of it comes from other fish stocks as well.

Years ago, three pounds of wild fish used to be taken out of the ocean to market one pound of aquaculture salmon. That used to be so, but it is not that way any more.

I believe the aquaculture industry's greatest problem is its public relations efforts. It does not come consistently clear with the information that Canadians need, especially those in coastal communities. Aquaculture can be a future industry. It can have positive growth in the country. However we must make sure the Canadian

people know exactly what they are eating when they buy salmon or have it at a restaurant. Almost all salmon in stores, restaurants or on airlines is farmed salmon.

I am encouraging the industry. I tell Mr. Rideout, the head of the CFIA, all the time that he should label the salmon that is in the supermarket. If we are proud of our farmed salmon then we should say so. We should say the salmon came from a particular farm.

We do it with eggs. We mark eggs properly. We tell Canadians what area they come from. We do it with chickens. We do it with beef. Why not label salmon as well? Why not label other fish stocks that are marketed through the farm method, like mussels, oysters, clams, et cetera? If we did that, a lot more Canadians would be aware of what they were eating. They could then ask the questions that are needed.

The North Sea oil in Norway is about to evaporate, probably around 2015. Norway has made it clear that the industry it will focus on in the future is aquaculture. It will be the world leader. It is the world leader now and it does not plan to let that go. Norway is way ahead of Canada when it comes to science, when it comes to co-operation with communities and when it comes to marketing its product around the world. If we want to be in the market we will have to be more open with Canadians and with government officials when the questions come around.

Yves Bastien is the commissioner of aquaculture at DFO. Most of the information on his government website comes directly from the industry. There is a perception that something is not right. If the commissioner of DFO for aquaculture must get his information directly from the industry, there is a perception that the information may be tainted or misleading. That is completely unacceptable.

If DFO is to be in the business of promoting aquaculture, it must make sure it is a completely separate entity. It must gather its own information and not information from the industry.

A cultural clash is happening within DFO between the traditional managers who were born and raised in the commercial fisheries and the new ones who are more used to aquaculture. They will have to get their act together, otherwise aquaculture will not grow in the country. It will be completely at loggerheads.

We cannot and should not ever say that aquaculture will replace the commercial fishery. If we do that we will have abrogated our responsibility as parliamentarians to the natural health of the country and of the planet.

There was a battle the other day between Maine and the U.S. federal government about making Bay of Fundy salmon stocks an endangered species. The American government did so, simply because it does not know what is causing the stocks to collapse. It could be aquaculture. It could be forestry. It could be mining. It could be commercial fishing. It could be environmental problems, global warming or the whole bit.

• (1155)

However when it comes to aquaculture issues, if we want to protect natural species we must have all the information at hand. We simply do not have the information right now.

On behalf of my party I thank the member for Davenport for raising the issue. I wish we could discuss it more and I am sure we will during the committee stage.

Mr. Lawrence O'Brien (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, it gives me great pleasure to rise in the House today to respond to the motion put forward by the hon. member for Davenport. I thank him for his continuing interest in aquaculture.

Canadians want to know the implications of aquaculture for the environment. For Fisheries and Oceans Canada the matter is a very high priority. The program for sustainable aquaculture announced by the minister last summer is an investment in aquaculture's ability to grow and flourish as a key Canadian industry. It also ensures that such growth does not come at the expense of our aquatic ecosystems.

Over the past decade DFO has undertaken a number of initiatives to examine the environmental impacts of aquaculture. Since the announcement last summer, the department has accelerated its work in this area.

We do not support the hon. member's motion for an entirely new study of the issues posed by aquaculture, simply because such work is already going on.

In past reviews a large part of the work has already been done. For such a relatively young industry, aquaculture has been the focus of rigorous studies and reviews over the past decade. There have been federal studies, provincial studies, international studies and industry studies. A number of these have included in-depth public consultations.

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the member's speech, but it being 11.57 a.m., and according to Standing Order 95(2), the main mover of the motion has five minutes to reply.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, let me first thank the members for Nanaimo—Alberni, Rosemont—Petite-Patrie, South Shore, Sackville—Musquodoboit Valley—Eastern Shore, and Labrador for their interventions, for the input they have provided and for sharing their knowledge on this rather complex issue. I very much appreciate their interventions and what they said and I will comment briefly.

The member for Nanaimo—Alberni asked what I thought was a very relevant question: Why we are asking for funds to study something that is already being studied?

Private Members' Business

The member for Labrador just informed us that the process is in action. We will only be able to find the answer when we see the study publicly. The public has not yet seen the study, and neither have we. We are not in a position to determine whether the many interesting questions raised during the past hour are being dealt with in an appropriate manner in the departmental study.

With that kind of ignorance, so to say, we have to let the matter rest until the study is published. We sincerely hope the department and the government will publish it very soon.

[*Translation*]

As for the remarks by the hon. member for Rosemont—Petite-Prairie, he has raised as usual a deeply philosophical question. I agree with him that there is something of a paradox in fish farming, but the same could be said of government activities in all industries.

• (1200)

If we take for example government activity in the asbestos industry, in the lumber industry, or in agriculture, there is always a contradiction between activities on behalf of commercial interests and on behalf of those who want to protect the integrity of the environment.

Obviously, our task is to find solutions that protect all interests at the same time. This is not always feasible, but that is what is called sustainable development, and it is the subject matter of Bill C-4, which we will discuss in a few minutes.

[*English*]

The member for South Shore, who has displayed a tremendous amount of knowledge of the subject, recognizes the problem, and particularly with escapees. We are all happy to learn that in his experience and knowledge there is an inherent need to protect biodiversity.

I was struck by his conclusion, which was very apt, that the real culprit of the situation in which we may find ourselves with aquaculture is the overfishing of the wild stock to extinction.

The member from Sackville, in his usual incisive style, thinks there can be a co-existence between commercial fisheries and aquaculture provided of course that we take the necessary precautions for the long term, which is in essence the substance of this motion.

[*Translation*]

The Acting Speaker (Mr. Bélair): The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item, the order is dropped from the order paper.

*Government Orders***GOVERNMENT ORDERS***[English]***CANADA FOUNDATION FOR SUSTAINABLE DEVELOPMENT TECHNOLOGY ACT**

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.) moved that Bill C-4, an act to establish a foundation to fund sustainable development technology, be read the second time and referred to a committee.

He said: Mr. Speaker, I am very pleased to present for second reading Bill C-4, an act to establish a foundation to fund sustainable development technology. I will begin with some context.

We live in an era in which the economic, social and environmental well-being of Canadians, and indeed of all the world's people and nations, hinges on our capacity to innovate, to respond to new challenges and new opportunities in new ways.

The bill is all about technological innovation in support of sustainable development, a clear and compelling priority that was identified in our Speech from the Throne.

Sustainable development is a complex balancing act among economic, social and environmental values and goals. Furthermore, it is a balance that constantly changes, influenced by such variables as science, population growth, economic circumstances and environmental requirements.

The optimism that we can stay on top of all the challenges, that is keep our balance, assumes that as we move down the road our ability to respond to those challenges will also evolve and develop, that we be refreshed and re-equipped with new knowledge, ideas and technologies to keep the equation balanced in our favour and that we redefine the limits of what is possible. All of that is fundamental to our future.

New technology by itself is not a silver bullet that will slay every dragon that we will face but it is indispensable to our success.

Leadership in developing and deploying new generations of sustainable development technology will bring economic, social and environmental rewards.

• (1205)

Canada is in a worldwide race to reap those rewards. The United States, the European Union, Japan and others are committing major amounts of money to support new technology for sustainable development, and Canada must keep pace.

That is why the principle of sustainable development is written right into the legislative mandate of my department, Natural Resources Canada. That is why our government tabled a whole series of departmental sustainable development strategies just last week. For the same reason, significant new dollars for sustainable development activities were committed in both last February's federal budget and in the economic statement last October; over \$1 billion worth all together. That is why we have this new legislation before us today.

In budget 2000 we first announced the government's intention to establish a foundation with initial funding of \$100 million to stimulate the development and demonstration of new environmental technologies, in particular climate change and clean air technologies. Bill C-4 delivers on that commitment from budget 2000. It creates the organizational structure, the legal status and the modus operandi of the foundation.

I will talk for a moment about goals and points of focus for this new foundation. The proposed foundation gives funding support for development and demonstration of new and promising sustainable development technologies. It will also support measures to get these new tools into use as quickly and as widely as possible. A bright new idea is only an idea as long as it remains in the laboratory or in some academic institution. We need to get it into the field where it can really make a difference.

The foundation will focus in particular on the funding of new and emerging climate change and clean air technologies, including some in which Canada has already established an early international lead and in which further investment is very likely to produce new breakthroughs and new benefits.

Many hon. members in the House will be familiar with certain projects of this kind in their own regions, provinces, some even in their own constituencies. They will be familiar with the environmental and economic benefits that these initiatives have brought to Canadians.

I think, for example, of technologies that reduce greenhouse gas emissions at source before they enter the atmosphere. I think of technologies, such as carbon sequestration, that allows us to capture and store greenhouse gases underground. I think of the development of new and alternative fuel sources, including ethanol, solar energy and wind power.

I think of energy efficiency technologies to conserve our resources and reduce emissions at the same time. I think of technologies in the field of enhanced oil recovery that reinforce our energy independence by squeezing new oil from old wells and, at the same time, reduce the environmental footprint. I think also of technologies that reduce particulate matter in the air.

Within these areas and others, the foundation will concentrate support by mobilizing collaboration among partners, partners in

industry, government, the universities, academic institutions and not for profit organizations. Let me expand on that point for just a moment.

When we analyze various strategies for spurring technology innovation throughout the world, we find that a common characteristic of those that truly work is support for collaborative effort, people working together. The sum of these combined efforts is much more than their individual parts. Synergy succeeds.

In effect, the bill is about supporting synergy, about putting money into the pooling of skills, resources and expertise, bringing people and their talents together. It will help to finance projects that bring together Canadian experts from industry, from universities, from a variety of associations and many others.

● (1210)

It will pull together team members from the whole spectrum of technology innovation, each bringing a specific competence to the table. In doing these things, the legislation will fulfil another vital need. It will use the leverage of the foundation's funding to bring other money, new money, private sector money, into the development and demonstration of new technologies.

None of these objectives are unique, nor are the strategies for achieving them. They are similar to those of several other federal programs that occupy a specific niche in support of technology development. This foundation will complement and will reinforce these other efforts through its emphasis on collaboration and specifically its emphasis on sustainable development technologies, in particular climate change and clean air. It will also bring new money into the system.

The achievement of these goals requires attention to several complex issues: administrative, technical quality and otherwise. As hon. members will note, the legislation takes these issues very much into account, for example, the question of intellectual property rights: who owns and who can access the fruits of all of this co-operative, publicly funded labour.

There are issues related to funding. The bill requires recipients to conform to certain principles that the foundation would set on funding issues, for example, the question of who qualifies for funding. The legislation defines these qualifications and requires that they be addressed. Details on these matters will be spelled out in the specific funding agreement to be entered into between the government and the foundation.

Ultimately the benefit of this funding to the Canadian environment and to the Canadian economy depends on the quality of

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targeting and team building. This requires careful design of the machinery of governance for the foundation. The legislation outlines this machinery. It calls for the creation of a board of directors. The board would operate at arm's length from government. It would report annually to parliament.

The second component in the governance structure is a committee representing stakeholders and potential clients of the foundation. We call the people on this broader body the members of the foundation. The board would consist of 15 directors, all of them drawn from outside government. The first seven, that is six directors and the chairperson, would be appointed by the Government of Canada. The other eight would be appointed by that broader group known as the members of the foundation.

The board would be an executive group. It would supervise the management and services of the foundation and, subject to the foundation's bylaws, it would exercise all of its powers.

The board would need to be balanced in a number of ways. First, it would need to be balanced in terms of expertise. It would comprise directors who collectively represent the whole spectrum of sustainable technology development in Canada, public, private, academic and not for profit. Last but not least of course, the board would have balance in the geographic sense with members drawn from all regions of Canada.

The legislation requires the board to establish financial and management controls to ensure efficient execution of the foundation's business. It calls for the board to appoint an auditor and it outlines the qualifications for that role. It requires the annual report, that I mentioned earlier, to include an evaluation of results achieved by the funding of projects year by year and also cumulatively since the start of the foundation, so that we in the House, and Canadians generally, will be able to know and to track the progress that is being made. Here again the funding agreement between the government and the foundation will spell out these requirements in detail.

One last thought that I will leave with the House before I close is about the relationship between knowledge and technology on the one hand and our national well-being on the other.

● (1215)

In the knowledge based world in which we live, we are now well across the threshold of an era in which the winners are not only the swift and the strong but also the smart and the innovative. Nowhere is this more true than in Canada's natural resources sector, a sector in which economic and environmental imperatives converge, a sector in which the cause and effect relationship between innovation and success is clearly demonstrated.

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In Canada today our resource companies are among the biggest of the big spenders on innovation. They account for 22% of all new capital investment in Canada. Of the ten most innovative Canadian industries, five are resource based. Collectively the companies in this sector are in the first ranks of being the creators and the consumers of new technology. The results are there for all to see.

The new Dow Jones sustainability group index, which was introduced about a year ago, rates major corporations around the world on their success at integrating economic, environmental and social performance. That Dow Jones sustainability group index ranks four Canadian companies at the very top of the index. Significantly, all four are resource based.

During the past two years, average productivity growth rates in our resource based industries have been two to three times higher than those of the Canadian economy overall. These are powerful facts, refuting the simplistic analysis of some, which tends to think that natural resources are only the mainstay of the so-called old economy, with a great past but little future in the new economy of tomorrow.

In Canada today, energy, mining, forestry and earth sciences account for more than 11% of our gross domestic product. That is close to \$90 billion. Looking outward, they account for about \$100 billion every year in Canadian exports, with a favourable trade surplus of \$60 billion. Canadian resource knowledge and technology are being marketed and applied throughout the world.

In short, innovation is paying off for Canada. However, to meet challenges like climate change, to meet challenges like clean air, we must maintain and indeed accelerate our momentum in the field of science, knowledge and innovation. We must keep building our brain power and move rapidly to put new ideas into action. Our record of performance thus far is encouraging, but we need to do more, and that is what this bill is all about.

In the new millennium, Canada must become and must remain the world's smartest natural resources steward, developer, user and exporter. That means being the most high tech, the most environmentally friendly, the most socially responsible and the most productive and competitive, leading the world as a living model of sustainable development and successfully so. The legislation now before the House will help us to reach those goals, goals that I believe are worthy Canadian aspirations.

We have an enormous wealth and an enormous heritage of natural resources in our country. It is exceedingly important when it comes to developing and managing those resources, not just for the current generation but for generations of children and grandchildren yet to come, that we do so in a responsible manner, a manner that effectively balances our economic, social and environmental imperatives. The new fund proposed by the legislation will help us get there.

• (1220)

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, I am pleased to participate in the debate on Bill C-4. Certainly the minister paints a fine picture and I would not disagree with much of what he said.

However, as the critic for the Canadian Alliance Party, I begin the debate quite frankly undecided as to what position to take on the bill, because it is generally quite vague and lacks a lot of specific detail. Certainly in his presentation the minister did little to add any of that detail.

In the seven years I have been in the House, many as the critic for natural resources and for this particular minister, I have found that he has always been a master of words and is able to get around specifics while presenting a very encouraging picture. However, I need to understand some of the details around the bill and specifically why we need to create this new bureaucracy to achieve the goals the minister spoke about.

Since the Kyoto protocol in 1997 and Canada's commitment at that conference, the government seems to have been in a constant search for that silver bullet the minister referred to and seems to be shooting bullets in every direction rather than focusing on any particular strategy.

Certainly the billion dollars the minister referred to that has been put in place to help us to reach the objective has been scattered around in so many directions that it is quite frankly hard to keep track of. There have been a number of programs: the climate change early action fund, \$150 million; the \$60 million for renewable energy initiatives; \$15 million for the procurement of green power; \$125 million for the Federation of Canadian Municipalities to support environmentally friendly technologies; \$100 million for international capacity building; and the list goes on.

What I was hoping to learn from the minister's presentation was why there is a need for the new bureaucracy and specifically what it would achieve in enhancing our chances of reaching the Kyoto protocol, the possible achievement of which seems to be quickly evaporating in regard to the government and Canada. In spite of how many times we read the government's action plan on climate change, which was introduced before the election, it just does not cut it in regard to the possibility of achieving the Kyoto protocol targets. By my calculations, at least, if all of the objectives under action plan 2000 were achieved we would only be one third of the way to the Kyoto commitment, so we are certainly not there.

The other concern I have is in regard to the minister speaking about how our survival depends on our ability to innovate. I suggest that there is some truth to that, but I certainly would also

suggest that our survival depends very much on our ability to afford and to implement those innovations as they come along. Of course that has been part of the problem with this whole climate change initiative and where we are going.

The technologies that are emerging and will emerge and become available generally, at least in the timeframe of the Kyoto protocol, are totally unaffordable for the average Canadian who would use this technology. I refer to the Ballard power cell and the development of prototype power cell vehicles and electric cars and those kinds of things, and to the government's own initiative in investment in green power. These cars are three times the price of standard cars on the market today and are certainly far out of reach of the average citizen who drives to work every day.

Also, the government's investment in green power comes at a price at least double that of even today's marketplace electricity rates, so again it is a wonderful idea but unaffordable in general society.

● (1225)

Our challenge is not only to develop these innovative ideas and technologies but to make them affordable so that we can put them to work in society. If we cannot achieve that, the development of these things has little impact on or benefit for mainstream Canadians.

Having said that, I have to spend a little time on the bill itself because I have some real concerns with how it is put together and what it is advocating.

Again I ask why we need the bill. Why could these funds not be delivered through existing mechanisms that are already in place under the climate change envelope, through the Business Development Bank, through some regional development agencies that a lot of government dollars are funnelled through? As well, why could they not be delivered through some of the grassroots community development associations that fund the development of new technologies, new ideas and new projects? One has to wonder why the government is choosing to go with this format. I did not hear any indication as to why in the minister's speech. I am really concerned simply because it is the creation of another 30 bureaucratic positions, albeit 15 of them are not in a true sense paid bureaucrats and the establishment of the foundation is a good idea.

On the other hand, long ago the minister established all kinds of these bodies to help him understand his portfolio and to advise him on all kinds of issues that fall within that portfolio. They are called ministerial advisory committees. All kinds of very knowledgeable and pretty sharp people sit on these advisory committees at no cost to the people of Canada other than the cost of their expenses, as would be the case for this foundation. I do not think we need to

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create this foundation to get the services of these people from industry and from society at large in order to achieve what we want. Of course the board of directors is another story because the directors will be paid.

The foundation itself will set the terms and conditions, the salaries, the job descriptions and all of the rest of those things that do not exist in the bill. The bill gives broad powers to the foundation itself to set up all of those things. As the minister suggested in his speech, the specific funding agreement between the foundation and the government will come at some time after the creation of the bill. Based on the government's record of accountability and transparency and its record on the appointment of people favourable to the government for these kinds of positions, this is cause for concern for most Canadians. If the government is just going to use this as another source for patronage appointments to reward those loyal to the government, I do not think we need more of them. We have more than enough already. The government, or the governor in council as it is called, has abused that power in the past. We do not need to create more of those positions.

Having said that, we need only to look at other crown corporations that the government has created in the past to deliver funding in partnership with the private sector and for good causes.

● (1230)

The creation of the foundation generally sounds like a good idea, particularly when the minister presents it. Why will this be different from, for example, what happened to the president of the Business Development Bank when he chose to turn down a project in the Prime Minister's riding favourable to the Prime Minister? It did not take long for him to change his mind and it did not take long to find somebody else to replace the president of the Business Development Bank.

My concern is whether the foundation, its president and board of directors will be treated any differently by the government than those other organizations. That is totally unacceptable.

It is difficult to determine exactly what this arm's length organization, as the minister put it, will be. It appears to me that it is in fact a crown corporation created by the government to move the disbursement of funds away from the government, away from direct responsibility of the minister and to remove it from scrutiny by the Auditor General of Canada. That is one of my biggest concerns with this whole foundation.

The bill deals a fair bit with the creation of an auditor who would be hired and directed by the foundation itself. However, it would be accountable only through its financial statement once a year to parliament. I do not think that is sufficient scrutiny or sufficient transparency to satisfy most Canadians.

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The auditor general must have access to this thing. It must be more than simply an effort to move the whole idea of funding the development of new technologies away from the government so that the government can deflect a lot of the criticism for the failure of these projects. Of course the government always accepts the accolades for the success of the projects. Essentially if it moves away from the department as it exists now to this crown corporation, then the crown corporation is a shield for the minister and for the government for any undesirable results that might in fact happen.

That has to be addressed and hopefully we can talk about that. I will be introducing some amendments in the process to hopefully achieve some of that transparency and some of that accountability for those things.

Essentially, it could be a good tool for the government to use to move and to help create this development of new technologies. However, it is very hard to determine just exactly how this foundation and its board of directors will achieve the goals that are laid out for them. Clause 19(1) of the bill states:

From its funds, the Foundation may provide funding to eligible recipients to be used by them solely for the purposes of eligible projects in accordance with any terms and conditions specified by the Foundation in respect of funding—

Again, this is okay expect that nobody knows what those terms and conditions will be or what the agreement between the government and the foundation will be. Hopefully we will have some clarification of that as we go through the process.

However, what concerns me is that it states:

—including terms and conditions as to repayment of the funding, intellectual property rights and the maximum amount and proportion of funding for eligible projects to be provided by the Foundation.

It is difficult to understand whether the foundation is simply seeking out projects that show potential and helping to provide funding in those projects or whether its role is to provide loans to these projects. It does not appear that the foundation has the ability to actually have any ownership in these projects. It says:

—the Foundation shall not acquire any interest, whether through the acquisition of share capital, a partnership interest or otherwise, in any research infrastructure acquired by the eligible recipient for the project.

● (1235)

It is a little hard to understand what the objective is, whether it is for the foundation simply to cast around and pick winners and losers and when it thinks it has a winner to heap money on to the project in the hopes that it will be successful or whether it is something else.

Both provincial and federal governments certainly do not have a good track record when it comes to picking winners and losers in business. I do not think that should really be the role of govern-

ment. At any rate, the government's role is to provide an environment where business can flourish, be successful and develop these kinds of technologies. Government interference through the use of tax dollars into business and into the development of business can make winners if enough is invested. If we invest enough money we can grow bananas at the North Pole.

The reality is that it distorts the marketplace. It distorts market forces of competition and innovation. I do not know that that should be the government's role. In fact, I do not think it is. Say we have a promising private sector company in one part of the country and a similar private sector company in another part of the country, both with some interesting projects that show potential. We have this foundation of people generally appointed by the government and favourable to the government. Again, if we look at the history with the Business Development Bank, which is vulnerable to political pressure and political interference by the government, it is easy to see how choices can be made to influence the success or failure of a particular project. Depending on where the company is located in the country and how favourable that particular organization is, or perhaps even how large a donation it has made recently to a particular political party, could have an effect.

I hate to be so skeptical. However, after the years that I have been here it just seems to happen over and over again. I have no reason to expect that this particular venture will be any different from the ones in the past.

We have learned some things already from the government's efforts on greenhouse gas emission reduction. It is worthy to note that the government has already made some serious mistakes in this rush to reduce emissions, to clean up our environment and to create sustainable technologies.

Right from the very beginning of the conference of the parties in Buenos Aires, I believe it was, and as we move forward, the environmental side of the equation has always presented the theory that we had to force, either through taxation or through market forces, the cost of fossil fuel energy higher. It was too cheap in North America and we had to do something to force energy prices higher, much higher than those in Europe. We had to force energy conservation which would help us achieve our objective of reduced emissions because we have used less fossil fuel and less energy, thereby fewer emissions.

If there is anything to have been learned in the last year with the energy crisis that we are facing with spiralling energy costs in electricity, in natural gas in particular and gasoline, it is that higher energy prices are not the answer for conservation.

● (1240)

Fossil fuel intense projects like greenhouses, transportation, commercial and residential heating are switching back to technolo-

gies less favourable to the environment instead of simply using conservation measures to reduce the consumption of fossil fuels.

With organizations like the Pembina Institute, Friends of the Earth, Greenpeace and the others that had this idea, it is becoming clearer that there were other agendas at play other than just energy conservation through higher prices for energy.

We have to look at that, learn from it and understand that the development of new technologies will be the answer and will be our saviour. They will reduce emissions and use less energy. The fact is that the average citizens out there would love to be more environmentally conscious and would love to do their part in the reduction of emissions and saving the environment.

What has the government actually done to help them do that? To my knowledge the only thing under this climate change initiative the government presented was an offer of \$100 to pay half the cost of an energy audit for one's home, so that a new industry, energy auditors, could be created and could go around telling people how they can be more efficient and save money on their energy costs.

It does not take a rocket scientist to understand that once the energy auditor presents recommendations, the real cost in that initiative is going to be the implementation of those recommendations. The upgrading of residential and commercial buildings and all of things that go with it can run into the hundreds of thousands of dollars.

At some point the government is going to have to look at a program to help Canadians take hold of the new technologies which have been developed and implement them. That would not only be in residential situations but also in transportation and all kinds of sectors. There are some terrific ideas that will come forward and that are already coming forward. However, the cost of implementing them cannot be borne by the individual or by the corporate sector that will be expected to use them.

Imagine what would happen to the cost of fresh fruits and vegetables if the cost of transportation continues to rise as it has done in the last year? We clearly have to find better and newer technologies to implement in the transportation sector. Because that sector operates on such a fine margin, there has to be some kind of program and thought put into just how that sector could implement those technologies and still be able to provide a service to Canadians that is affordable and reasonable.

I have not seen any indication from the government that it would do that. The only thing it has done so far is the recent energy rebate which has turned into the biggest boondoggle we have seen in a long time. People in penitentiaries, dead people and people who never paid an energy bill in their lives are receiving rebates, while those who are responsible for those costs are not getting anything.

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Just this morning I had a call from a lady not too far from Ottawa. She was wondering what the longer term plan of the government might be and what we could suggest to the government that might help Canadians next winter and the winter after that. It is inevitable that energy costs will continue to rise, hopefully not at the rate they did this winter. It is a finite resource and the cost of energy will continue to rise either because of the depleting resource or because of the implementation of these new technologies of which the minister spoke.

● (1245)

I was hard-pressed to give the lady a lot of assurance that there was anything on the drawing board that would help her in particular. However I did suggest, as we have suggested to the government on a number of occasions, that by just simply designating home heating fuels as an essential commodity and removing excise tax and GST from those commodities would be a step in the right direction. Gas bills having now reached a point where in many cases they are higher than mortgage payments, I think the removal of those taxes would go a long way toward showing some compassion for the hardship created by those energy prices.

I look forward to the bill getting into committee so we can hear witnesses and hear an explanation of all these things. At that time we will make up our mind whether to support the bill at third reading stage. There needs to be a lot of discussion and a lot of answers from the government side on exactly what we are trying to achieve, how we will get there and how we will assure Canadian taxpayers that this foundation is a good use of their tax dollars. Canadians need assurance that their dollars are not being squandered and abused as so often is the case.

I look forward to the debate and discussion in committee. We will speak further to the bill at third reading stage and go from there.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): At the outset, I would like to congratulate you, Mr. Speaker, on your appointment, and the new Speaker on his election. I am sure you will show fairness and impartiality in your work.

This is my first time speaking in the 37th parliament. I would have liked to rise before, but I was unfortunately gagged during the debate on Bill C-2. I wanted to speak on behalf of my constituents from Sherbrooke, but unfortunately I was unable to do so.

I would also like to salute my constituents and to thank them for the trust they put in me last November. I know many members talked about their majority when they rose for the first time and I will limit my comments to the fact that I increased mine 11 times. Figures should be interpreted when they are most favourable.

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The bill before us today had been introduced before parliament was dissolved. It was then known as Bill C-46. The new Bill C-4 aims at establishing a foundation to fund sustainable development technology. Incidentally, the word foundation is reminiscent of the sad chapter of the millennium fund.

At the beginning of this session, it is difficult to see in what direction the government is aiming. Of course, the throne speech and its promises could provide interesting leads. We realize that all that can be found in that document looks like déjà-vu.

In fact, the legislative program looks the same as what it was before the election was called. Just consider the legislation concerning young offenders and the employment insurance program. Even with regard to Bill C-3, a minister's assistant said only the cover page was changed. That is a nice program. Even the Cabinet remained unchanged. The old federal reflexes of interfering in everything and anything are likely to carry on.

Let us put things briefly in context. Bill C-4, formerly Bill C-46, sponsored by the Minister of Natural Resources, would create a corporation, the Canada Foundation for Sustainable Development Technology. The objects and purposes of that foundation would be to provide funding for projects to develop and demonstrate new technologies to promote sustainable development, including technologies to address climate change and air quality issues.

• (1250)

The establishment of the Canada Foundation for Sustainable Development Technology is one of the initiatives that the federal government announced in its February 2000 budget to promote environmentally desirable technologies and practices. The foundation would operate as a not for profit organization. It would consist of a chairperson, six directors and eight members, some of them appointed by the government.

The foundation would have to table in parliament an annual report of its activities. The foundation would also have to administer a sustainable development technology fund, which would be provided with an initial amount of \$100 million.

According to the backgrounder entitled "Canada Foundation for Sustainable Development Technology", which was released by the government when the bill was introduced, the foundation would provide funding in two dominant areas: new climate friendly technologies that hold the potential to reduce greenhouse gas emissions, and technologies to address clean air issues. This undertaking is not as clear in the bill, however.

The funding would be for specific projects. In order to benefit the maximum number of innovative sources, the foundation would accept proposals from existing and new collaborative arrangements among technology developers, suppliers and users, universities,

not-for-profit organizations, and organizations such as industrial associations and research institutes. Small and medium size enterprises would be strongly encouraged to participate and lead projects supported by the foundation.

The foundation's activities would complement other government programs encouraging technological innovation, such as the Technology Early Action Measures component of the Climate Change Action Fund, and Technology Partnerships Canada in the case of environmental technologies.

The creation of a funding agency responsible for promoting the development of ecological technologies was recommended by the Technology Issues Table. In its December 10, 1999, report on the development of technological innovations to reduce greenhouse gas emissions, the Technology Issues Table recommended the creation of a fund to develop climate change technologies in order to encourage the development of target technologies with the potential to reduce greenhouse gas effects and stimulate international sales.

The technology issues table called for an initial investment of \$20 million annually, to be increased to \$200 million annually starting in the fifth year. It also recommended that 50% of the funding come from federal sources, 25% from provincial sources and 25% from private sources, although it felt that this could vary from one project to another.

Noting that one of the major challenges of innovation is the initial introduction of new technologies and new services in the market, the issue table also recommended the creation of a climate change technology demonstration program that would offset some portion of the financial risks involved in early domestic commercialization of greenhouse gas mitigation technologies.

According to the issue, this option should ramp up from \$60 million per annum for year one to \$300 million per annum for year five. The federal government should provide, on a portfolio basis, up to 30% of the investment, with the remainder originating from provincial and industry sources. The federal component would be repayable.

In this context the government decided in its budget 2000 to create the Canada Foundation for Sustainable Development Technology, which would support both development and demonstration activities but would not limit itself to climate change technologies.

• (1255)

Instead, it would fund various projects aimed at promoting technologies that contribute to sustainable development. Thus, this is a category of much larger projects.

While the government said it intended to put the emphasis on the funding of new technologies relating to climate change and clean air, the bill does not reflect this priority. It simply deals with the funding of sustainable development technologies, particularly those that are aimed at bringing solutions to climate change and air pollution issues.

Under the definition of eligible project in clause 2, the bill does not give express priority to the latter type of projects. Therefore, it might be up to the foundation alone to determine, under clause 19, what types of projects relating to sustainable development it would be prepared to fund.

It is important to note that the definition of "eligible recipient" in clause 2 refers to an entity that meets the criteria of eligibility established in any agreement entered into between the government and the foundation. It is not clearly indicated if this power, whose concrete aspects are not defined anywhere in the bill, could be used by the government to restrict the definition of "eligible recipient" to those claimants that carry on specific types of projects, thus influencing or restricting the foundation's funding decisions.

In other words, could the government and the foundation agree on eligibility criteria that would impact on what is an eligible project? It would be appropriate to get some clarification on that point, particularly since the government said that the foundation will not be an agent of Her Majesty.

The round table on technologies recommended initial funding of \$80 million for the two phases of the projects, that is \$20 million for development and \$60 million for demonstration. It also recommended that this amount be increased to \$500 million after five years, or \$200 million for development projects and \$300 million for demonstration projects.

Under the bill, the foundation would get an initial amount of \$100 million to support development and demonstration projects. Now, since the foundation's mandate goes beyond the financing of technologies linked to climate change, one could come to the conclusion that the financing provided is insufficient, at least for the initial period.

I would also like to talk about some Liberal commitments regarding the environment. I would like to remind the House of some promises made by the Liberals during the last election campaign and contained in the third edition of the red book. However, the events of last week have shown the real usefulness of such documents. They do not seem to stand the test of time, since the authors of the promises contained in the red book voted against a motion containing one of those promises word for word.

Here are some of those promises which are directly linked to the subject matter of today's debate. Again, these are promises made by the Liberal government. They are the following:

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(1) A new Liberal government will help the private sector by maintaining R&D tax credits that are already among the most generous in the world, and by working to commercialise discoveries made in government and university labs.

(2) A new Liberal government will act to significantly improve air quality for all Canadians. We will make special efforts to clean-up the air of our cities, where the population and the pollutants are most highly concentrated.

(3) A new Liberal government will continue to support the development of cleaner engines and fuels, and we will strengthen emissions standards for vehicles. We will greatly reduce sulphur in diesel fuel.

(4) A new Liberal government will attack the problem on several fronts under our Action Plan on Climate Change. We will promote increase energy efficiency in industry and in the transportation system. We will fund the development of new energy technologies, such as fuel cells, and help farmers to reduce agricultural emissions through improved farming methods.

● (1300)

Those are promises still. I continue:

We will increase Canada's use of renewable energy, such as electricity from wind and ethanol from biomass. We will encourage consumers to buy more energy-efficient products by providing information and setting high product standards.

That makes a lot of promises. In the throne speech, the government essentially repeated the same things. It said, for instance.

As part of its efforts to promote global sustainable development, the Government will ensure that Canada does its part to reduce greenhouse gas emissions. It will work with its provincial and territorial partners to implement the recently announced first national business plan on climate change.

I am not going to comment on these statements and promises one by one. A number of them, however, were already known. For instance, the action plan on climate change was announced last October 6.

In the 1997 and 1999 throne speeches, the Liberals announced that they would make the environment one of their priorities, that they would address the matter of climate changes and commit to promoting sustainable development on an international scale. Yet the budget allocated to the environment has done nothing but decrease since 1994-95.

How then can the Liberals be believed? We have no choice but to conclude that there is a lot of difference between talking the talk and walking the walk. For example, Environment Canada announced several months ago that it was going to call for tenders for the design of an import-export policy for PCB contaminated waste. This was made necessary by budget cuts at Environment Canada. As a result of these cuts, the private sector was entrusted with the mandate of designing policies on the import and export of hazardous waste. Really now.

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I have, nonetheless, retained a few words from the vocabulary used in the promises and the throne speech: “on several fronts”, “provincial and territorial partners”.

Several fronts suggests a shotgun approach, in all directions and none at the same time. I presume that the government has good intentions and is acting in good faith. However, what does such concern hide? We saw the government move on several fronts in the case of the millennium scholarships and other initiatives in the education area, but its partners are given very little consideration. The federal government always acts as if it was the holder of absolute truth.

Let us now turn briefly to what the environment and sustainable development commissioner said. If the federal government really wants to take the path of sustainable development, it should start by examining its own operations to identify the areas it could improve before telling people that they should consume more ecological and energy efficient products. In his report for the year 2000, the Commissioner of the Environment and Sustainable Development said:

Since 1990, the federal government has made commitments to Canadians that it would green its operations. Yet, a decade later, there is a lack of rudimentary information about government's vast operations, the costs of which are likely more than \$400 million annually for water, energy and waste disposal. We found that the government does not have complete and accurate data on the annual cost of running its buildings and on the environmental impacts of its operations.

When compared to Liberal commitments, this statement by the commissioner reveals that what is probably lacking the most at the federal level is concerted action. After the fiasco of the heating bill visibility operation we see clearly that the government does not have a long term vision.

Also, I would be remiss if I did not underline the recent findings of the auditor general on various appointments. The establishment of a foundation necessarily implies the appointment of a board of directors. I hope that the ministers who will make the appointments will base their decision more on the competence of the candidates than on their political allegiance.

Another point is the fact that Canada clearly will not fulfil its Kyoto commitment. Not only does Canada not appear to be on the way to reducing its greenhouse gas emissions, but it actually appears to be increasing them.

In the February edition of *Le Monde diplomatique*, it is reported that Canada is part of group of countries called the umbrella group. Reference is made to the November 2000 conference held in The Hague, which ended in failure due to these countries' intransigence.

• (1305)

These countries are attached to loopholes such as the unlimited emission rights instead of reducing greenhouse gas emissions and

insist on taking forests into account in the determination of efforts made by each country. Organizations have already denounced the hypocrisy of Canada, which is hoping to boost its reactor sales by trying to include nuclear energy among clean tools of economic development.

At the Vancouver environment and natural resources ministers conference, Ottawa tried to address only public awareness measures and investment projects in less energy consuming technologies. And yet, if the trend holds, greenhouse gas emissions in Canada could be 35% above what they should be.

We must therefore conclude from these examples that what Canada is lacking is the firm political will to significantly reduce greenhouse gas emissions. Resorting to its age old strategy of invading provincial jurisdictions rather than developing a joint strategy, Canada will not be able to meet its international commitments.

The establishment of foundations and other similar initiatives will only ease the Canadian government's conscience without leading to any tangible result.

Would this be a new hobby aiming at shrinking the provincial role? Quebec does not need anybody's advice. As Mr. Pierre Elliott Trudeau used to say:

One way to offset the attraction of separatism is to put time, energy and huge amounts of money at the service of federal nationalism.

No doubt, the environment will be the next area to be invaded by the federal government to try and shrink Quebec's role even more. After the Canadian millennium scholarships, education, the health minister's plans for a family medicine program, the new federal hobby may well be the environment.

In this respect, the bill under consideration, which establishes a foundation to develop and demonstrate new technologies to promote sustainable development, appears to belong to the Canadian government's continued effort to have its way in many spheres of human action. What will the foundation do? How much money will it have at its disposal? The news release announcing the bill states:

The new Foundation will administer the Sustainable Development Technology Fund for the development and demonstration of new technologies, in particular, those aimed at reducing greenhouse gas emissions and improving air quality.

We are told as well that the foundation will have a budget of \$100 million. How will the federal government reconcile the many efforts being made in the area of climate change and sustainable development? How will the money allocated for this foundation differ from the climate change action fund? Part of this fund is intended for cost effective technological projects promoting a reduction in greenhouse gases.

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The Liberals have a long tradition of unfulfilled promises with respect to the environment. More specifically, in the area of greenhouse gases, not only is Canada not sufficiently reducing its greenhouse gas emissions, it is significantly increasing them. Rather than making a serious commitment to reduce them, Canada is now one of the group of countries that is looking more for loopholes in the Kyoto protocol than it is for sustainable ways to reduce emissions.

In this regard Quebec's energy choices are exemplary, and Quebec is resolutely committed to reducing greenhouse gases.

Will this foundation support initiatives in the nuclear sector? We could think so, since Canada has lobbied vigorously to have nuclear energy considered green.

In our election platform we noted that an investment of \$1.5 billion was required for the environment. The federal government must attack this problem seriously. Had it not implemented the policy of \$125 for heating oil, for example, it could have saved \$1.3 billion. Will the foundation's \$100 million be enough? Only the future will tell.

The Bloc Quebecois of course would support this bill because our party is concerned about the environment.

• (1310)

We would support the bill if it were amended on six factors giving rise to concern and opposition from the Bloc.

The first one is the division of powers. We see this as an underhanded way for the federal government to intrude once again in provincial jurisdiction.

The second one is that Quebec already has such a foundation. The creation of this foundation comes as a surprise, since a \$45 million action fund for sustainable development already exists in Quebec.

Instead of creating this foundation, the federal government should transfer the money to Quebec's agencies, which are already working along the lines recommended by the table and which have a good understanding of the issue.

Concentration of powers is another factor. Practically all the directors of the foundation are appointed by the governor in council. Under the bill, the governor in council, on the recommendation of the minister, appoints seven of the fifteen directors. However, the eight other directors are appointed by the very members appointed by the governor in council.

Finally, the chairperson and all directors may be removed for cause by the governor in council. This method of appointment seems to be a roundabout way of allowing the federal government

to interfere in an area under provincial jurisdiction and to have control over an organization that is not accountable to parliament.

The fact that the governor in council has the authority to enter into agreements with the foundation to set eligibility criteria regarding eligible recipients shows that this organization would not really operate at arm's length from the federal government. The latter would, in a roundabout way, have a say as to how funding is granted to eligible recipients.

Another factor is the dangerous definitions contained in the bill. For example, since the term "eligible project" deals with technologies that include, but are not restricted to, those to address climate change and air quality issues, this could allow funding for nuclear technology projects justified as a means of reducing greenhouse gas emissions, which would be contrary to the commitments made by the federal government in Kyoto.

The fifth factor to consider is the disparity between the recommendations from the table and the bill. The foundation would be responsible for managing funds to support technologies to promote sustainable development. It is certainly a lofty goal, but it is rather vague when used in a bill.

The establishment of such a foundation would not reflect the main recommendation of the table which was to allocate money for the development of technologies to reduce greenhouses gas emissions and to stimulate international sales.

The bill does not reflect the general direction of the recommendations of the technology table, mainly because it does not include a goal oriented implementation strategy. Also, the bill does not promote co-operation between the federal government, the provinces and industry and does not contain a qualitative definition of the benefits and factors contributing to our quality of live for each of the options.

The bill only focuses on two of the eight options brought forward by the technology table.

The last factor has to do with the level of funding. We are concerned about the small amount allocated to the reduction of greenhouse gas emissions. In 1998, the Anderson strategy had a budget totalling \$1.3 billion over a period of five years to fight this problem.

On December 10, 1998, the table released a report on the development of technological innovations to reduce greenhouse gas emissions, in which it recommended that a fund be set up, with an initial contribution of \$80 million for both stages, development and demonstration, and that the funding be increased to \$500 million after five years.

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Since the terms of reference of the foundation are not limited to technologies addressing climate change, the funding for the initial phase is not enough.

• (1315)

In conclusion, I would say that, through its environmental policy, the Bloc Québécois does support positive and proactive actions, provided they take into account the fact that Quebec is an important stakeholder.

Therefore, we will be moving amendments at committee stage.

[English]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I say a special merci beaucoup to the translators of the House of Commons who do a great job interpreting what we are trying to say to the Canadian people.

What can we say about the bill? It is sustainable development technology. It is a \$100 million fund that will go into a pot somewhere and then some people will look at it and do something about it.

If it is anything like the millennium scholarship fund, we in the New Democratic Party fear that it will go absolutely nowhere and benefit very few people. I find it pleasing that the government is at least talking about sustainable technology. We fear that the government will not do very much about it. Anyone needing more proof should look at our commitments at Kyoto and Rio. What did we do about those commitments?

We set targets and guidelines for CO₂ emission reductions for 2006 and 2008. The goal posts have now been moved to 2010 and 2012 and so on. It is quite ironic that while we are debating the bill there is a report from the UN coming out today mentioning that global warming is indeed real. It is happening and it is having a great affect on the population of the planet, not just in one specific area.

For those of us on the east coast, as my Conservative Party colleague from the South Shore knows, people living by the ocean are getting a little nervous. On the prairies this has probably been one of the driest winters my friends in Calgary have ever had. Yet St. John's, Newfoundland, has had over 16 feet of snow and it is still coming down.

After the floods on the Saguenay River in Quebec and the Red River in Winnipeg, it is very important that all Canadians start to realize that they should not be critical of the reports by scientists from around the world and the UN. Global warming is a fact although I have to say, tongue in cheek, that members of the Reform Party, now the Canadian Alliance Party, stated in the House

many times that global warming was a myth. They said that it did not exist and asked what we were worried about. We should be very worried about it.

I am pleased that the government is at least discussing sustainable development technology. However I suspect, like the millennium fund, that it will be just a group of people who the government mostly appoints. Most NGOs, groups like International Fund for Animal Welfare, the David Suzuki Foundation, the Sierra Club of Canada, the World Wildlife Fund Canada and a group from my own riding like the Ecology Action Centre, are great people who volunteer a lot of their time to promote sustainable technology in the world and in their own community. I suspect they will be left out of this so-called inner circle.

It is astonishing that the government wants to bring something in like that. At the same time it says not to worry because it knows that Canada has to be the number one nation in the world when it comes to sustainable technology. It knows that Canada has to care for the planet and be world leaders. At the same time it says that, CIDA gives \$280,000 to Monsanto so that it could have its genetically modified cotton and corn seeds grown in China. This is absolutely unbelievable. It is incredible that the government would give a large corporation like that any tax dollars at all to support genetically modified foods.

I suspect that the fund will end up supporting large multinational corporations such as Monsanto so that they in turn could promote genetically modified foods and all kinds of things of which Canadians are simply unaware. That simply would not be acceptable.

• (1320)

If the government were serious about sustainable development technology it would have incorporated into law two motions that were passed in the House. One was in the name of my colleague from Winnipeg Centre that asked for a major retrofit of the 50,000 government buildings that Canada owns. Not only would that create green jobs, but it would reduce the amount of energy those buildings currently use. The savings would be enormous and it would create work at the same time. So far the government has been silent even though the motion was passed in the House.

Another one was in the name of Mr. Nelson Riis, a former member of the House. His motion passed in the House. It basically said that any company of business that wished to give its employees a transit pass to take a bus to their workplace instead of using a vehicle would be allowed to claim the transit pass as a business deduction. That makes a lot of sense, especially for urban areas like Toronto, Montreal, Calgary, Vancouver, Edmonton and Halifax. It may not be so big in Bridgewater down on the South Shore or in areas like Sheet Harbour, but in the major urban centres

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it would make a lot of sense. So far there has been silence from the government.

These are the kinds of initiatives that we as New Democrats bring forward. Many government members voted for the motion, so why has it not been incorporated? It would reduce our dependency on fossil fuels, which would be great for all of us.

Having \$100 million going to a specific fund that other people could access to do various projects basically means that the government could then turn around and say it is not responsible any more and be at arm's length. The government would supply taxpayer dollars. There are no assurances that taxpayers will get the best bang for their buck. This group, whomever they are, will decide how to spend it or what to do with it. When a problem arises, the government could easily wash its hands and say that it is not responsible and that the group is.

More proof of that is the Canada-Nova Scotia Offshore Petroleum Board. I believe oil and gas exploration and commercial fishing can co-exist, but the fears of commercial fishermen in the communities along the coastlines, especially in the areas of Cape Breton, New Brunswick and P.E.I., should be allayed.

They are basically asking for clear, independent scientific assessments on what seismic drilling and gas exploration do to the fisheries along their coast, especially on the inner coast. That is all they are asking for and they cannot get it.

The government says it is not its responsibility any more. It handed that responsibility over to the Canada-Nova Scotia Offshore Petroleum Board. When the province is approached, it says the same, that it is not responsible. It turned that responsibility over to the Canada-Nova Scotia Offshore Petroleum Board which is now responsible.

We have seen this happen already. Seismic drilling leases have already been granted in phase 1, which is the Cabot Walk just off Cape Breton. The company will do the assessment afterwards. That is putting the cart before the horse. What should happen quite clearly is that the assessment must be done first and then a lease should be granted, depending on the environmental assessment.

The assessment may say it is not a good place to drill because it could do harm to the fish stocks. We do not know. We should not be drilling or even testing until that information is brought forward first. If the information says they can co-exist, that is great for everybody. As long as we do not have an assessment, we will always have a large percentage of people opposed to oil and gas drilling.

In previous discussions we had earlier this morning we discussed aquaculture. I believe aquaculture could be a very good thing for the country only if the precautionary principle is taken. That means that we do all the environmental work upfront to ensure that the aquaculture site, the oil and gas sector or whatever is using our

waterways is done within the strict guidelines of the environmental assessments.

Those assessments must be paid for by the government. They should not be paid for by industry, because there is always the perception that the advice or the information may be tainted. The perception is that if we pay enough money and get the right scientists they will tell us whatever we want to hear. However, when it comes to our environment, the thing that sustains us the most, we should take every precaution when it comes to protecting our environment.

● (1325)

The \$100 million fund will simply not be enough. We believe the government should put a couple of billion dollars into the fund and see what happens. The fact is that \$100 million will simply not cover what is required to develop new sustainable technologies.

Going back to the aquaculture industry, I have said many times that the federal and provincial governments should be working with industry to develop the closed net systems. By doing that we would have no escapes and no effluent running from those cages into our waterways. We need to do that.

The government should be working together with the industry and with other groups for the best technology that is out there. The government must accept its responsibility. It cannot hand off its legislative ability to an arm's length body. It cannot do that.

Many people come to us, whether we are in government or in opposition, to express their opinions and their views. They do not see these other groups and organizations. All they know is that they elected us to protect them when it comes to their environment.

We as legislators, whether federal, provincial or municipal, have a responsibility to the citizens of Canada to ensure that they, their families, their children and their children's children have a proper, healthy environment in Canada and worldwide.

The minister was right when he spoke about Canada being a world leader. If he had said that from his heart and his head I would have believed him, but he was reading a prepared speech at the time he said that. It is a little tongue and cheek when I say that I am rather doubtful that the Liberal government will once and for all understand the environmental damages some of its policies and past Conservative policies have placed on the Canadian people.

A classic example of environmental damage is at the tar ponds in Cape Breton. I am sure my Conservative colleague has been there. The Sydney tar ponds are an absolute disaster, a major blight. I am not talking about Prince Edward Island and the potato blight problem it has. I am talking about an eyesore not only on Cape Breton but right across the country. It is our worst environmental mess.

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What did the government and the province do about it? They set up a committee called JAG to work out solutions and figure out what was going on. They have been talking about it for years and still nothing has been cleaned up. People are getting cancer and dying from the residue. The NDP has been encouraging the government to put the resources behind it and clean up the mess once and for all. There was even a proposal, and I am not sure if it was this particular group, to cement it all in, cover it up or maybe put a parking lot on top of it. These are the kinds of ideas they come up with and they are unacceptable. It is time the government accepted its responsibility when it comes to protecting our environment.

There are many great organizations out there that are saying to the government that they will help. They are saying that they would like to become part of the so called inner circle when it comes to these types of funds. They want to work with industry not against it. They want to work with the provinces and the municipalities. As my colleague from the Bloc said, one of the things the Bloc will have concerns with is that this may intrude in the provincial powers that Quebec has.

I say to the Bloc that it should lighten up a bit because the environment knows no boundaries. The federal government has a responsibility in all parts of the country, whether it is in Quebec or anywhere else. We are opposed to the legislation at the current time because it is too vague and wishy-washy. It is \$100 million so the government can show what it did. However it has not done anything. It will not reduce CO₂ emissions one ounce when all is said and done. It will not encourage the environmental groups to get onside and give them their ideas and work together. It will not do any of that. Some of the people here will be appointed by the government. We know what happens when the government appoints people. The former member for Port Moody—Coquitlam—Port Coquitlam, Mr. Lou Sekora, was appointed, I believe, to the immigration board, a \$100 million board, to discuss citizenship and immigration.

● (1330)

I like Mr. Sekora. He is a great guy and a lot of fun. However when he sat on the fisheries and oceans committee we had to wake him up all the time. Now this guy, who happens to be a Liberal, has been appointed to the board of citizenship and immigration. What qualifications does he have for that job?

I greatly admire Mr. Sekora but he should have appeared before a committee and the committee should have decided whether he was qualified to do the job. It should be the same for this kind of board. If the government spends \$100 million of taxpayer money parliament should, especially in the environment committee, have a say in who is on the board. That is open and transparent government.

Unfortunately we do not have that in the House of Commons. The vote the other day showed that. The Liberals voted against their own 1993 promise, with the exception of a couple of members who had the fortitude to say that what the government was doing was wrong. They supported the opposition.

Politics get in the way. If the government can do that, who says it will not do it with this type of legislation? Over and over again, decisions are made within the PMO and to hell with anybody else. That is why a lot of people have no trust in either government or opposition MPs.

I believe most Canadians understand that Ottawa has an obligation and a right to protect them in terms of the environment. However if we asked any Canadian they would say that the government does not know the first thing about protecting the environment.

As legislators we have done a bad job of protecting the environment because we have been afraid of upsetting major multinational corporations. There is a court case in B.C. involving a company called Metalclad. The company wants to override Mexican laws and put its plant in Mexico. Its plant will pollute the air and do all kinds of things but Metalclad does not care what the Mexican government says.

The same is true on MMT. We tried to ban a manganese additive from gasoline in Canada but we did not have the legislative ability to do it. While it is banned in other countries and in many U.S. states, we cannot ban it here because of our trade agreements.

The bill does not address the trade agreements. It does not address whether Canada will have the ability to protect itself. Will the people appointed to the board administering the \$100 million fund go to the government for answers on what they can do, or must they go to some obscure place like Brussels and ask some trade panel what they can do? These are the worries we have over on this side.

We support the initiative the government is finally talking about. We appreciate the government for doing that. However we are disappointed that it is very vague and superficial. There is no hard evidence in the legislation that the government will finally get serious about global warming and other environmental effects on our country. Without further amendments we simply cannot support the initiative at this time.

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, I would like to add a little correction to my friend's comments about MMT.

● (1335)

I was very closely involved with that legislation. The member has led us to believe that some U.S. states still outlaw MMT. In fact the U.S. supreme court overruled the EPA about a year and a half

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ago, making MMT legal in any state where the refiners still want it. I wanted to make that correction.

The legislation is incredibly timely when we hear reports continually about global warming and the fact that it is accelerating to a degree we did not imagine even six months ago. The challenge is how to deal with it and properly address it.

The government has introduced the bill on sustainable development technology to try to address it. It has proposed that a board be set up to look at proposals on new technologies and hopefully to assist in their development.

I heard my hon. friend say that the people making the proposals should come directly to government. I may have misunderstood what he said, but I think he said that government itself should intervene with the developers rather than an arm's length organization. Perhaps I was wrong.

I have another question for the member. Why does he say that \$100 million is not enough? It may not be enough and may be a fraction of what is needed but what amount would the member suggest? Would he suggest we get into the dozens of billions of dollars? Does he have some foundation to put an accurate figure to the question?

Mr. Peter Stoffer: Mr. Speaker, on the MMT debate, I will check my notes again. It was very interesting that he asked about the amount. When the millennium scholarship was started it was \$2.5 billion. That was a good figure to start with. If it can be done for the millennium fund, why not put the same amount into something of this nature?

The government is ultimately responsible for environmental protection. It is amazing to hear a member of the government say that the government had no idea six months ago that global warming existed. It is as if the member just had an epiphany and found out about the issue.

People have been talking about global warming for many years. It is not new to the people of Canada or to the citizens of the world. Unfortunately, however, it may be new to the federal government.

Mr. Julian Reed: Mr. Speaker, I rise on a point of order. I would like to correct my hon. friend. That is not what I said at all. I said that the government had no idea that global warming had accelerated to the extent that it has.

Mr. Peter Stoffer: Mr. Speaker, I thank the member for pointing that out but the facts are there. Where are the real commitments? Where are the Kyoto commitments? Has the government completely ignored them? I bet it has.

The government will now come up with something new. If it would honour the commitments it made in world cities like Rio and Kyoto, maybe we would not need \$100 million. If it had honoured

its commitments initially we would perhaps not be having this debate today.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, before I start into the bulk of my speech on the Canada foundation for sustainable development technology, I will comment on a couple of points made by my colleague from Sackville—Musquodoboit Valley—Eastern Shore. My colleague in the NDP could not resist the urge to take a swipe at the Conservative Party.

● (1340)

First, the Conservative policies did recognize climate change and climate warming on the planet. We were the people behind the Rio summit and we started the whole operation.

My colleague also mentioned a small problem with potato blight. If he was a farmer in P.E.I. with a million dollars worth of potatoes in cold storage, and if he was looking at \$10 million that the Liberal government put into a composting program while it did absolutely nothing to help farmers in P.E.I., he would not think it was a small problem.

I am getting off subject, but as far as the tar ponds go, I spent a good part of my life mixing mud on oil rigs and know a little bit about how to make mud. Anybody with a couple of tons of barite, a couple of tons of gel and a little bit of resinex could mix that stuff in the tar ponds and would have had it pumped out of there long ago.

What we had was an abrogation of responsibility by the former Liberal provincial government of Nova Scotia and by federal governments in Ottawa that did not deal with that issue. It could have been dealt with, the waste could have been incinerated and it would have been gone and we would not be dealing with it or discussing it today.

Back to the point of the debate, the Canada foundation for sustainable development technology act is a bill that would establish a foundation to fund innovative projects specifically in the areas of climate change and air quality. Those are two areas we must deal with. We were never able to ignore the fact that climate change was taking place, but we can no longer afford to look the other way and not deal with it.

I was quite shocked to hear that the bill could not get at least tentative support from the NDP to go to the committee stage. My tendency, as critic for the Conservative Party, is to at least support the bill going to committee stage where we can have a look at it, debate it much more in depth and then see what comes out of committee.

The purpose of the foundation will be to support the development or demonstration of new technologies or innovations that will help to reduce the impact of climate change, whether through

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energy efficiency, alternative energy sources or other developments. It is a lofty and commendable objective since we all know that Canada needs to do its share to help reduce climate change worldwide.

Canada committed itself at Kyoto to reducing greenhouse gas emissions to 1992 levels. I will address today whether establishing the foundation is one way of achieving that objective, but I will also be closely examining it at committee stage.

There are numerous alternative energy sources available on the market but getting them into public use or making them cost effective can be challenging. Canada may be a world leader in some areas, such as the Ballard fuel cell or solar technology, but I question whether we are fully exploiting these capabilities.

The United Nations intergovernmental panel on climate change, which was mentioned earlier, released its assessment two weeks ago. In its report it states:

There is now new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities.

I do not think this is anything new but it is very damning evidence when a number of countries and industries on the planet say that they are not contributing to climate change or, even worse, that climate change does not exist.

Capitalizing and exploring opportunities to reduce greenhouse gas emissions will be a challenge for Canada. Although Canada offers generous tax credits for research and development, the private sector has been slow to embrace the new technologies.

We may have the ability and the ideas but we are not bringing them forward or pushing them into mainstream applications. There are large markets for these technologies or ideas if they can be shown to be effective. However, Canadians need to be encouraged to bring forward ideas, to seek new solutions and to develop them for the market.

If the research and development tax credit has failed to spur innovation can the proposed foundation overcome the obstacles and help bring new ideas to the market stage? That is the gist of what this is about, and it is really the issue we are talking about.

Andrew Weaver made an interesting argument for more action on greenhouse gas reductions in his article in the *Edmonton Journal*. In asserting that countries should continue to try to meet their Kyoto commitments, Mr. Weaver stated:

The reason lies not so much in the carbon-dioxide reductions that will ensue, but rather through the spawning of new technologies which will lead us to a less fossil-fuel-based society.

• (1345)

This is precisely what the legislation hopes to accomplish in some small way. With \$100 million to allocate over a period of

time that will likely span five to seven years, it will be a job for the foundation to ensure that the money is used in the most effective manner possible. By leveraging projects at a 25% basis there is a maximum potential to spur \$400 million worth of new projects.

As members of parliament we all know many people are seeking government funding for good ideas. Projects to reduce greenhouse gas emissions, however, are the target of the legislation. It will be up to a board of directors and a board of members to make decisions about which projects receive funding.

It should be noted, as was noted by other members who spoke to the legislation, that one of the items in the bill we really do not fully understand is the remuneration that will go to board members. The per diems that will go to board members will be the same as those that go to any federal employee.

We also need to find out at committee stage who comprises the board. We know that seven of the fifteen board members will be appointees of the federal government. Who comprises the board? Who picks the board? How much industry representation will be on it? How much exactly will the board cost Canadian taxpayers who take the money out of their back pockets to run this operation?

As I mentioned, the foundation will be provided with \$100 million that it will have to allocate over a period of time with the aim of helping those projects that best meet the qualifications.

One of these qualifications will be that the development or demonstration be widely applicable and not limited to a single application. Since the objective will be to help Canadians, the idea and the developing technology must be made available to other interested parties. That is why the issue of intellectual property, while not belonging to the federal government or the foundation, will have to be discussed by the partners to ensure accessibility for anyone else who would like to utilize this technology.

I would like to take the time to highlight a few technologies and ideas which I think are relevant to this discussion. One example is LNG, liquefied natural gas. It is a gas that has been cooled to a liquid state, meaning that the higher volume can be stored in a smaller space. There is improved fuel economy and lower emissions because there is greater optimization of engine performance with liquefied natural gas. Obviously this is one option for helping to reduce emissions and ultimately improve air quality.

There are limitations, however, with liquefied natural gas. The gas has to be cooled to -125°C , presenting some challenges and some additional costs. Otherwise vaporisation would occur and some of the fuel would be lost. That is one of the reasons why this fuel is geared toward long distance, heavy duty vehicles which could conceivably handle the storage challenge. These challenges, however, are being addressed with a growing emphasis on alterna-

tive fuel sources. There may be greater attention paid to developing more practical applications of liquefied natural gas.

Although the first patent for liquefied natural gas was issued in 1914, it was not until the 1990s that it really moved beyond the experimental stage to the point where today its application as a fuel alternative is being seriously examined and tested. By offering a fuel alternative with lower emissions, it is an example of the type of innovation that the legislation would want to promote and encourage.

Another example that is more broadly familiar to Canadians is the Ballard fuel cell. Ballard Power Systems began in 1979 but it was not until 1983 that it began testing the concept behind fuel cells, mainly the combination of hydrogen fuel and oxygen to create electricity. With heat and water vapour the only byproducts of the combustion process, fuel cells show immense potential as a means of reducing greenhouse gas.

A prototype vehicle powered by Ballard fuel cells was unveiled in March 1999 and can travel 450 kilometres before refuelling. Ballard hopes to have fuel cell powered cars on the market for public use in 2003 to 2005 from major auto manufacturers such as Ford, General Motors, DaimlerChrysler, Honda and Toyota. Although not yet available on a commercial scale, the focus for Ballard will be to help develop viable alternatives and applications on a wide scale mass market level. If cost reductions could be achieved by mass marketing, this technology would allow the advantages of the product to be widely applied.

• (1350)

That is the point behind the government's bill. It is to take good ideas and good concepts that are not mainstream now, put them out there and apply them on a very wide scale. It is this type of innovation that the legislation before us today hopes to promote and encourage.

Much room exists for renewable energy sources. Currently renewables make up only 2% of the global energy supply, but the International Energy Agency of the Organization for Economic Cooperation and Development suggests that by 2020 it will make up only 3% of the global energy supply.

We can see from that statement that the world and certainly Canada, the United States, the developed countries and the G8 nations are moving painfully slow in the direction of renewable energy.

If we are to improve the projection, it will be imperative for the Canadian government to encourage the development of new technologies and to encourage not just new ideas but to challenge people to think of new applications for the regional, national and global markets.

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Energy demands are increasing as a result of our increasing reliance on the high tech industry and its immense need for electricity. If any of us need to think that over, we best think about brownouts and blackouts in California where the high tech industry for the entire world is situated. The fact is they use so much electricity in that field that they are taking more electricity than the grid can offer.

In addition, the rapid industrialization of developing countries will also increase global demand for energy sources. If there are new options that provide cleaner fuel sources or that use alternative energy sources, we could take steps toward reducing global greenhouse gas emissions. It is a challenge for everyone but the federal government needs to be taking the lead if it wants to demonstrate any commitment to meeting its Kyoto standards.

The legislation is another step, but further study will help us to determine if it is truly a step in the right direction or simply another government initiative that looks good but really does not accomplish its objective.

Questions were raised before that there was not enough money, that \$100 million was not enough money. If members would do their research on the legislation, they would recognize that it dovetails with a lot of other existing legislation.

I would like to review the other legislation that the new piece of legislation would dovetail with. The existing federal technology programs all have features that distinguish them from the sustainable development technology fund but are complementary in nature.

First, the program of energy research and development has an allocation of \$58 million.

Second, the Natural Sciences and Engineering Research Council of Canada does not fund development or demonstration projects led by the private sector as the SDTF will.

Third, there is a budget for the Canada Foundation for Innovation of \$2.4 billion, quite a substantial amount of money.

Fourth is Technology Partnerships Canada with another budget of \$300 million.

Fifth, the industrial research assistance program funds for small and medium size enterprises to help them improve their innovation capacity through research and development projects that could span the full spectrum of technological and industrial sectors. It has an annual allocation of \$7 million.

The technology early actions measures funds technology projects to reduce greenhouse gas emissions nationally and internationally while sustaining economic and social development. Its allocation of \$57 million over three years is basically now de-

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pleted. I suspect the \$100 million may dovetail quite nicely into that program.

A lot of federal funding is going into sustainable energy and alternative energies. There is a lot of commitment by the government and previous governments to deal with the issue. We have to ensure any time we are spending taxpayer money, and ultimately it is always taxpayer money, that the money is allocated in a proper manner and that the government spends it responsibly.

The issue if there is one with the \$100 million fund is certainly that there are a number of other programs out there now.

• (1355)

Many of those programs would dovetail very neatly into the existing program. I should like to find out more about the other existing programs at the committee stage before we support the bill when it comes to a vote in the House. I certainly encourage and applaud the government for moving in the right direction with the bill. We will take into consideration at the end of the day whether or not we will support it.

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, I was very happy and excited to hear the member's comments in support of the bill and getting it to committee to be properly scrutinized and perhaps amended and improved as we go along.

The member's heart is in the right place. He understands the direction that the country has to go in. We do not have a choice any more. I would leave him with one question. How does he consider a finite resource is sustainable?

Mr. Gerald Keddy: Mr. Speaker, how do we consider a finite resource is sustainable? All resources ultimately are not sustainable and we will end up using every resource on the planet.

When we talk about sustainability of finite resources and if we are speaking about fossil fuels, the issue becomes how we better utilize the fossil fuels in the ground today. We have new technologies. We have new ways of getting more gas and more oil out of the ground. We have found ways to develop the tar sands that were not in existence 20 years ago.

The finite resources may not be as finite as we once thought, but it is an issue we have to deal with. The government has to deal with it. We simply cannot continue to ignore it.

In the future, energy sources will become even more valuable than they are today. We will depend upon larger sources of electricity. We will be using more electricity as the IT sector takes off.

We have done it in every other resource. We do not use less energy; we use more energy. Some people would argue that we use too much energy. The fact remains that we use energy and we have to find ways to produce it, more sustainable ways not only of finding alternative and new energy sources but new ways of utilizing and extending the energy sources that are there already.

STATEMENTS BY MEMBERS

[English]

TED CHISWELL

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, I take this opportunity to congratulate one of my constituents, Mr. Ted Chiswell, on his outstanding efforts working overseas for the Canadian Executive Services Organization.

Ted went to Georgetown, Guyana, to assist the auditor general. He was asked to advise on policy and procedural manuals. During Ted's time with the auditor general's office he prepared two manuals, one dealing with internal office procedures and the other with audit procedures. He trained 16 people as reference guides. Ted anticipates a reduction in audit costs as a result of the standardization of preprinted audit programs.

I say congratulations to Ted on a job well done. He has been a great ambassador for Canada.

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ABORIGINAL AFFAIRS

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, I draw attention to an urgent matter in my riding of Nanaimo—Cowichan.

As the House sits, the first urban treaty in B.C. is being negotiated with the Snuneymuxw band that resides in the Nanaimo area. While I personally want to see a resolution to all outstanding land claims, I believe the government is again conducting negotiations behind closed doors and ignoring the wishes of the residents of Nanaimo and Gabriola Island.

To date neither the city of Nanaimo, the regional district of Nanaimo nor the Islands Trust are official parties to the treaty negotiation process. I believe that these local government bodies should be formally invited to the table as full and equal voting partners.

The people of the Nanaimo area have a vested interest in the negotiation process and are duly represented by these elected governments. The Nanaimo city council and regional district have specifically asked for the minister's attention to this matter and the opportunity to meet with him personally at his earliest convenience.

With what is at stake in all these negotiations, I believe this would be in everyone's best interest. I again offer my assistance in setting up any meetings with local officials. Perhaps the minister would like a briefing from my office on this important issue.

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● (1400)

[English]

SHAWKY FAHEL

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I am pleased to rise today to recognize and congratulate Shawky Fahel, a successful Kitchener entrepreneur who has been named Citizen of the Year by the Twin City Jaycees.

Shawky is well known to many of us on this side of the House for his hard work within the Liberal Party. I personally appreciate his commitment as president of my local riding association.

His humanitarian service extends around the world. He founded the Canadian International Development Organization, a non-profit organization that provides poverty relief and improved health care in developing nations. His commitments to peace in the Middle East and trade development with Palestine are well regarded by the government.

An avid volunteer, Shawky's community service includes the Kitchener Rotary Club and the Waterloos of the World Gathering. Shawky's business success with the JG Group of Companies is a further testament to his hard work and resourcefulness.

As an entrepreneur, humanitarian and volunteer, Shawky Fahel is a leader in Kitchener-Waterloo. I ask members to join me in congratulating him as Kitchener-Waterloo's Citizen of the Year.

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[Translation]

MCWATTERS MINING INC.

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, on February 14, McWatters Mining Inc. announced that it was immediately closing down operations at its Sigma-Lamaque complex for an undetermined period for financial reasons.

This closure will put 120 permanent employees out of work. If McWatters does not get any additional funding, it will not be in a position to resume full operations on a permanent basis.

McWatters is the eighth-largest gold producer in Canada, with reserves of 2.4 million ounces of gold and additional resources of 4.6 million.

McWatters is also involved in developing a sizeable portfolio of exploration properties.

If there is a complete shutdown, this will be a hard blow to Val-d'Or and the Abitibi region, with a total of 946 direct and indirect jobs affected if all the permanent employees, sub-contractors and service providers are counted in.

STRATFORD-PERTH ARCHIVES

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, it is with great pleasure I rise in the House today to announce that on February 24 and February 25, 2001, the Stratford-Perth Archives will be holding its 13th annual collectors exhibition.

The Stratford-Perth Archives is the municipal repository for the city of Stratford and the county of Perth. Over 6,000 people use this facility annually. Collections in the archives range from postcards to antique dishes, military memorabilia, antique cameras and teddy bears.

The Stratford-Perth Archives is a recipient of a Canada millennium partnership grant. The components of the grant will be available for exhibition and include the microfilming of the Listowel *Banner* from 1971 to 1986 and the oral interviews of 12 Perth county war brides after the war in 1945.

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MINISTER OF HEALTH

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I rise on behalf of members of the House and House officers to extend best wishes for a speedy and complete recovery from prostate cancer surgery to our colleague, the Hon. Minister of Health.

The health minister is undoubtedly spending much of his post-operative downtime enjoying House proceedings on the parliamentary channel, so this is an appropriate moment to let him know that we are cheering him on and that our thoughts and prayers have been with him and his family.

Of course some of us have entirely selfish reasons for looking forward to the minister's early return to the House, especially opposition health critics. We will do our best with our questions when he returns to demonstrate to the minister how much he has been missed.

All of us here send him our good wishes and best regards.

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LIZZIES OLD TIMERS ASSOCIATION

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, the Lizzies Old Timers Association is a unique community organization that has its roots in Toronto's Elizabeth Street Public School, now known as the Bob Abate Community Centre. Playground teams named the Lizzies were initially involved only with baseball but have grown to include other athletic activities such as hockey and basketball.

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Today the Lizzies are more than just an organized sport group. They actively participate in worthwhile community causes and contribute to many charitable organizations. Every year they sponsor organized sport programs in Toronto, which allow over 1,000 underprivileged youth to enjoy organized sport programs.

In addition, the Lizzies Old Timers Association also honours outstanding individuals throughout the community for their athleticism in the programs and for volunteerism that has demonstrated a commitment to making a difference in the Toronto community.

• (1405)

I take this opportunity to congratulate Lizzies Old Timers on their recent 17th anniversary and give my best wishes to members of the former and present Lizzies who have contributed their efforts toward the success of this outstanding community organization. They have shown that the Lizzies are truly winners, not just in amateur sport but with the community.

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[Translation]

WINTERLUDE

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, at this year's Winterlude, Quebec won first prize in the Canadian snow sculpture competition on Parliament Hill.

For the second year in a row, the prize went to a team from my riding made up of Normand and Martine Rousseau and Gérard Vallée, all of Notre-Dame-du-Bon-Conseil.

Because of the disastrous weather conditions, our three artists had only 30 hours to complete their sculpture of sugaring-off time, "Le temps des sucres". It got the nod from the judges nevertheless, for its technical and artistic merit.

Speaking for myself as well as the people of Drummond, I would like to say thank you and congratulations to our three sculptors for this great win.

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[English]

SUPREME COURT OF CANADA

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the decision of the Supreme Court of Canada to allow the extradition of two men accused of murder on the condition they not be executed is to be applauded and supported.

To the dismay of some members opposite, the supreme court has made a landmark decision reflecting the view of many, including that of the distinguished Italian jurist, Cesar Beccaria, when he wrote over 200 years ago about the death penalty:

The state should set the example of civilized behaviour and not take human lives in a cold and deliberate way, applying violence to deter the use of violence.

It is time now for the United States of America, China and other countries to heed Beccaria's admonishment and abolish the death penalty in the name of progress and civilization, as has already been done by 104 parliaments around the globe.

* * *

THE FAMILY

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, Monday, February 19, is a statutory holiday in Alberta to respect families. It is a day on which to take a little break from school and work. In the middle of a cold, snowy February in Alberta some kids can go skiing.

In fact, I found out today that members of my own family are skiing in West Castle near Pincher Creek. I must say I am a little jealous being here in Ottawa while they are at home in Alberta.

My oldest son, Rob, said that on Saturday he tried to modify a tree somewhat with his leg, only bruising it, I am also glad to say. It seems like he was trying to imitate my youngest son, who actually broke his leg skiing at Lake Louise over the Christmas holiday.

It is real nice to be able to stand and recognize families and all those Albertans who get to enjoy this statutory holiday in honour of the family, surely the foundation of our society.

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[Translation]

HUMAN GENOME

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I am pleased to inform my colleagues in the House that last week was a gloriously full of scientific and technological developments.

The completion of the human genome mapping marks the start of a new era for humanity, one in which we can now glimpse the control, reduction and even defeat of a multitude of genetic diseases.

I take this opportunity to congratulate the Secretary of State for Science, Research and Development for announcing that Canada will not allow information on the human genome to be the private property of anyone.

[English]

There were two other technological achievements of note last week. The Destiny Science Lab was attached to the International Space Station, thus providing a unique research facility to better understand our interstellar environment. As well, the NEAR satellite, after orbiting an asteroid for over a year and relaying data to earth, has now landed on that asteroid, a first in the annals of space.

I say bravo to all the scientists, engineers and technicians involved.

AUTOMOBILE INDUSTRY

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, today is a day of mourning for workers in the automobile industry and for NDP members. The auto pact agreement, which was signed 36 years ago, ends today. This agreement helped Canada become a major player in auto making around the world.

The auto pact was a model of good trade policy. Unlike free trade, the auto pact made access to our Canadian market conditional on a commitment to Canadian jobs and communities. It has been an engine of prosperity for the province of Ontario and Canada as a whole.

• (1410)

Now that the auto pact has been killed by the WTO, the Liberal government must rethink its failed free trade policy and come up with a new policy to stimulate investment and jobs in the Canadian auto industry.

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[Translation]

QUEBEC ARTISTS

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, on the weekend, the talent of Quebec artists was recognized internationally, in both Paris and Berlin.

Saturday evening, in Paris, at the 16th Victoires de la musique ceremony, the French equivalent of the Félix awards, Isabelle Boulay was twice crowned. She was chosen artistic discovery of the year and her album *Mieux qu'ici bas* was chosen best album discovery.

The following evening, in Berlin, it was Martine Chartrand's turn to shine. She won the golden bear for her short entitled *Âme noire*.

Also, Denis Villeneuve's film *Maelstrom*, shown outside the competition, won the prize in the parallel section Panorama.

Well done. Through your genius and your excellent work, Quebec's culture continues to spread the world over. You are our pride.

* * *

HERITAGE DAY

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, today is Heritage Day. Our heritage is the culture which we cherish and wish to preserve and pass on to our children and our children's children.

It is our shared symbols, the collections preserved in our museums, libraries and archives, the buildings from another era, our parks and natural spaces, our traditions, our customs and our

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stories. Everything that embodies Canada's cultural diversity is part of the shared heritage of all Canadians.

[English]

I stress the importance of preserving our heritage and highlighting it so that all Canadians can appreciate its richness.

I invite all Canadians to celebrate Heritage Day and to reflect on the shared heritage that unites us as a people.

[Translation]

Today and tomorrow, after Oral Question Period, the trust for the preservation of Canadian audiovisual materials will be honouring 12 audiovisual works representing Canada's heritage which have been preserved and restored for the benefit of the public.

I urge members to attend this event, which will take place in Confederation Room, Room 200, in the West Block.

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[English]

FISHERIES

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, fishermen and industry representatives are questioning why several fishery research vessels are tied up at various ports in Newfoundland when there is critical work they could be doing offshore. As an example, the *Wilfred Templeman* has been tied up in Burin since early December.

The department always uses a lack of research as an excuse for poor decision making and now we understand why. The future success of the fishery will depend greatly on scientific knowledge. As our fishermen would say, "it looks like we are depending on a rotten stick".

* * *

[Translation]

BLACK HISTORY MONTH

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, February marks Black History Month, an opportunity for all Canadians to celebrate the contribution of people of African origin to the development of Canada.

In schools, community centres and workplaces, Canadians are being urged to increase their knowledge and appreciation of this important but often neglected aspect of our history.

The arrival of Mathieu Da Costa in the early seventeenth century is historically associated with the presence of the first blacks in Canada. Da Costa, who was an interpreter, helped the Mi'kmaq and the French explorers to communicate with one another.

Oral Questions

The federal government pays tribute to the contribution of Mathieu Da Costa and of others of diverse backgrounds with its Mathieu Da Costa Awards Program. This program invites students aged nine to 19 to learn more about two people who, like Da Costa, played a vital role in the creation of Canadian society.

As elected representatives, we are proud of the achievements of all Canadians of diverse backgrounds.

* * *

[English]

TRADE

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, I wonder if the Liberal government actually understands the impact of the decisions it makes. The recent decision to ban the import of Brazilian beef has caused Brazil to retaliate by putting restrictions on a number of Canadian products, including potash, which is one of the biggest industries in my constituency.

IMC Kalium in my riding is concerned it could lose millions of dollars in contracts, which could force it to reduce operations or even shut down.

• (1415)

This would ultimately put the 1,000 people in my constituency who work at the mine out of work. If that happens, families in the communities of Esterhazy, Churchbridge, Langenburg and many more will be feeling the impact of this suspect trade action. Businesses in these communities will also suffer as these families will have less money to buy goods and services. There are even a number of farmers who depend on the jobs at this mine to put food on the table.

Did the government not foresee that its action would trigger a trade war? The government's own scientists have even questioned the validity of this trade action. To put families at risk for political posturing is unacceptable and the government will be to blame if these allegations are unfounded.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the official opposition, the markets and most economists have been saying for some time that we are going

into a downturn. The federal Liberals have been in constant denial about that, just whistling that we should not worry and be happy.

On Friday in the House the Deputy Prime Minister agreed with the official opposition. He said "The Canadian and U.S. economies are headed to a slowdown".

If the Deputy Prime Minister agrees that we are headed toward a slowdown, why is the government not putting into place clear, precise steps of action to reduce the impact of that slowdown on Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the government has said right from the very beginning that the Canadian economy is not immune to a slowdown in the United States. We are indeed preoccupied with what is happening with our neighbour to the south and, obviously, its effect on jobs and the quality of life in Canada.

Given the fact that the Leader of the Opposition mentioned Nortel and given the fact that what has happened at Nortel is in fact a reduction in demand outside our borders, primarily in the United States, would he tell us what we could do in a Canadian budget that would improve consumer demand in the United States?

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Yes, Mr. Speaker. At 3.30 this afternoon I will be addressing that in a news conference complete with charts and very specific steps of action. He should come on out.

Some call it a slowdown and some call it reduced demand from outside the United States. It is incumbent upon governments to plan,—

Some hon. members: Oh, oh.

The Speaker: Order, please. It is very difficult for the Chair to hear the Leader of the Opposition. I think it is appropriate for members to hear the Leader of the Opposition ask his question, certainly the Chair wishes to.

Mr. Stockwell Day: Mr. Speaker, it is noisy over there. Who let the dogs out?

It is incumbent upon a government to plan for both the good times and the bad times. The only planning we have seen from the government is a stale-dated mini budget last fall based on rosy predictions which even their resident economist, the now member for Markham, said could lead into a deficit because of their increased spending.

Why will the government not table a budget to deal with the uncertainties and to show clear steps of actions to reduce the impact. Table the budget.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is absolutely right, it does take foresight and planning. That is why in the October statement not only was there

the largest degree of stimulus in Canadian history, the largest tax cut of \$17 billion this year, but there was also massive spending both on health care and on early childhood development.

Rather than the Leader of the Opposition waiting for his charts—will he wear a wetsuit at the same time—what would he do in a Canadian budget that would increase consumption in the United States?

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister's spanking obviously still has him startled.

[Translation]

The federal Liberals are out of touch with reality. Job offers are down 2.2%, 43% of manufacturers are anticipating a slowdown and thousands of workers have lost their jobs.

Everywhere in the country people are adjusting to the new economic realities. Why does the government refuse to do the same?

• (1420)

[English]

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I have said on two occasions that the government, as a result of its prudence, as a result of its tax cuts, which are unparalleled in Canadian history, and as a result of its spending, has put in place the measures that are required. While the Americans are debating tax cuts, the government has done them.

I should also point out that the tax cuts that we brought in on January 1 were greater than were the tax cuts that were recommended by the Alliance.

Now I go back to the hon. member. I have asked him the question three times. What would he put in a budget now that would affect consumer demand in the United States? That is where the problem lies.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, the problem lies with a finance minister who cannot recognize reality. We proposed \$125 billion in real tax cuts, unlike the kind of CPP payroll tax increases being imposed by this minister.

In December the manufacturing decline was offset by an increase in shipping of electronics parts. Now that Nortel has laid off 10,000 people, we can see that the picture will change significantly down the road.

Why will the finance minister not agree with the growing number of experts who say that it is time to come in with a real budget and a plan to jump start the Canadian economy?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the slowdown in the United States is taking place now. The tax cuts

that we put into place are greater than the first year tax cuts that the Alliance would have brought in.

Yes, the Alliance did recommend \$25 billion in tax cuts in the fifth year, greater than what we did, but that would have put us back into a deficit. Would the hon. member tell us why going back into a deficit would improve the situation with consumers in the United States?

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, if he wants to talk about deficit, perhaps he should talk to his member for Markham who said that his own spending plans in this budget could put the government back into deficit.

Since he seems to be in denial, perhaps he could talk to his own parliamentary secretary who said on TV last week, on a panel with me, that growth this year could be as low as 2%. That 2% is a whole lot less lower than the 3.5% which was the growth projection in this government's tax and spend fiscal plan.

With the member for Markham and his own parliamentary secretary contradicting him, will the minister come in with a budget that will jump start this economy?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in the October statement we set aside prudence factors that in fact compensate for the reduction in growth that is now projected. The fact is that we showed the foresight.

The hon. member just said that we should be cutting spending. Would the hon. member tell me how cutting spending will add stimulus to the Canadian economy at a time of slowdown in the United States?

* * *

[Translation]

FREE TRADE AREA OF THE AMERICAS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we parliamentarians, and also civil society, are asking to have access to the documents that are being discussed in anticipation of the Summit of the Americas.

In our opinion, these documents should be debated in this House, before the government signs any agreement.

Will the government make public not Canada's position which is on the Website—and we know it—but, rather, the documents of the nine sectoral tables that are being discussed regarding the free trade area of the Americas?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I am very pleased that the Bloc Québécois

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leader acknowledges that our government was the first one of all the countries of the hemisphere to put its bargaining positions on the Internet.

The Bloc Québécois leader should also recognize that 34 countries are engaged in these negotiations, which means there are 34 parties involved. It is not up to Canada to disclose the content of discussion papers that concern 34 countries.

We will not do so unilaterally but, as Canada's Minister for International Trade, I will ask that these documents be released in Buenos Aires or before, if possible.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I am surprised, because a document from the office of the President of the United States, in Washington D.C., reads exactly as follows:

[*English*]

The initial draft chapters in these nine areas were developed based on texts proposed by individual countries or groups of countries. The draft text is available for review by cleared advisors, including all Members of Congress.

[*Translation*]

Therefore, if members of the U.S. Congress can have the texts of the nine sectoral tables, why are we not allowed to have these documents? I would like the minister, who is very open, to explain this to us.

• (1425)

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, once again the Bloc Québécois would like to see the americanization of our institutions and, instead of a parliamentary democracy, a presidential system that is completely different and that has nothing to do with our own system.

Here in Canada, we have our own way of doing things; the Standing Committee on Foreign Affairs and International Trade does a very serious job. Canada's position is largely based on the work of parliament's foreign affairs committee and we will continue to proceed in this fashion.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, this is very serious. On February 8, the Prime Minister said he could not make Canada's position public, because the other countries did not want it and he could not reveal it to us parliamentarians.

Today, the minister has just said the same thing, that we cannot make it public, since the 34 countries do not want us to. A U.S. government document, dated January 17, says that American elected representatives will have access to the documents.

How can the government justify what the Prime Minister said and what the minister has just said?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I do not understand the Bloc Québécois' surprise at the Prime Minister and the Minister for International

Trade saying the same thing on such an important issue. It would have been totally surprising if the Prime Minister and I were to say the opposite thing.

I can assure the hon. member of one thing and that is that the Canadian government wants there to be as much transparency as possible in the negotiations of the free trade area of the Americas. We were the first country to make our bargaining positions public and we will ask our partners in the Americas to release the texts of negotiations, because this is what we want. However, Canada will not do it unilaterally. It will do it with its partners and the other parties to the negotiations.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, once again, when the U.S. government, whose members are not exactly in the pee-wee league of this type of international negotiations—as members will acknowledge—consider it legitimate to make the other countries' positions public and accessible to their representatives, the minister should not be surprised that we consider it unacceptable for the Canadian government to call itself transparent and refuse to reveal its position. This is abnormal.

Instead of talking about transparency, the minister should act coherently, tell us the truth and show us the documents.

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, Canada is the leader in transparency. We set Canada's position out before all the other countries, and the United States and Chile followed our example.

We were the first country to ask for publication of the negotiations texts, and I really hope we can convince our partners in the Americas so that we may all look at them together. However, Canada will not do this unilaterally. We will do it with the other parties to these negotiations, our 33 partners.

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is also for the Minister for International Trade.

The minister seems to not appreciate the seriousness of the fact that documents may be available to American members of congress that are not available to Canadian members of parliament.

I would like the Minister for International Trade answer a question. Never mind Americanization. The most Americanizing thing that one could think of would be the FTAA. It is not a question of Americanization. It is a question of democracy and access for members of parliament to important documents. Will he make a commitment that whatever is available to members of congress will also be available to Canadian members of parliament?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I find it interesting that we see the NDP joining the Bloc in wanting the Americanization of our way of proceeding.

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I will look into exactly how they are proceeding in the United States and I will look into what is available. If it is available to congress, it will not be long before it becomes public. Let me look into exactly how the Americans are proceeding.

The one thing I can tell the House is that nobody will give Canada lessons in transparency in these negotiations. We have been transparent and have taken the lead in dialoguing with society on these issues.

• (1430)

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, that was one of the dumbest answers I have heard and, believe me, that is going some.

My second question is also for the Minister for International Trade. It has to do with the way in which he as the minister has been misleading the Canadian public with respect to the GATS.

We have a study done by the CCPA which shows that Canada's health care services are in fact critically exposed now under the GATS and will be even more exposed under the agenda that is now before the GATS. Will the minister stand in the House and indicate Canada's intention to take out a general exception—

The Speaker: The hon. Minister for International Trade.

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the GATS explicitly excludes "services supplied in the exercise of governmental authority".

With respect to these services it is absolutely clear. I have been saying it in the House and I have not misled the House, as the member of the NDP just said in his question, which is not an appropriate parliamentary way of doing it. The GATS is clear. Services supplied in exercise of governmental authority are excluded.

* * *

BUSINESS DEVELOPMENT BANK OF CANADA

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the solicitor general. Just before question period I received a letter from the commissioner of the Royal Canadian Mounted Police relating to the Auberge Grand-Mère.

Could the solicitor general tell the House whether in its review of the file the Royal Canadian Mounted Police interviewed the two former presidents of the Business Development Bank, Mr. Beaudoin and Mr. Schroder, and will he tell the House whether they interviewed the Prime Minister?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I am disappointed that a former prime minister would not be aware that the solicitor general does not get involved

in reviewing material that is supplied to the RCMP. He should be aware of that.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, perhaps the solicitor general might find out. My question is for the Prime Minister or the Deputy Prime Minister. On January 25, 1999, Peter Donolo said "The government does not get directly involved in the lending decisions of the Business Development Corporation".

On April 10, 1999, the Prime Minister wrote to the *National Post* saying, "I had no direct or indirect personal connection with the hotel or with the auberge with the adjacent golf course".

On November 16, 2000, the Prime Minister directly contradicted himself, admitting that he called the president of the bank twice and invited him once to 24 Sussex to—

The Speaker: I am afraid the right hon. member has run out of time. Whether there is a question there or not, the Minister of Industry may choose to reply.

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, for greater clarity, the leader of the Conservative Party did not advise the House what the communique, which was in the way of a press release, from the RCMP said.

Following two letters from the leader of the Conservative Party, two requests for a criminal investigation, the communique today says that "the review was done to determine if a criminal investigation was warranted in the matter. Our review of the facts", something with which the hon. member is not familiar, "has determined that there was no information or facts to support such an investigation. We have therefore concluded this matter and have advised the complainant we will not be pursuing a criminal investigation into this matter".

Joe, it is time to give this nonsense up.

* * *

THE ECONOMY

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, the economy is taking a turn for the worse and the finance minister is ignoring it.

The Bank of Canada has decreased its economic forecast by one full percentage point. Forty-three per cent of Canadian manufacturers are planning for an economic slowdown. Thousands of Canadians have lost their jobs. Why is the finance minister ignoring the problem and not tabling a budget in the next month?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the government is obviously preoccupied by the economic situation. There is no doubt that whenever a Canadian loses a job it is a tragedy and it is of utmost concern.

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However, the fact is that in the last six years there have been two crises, the Mexican peso crisis and the Asian crisis, both of which the government has taken the country through. We have done very well. In both cases panic was demonstrated on the other side, which is exactly what is being demonstrated now.

I ask the hon. member, as I have before, if there is to be a new budget what would the hon. member like to see in that budget that will improve consumer demand in the United States. That is where the problem lies.

• (1435)

[Translation]

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, last Friday, the Deputy Prime Minister clearly said that the economies of the United States and of Canada were slowing down. It is obvious that the Deputy Prime Minister's view is very different from that of the Minister of Finance.

With what part of the Deputy Prime Minister's economic analysis does the Minister of Finance not agree?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the member seems to be having a little trouble understanding. There is no doubt that the economy of the United States is slowing down. There is no doubt that this will have an impact on us. Furthermore, that is why the government introduced the largest tax cut in Canada's history. That is why we put so much into new spending.

Now, if the hon. member has other suggestions, I look forward to hearing them. Does he want us to go into a deficit? Does he want to cut spending? Does he want to increase tax cuts? And, if so, how will this work? How will this improve the economic situation of the United States?

* * *

FREE TRADE AREA OF THE AMERICAS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in response to my question a little while ago, the Minister for International Trade told us it would mean the Americanization of our institutions if we were to allow parliamentarians to have a right of inspection, to be informed about the documents relating to the Summit of the Americas.

I am not talking about the countries' positions. I am referring to the nine sectoral working documents, which we have been requesting for several weeks. The Americans are entitled to see such documents. Why would we not have the same right? How is it that our system would be thrown into total disarray if parliamentarians were informed? Are we not headed toward the same situation we had during the negotiations on the multilateral agreement on investment?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we are working in conjunction with partners throughout the country. With the standing committee on foreign affairs, we have a web site, a protected site, through which an ongoing dialogue is carried out daily with all provincial governments focused on the multilateral agreements. Whether the free trade area or the World Trade Organization is involved, we are constantly seeking improved ways of working. We are totally open to any possible improvement.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, this is the same thing we heard when they were negotiating the MAI. That is what they were saying when a text came out on the Internet at a certain point. A great hullabaloo ensued.

I would ask the minister this. We are told here in the House that the countries had agreed not to make the nine documents of the sectoral tables public, whereas this had happened in the United States as far back as January 17. There are two possible scenarios here: we were not told the truth, we were lied to, or the government was not aware of this. Neither is a particularly attractive situation.

If they want to improve the situation, as the minister has just said, would he accept doing the same as is being done in the United States, here in this very House?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I can assure you that here in Canada we have an approach to multilateral and bilateral agreements that involves a parliamentary committee. The positions of our government, my negotiating mandate, were put on the Internet site and very closely reflected what had been said by the parliamentary committee.

We worked with the parliamentary committee and our position is very closely in line with its wishes. It is, moreover, our intention to continue to do a good job as far as openness in the negotiations is concerned, and the negotiations are being discussed with the provinces.

* * *

[English]

THE ECONOMY

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, the finance minister filed his fiscal flight plan when the financial skies were clear and the winds were calm. Now the forecasts clearly indicate some fiscal turbulence ahead and a revised flight plan is called for.

Will the finance minister table a new budget reflecting the present reality, or is he intent on risking the safety of his Canadian passengers on only a hope and a prayer?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the leader of the hon. member's party talked about foresight. At the

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time we tabled the October statement we were told that there was probably excessive stimulus in the budget we were submitting, that we were probably cutting taxes too much and that we were spending too much.

The October statement tax cuts which came in on January 1 are exactly the kind of medicine that the Canadian economy required. We showed that foresight.

• (1440)

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, the finance minister is ignoring the signs that are evident to many others. Automobile and high tech companies in Canada are taking corrective action. The fiscal leaders in the United States are taking corrective action.

Only the finance minister wants to go into the future with a blindfold on his eyes. Why does he not just do what is right and table a plan, a new budget, that will minimize the damage to the security of Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the fiscal action they are talking about in the United States is major tax reductions spread over a 10 year period, with the bulk of them to occur at the end of the period.

In our case we brought in a massive tax plan on a per capita basis equal to that of the United States. It was not done over 10 years. It was done over 5 years and ours was front end loaded. The fact is that while the hon. member talks about it, we did it.

* * *

[Translation]

FREE TRADE AREA OF THE AMERICAS

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, when he addressed the Organization of American States, in Washington, the Prime Minister said, and I quote “The free trade area of the Americas cannot be about trade alone”.

Later on, he added “It must be holistic in nature. It must include improving the efficiency of financial markets, protecting labour rights and the environment, and having better development cooperation”.

Unfortunately, that position is not shared by the Department of Foreign Affairs. My question is: What is Canada’s true position regarding the negotiations on the free trade area of the Americas, particularly as regards labour rights and the environment?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, obviously the Prime Minister speaks on behalf of the government.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, it is the government itself that is creating confusion in the preparations for the negotiations on the free trade area of the Americas.

I am asking this government, whoever can answer, whether it is prepared to hold a debate in the House, so that we know what we

are about to negotiate regarding the free trade area of the Americas?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, let us be very clear. The Prime Minister and myself said exactly the same thing. When he addressed the Organization of American States, the Prime Minister was referring to all the work that we are going to do during the Summit of the Americas.

That summit will of course include discussions on trade. But the Prime Minister also said that the summit would provide an opportunity to discuss with the other countries issues such as the environment and labour rights which, of course, impact on one another.

The Quebec summit will deal with all these issues. We on this side of the House are all on the same wavelength.

* * *

[English]

ETHICS COUNSELLOR

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Mr. Speaker, we have been asking about the Prime Minister’s interest in the Grand-Mère Golf Club for two years but he still refuses to answer questions to Canadians whether at home or abroad.

The Prime Minister has described his unsold shares in the golf course as a debt that was owed him, as a receivable and as an asset.

The ethics counsellor described them as a bad debt and a financial obligation to the Prime Minister. How could the Prime Minister expect Canadians to believe he had no personal interest in collecting on the debt owed to him?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the facts are clear. The Prime Minister did not own the shares in question in the 1996 period.

This has been stated over and over again. This has been confirmed by the ethics counsellor. Insofar as there are any allegations of criminal wrongdoing, the RCMP has found on the facts that these allegations are totally unfounded.

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Mr. Speaker, the Deputy Prime Minister is simply wrong. The Prime Minister owned shares in the golf course through his company, J & AC Consultants. He claimed he put all his affairs in a blind trust when he became Prime Minister.

If all the dealings of his company were really in a blind trust, how did the Prime Minister even become aware that the sale of the shares in the golf course had fallen through? If these shares were really in a blind trust, why did he personally intervene and phone the ethics counsellor on the evening of January 27, 1996, to discuss this matter?

Oral Questions

● (1445)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the shares in question, as I understand it, did not have to be in a blind trust because at the relevant time we are talking about the Prime Minister did not own them.

Even though the transaction in question did not result in immediate payment, the shares did not revert to the physical possession or the ownership of the Prime Minister. Those are the facts. In effect those were confirmed also by the RCMP release today stating that on the facts of the matter there is no criminal—

The Speaker: The hon. member for Tobique—Mactaquac.

* * *

THE ENVIRONMENT

Mr. Andy Savoy (Tobique—Mactaquac, Lib.): Mr. Speaker, on Thursday of last week the Canadian Foundation for Climate Change and Atmospheric Sciences announced an investment of more than \$3.9 million for climate change and clean air scientific research.

Could the Minister of the Environment tell the House how this will help Canada reach both its climate change goals and its atmospheric pollution goals?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the Canadian Foundation for Climate Change and Atmospheric Sciences is an arm's length foundation which was established last April by the government with a \$60 million grant.

The member is quite correct. The grants announced on February 15 will provide almost \$4 million in funding to Canadian universities over the next three years. There were some 15 projects approved. They will assist us in understanding climate change, although I might add that more research needs to be done.

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NATIONAL DEFENCE

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, Canadians wish to know and have it verified that the government is to cut our air force by half.

Will the minister of defence please tell Canada, those men and women working in our military service and those civilian workers in air force bases around the country that their jobs and bases will be protected? Will Canada maintain control of its sovereignty over its waters and the far Arctic as well?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we are investing in modernizing and upgrading our air force. More than half the number of planes that are being retired

from service are being replaced by a public-private sector partnership arrangement whereby new aircraft will be brought into the system.

The Tutors will go out, for example, and in will come the Hawks and the Harvards as part of NATO flying training. That will be an even better service. The upgrades in terms of the CF-18s will make them among the best and most effective fighting equipment in the world. We are investing to modernize our Canadian armed forces.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, my supplementary question is for the Minister of Veterans Affairs. Last week in the House he said that once the applications were in he would go back to cabinet to see if there was any more money.

The merchant mariners have done more for the country than the government ever has. What those remaining veterans and their surviving spouses would like to know is whether there is enough money left in the pot to satisfy all the needs of the merchant mariners in their compensation claim against the government.

Hon. Ronald Duhamel (Minister of Veterans Affairs and Secretary of State (Western Economic Diversification) (Franco-phonie), Lib.): Mr. Speaker, I am apprised that merchant mariners have made an extraordinary contribution to the country.

My colleague should recognize, and I believe that he does, that the initial request was for \$50 million. That was insufficient. I was able to go back and get another \$20 million. That will be insufficient as well.

I am waiting to see what the reviews will yield so that I know exactly how much I have to ask for. Until the it would not be appropriate to make a request because we do not have a specific amount, but the government and I want to be as accommodating as possible.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, we just heard the minister of defence talking about how he is investing to modernize the air force. Let me state that they are cutting the number of planes from 505 to 280. The flying time for the Auroras that are left is being cut by 60%.

How could the minister of defence justify such reckless cuts which will leave us with very little coastal patrols to defend against illegal fishing, illegal refugees and environmental hazards?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we will continue to meet all our obligations in terms of the protection of the country and in terms of patrol and surveillance of our coastal waters.

We are talking about a reduction of five aircraft in the Aurora surveillance and patrol aircraft. We are talking about a reduction in the number of hours.

However, we are making that plane more efficient by the upgrades that will be put into it. That will in fact cut down on the number of training hours, but in terms of the surveillance capacity there will be no diminution of the service provided to Canadians.

• (1450)

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I do not think the minister of defence knows what is happening in his department.

The Auroras are being cut from 19,000 hours to 8,000 hours of flying time. This is not only an issue of military capability but of sovereignty. Cuts to our air forces will leave our coastlines virtually unprotected while forcing us to rely heavily on the United States.

How could the minister defend actions that so clearly threaten the independence of our country?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the 19,000 figure is wrong. The current number of hours is about 11,000. We are talking about reducing that to 8,000 in 2003-04, but that includes more than just surveillance. That includes the training hours.

With new equipment and new simulators we will be able to cut down on the number of hours spent in training in the actual Auroras and still be able to maintain the hours spent on surveillance and protection of Canadian coastal waters.

* * *

TERRORISM

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, last week the United Kingdom enacted the terrorism act 2000, wide ranging legislation designed to counter terrorism and provide authorities with the necessary tools to combat those who use violence and terrorism to advance their causes.

When the government adopted the convention in 1999 it was expected that legislation would soon follow. To date, legislation has not yet been tabled. Where is the legislation?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, the government strongly condemns terrorism and any group that uses terrorism to forward its goals. In fact, I plan to introduce legislation soon to combat terrorism fundraising.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, it is already a year late. The Ottawa declaration called upon all states to join with the existing treaties on terrorism by the year 2000.

Even the Prime Minister recognized the urgency of the situation when he stated that we were to take whatever measures necessary to ensure that no country anywhere in the world could get away with giving support to terrorists. Instead of ministers having dinner with terrorists, why is the legislation not here?

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Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I indicated to my hon. colleague, legislation will be coming soon.

The country has and will continue to fight terrorism. I hope my hon. colleague and his party will support the legislation when it is brought forward.

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[Translation]

FREE TRADE AREA OF THE AMERICAS

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, the issues that will be negotiated at the Summit of the Americas involve a number of areas of provincial jurisdiction.

Will the Minister of Intergovernmental Affairs tell us what kind of co-operation exists with provincial governments with respect to the positions the federal government will be defending at the Summit of the Americas in Quebec City?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, at the federal-provincial conference two weeks ago on Monday, February 5, we looked at the whole range of issues, including those that interest us with respect to the summit on the free trade area of the Americas in Quebec City.

I must say that the dialogue with all the governments in the land was very constructive and very useful for our government. We intend to go on working very closely with all provincial governments.

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, we know that the issues to be discussed at this Summit of the Americas will have an impact on the immediate and the very long term economic future of the three Americas, including Canada and Quebec.

Is the Minister for International Trade prepared to arrange a federal-provincial conference of first ministers so that the positions of the federal government are clear, accurate and consistent with the priorities of the various provincial governments?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I will pass on to the Prime Minister the suggestion from the member for Charlesbourg—Jacques-Cartier. However, I must say that it is up to the Prime Minister to determine the issues to be raised at federal-provincial conferences.

However, I can say that the Monday, February 5 conference of ministers went extremely well and consensus was reached fairly easily on all issues discussed.

Oral Questions

I am extremely pleased with my working relations with the Government of Quebec and with the governments of each of the provinces across the country.

* * *

• (1455)

[English]

INTERGOVERNMENTAL AFFAIRS

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, last week the Minister of Intergovernmental Affairs stated that the leader of my party and the leader of the Progressive Conservative Party were promoting blackmail by western separatists.

I have to assume that the minister's words mean that he feels that it is never acceptable for any Canadian from any region to suggest that their region could get a better deal from Ottawa by negotiating with a knife at the throat. I applaud that sentiment. That is why our leader has said "any discussion of separatism is absolutely untenable".

Now we learn from the minister that he will not be going to Alberta during his upcoming tour. How will this exclusion of Albertans make them feel more included?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it is not our intention to exclude Albertans. In fact, we have great sympathy with Ralph Klein when he said "I would hope the Alliance Party would return some of that money", that is the \$70,000, "on behalf of the Leader of the Opposition to the Alberta treasury to help offset the atrocious cost of that lawsuit".

The member for Calgary—Nose Hill happened to say when she heard of it "\$70,000, whoo-ee, we need to get to the bottom of it". Those were real western sentiments.

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, I thank the hon. Deputy Prime Minister for that spectacularly irrelevant response.

During the election Alice Farness, a Liberal candidate, threatened Saskatchewan farmers that they would get no help from Ottawa if they did not vote Liberal. So far, the government has done a spectacularly good job at following through on this election promise.

For example, last week the intergovernmental affairs minister went all the way west to the University of Toronto Law School to remind western Canadians that the policy of tough love is still in effect.

The minister has not even hinted at repudiating Mrs. Farness' comments. Will he do so now or does he think they are legitimate? Are they policy?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I am very happy that at last the Leader of the

Opposition made a very clear statement about the necessity to never flirt with any kind of separatism in the country. It was time.

* * *

TRANSPORTATION

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, accidents at railway crossings account for half of all railway related deaths and injuries each year. What is the Minister of Transport doing to improve safety at railway crossings in Cambridge and the rest of the country?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, the hon. member knows that we have a program which helps fund separation at railway crossings. In fact, an announcement was just made at the end of last week on the latest funding.

This is right across the country. Unfortunately there is not enough money to do all the crossings that are so needed, particularly in urban areas. We have to come to grips with the fact that we have to put more money into this kind of project, and we need the participation of our municipal and provincial partners to really do the job.

* * *

FINANCE

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, finally last week after an unusual prolonged silence the industry minister acknowledged what the opposition has been saying for a long time, that the current equalization formula impedes economic development in the Atlantic region. He promised to push his cabinet colleagues to change the formula.

Despite repeated urging by the opposition, other parties and now even the industry minister, the finance minister has refused to address the issue. Has the industry minister finally managed to convince the finance minister to change this counterproductive equalization system?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member ought to know that the equalization formula is constantly under discussion by officials and that is going on.

He also ought to know that I will be meeting with my provincial counterparts in the next month following the Prime Minister's commitment not only to increase the base for last year but to discuss the overall economic situation as it applies to the recipient province.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, it is nice to know the industry minister is having an influence over there.

Before meeting with his cabinet colleagues last week the industry minister announced to the media that he intended to raise the

equalization issue. In that way he ensured he would get credit for any agreement on equalization which came out of that meeting or any subsequent meeting.

• (1500)

Could the finance minister, who still will not address the problems with the equalization formula promptly and properly, assure us in the House that he is able to set aside his eroding leadership aspirations, in spite of the credit the industry minister may get, and deal with the issue properly?

Some hon. members: Oh, oh.

The Speaker: Order, please. I know everyone wants to hear the minister's answer to the question. The hon. Minister of Finance has the floor.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I assure the hon. member that I will be discussing this issue, that I have discussed it with my colleague and that I will be discussing it with my provincial colleagues. We will continue to do that.

* * *

[Translation]

IRAQ

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, last week the American government authorized the bombing of Iraq. We know that Great Britain not only agreed in advance to this, but also took part in the U.S. military action.

My question is for the Minister of Foreign Affairs. Can he confirm whether Canada was consulted before the bombings? Is the minister himself in agreement with the U.S. attitude, and does he intend to accept an emergency debate on this?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is not a matter of whether or not we were consulted beforehand. We are, however, in favour of exclusion zones, which are in my opinion necessary to protect civilian populations in Iraq, the Kurds in the north and the Shiite Moslems. This is therefore necessary.

Second, I believe it is necessary for the pilots to be protected as they carry out their duties. Finally, I would say that the best for Iraq to do is to accept the standards set by the United Nations.

[English]

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Janos Martonyi, Minister of Foreign Affairs of the Republic of Hungary.

Speaker's Ruling

Some hon. members: Hear, hear.

The Speaker: I also draw the attention of hon. members to the presence in the gallery of the Honourable Graeme Bowbrick, Attorney General and Minister responsible for Human Rights of the province of British Columbia.

Some hon. members: Hear, hear.

Mr. John McCallum: Mr. Speaker, I rise on a point of order. Contrary to repeated assertions by the Canadian Alliance in the House today and elsewhere, I never at any time said that the Liberal program would lead the country back into deficits.

The contrary impression arose from media spin during the election, generated by a Canadian Alliance which was desperate—

• (1505)

The Speaker: I know the hon. member is trying to raise a point of order, but I am afraid that it is a point of debate. Members sometimes disagree about statements that other members make in the House, and of course in debate we do have disagreements. If the member has a point of order to make I am sure he will make it very promptly and will want to conclude with that.

Mr. John McCallum: Mr. Speaker, without going into further detail, then, let me register the point that their claims that I said there would be a deficit under the Liberal program are untrue.

The Speaker: Here we are going into debate.

Mr. Jason Kenney: Mr. Speaker, I rise on a point of order. Because I do not tolerate specious points of order, I will simply remind you that the member's point is out of order and that just this week he said that the chances of a recession coming on had been—

The Speaker: Here we go again. I did try to quell any disorder that might arise from the point of order, pointing out that this really is a point of debate rather than a point of order.

I thought the hon. member for Calgary Southeast was going to be very helpful, and he started out that way, but as you can see we are moving into debate. We will end it at this point. I appreciate the assistance of all hon. members.

* * *

[Translation]

POINTS OF ORDER

ORAL QUESTION PERIOD—SPEAKER'S RULING

The Speaker: Order, please. I wish to rule today on a point of order raised by the hon. member for Repentigny on February 14,

Routine Proceedings

2001. This point of order concerns comments made by the hon. member for Beauséjour—Petitcodiac during question period.

The point of order raised by the hon. member for Repentigny concerns a question put by the hon. member for Beauséjour—Petitcodiac to the government House leader. In phrasing his question, the hon. member for Beauséjour—Petitcodiac referred to a statement by “The Bloc Québécois”.

When the hon. member for Repentigny raised the point of order, he claimed to have been targeted by that comment and quoted the statement he had made during the time allotted to Statements by Members on Tuesday, February 13, 2001.

[*English*]

The hon. member for Repentigny argues that the hon. member for Beauséjour—Petitcodiac attributed to him comments that he never made. He objects to the interpretation given to his statement by the hon. member for Beauséjour—Petitcodiac and claims that what was said in the House was inaccurate and impugned his integrity and honesty. He also asks that the comments be withdrawn and that an apology be offered.

[*Translation*]

I checked the videotape of the exchange that took place on February 14 and the transcript of the *Debates*, and I can confirm that what was said was not a personal attack or a quotation.

The comments made did not refer to a specific individual and constituted, at most, a partisan remark by one party about another.

[*English*]

Speaker Fraser, who had to rule on a similar question on May 15, 1991, stated the following at page 100 of *Debates*:

The hon. member has raised an issue which is not an unusual kind of issue to raise. The difficulty that is always with the Chair in these cases is that there are often very great differences of interpretation on answers that are given. It is not a question of privilege, it is a question of disagreement over certain facts and answers that were given.

I finish the quotation from Speaker Fraser and I say we have witnessed exactly the same thing today.

[*Translation*]

In this case involving the hon. member for Repentigny, the exchange also constitutes a disagreement.

I repeat what I said when the point of order was raised, that “there is a disagreement concerning the facts in this case” and that “it is not up to the Speaker to rule that this is a point of order”.

I would like to thank the hon. members who intervened in this matter.

Mr. Benoît Sauvageau: Mr. Speaker, I raise a question of privilege.

If I properly understand your ruling, and this is where I want to ensure I have got your ruling right, it means that anyone in the Bloc Québécois may say, without foundation, that we heard one or more Liberals make outrageous remarks, last week, against the people of Quebec, for example. We could say that in this House and would be entitled to do so. With this ruling, you are allowing us to do that.

Do I properly understand your ruling Mr. Speaker?

• (1510)

The Speaker: I think the hon. member may read and consider my decision, which will be available in today’s *Hansard*. It is not up to me at the moment to interpret my ruling for members. I have made my decision. In my opinion, it is very clear. The hon. member may read it and decide for himself whether it is clear and, I hope, in his opinion, wise.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments recently made by the government.

Pursuant to the provisions of Standing Order 110(1) they are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

MEMBERS OF PARLIAMENT SUPERANNUATION ACT

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance) moved for leave to introduce Bill C-270, an act to discontinue the retiring allowances payable to members of parliament under the Members of Parliament Retiring Allowances Act and to include members of Parliament in the Public Service Superannuation Act and to discontinue members’ tax free allowances for expenses and include the amount in members’ sessional allowances.

He said: Mr. Speaker, I rise once again to reintroduce a bill in keeping with a promise to my constituents made in 1998. The bill addresses two concerns of parliament and two concerns of the Canadian people.

One is that MPs should be paid in a manner which is visible and should be treated in the same manner as other Canadian taxpayers.

The second is that the pension plan of MPs should be in line with what is available to others. In the case of my bill it will put them in line with the program of federal superannuation paid to all public servants in the country.

I believe this is a fair way to treat MPs. With a review of the pay and benefits of MPs now underway I hope the government will implement the recommendations of the study, which it did not do in 1977.

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

* * *

EDUCATION BENEFITS ACT

Mr. Janko Perić (Cambridge, Lib.) moved for leave to introduce Bill C-271, an act respecting education benefits for spouses and children of certain deceased federal enforcement officials.

He said: Mr. Speaker, I am pleased to rise today to introduce my private member's bill, an act respecting education benefits for spouses and children of certain deceased federal enforcement officials.

The bill proposes to fund the equivalent of one post-secondary degree for children and spouses of federal enforcement officials who die as a result of injury received or illness contracted in the discharge of their duties.

The bill will apply to certain employees of the Correctional Service Canada, the RCMP, Canada Customs and Revenue Agency, Department of Fisheries and Oceans, Parks Canada, Canadian Security Intelligence Service, Department of Citizenship and Immigration, and members of the Canadian armed forces.

Between 1989 and 1999 a total of 23 federal police and enforcement officials were killed in the line of duty. During the same time 22 members of the Canadian armed forces serving in peacekeeping missions abroad lost their lives while serving our country.

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

* * *

● (1515)

INCOME TAX ACT

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance) moved for leave to introduce Bill C-272, an act to amend the Income Tax Act (child adoption expenses).

He said: Mr. Speaker, I thank the member for Athabasca for so willingly seconding my private member's bill.

I rise today to introduce a bill to amend the Income Tax Act. Although I would like to repeal it altogether, I am instead proposing the bill to make the act more equitable to parents, and in this case those who have adopted a child. The bill, if passed, would

S. O. 52

allow adoptive parents to deduct the expenses related to the adoption of a child up to a maximum of \$7,000 in one year.

Many families adopt Canadian children. Many others choose to rescue orphan children from foreign countries. The process is expensive and I believe a portion of the expenses incurred should be tax deductible.

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

* * *

PETITIONS

CHILD PORNOGRAPHY

Ms. Colleen Beaumier (Brampton West—Mississauga, Lib.): Mr. Speaker, I have the pleasure to present a petition signed by over 1,600 citizens.

They respectfully ask that parliament take all measures necessary to ensure that the possession of child pornography remains a serious criminal offence, that the age of consent be raised to 18 years of age, and that the police be directed to give priority to enforcing these laws.

DIVORCE ACT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I have the honour to present a petition which was signed by over 50 my constituents of Calgary—Nose Hill.

They request that parliament immediately amend the Divorce Act, taking into consideration the recommendations made by the Special Joint Committee on Child Custody and Access. These recommendations were made December 8, 1998, and included a minority report submitted by the then Reform Party of Canada.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed

* * *

[Translation]

REQUEST FOR EMERGENCY DEBATE

IRAQ

The Speaker: I have received a notice of motion pursuant to Standing Order 52 from the hon. member for Mercier.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, pursuant to Standing Order 52, I wrote you a letter requesting an emergency debate on the British and American bombing of Iraq. Why?

Government Orders

Because this question concerns Quebecers and Canadians. It also concerns parliamentarians.

The exclusion zones proclaimed by the United Nations were not even respected during the February 16 air strikes. Four of the five targets were not in the exclusion zones.

This raises some extremely important fundamental questions about rights. Canada, along with Poland, are the only countries that confirmed the right of the Americans and the British to do what they did, according to the dispatches I have read so far.

As well, the Standing Committee on Foreign Affairs unanimously signed a report calling for the lifting of the economic embargo affecting the population of Iraq. Since the 1990 air strikes, poverty has increased dramatically, affecting children in particular. We can see that the sanctions are not affecting Saddam Hussein, but they are seriously affecting the general population.

Last year, a delegation of Quebecers and Canadians visited the region and returned greatly troubled. They called upon parliament and the Standing Committee on Foreign Affairs to bring pressures to bear.

This movement to put an end to the economic embargo that is affecting the population has made some progress, but the air strikes of February 16 are a backward step and likely to make any diplomatic solution to this conflict that has been going on for 11 years extremely problematic.

• (1520)

As well, and this third reason strikes me as a very important one, the situation in the Middle East is already tense. Considering the deterioration in the relationship between the Israelis and the Palestinians, the events in Iraq on February 16 cannot help but inflame the Arab peoples of the entire region still further. What is likely to happen is that the region will become a powder keg.

For all of these reasons, because peace, or the lack of it, affect all Quebecers and all Canadians, and because there has been such a major change in the Middle East situation, I call for an emergency debate.

The Speaker: I thank the hon. member for Mercier for her request for an emergency debate on the situation in the entire Middle East as a result of last Friday's air strikes.

I considered this matter at length, before Oral Question Period today as well as during her remarks, and I agree with her on the serious nature of the situation.

It is my duty, however, to reach a decision under the applicable procedure, that is Standing Order 52. At this time, I am not prepared to grant the request by the hon. member for an emergency debate. Should the circumstances change, a similar request could be considered differently.

I thank the hon. member for Mercier for her intervention.

GOVERNMENT ORDERS

[English]

CANADA FOUNDATION FOR SUSTAINABLE DEVELOPMENT TECHNOLOGY ACT

The House resumed consideration of the motion that Bill C-4, an act to establish a foundation to fund sustainable development technology, be read the second time and referred to a committee.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I congratulate the minister for introducing the bill and for the compassionate commitments he made a few hours ago to the cause of sustainable development. I also congratulate the member for South Shore for his open and very supportive intervention which I found extremely helpful, and I am sure the government did as well.

The member for Athabasca raised some fears in connection with the bill which perhaps could be allayed because there is definitely a precedent for the foundation that is being proposed, namely the foundation for sustainable development technology.

In the Budget Implementation Act, 1997, we find the commitment by the federal government to create a Canada Foundation for Innovation for the purpose of modernizing, acquiring or developing research infrastructure in science, health, engineering and environment. In terms of its structure, the Canada Foundation for Innovation is very similar to the proposed Canada foundation for sustainable development technology. It is managed by a mix of appointments approved by the governor in council and foundation members. It is also required to table an annual report of its activities before parliament.

One important difference between the Canada Foundation for Innovation and the foundation for sustainable development is funding.

• (1525)

In contrast to the \$100 million that would be provided to the Canada foundation for sustainable development technology, the Canada foundation for innovation was given an initial allotment of \$800 million, an additional \$200 million in the 1999 budget, and in the 2000 budget, another \$900 million, for a total investment of \$1.9 billion.

Government Orders

Another noteworthy difference is that unlike the Canada foundation for sustainable development technology, there is no authority for the governing council to enter into agreement with the Canada foundation for innovation to develop eligibility criteria respecting eligible recipients, thus making this body more independent from the government.

Finally, the Canada foundation for innovation appears to have worked out very well in practice. Hopefully, the proposed Canada foundation for sustainable development technology will follow in its footsteps.

In the debate at second reading, which is a debate on the principle of the bill, there is room for discussion on what technology for sustainable development should be all about. Perhaps there is a conceptual challenge here. I would argue that one should be clear in his or her mind as to what the technology for sustainable development ought to achieve. Should it achieve a balance between the economy of the environment, as some people suggest and have suggested in recent years, or should it instead be a technology for sustainable development to integrate social, economic and environmental objectives? I fully subscribe to the latter interpretation.

I would suggest that perhaps this concept of integrating objectives of a social, economic and environmental nature ought to be incorporated in the definition of sustainable development in the bill, in addition to the one that is already in draft form.

This morning the minister outlined five areas of activity for this particular foundation for sustainable development technology. He referred to technology for carbon sequestration, for new and alternative fuel sources, for energy efficiency, for enhanced oil recovery and for technology to reduce particulate matters in the air. These are all energy related areas, some of which could provide interesting results.

Let me only comment, perhaps in a superficial manner, to the fact that when it comes to carbon sequestration, we already have a well developed technology that has existed for millions of years, our trees and forests. I submit that it would be hard to find better ways of sequestering carbon that would be able to compete with the durability and effectiveness of trees and forests.

On another area, some of the technology to reduce particulate matters in the air already exists. It is a well known fact that particulate matters are in good part due to the burning of diesel fuel. The purification of the diesel substance and the removal of sulphur and particulate matters is one that ought to be possible without additional research as envisaged in the outline this morning. What the removal of particulate matter requires is timetables, percentages and the will to do so. I believe that the Minister of the Environment, on his announcement on air quality later today, this week or next month, will make a substantial statement on this matter to this effect.

• (1530)

Will it be technology to research ways and means to reduce energy demand or just to enhance and facilitate energy supply? That is a question that troubles me. We seem to be engaged in recent times in research and in emphasizing the need for increased supply. We seem to have lost sight of the importance of energy demand and how to handle it. However, evidently if we are going into energy efficiency, we must probably go into energy conservation and some knowledge has already been accumulated in this field in recent years.

Surely, on a global plane, the predicted rising population from some six billion people today to nine billion people some 40 years from now is posing an enormous challenge to this particular foundation in Canada and of course around the globe.

In examining what the technology can do, obviously the technological fix, as they call it, can go a long way in resolving some of our economic, environmental and social problems. However, I would submit that on climate change in particular, which seems to be the main thrust of research that is to be assigned to this particular foundation, attention ought to be paid to existing policies. In other words, technology needs help from changes to current policies, and in particular, to current policies in taxation on energy. The technology thrust, in other words, cannot be effective in isolation. It needs to be helped by measures that will make the task of reducing, for instance, greenhouse gases easier by the way in which we act through our fiscal and taxation provisions.

We have outdated tax subsidies which increase greenhouse gas emissions, as members know, with particular respect to the production of oil sands. We have an outdated tax system favouring fossil fuel energy over renewable sources of energy. Certainly, we still have to establish as a bare minimum a so-called level playing field between non-renewable and renewable sources of energy in the taxation treatment that we give in Canada to these sources of energy. Progress must be made in updating and fitting our taxation system in a manner that will help to reduce the greenhouse gas emissions so that taxation policy will support and reinforce what the foundation is being asked to do. The taxation system of course could then make the achievement of the goals of the foundation much easier.

These are just some thoughts that came to mind while listening to the debate so far. I submit them for the consideration and attention of the government.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, first, I would like to applaud the member for Davenport year and years of work on this subject. We have become quite good friends as I have been getting to know him.

• (1535)

I would like to ask him one question regarding my concerns with this legislation. We all agree that it is really important that we

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address the global warming issue and look at new innovation, new technologies and how do we develop them. At the same time, it is critical to ensure that this does not become political.

The government is going to appoint seven out of the 15 people who would be on this board. In order for it to succeed, it is absolutely critical that it be based on the scientific community as opposed to the political community. Is there changes that the member would put forward to ensure that the scientific community would be in control as opposed to the political community?

Hon. Charles Caccia: Mr. Speaker, I thank the hon. member for his kind words. My understanding from Bill C-4, in particular section 11, is that there is an elaborate system for the appointment of directors. This would make the foundation fairly independent and considerably at arm's length from the government.

The provision as written divides the directors into three categories. The first one deals with persons engaged in the development and demonstration of technologies to promote sustainable development, including technologies to address climate change and air quality issues. One could safely interpret this clause to mean that these would be scientists, technicians and researchers or engineers.

The second category would be from the business community on which I do not need to elaborate.

The third category is non-profit corporations. They would probably be NGOs and other agencies that are knowledgeable and competent in providing advice and direction to the foundation on technological innovation on the mandate of the foundation.

These three sectors put together would seem to indicate that this type of foundation would operate with a considerable degree of independence, if not entire independence. It should be able to achieve the goals, and we hope it will achieve them, that the hon. member and I have in mind.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, on behalf of the people of Saanich—Gulf Islands, I am pleased to rise to speak on Bill C-4.

We have heard a lot about global warming today in this debate. Global warming is an important issue. At this time of year in my riding of Saanich—Gulf Islands, which on the southern tip of Vancouver Island, we are usually counting flowers. I would like to advise the House that I took my little ones David and Victoria tobogganing in Victoria this weekend.

I agree with the concept of this bill. I look forward to it going to committee where it can be further flushed out and we can get into it in more detail. I agree that as we go into this millennium air quality is going to be an increasing concern for people globally. It is something that we should tackle head on.

This foundation will receive \$100 million in funding from the government to look at everything in technology and to ensure that we can have increased air quality and reductions in greenhouse gases. That is a positive thing. I agree that is a good first step. It is going to become increasingly more important as time goes on.

• (1540)

Ten years ago people were talking about the importance of air quality. That debate of course is so much more significant today than it was 10 years ago and it will be increasingly so 10 years from now.

I alluded to my concerns with the board in my question to the member for Davenport. As I understand it, seven of the 15 members, including the chair, will be appointed by governor in council.

There are boards out there that work. I know David Strangway, the former President of UBC, is the Chairman for the Canada Foundation for Innovation. It does a lot of good work. If this is going to work though, it is so important that there is accountability to the taxpayers because it is essentially taxpayers' money. They want to see value as I do. Members across the way want to see that it is truly working toward this goal. This is a concern I have. We do not have to go very far. We know some of the other stories. There is the Federal Business Development Bank and we do not have to go too far into that.

We see that there are patronage appointments. I would urge anybody in the House who has influence in the debate that these appointments be based on the foundation being very functional and based on science. I know there are provisions in the bill that there be people from the scientific community, the business community and from the not for profit, so there is a strong balance. Again, I only have to go back to some of the things that have happened in the past. I see that the former Liberal candidate from Port Moody—Coquitlam, Mr. Lou Sekora, was recently named a citizenship court judge.

In earnest I question if these decisions are based on politics. I would argue that in appointments such as that they absolutely were. I would hate to see a foundation like those types of appointments. I know the member opposite would love to see it based on scientific communities, arm's length, with NGOs and a whole cross section of people who have the same ultimate goal in mind and that their decisions are based on science.

As this goes off to committee these ideas can be fleshed out and we can get into greater detail to ensure that these safeguards are put there.

I also agree with the member for Davenport that we should not just look at reducing greenhouse gases. This is critical. We have to reduce greenhouse gases and ensure better air quality in the future, but consumption is such a huge part of this equation. We not only have to, through technology, decrease consumption and deliver the same, but we have to look at the whole way we do things. I think

we can. We have to start changing the mindset of people not to be wasteful. We see an energy crisis in California right now. These are very real problems and they are happening in our own backyard. I take our own backyard as being North America.

I have travelled all over North America as most members of the House have. We would all agree that we live in somewhat similar economies. Other parts of the world are much different. In North America things generally can be quite similar. They are having problems in California which is very heavily populated. It is a sign to all of us to say this could be a problem that could expand and grow if we do not take the issue head on.

I also agree with the member that consumption is a very real problem. At the same time, when we are looking at this foundation, we have to not put blinders on and recognize there has to be a balance between economic growth and industry. I would argue that we use the best available technology to ensure the reduction of greenhouse gases, that we ensure better air quality in the future and we start getting the continuum going the other way.

I look forward to the bill going to committee. I look forward to following the bill closely and seeing what recommendations they come up with.

• (1545)

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, I thank you for giving me this opportunity to address the House.

I am not sure whether I am pleased or displeased to do so, particularly since I have been watching the debates since 11 a.m. and I am under the impression that everything has already been said about this bill and I would not want to repeat the same comments.

I would like to ad lib, and I hope that I can accurately express the concerns of women. As the Chair knows, I take a great interest in this issue. In fact, I am the Bloc Québécois critic for the status of women.

Women are very concerned about the environment and about health, education, family policies and poverty.

Looking at the bill before us, it is obvious that women cannot be opposed to it, since it is a small step in the right direction.

However, we feel that this bill is incomplete. Moreover, women do not trust it. This bill reflects a blatant lack of respect for the table. It lacks transparency, and duplication, including in Quebec, costs money.

I will discuss these issues so as to explain the position of Canadian and Quebec women on this bill.

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First off, we would ask the minister to go and do his homework, very simply because the bill is incomplete. There is absolutely no reference to the requests made at the issue table. A person who belongs to a group of women knows all about an issue table is.

An issue table can be bodies or people each with their own attributes agreed on undertaking a project and giving their opinion. This is very special, because these people are qualified to give their opinion and because it costs money.

When it costs moneys, the group agrees to use the report prepared by the issue table and to implement it. People agreed on that. Women are very aware of the value of money, because they are poor and do not have their fair share of this product. Women do not necessarily enjoy equality.

This bill is incomplete. The groups working at the issue table on the bill came up with eight ideas. Eight elements were advocated. The government chose only two.

To the women's groups, this shows lack of respect for the individuals and the organizations working at this table. The women are very perplexed about what will happen next. When there is no respect for the remarks made at an issue table, for what it establishes, for what it advocates, how will people react later on in setting up this famous bill. Will it be respected?

• (1550)

Third, women think that the bill is lacking in transparency because of the process for appointing directors. If I read correctly, if I understand the bill correctly, the governor in council will appoint seven directors out of fifteen. That will leave eight directors to be appointed. These eight directors will be appointed by the other seven, who have been appointed by the governor in council.

I can presume, even though it does not mean that it is indeed what is going to happen, that the governor in council will appoint people it trusts. Maybe these people will in turn appoint people they know and trust. In fact, people will appoint each other. That means that the government has not set up a transparent process to appoint members to the board of directors.

Moreover, we have no guarantees with regard to the projects that will be favoured by this foundation because the directors who will appoint each other will most likely favour projects for which they have a personal preference. The bill does not provide for any mechanism for project selection. Again, the recommendation from the table was not followed. As for directors, there is no mechanism to ensure transparency with regard to their appointment and their eligibility.

Fourth, we have eligibility criteria for projects, but there are none in the bill. For women's groups, this bill certainly does not inspire confidence.

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As I said at the beginning of my speech, this is something we could support, although it is a bit timid. What guarantees can the federal government give women that the money allocated to this foundation will be spent wisely and legally, in a transparent way, and how will the expenditures be accounted for?

At a time when one out of five children in Canada is poor and when a lot of single mothers in Quebec are having trouble making ends meet, the government is spending \$100 million establishing this foundation, which leaves women wondering how these millions of dollars are going to be spent. As I said earlier, women are concerned about the environment, but also about poverty.

I know of a support group for women with AIDS. This Canadian group just had a grant application for \$15,000 turned down by Health Canada, because it does not necessarily look out for all women. Yet this group only needed \$15,000. The government scrutinizes the work of this support group, but introduces a bill with no mechanism to ensure the good management of public funds and the transparency of the appointments to the foundation board. I do not get it. I would also remind the House that in Quebec we already have a fund. Bill C-4 is promoting the same thing.

• (1555)

What I want to say is that it is upsetting, really upsetting, and for a woman it is even insulting. The Liberal government is going to use money to do the same thing in Quebec when we, in Quebec, have already allocated money and have our own bill. This is duplication. In this sense, I wish the federal government would take the money it wants to use and give it to Quebec, so that we can do what we want with it.

However, I believe that it is not only in Quebec that things happen this way. I think this happens also in the other provinces. In this respect, women are tired of seeing that for the sake of power and political visibility, our political leaders take money and use it for other things than what could help fight poverty, such as social housing, or to help children, and women with children, and to eliminate poverty.

To conclude, I would like to say that the environment, greenhouse gases and clean air are issues very dear to me personally. The future quality of life of Quebecers, Canadians and their children depends on it.

I can guarantee that, if there are no assurances that all the money allocated for the implementation of the bill will indeed be used to develop new technologies to reduce greenhouse gas emissions, as requested by the technology issues table, women will continue to oppose this bill.

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, I have a question for the member with respect to her comment that women need money in the form of transfers and that they do not support such a bill. I think that that goes without saying. Women are not the

only ones opposed; so are young people and other groups as well. Opposition is widespread.

When blank cheques are handed out as a result of legislation such as this, with terms as important as technology, in order to produce equipment necessary for the environment, the amounts in question are very large, but the board must know how to manage them.

My question for my colleague is this: with respect to the money now available, how much will be spent on implementing such an important piece of legislation? Will the federal government's contribution be used to promote this technology, or will it really be used to buy the necessary technology? Does the member not think that this money will simply be used to put in place another system identical to the one the provinces already have?

The question is this: will this money just be transferred to the provinces to buy the technology or will it be used to create another level, when it is really much more necessary to buy the equipment for this technology?

• (1600)

Ms. Diane Bourgeois: Mr. Speaker, I have clearly understood my colleague's question.

As I said at the start of my speech, I wanted to go beyond the theoretical framework in order to explain the view of this bill held by the women of Canada and Quebec. A group of women got together to look at this bill and we found it did not go far enough, that it did not contain enough guarantees.

However, some things were obvious. We did not go to see what the situation was in the other provinces, but the Government of Quebec already has a sustainable development fund of \$45 million.

According to the bill, the government is going to use a certain amount in order to certain things in Quebec. It is very clear to us that this is federal interference in an area that falls under provincial jurisdiction.

It seems to me that my colleagues in the House are sufficiently clever to understand. I think it is clear: a province is in the best position to know its own needs.

Going still further, the women expressed concerns that the federal government would use this money to interfere in the municipalities' environmental management, for instance municipalities on the shores of waterways wishing to create a special project. This is a concern to me. There is no guarantee in the bill, nothing to specify what would happen.

As hon. members are aware, women are prudent creatures. They feel that the best action if one is not sure is no action. Canadian women and Quebec women have reservations about this bill and wish no action to be taken.

[English]

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):
Mr. Speaker, the people of Surrey Central are pleased to have me participate in the debate today on Bill C-4 concerning the establishment of a foundation to fund sustainable development technology.

For the benefit of the folks who are watching, sustainable development means development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

In the 2000 federal budget, the Liberals announced that they would be creating a sustainable development technology foundation to administer these funds at arm's length from the government. Later on when we look at the bill we will find out that the length of the arm is too short. Perhaps their hands are in their pockets.

In that budget they earmarked \$100 million as the amount of initial funding. It is to be operated as a not for profit organization. It will administer funding primarily to projects that will bring innovation and technology. The foundation will accept proposals from existing and new collaborative arrangements among technology developers, suppliers and users, universities, not for profit organizations, and other organizations, such as industrial associations and research institutes.

Clause 5 of Bill C-4 provides that the objects and purposes of the foundation are to provide funding to eligible recipients for eligible projects. That is a very vague definition. The foundation will dole out funds on a project by project basis. Clause 19 of the bill talks about eligible projects in a very vague way. It states:

The Foundation may provide funding to eligible recipients to be used by them solely for the purposes of eligible projects in accordance with any terms and conditions specified by the Foundation—

• (1605)

The minister mentioned that those who qualify for funding will be mentioned in specific funding agreements. What are those specific funding agreements? We will never see them.

Being the past co-chair of the scrutiny of regulations committee, I can share with the House that most bills give very little information about subject matter, the modus operandi or various other things that cover the whole bill or the scope of the bill. Most of the stuff comes through the back door in the form of regulations. We will never debate those regulations nor the terms and conditions of the stipulations. That is what will happen with the bill.

Where are the principles that will guide the allocation of funds? Will they be coming through the back door? We do not see transparency in the allocation of funds. I would like to see the

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regulations before the House in black and white so that we can debate them in the House.

The people of Surrey Central support the kind of initiatives that will create synergy and teamwork where people will work together to respond to new challenges by way of innovation. We appreciate the initiative to enhance innovation in technology and sustainable development as well as a clean and healthy environment, but we do not agree with the modus operandi as suggested in the bill. The bill is poorly worded. It lacks clarity, transparency, accountability and effectiveness.

I would venture to say that members of the official opposition would like Canada to create a balance of economic, social and environmental goals and challenges and thereafter reap the rewards from them. We want excellence in exploring efficient fuel sources. We want to explore various ways of harnessing energy, such as solar and wind power. We want to enhance oil and natural gas recovery technology and mobilize partners in industry, universities, research institutes and in businesses everywhere.

We want to protect the environment and work on projects related to greenhouse gas reduction and improving air and water quality. Our children certainly want that and we want our children and our grandchildren to have that.

Therefore, the Canadian Alliance policy supports sustainable development initiatives. Our policy states:

We are committed to protecting and preserving Canada's natural environment and endangered species, and to the sustainable development of our abundant natural resources for the use of current and future generations.

I heard someone from the Liberal side, perhaps the environmental minister, saying no. The Alliance policy goes on to state:

Therefore, we will strike a balance between environmental preservation and economic development. This includes creating partnerships with provincial governments, private industry, educational institutions and the public to promote meaningful progress in the area of environmental protection.

As a government, the Liberals have mismanaged our environment and failed to provide sustainable development. They have signed international treaties, including Kyoto, Beijing and Rio, with no intention whatsoever of carrying out these commitments.

• (1610)

They have made those commitments without consulting Canadians, parliament and the provinces. They have failed to provide commitments with the required scientific support. Rather, they have made political decisions about matters that require scientific decisions. These political decisions have amounted to nothing more than interference into scientific matters.

That in a word explains the fact that the government cannot meet the international commitments that it makes when it comes to

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protecting our environment. Perhaps it is too busy trying to garner votes and counter Canadian Alliance policies rather than allow scientific principles and evidence to drive the efforts to protect our environment.

This weak and arrogant Liberal government has allowed the endangered species legislation to die twice on the order paper. Since 1993 it has been promising Canadians that it will pass endangered species legislation. What do we have after seven or eight years? Another bill that it is promising to pass. The government is proposing an endangered species bill without consulting Canadians and the scientific community. In any event that is another story for another day.

This weak Liberal government lacks vision. It has done nothing since 1993 in terms of initiatives on our environment and sustainable development. Other countries have passed legislation and are way ahead. Even the United Nations has a sustainable development office. There is a worldwide race to reap the rewards of innovation and state of the art technology, but the Liberals allow Canada to be left behind.

The government expects the foundation to be in place by March 2001. The bill was originally introduced as a part of budget 2000, delivered almost a year ago today. It has been one year and the Liberals have still not passed the legislation. That goes to show Canadians just how serious the government is about sustainable development.

After a year of doing nothing following the Liberal government budget 2000 agenda and seven or eight years since red book one, the government would like the bill to be passed by the House, the Senate and receive royal assent by March 2001. That is when it would like the foundation to exist with \$100 million to hand out.

After doing nothing for a year the government is giving us only a couple of weeks to work on the legislation. There will be no opportunity to have a fair debate in the House because there will be undemocratic time allocation to limit the debate. The committee hearings will be a farce. The witnesses before the committee will be set up and the opposition amendments virtually ignored. The half-baked bill will be rammed through because of the government's parliamentary majority and its arrogant attitude. It is unbelievable.

We on this side of the House want to make some amendments before we could support the bill. The amendments will not deal so much with the sustainable development aspects of the bill but with efficiency, accountability and transparency; in other words with the *modus operandi* of the bill.

According to the bill the Liberal government would appoint six directors and a chairman of the board of directors. These appointees would appoint another eight directors and the appointed board of directors would appoint the auditors.

The intent of the bill is to create and enhance innovation in technology and not patronage. The Liberals are developing innovations in how to make the best use of patronage. They are proposing to turn the sustainable development foundation into a Liberal patronage pork barrel for the friends of Liberals and defeated Liberal candidates. I see a hidden agenda. If the *modus operandi* is not corrected, that is what the bill would do.

• (1615)

Rather than creating and encouraging new and private funding for technology and innovation, taxpayers' money will go to the friends of the government and ultimately to a black hole, and we will one day see another boondoggle. We want this to be corrected. Let me again read for the Liberals a simple paragraph from Canadian Alliance policies:

We believe that a non-partisan civil service, an independent judiciary and competent leadership of government agencies, boards and commissions are vital in a democracy. We will therefore ensure appointments to these positions are made through an open and accountable process based on merit.

The appointments should not be based on patronage or defeated Liberal candidates or friends of Liberals or any Liberal connection. We want these appointments to be made based on merit.

The people of Surrey Central and I are dismayed. We are so disappointed that the government would take such a wonderful initiative of supporting projects related to greenhouse gas reductions and improving air quality and turn the effort into some kind of Liberal Party payoff.

When will the government stop behaving this way and doing these things? When will it evolve into the new millennium and put a stop to these kinds of 17th century old boys' club practices? When will it abandon the politics of exclusion? When will it stop implementing the systems of disenfranchisement? The patronage practices of the government are virtually fascist, in the strict political definition. The Canadian Alliance will put a stop to this sort of thing when it forms the next government.

The creation of a sustainable development foundation is something all Canadians have wanted for years and the Liberals are turning it into some kind of arena for political payoffs. It is a sham.

On the subject of auditing the foundation, while the foundation does provide an annual report each year to parliament, the foundation appoints its own auditor and has final approval on the financial reports before they are made public. Is that not convenient? While the legislation does set out rules as to who would be eligible to be the auditor, there is no mention of allowing the Auditor General of Canada access to the books of the foundation. Only those auditors appointed by the Liberals would have access to the auditing of the

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books. The Auditor General of Canada would be left aside. He would not have access to these audits.

It is no wonder that the government does not want the Office of the Auditor General of Canada involved. The Liberals have had a difficult ride with the outgoing auditor general. His report tabled early this month was probably the most scathing indictment yet of this government. Each auditor general's report on the mismanagement of the Liberal government is worse than the previous one.

The official opposition wants these issues, the questions of who will audit the foundation and how appointments will be made to the foundation, to be dealt with at the committee hearings on the bill, which will be held shortly. We will not allow these two concerns to be swept under the carpet by the Liberals. We want those issues to be addressed and properly addressed.

Unless there are amendments along these lines, we may have to oppose the bill and we do not want to have to do that. We want these amendments to be incorporated so that the official opposition members on this side of the House can support the bill.

Let me cite an example of sustainable development that I saw myself, an evolution of sustainable development taking place. I will cite the example of Taiwan as an example of strategic and sustainable development, where new and private money has been pouring into innovation and technology.

● (1620)

Taiwan is a small island the size of Vancouver Island, with a population of about 25 million people. Sometimes I wonder; if 25 million people lived on Vancouver Island it would probably sink. Taiwan is a small island with an unemployment rate of about 0.5%, not 5%, but half a percentage point. That is an admirable record. How did Taiwan do it? Taiwan has accomplished that in large part through their sustainable development strategy, with a special emphasis on technology and innovation that has led to business development, exports and economic growth while protecting their precious and rather limited resources.

In conclusion, once again we have the Liberals taking an initiative, one that everyone would want to support: the creation of a sustainable development foundation. However, what do they do? They leave so many terms undefined. The bill is vague. They turn it into a venue for patronage payoffs and they close the books to the auditor general. They want to control the \$100 million they give to the foundation without anyone else finding out which Liberal Party donors receive the bulk of the \$100 million.

It would be amazing if it were not so sad. The people of Surrey Central, who want to support the creation of a sustainable development foundation, do not want to support this bill. Rather, we do not have to support this bill, because of the way the Liberals are playing politics with it. If the Liberals are prepared to fix the flaws

and the corruption they have written into the bill, then we would be glad to support it.

We are giving the government the opportunity to have a fair debate, to listen to the amendments, to consult Canadians through parliament and to incorporate those amendments so that all parties can support this wonderful initiative.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the hon. member says he is not fully in favour of the idea of an institute or a foundation like this being created, that he has reservations about the amount of money being used. We are all concerned when we hear figures like \$100 million, which is being allocated with a sketchy sort of mandate that we are not really certain about.

However, putting it in the context of other programs, when we look at the EI fund, for instance, it is showing a surplus of \$600 million a month. With the relative importance of the issue of sustainable development, would he not agree that \$100 million toward such a necessary, timely and topical subject is money well spent?

Would he not also agree that his own province of Alberta should welcome the whole movement toward the true and genuine study of the issue of sustainable development as we, as a planet, try to wean ourselves off fossil fuels for our own future? For many people there is a growing realization that we cannot exist simply in an economy based on oil, that there is no future in it and that we are soiling our own nest to the point we cannot live in it any longer.

My question is whether he feels that \$100 million would be well spent with a tighter mandate, a real objective or assignment, given to this new foundation, which would ultimately result in weaning our population off the burning of fossil fuels and toward alternative energy. Would he be more satisfied if it had that kind of rigid mandate?

Mr. Gurmant Grewal: Mr. Speaker, I thank the hon. member for the wonderful question. It is a very thoughtful question.

By the way, just to correct the record, I am from B.C., not Alberta, although that is nearly the same neighbourhood. From here in Ottawa or from the CN Tower, when we look past the Rocky Mountains things are not visible sometimes, but that is okay. I can understand that.

With regard to the funding, we are not debating the funding. I think every reasonable Canadian realizes that we have to do a lot of work in innovation, technology, research and development. Probably it is the initial funding that is stated in the budget. Funding is not an issue here.

● (1625)

The issues are these: how the bill is worded, what is missing in the bill, and what the modus operandi is of administering those funds. Is it clear? Is it transparent? Is accountability there? Those are the factors that are more important, of course, particularly with

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the rising costs of fuel and natural gas. It is becoming more important than ever before that we look for efficient, economical and cheap sources of energy in regard to fossil fuels, as the hon. member mentioned. Of course we want to develop efficient resources so that taxpaying Canadians and our children and grandchildren have enough resources to play with, to utilize in industry.

I very much agree with the hon. member that we have to invest in technology and research and development. That is why the topic of sustainable development is so important. However, we want to do the right thing in the right way. That is what we are asking the government: that it do the right thing in the right way.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very glad to have the opportunity to join in the debate on Bill C-4. As I mentioned earlier, I believe it is probably the most timely and topical thing that the House of Commons could be dealing with. It speaks to the very future of the human race on this planet. All else really pales in comparison when we view what other subjects we could be debating in the House of Commons.

Bill C-4 is a disappointing reference to the very pressing, timely and topical issue of sustainable development. The NDP opposes the bill in its current format in that we believe, as I pointed out earlier, its mandate is vague and its funding has no real specifics attached to it. We consider it a gesture to the subject, but it has no real and specific plan.

I would also point out that in regard to the idea of creating a new foundation of this sort, the government does not really talk about where it would be based or what centre it would work out of. It actually puts in question the future of an institution in my own riding, the International Institute for Sustainable Development. This institute was created years ago and has had its funding reduced year after year, to where it is really a shadow of its former self. There was a time when it had a staff of 140 people and its own building. Art Hanson was the CEO. It now occupies a very small office, with maybe a handful of people, on the third floor of an nondescript office building in the centre of downtown Winnipeg.

I wonder about the logic and the sense of it. It makes me wonder if the government has completely forgotten it already has an institute of sustainable development in my riding. Maybe the government members do not get outside the city limits of Ottawa often enough to remember that such a place exists. There is a growing feeling in Winnipeg that there is a real reluctance to decentralize the activities of Ottawa to any real degree. There was a possible exception to that when the government could not find any other place to put a level 4 virology lab and plunked it down in the middle of Winnipeg. It took away the CF-18 contract and gave it to Montreal and then gave us the virology lab so that the Ebola virus and every unsavoury thing that comes into the country is going to wind up in our backyard.

I really do resent any steps that might threaten the viability of what is left of the International Institute for Sustainable Development in my riding. I am certainly not entirely thrilled about the idea of the creation of a new foundation which might put the institute in jeopardy.

One of the reasons this whole subject is so timely and so topical is that it is a top of mind issue with most Canadians given the soaring and skyrocketing energy costs that we are all witnessing. That has brought the issue home to the kitchen tables of the nation instead of it being an academic exercise.

Again, look at the funding of \$100 million to try to change the very way we live on this planet in terms of challenging the very foundation of our economy, which is the burning of fossil fuels, and compare that with the \$1.3 billion the government threw into a wasteful program to try to mitigate the impact of the rising costs of fuel.

• (1630)

Surely that \$1.3 billion would take us a lot further down the road of sustainable development and would address in a permanent way the problem we have with access to fossil fuels.

We have come to a day of reckoning in terms of energy. We have come to the growing realization that we simply cannot run an economy based on oil any longer. A number of things will not tolerate it anymore, not the least of which is the fact that we cannot continue to soil our own nest to this degree and continue to move forward and prosper.

Everyone on the planet cannot use the amount of energy that Canadians use. It simply is not possible. If the 1.3 billion people in China had two vehicles in the garage, an SUV and an outboard motor, and if all people in the world consumed the same level of energy as Canadians, we would need six more planets. There simply is not enough fossil fuel in the world for that kind of energy use.

There could not be a more pressing and more topical issue than to revisit the way we view our precious natural resources. We must try to wean human beings away from burning hydrocarbons because it will not work.

What are we faced with? The one upside of skyrocketing energy costs is that it has forced people to revisit energy conservation. When we are hit in the pocketbook we get motivated to do something.

The oil crisis of 1973 was the reason people switched from V-8 to four cylinder engines. They realized a four cylinder engine could push a car almost as well. The fact that oil prices went through the ceiling is what pushed the new technology. It had the shock effect of forcing people to find solutions.

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We are at a point now where we must conserve energy or find alternative energy sources. The \$1.3 billion that was thrown in a scattergun approach toward energy rebates should have perhaps gone toward the research of hydrogen as a fuel. We are very close to a breakthrough where cars will burn hydrogen and not gasoline. The only byproduct would be water dripping from the exhaust pipe. That, frankly, would do the country and the world an enormous favour.

The \$1.3 billion could be spent in any number of positive ways. Instead, the government essentially rolled down the window and threw it out, hoping some of it would fall on people who would benefit. That was wasteful.

Now we are hearing a figure of \$100 million to cover the huge pluralistic issue of sustainable development, and yet the government put \$1.3 billion into a very narrow and fixed program, a one time payment to offset energy costs for Canadians. It really does make one wonder.

It also makes one wonder why, if the government was serious about sustainable development, it would not follow through on one of its own programs, the federal building initiative. The federal government owns 68,000 buildings, most of which are absolute energy pigs. They were built in an era when energy was not expensive. It was cheap and plentiful.

The government did undertake a token effort to energy retrofit those buildings, to reduce harmful greenhouse gas emissions, to reduce operating costs and to make indoor ambient air quality better so that federal public servants did not turn green when they tried to work eight hours at their desks. They are being slowly poisoned in many ways in a bunch of sick buildings.

All those things are now possible. The empirical evidence now shows we can reduce operating costs by as much as 40%. It would be such a positive measure. It would be revenue generating. However the federal building initiative, under the auspices of the Minister of Natural Resources, has renovated only a couple of hundred buildings. At that rate it will be 150 years before all federal buildings are energy retrofitted.

It makes one wonder what the government is waiting for. The energy savings from its buildings alone could pay for the development of new technologies that would allow Canada to become a world leader. We would be a centre of excellence in energy conservation and sustainable development technology with just the energy savings from the 68,000 federal buildings.

• (1635)

I have been riding this hobby horse for years and to no avail. In 1993 I came to Ottawa, long before I was a member of parliament, to appeal to the Minister of the Environment at the time. I was given an energy innovator's award by NRCan, the federal depart-

ment of energy, for the innovative idea of retrofitting publicly owned buildings as a pilot project, as an example to the private sector of what could be done. However eight or nine years later in its own federal building initiative program the government has only done a couple of hundred buildings.

I question its commitment. It is willing to throw \$100 million at a new foundation that should blah, blah, blah, but it has a unique opportunity to show the world how it can be done. We live in a harsh northern climate. We have massive geographical challenges. We could show the world how to use energy in the smartest possible way. We could show the world how to live comfortably and in a healthy environment without being the largest consumers of energy in the world, which Canadians find themselves being today.

I am the first to admit that Canadians and people all around the globe need to embrace the concept of energy conservation and sustainable development in everything they do. It should be the common thread through any program the government undertakes. I do not believe the creation of a new foundation, which may jeopardize the institute that is already in existence in my riding, will in any way move us closer to that admirable goal.

If there were \$100 million to spend, why would the government not restore the institute to its former stature, that of a world leader, research centre and source library for anyone interested in the whole concept of energy conservation or sustainable development? Why not start a centre of excellence right in the centre of Canada and become world leaders so we can export the technology?

It does not have to be jobs versus the environment any more. To speak this way does not mean we have to shut down industries and put people out of work. We now know that it is jobs and the environment: jobs with the environment, jobs for the environment.

There are unbelievable entrepreneurial opportunities in the field of energy retrofitting or sustainable development. There are now smart thermostats or boiler systems or heat pumps that harvest units of energy even if it is 20 below. There is a difference between 20 below and 30 below. The other 10 degrees of air can be harvested. There is warmth and energy in there and that energy can be used.

We have not been thinking outside the box. It is far too easy to start another oil well in Alberta than it is to set up an institute and research alternatives that will give our children a future.

I sometimes think the worst thing that happened in western Canada was Leduc No. 1 in 1947 when they struck oil in Leduc, Alberta. It was regressive. I almost wish the world would run out of oil more quickly so that we still have some air left to breathe by the time we find alternative fuel and energy sources. That would be my first wish.

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Ban the internal combustion engine is a radical idea, but we could still move around if we were burning hydrogen. The Ballard fuel cell, which is being developed in B.C., is close to marketability. It needs one little nudge before it replaces forever the internal combustion engine. The \$1.3 billion the government flushed down the toilet in the failed energy rebate program may have moved us one step closer to finding a true alternative and a true solution for the planet.

The jig is up in terms of our wasteful energy use. We can no longer carry on as we are carrying on. As I said, for all people on the planet to live as Canadians do, we would need six more planets. There are not enough resources in the world for everyone to be as wasteful as Canadians.

We can go one of two roads. We can be head in the sand ostriches and carry on until it is an absolute crisis, or we can change direction. We can voluntarily simplify and use less energy and, I argue, without a reduction in the quality of life. People do not have to freeze in the dark to use less energy if they are smart.

● (1640)

We have done a great deal of research in this regard. The best example and most graphic illustration the federal government could point to is its own buildings.

The most beautiful thing about the concept, to expand on the federal building initiative and its potential windfall for demonstrating the whole concept, is that all of the above could be done at no cost to the taxpayer. There are private sector companies willing to pay upfront for renovation of federal government buildings and be paid back slowly out of the energy savings. They are called ESCOs, energy services contractors.

Why not do that? What if such a company offered to renovate a big federal government building with operating costs of \$1 million a year by putting in state of the art mechanical equipment, insulating the exterior and putting in new windows and doors at no cost? What if it were paid out of the energy savings and after over four years when the total renovation costs were paid the government could keep the energy savings from there on ever after? Would that not be smart?

It would stimulate a whole industry and put thousands of trades people to work. It could use materials and mechanical equipment, smart thermostats and boilers that could be produced locally. Then we would be able to point to our federally owned buildings as a showcase to the world. We could show the world how it could be done. We would have the smartest, best run and best operated buildings in the world.

They could be shown to the private sector too. Many property owners and building managers face increased fuel costs but cannot raise rents to their tenants. The only way they can show a profit is

by reducing their operating costs. They would be very interested in such a concept. If the government were a little more progressive or a little more action oriented instead of being academic about its commitment to sustainable development, we would see it moving on that front. It is absolutely natural.

We have reservations about Bill C-4. We believe the government's mandate is far too soft and fuzzy. We do not know what it is being challenged to do or what responsibilities it is being charged with. The government talks about promoting technologies to address climate change. Frankly we would like to know more. There are also air quality issues.

As is often the case, members of the NDP are frustrated at the composition of the board. We are not comfortable with the way the foundation's board will be struck, who will be appointed and how, and for what terms. The specifics of how the board will be structured will be the success or failure of it. We do not want it to be another dumping or patronage ground for failed Liberal candidates. We do not want it to be a patronage holding pattern type of place. We were always frustrated by that in the past and would certainly speak out against any move in that direction again.

It is very much an open ended funding arrangement. The government is saying it will be \$100 million to start. What is it for? How will it apply for further funding? Will it be part of an annual report to parliament? All these are unknown commodities and things that make the NDP very uncomfortable.

If there is \$100 million to be spent on sustainable development, a very worthy subject, it should be put into the International Institute for Sustainable Development on Portage Avenue in the riding of Winnipeg Centre in my province of Manitoba. Let us rebuild the institute for sustainable development to what it once was. That is where Canada could be proud.

I have a feeling the newly struck foundation will be located somewhere within the capital region of Ottawa. Instead of decentralizing this innovative technology, we have every reason to believe the architects of the bill could not find the province of Manitoba with both hands and a flashlight.

We are always frustrated, in terms of western alienation, that the government does not consider such things. We feel we often get the raw end of the deal. Instead of the CF-18 contract we get a virology lab. Instead of getting an institute of sustainable development with reasonable funding, we get an announcement that there will be a new foundation to study sustainable development. Does that mean the lights will be turned off once and for all in what was once a well respected international institution in the riding of Winnipeg Centre?

We are very critical of that. At this point we will oppose Bill C-4 and will be voting against it.

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• (1645)

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I highly appreciate the speech given by the hon. member for Winnipeg Centre. In fact, he worked hard on it and he has essential knowledge of the subject which I really admire.

He mentioned that Canada could have been a leader in sustainable development and technology. I agree with him. However, it is the lack of vision by the weak Liberal government that did not let it happen. For the seven or eight years since it has been in power, its abysmal record on environmental and sustainable development is quite evident.

Besides the point he mentioned in his speech about the technical part, we have to start the sustainable development somewhere or this initiative has to be implemented somehow. Would the hon. member agree that if patronage is taken out of the whole bill and also if the auditors, those who were appointed by the board of directors and report to the board of directors, and if there is a mechanism to restore accountability, transparency and clarity in the whole process, would he support the bill?

Mr. Pat Martin: Mr. Speaker, I think we have made it quite clear. If the original mandate was not so fuzzy and more clear, the reason for which the foundation was developed, if the composition of the board was free and clear of any possibility of patronage or being used as a holding pen for Liberal hacks or failed candidates and if the funding and accountability issues were more transparent and more to our liking, then we would have no problem with the federal government allocating \$100 million to the topic of sustainable development. In fact, we would welcome that.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, my colleague was explaining to us that there was already an institute for sustainable development in his riding. He seemed to be a little bit disappointed that the federal government wanted to propose a foundation. If I understood correctly, he seemed to say that it would have been better to put the funds allocated for the establishment of the foundation into the institute for sustainable development in his riding.

My question to the hon. member is twofold. First, does the hon. member think that this is unacceptable interference by the federal government in a provincial jurisdiction, which seems to be the objective of the Bill C-4? Second, is the hon. member going to take the time to explain to the people of his riding the federal government's actions?

[English]

Mr. Pat Martin: Mr. Speaker, I do not think we are looking at a jurisdictional dispute in this matter. The International Institute of Sustainable Development in my riding is in fact a federal program, a federally funded institute.

I will certainly raise the alarm in my riding that we, in the riding of Winnipeg Centre, stand to lose an important contribution to our community and a well respected international institute that has a reputation far and wide for doing wonderful work in this field.

We do feel threatened by Bill C-4 in that it could further diminish the important role that the institute plays in the riding of Winnipeg Centre.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I hope all of Canada was listening to our hon. colleague from Winnipeg Centre talk about where that money should go. He is absolutely correct that a facility that is already up and running has been severely cut back.

I believe that what the \$100 million will do is allow the government to say that it is arm's length, that it is no longer responsible and that it will shuffle its responsibility off somewhere else.

• (1650)

Our former colleague Peter Mancini from Cape Breton brought up the issue of the tar ponds time and time again in the House of Commons. Environment minister after environment minister from the program went to Cape Breton said that something needed to be done. They are still talking about the cleanup of Canada's worst environmental mess.

My question for the hon. member is about using \$100 million to set up some sort of agency. If that money cannot go to his particular area of Winnipeg for the institute, would it not be better spent in cleaning up the tar ponds once and for all?

Mr. Pat Martin: Mr. Speaker, the Sydney tar ponds stand as a blight on the landscape of Canada. I agree that there is environmental degradation that needs to be addressed right across the country.

We cannot address these issues in isolation. We cannot try and separate the ideas of energy conservation, alternative energy sources, sustainable development and environmental degradation. They are all part and parcel in cleaning up the planet and viewing it in a different way so we can all move forward in a way that does not pollute and gives our children opportunities.

If there are hard dollars to be spent, if there are actual, tangible things to be done, the Sydney tar pond disaster should be first and foremost in the minds of government as it spends money for environmental cleanup and fixing environmental degradation.

[Translation]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for

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Pictou—Antigonish—Guysborough, human resources development; the hon. member for Manicouagan, water quality.

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, it is my pleasure to speak today to Bill C-4, an act to establish a foundation to fund sustainable development technology.

One would think this is truly environment day here in the House, after considering the motion by my hon. colleague from Davenport, in which he specifically asks the government to conduct studies in order to get a clear idea of the impact on the environment of fish-farming and its industry.

Today, we are studying Bill C-4. We do not know when but perhaps in a few days we will study the bill on threatened species.

Quite honestly, when I read the bill, I rather supported it. The bill advocated a number of principles, which one cannot oppose.

In Quebec, it is often said that it is impossible to oppose virtue and apple pie. This is where we are at with this bill at first reading. In other words, it permits the creation of a foundation which has basic funding, which would permit the funding of research on sustainable development, but more specifically, in order to work on the development of energy to fight climactic change and atmospheric pollution.

When I read the bill, I said “Finally the government is doing something to respond properly, by allocating the necessary resources to meet international objectives on greenhouse gases”. I said “This is a way for the government to meet its international commitments, especially those pertaining to climatic change and the Kyoto conference”.

This foundation provides financial assistance for the development and demonstration of new technologies to promote sustainable development, including technologies to address climate change and air quality issues. It is a foundation which would operate like a non profit organization, with a chairperson, 14 directors and 15 members, all appointed by the government.

• (1655)

Quebecers remember what happened in the case of the millennium scholarship fund, an endowment fund or a foundation with a chairperson and a number of directors that was supposedly set up to achieve the laudable objective of helping students pursue their studies.

When we took a closer look, we discovered that this foundation was not necessarily there to meet the needs of students. The millennium scholarship fund was not established to meet the essential and critical needs of students and help them achieve their educational goals but, rather, to award scholarships based on merit.

The fund had been set up so that the maple leaf could appear on the cheques.

Today, a similar foundation is proposed. Its members will be appointed by the government and, more often than not, for the government. Under the bill, the foundation would receive an initial endowment of \$100 million per year. Is this a realistic figure to achieve the objectives agreed to before the public and before the heads of states at the Kyoto summit? One hundred million dollars per year to achieve the Kyoto objectives is not acceptable.

If the government had really wanted to adequately meet these objectives, it would not have created a foundation which, in a way, is a bogus foundation.

Clauses 11 and 15 deal with the appointment and selection of directors and members. Clause 11 reads:

11. The appointment of directors shall be made having regard to the following considerations:

(a) the need to ensure, as far as possible—

Remember these words “as far as possible”. At any time, about half of the directors will represent persons engaged in research, while the other half will represent people involved in the business community and not for profit corporations.

In selecting the directors we must “as far as possible” ensure that half of the appointees are from the research sector. There is no obligation to ensure that these people have the required knowledge, expertise and experience to make a major contribution that would give Canada the means of production to achieve the goal of reducing greenhouse gases.

Also, clauses 11 and 15 stipulate that the appointment of members shall be made having regard to the following considerations:

(a) the need to ensure, as far as possible—

Therefore, at all times, the membership must be representative of persons engaged in the development and demonstration of technologies to promote sustainable development. There is a need to ensure “as far as possible” that the members of the foundation are experts.

If the government were truly honest and really wanted to make a serious commitment to the environment and renewable energies, would it have included in its bill clauses to ensure that experts would be appointed as far as possible? The answer is no.

If the government were truly sincere, it would have ensured that experts would be appointed to this foundation, not friends of the Liberal Party. What we want is more transparency. I am not sure the foundation will have all the transparency needed to ensure that its goals will be reached.

• (1700)

I want to come back to the \$100 million initial funding for the foundation. Will it be enough? One could put that question to all the experts, not to the environmental groups, not to the so-called green organizations. One could ask the experts in the field of technology and renewable energies. They would say that \$100 million, that is peanuts.

I want to remind the House of the Bloc Québécois' commitment to sustainable development. The Bloc Québécois suggests that the federal government invest a further \$1.5 billion over five years to better meet sustainable development requirements. We are not opposed to a fund, we are in favour of a real fund with real resources to ensure that the real goals are met. On this side of the House we are not convinced that this fund will make it possible to meet these goals.

Why do we have reservations concerning the resources available to the fund? I will say honestly that I would rather be on this side of the House today, I would rather not be on the other side of the House and have to introduce a bill such as this one which is providing \$100 million a year to deal with a fundamental issue requiring a major shift in terms of energy, namely renewable energy. We have doubts as to the government's goodwill when we look at the results concerning its international commitments.

I remind members that in 1992 the federal government signed the Rio framework convention on climate change and the ensuing Kyoto protocol containing more definite commitments, namely, for Canada, a 6% reduction in greenhouse gas emissions by 2012. Are we anywhere near achieving the Kyoto objectives? The answer is no. To meet these objectives we need real resources, not \$100 million a year.

Far from dropping, greenhouse gas emissions have increased by 13% in Canada. They have not dropped. We are not on our way to meeting the targets set by the federal government in Kyoto, far from it. In Canada, there has been a 13% increase in greenhouse gas emissions and, according to the figures put out by the federal government and the Royal Society, we are far from meeting our targets.

A report was tabled at the end of May by the Commissioner of the Environment and Sustainable Development, who was quite critical of the federal government. He faulted the government for its failure in the fight against smog. On a more global level, he underlined the importance of reducing air pollution, which causes disease and death. Even though the government and the Minister of the Environment announced, yesterday and last Friday, a policy to help us reach that goal, we must realize that we are still very far from it.

Even worse, in terms of the financial means available to us to meet our targets at the international level, the insignificant amounts

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included by the federal government in its 2000 budget show the Liberals' lack of vision with regard to the environment. Just for the reduction of greenhouse gas emissions, the federal government should be spending \$1.5 billion over five years, not \$100 million.

The urgency of the situation requires a \$1.5 billion investment, but instead, the government is planning to spend a total \$700 million over the next four years on all environmental issues.

• (1705)

A \$100 million investment will not be enough to help us face these environmental changes, and neither will the \$700 million included in the last budget. We need \$1.5 billion. Here is the situation: in 1997, Canada's emissions were 13% higher than in 1990.

With regard to the issue of climate change, I reviewed Quebec's position, its performance and how we fare compared to the other provinces and to Canada itself. That review shows that Quebec is clearly performing better in that area than the federal government and the other provinces.

Why do we have a better performance? Because we made the green revolution several years ago. When we look at the energy policy of Canada, of western Canada, with due respect to my colleagues, we realize the energy policy is still based on fossil fuel energy sources. There are three fossil fuel industries: natural gas, coal and oil.

Western Canada is a major producer of greenhouse gas, an oil producer and an oil user, which mainly produces greenhouse gas. However, since the 1960s, Quebec has had a totally different energy policy.

We have been using an energy that is called renewable. Hydro-electricity has contributed concretely and totally to Quebec's economic growth. Besides, it has allowed to stop the production of greenhouse gas.

This is a practical application in a country, the country of Quebec, of the sustainable development concept. We do not put the sustainable development concept in a bill such as Bill C-6. It does not belong in a bill such as the one the minister has introduced today. Sustainable development calls for a practical application. This means economic growth and the use of our resources with consideration for environmental protection.

Mrs. Brundtland, the former prime minister of Norway, had defined this sustainable development concept that we are now applying in practical terms in Quebec. We have given ourselves all the tools required to achieve these environmental objectives without necessarily neglecting economic growth. This is what is different.

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Often, people think that a change in energy policy leads to reduced economic activity. Quebec is a prime example. A few years ago, how many homes used coal, natural gas or petroleum? How many businesses and industries used them in order to produce consumer goods? How many houses were heated with oil? A very heavy majority.

Yet today, we use another source of energy, what is termed renewable energy. In the case of Quebec, it is hydroelectric power, electricity. Yet the economic activity of Quebec has not been affected by this pro-ecology and pro-environmental move.

• (1710)

On the contrary, Quebec's government corporation has been able to export energy, to the U.S. for one. This goes to show that a change in energy use does not necessarily mean job losses, as some would have us believe.

How often we hear the comment "The petroleum industry is so important to Canada, and jobs connected to that industry must be preserved". I say there is a way of making a logical and balanced change of direction toward Canada's use of a sustainable energy source.

I am referring to hydroelectric energy. It is not the only type of renewable energy there is; there are other kinds. Among other things, there is solar energy, which works fairly well in certain countries. Proper investments would ensure that this technology could be developed.

There is wind energy as well. This energy has been tried out in many countries, including Quebec and Canada. Wind energy is used in Europe, among other things, as a primary source of energy, and not just as a secondary energy.

I will conclude by talking about the principle underlying the bill. As I was saying, I agree with the principle of the bill. It is impossible to oppose investment in technology that will mean the achievement of the objectives of sustainable development.

However, I have some doubt as to the vehicle for achieving these objectives, namely a foundation appointed by the government, with, in my opinion, insufficient funding.

My final remark is to the effect that the foundation would not permit the achievement of the objectives and the environmental green shift. I fear instead that it will manage to sprinkle a few thousand or tens of thousands of dollars about without really achieving its target objective, that of producing while respecting and protecting the environment at the same time.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I would like to take this opportunity to congratulate my colleague from Rosemont—Petite-Patrie on his speech. As

always, he was very eloquent and quite clear in what he said. He has been working very hard on environmental issues since the last election.

I particularly noticed his concern in the matter of the contaminated water in Shannon, in the Quebec City area. His interest in these problems is obviously very high.

I listened to him carefully and I agree with him when he says that the proposed foundation will have no effect on what is being debated today.

Since he always has an answer, I would like to ask him what he himself would do if he were in the government's place. What would he propose, while respecting jurisdictions, to meet the objectives and reduce greenhouse gases?

Mr. Bernard Bigras: Mr. Speaker, I thank my colleague for his question, which basically is twofold. I do not know how long I still have, but to me the Shannon issue is really important. It is so because the government has to admit one thing. The contaminated lands in Shannon are located on lands under the jurisdiction and responsibility of the federal government.

• (1715)

Let me tell the hon. member that on last February 6 I wrote to the Minister of National Defence, asking him to proceed immediately with the decontamination of the site and work together with the province in order to find a sustainable solution to the problem. That falls precisely within the scope of this bill.

This is not about patching problems, but finding a solution. The solution involves decontamination. As for the means available to us, while the federal government is proposing a foundation, I should remind the House that Quebec does have an action plan to deal with climate change.

There is a whole range of means that the Quebec government made available to the public—voluntary measures in some cases, and public information—in order to deal with the major challenge represented by climate change.

Given the federal government's performance on the climate change issue in recent years, would it not be sounder and more transparent to transfer these \$100 million to the province that already has an action plan and made sure to meet its greenhouse gas reduction targets?

Does the member not think that, on that issue, the Quebec government gets much better marks than the federal government? Let the federal government take that money and transfer it to Quebec, and then we will be able to meet targets even higher than those we have met so far.

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[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, it is commonly known that Canada has been vilified by international environmentalists because it is seen as one of the main brokers of deals to try and get around the Kyoto protocol and the obligation to cut greenhouse gas emissions.

We are seeing token gestures on the part of the government to reduce greenhouse gas emissions with its own federal buildings. It is also trying to encourage municipalities to energy retrofit its buildings.

A \$25 million fund has been put aside for green municipalities. Out of \$25 million, \$30,000 will be allocated to the city of Montreal to energy retrofit its municipal buildings. Would the hon. member have any comment on that allocation of resources?

[Translation]

Mr. Bernard Bigras: Mr. Speaker, this is an eloquent example of the danger of this bill. My colleague has just given an example, and I will document it.

Thirty thousand dollars went to the City of Montreal to retrofit its equipment and buildings in order to meet environmental objectives. That is the danger of this type of foundation, which has an initial endowment of only \$100 million.

Earlier, I mentioned this danger in the conclusion to my speech, and I repeat that the danger is that this leads to a sort of piecemeal approach, with the result that the objectives would not really be met. The member for Winnipeg Centre spoke earlier about the institute for climate change. In Quebec, we have an action plan for reaching our objectives in this area.

Would it not be possible to recognize the work being done by the provincial governments or by the institutes on this issue and to fund these institutes or governments in order to consolidate the work they are doing, rather than create a foundation appointed by the governor in council—we do not know whom he will appoint—and to pour \$100 million a year into it?

We do not know to whom this money will go. We know that there will probably be agreements, but clearly it will be very difficult for us, with the foundation they want to create, to know with whom agreements will be reached. It will be incredibly difficult. We are talking about a foundation with \$100 million dollars.

• (1720)

I agree with my colleague and I think that recognition should be given to the work done in the institute for climate change in his riding, and to the Government of Quebec's action plan, and that the federal government should improve and consolidate existing mea-

asures rather than create a foundation that will throw money all over the place.

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, I too want to congratulate my colleague for Rosemont for his splendid work. He acts in a competent and eloquent way.

I do not have to tell any member of the House that we need air and water to live, hence, the importance of environmental protection. It just so happens that there has been contamination of the water table by the Department of Transport in a residential area of the town of Sept-Îles. On three occasions, that is February 1, 2 and 5, I raised the issue. As a matter of fact, I have been speaking about this issue for three and a half years. The Minister of Transport admitted to the fact and recognized his responsibility.

On February 14, that is quite recent, I received a document which I hope to be able to table tonight. In this document, the department of public health recommends not drinking the water in the Des Plages area, and this recommendation comes from Dr. Raynald Cloutier.

How are we to believe in the government's credibility? Even if Bill C-4 contained the best clauses, does the government think that, as it included in its policy statements a clause based on the "polluter pays" principle while it was itself polluting and contaminating the Des Plages area—a woman says she is desperate because she is without water and sewer systems—we are going to give it credibility? According to *Le Soleil* "People are Desperate". There was also action taken by the town of Sept-Îles on February 12, which is also fairly recent. But I was not satisfied with the answer the Minister gave me in the House.

I ask my colleague for Rosemont if he sees a way to solve the problem of the Des Plages area of Sept-Îles so that the Department of Transport will finally act responsibly. Does he see in Bill C-4 any means to avoid such situations in the future?

Mr. Bernard Bigras: Mr. Speaker, this is an excellent question. Today I make the assumption that since the House reconvened the federal government has been introducing environmental bills that intrude in provincial jurisdiction, for example Bill C-6 amending the International Boundary Waters Treaty Act, the bill respecting species at risk, and this bill establishing a foundation to fund sustainable development.

Could the federal government not look after areas under federal jurisdiction rather than meddling in provincial areas of jurisdiction? Let it proceed with land decontamination in Shannon, at CFB Valcartier, or at the airport, in Sept-Îles. That is all we ask. The federal government has no say in provincial jurisdiction, particularly not as regards drinking water management. This side of the House does not need any lectures.

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Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with great pleasure that I rise today to speak on the sustainable development technology foundation legislation Bill C-4.

Like so many initiatives of the government, this initiative represents a baby step in the right direction, a glossing over of a very major issue with what some would describe as a cosmetic approach in order that the government can say that it has in fact done something to address the issue of sustainable development and climate change. However, it is very much a baby step.

The Liberals have had an abysmal record on environmental policy.

• (1725)

I have in front of me a quotation from David Boyd, a senior associate with the eco-research chair of environmental policy at the University of Victoria, in the riding of the Minister of the Environment. Mr. Boyd, who is an expert on the environment, has said that “in two terms the Liberals have yet to pass a single significant new piece of environmental legislation. Many green promises from the Liberal red book remain unfulfilled”.

That is a damning description, to have seen this level of demise, of two terms of Liberal government, a party that has historically had strong principles relative to environmental issues. The principles and values of environmental policy in the Liberal Party is indeed unfortunate.

The notion of a sustainable development technology foundation should have been addressed and developed before Kyoto. Instead the government's plan in terms of the Kyoto agreement was basically written on the back of an airplane napkin on the way to Kyoto. There was no long term planning. There was no real negotiation with the provinces or with industry sectors. In fact it was a last minute, hastily drafted agreement.

The federal government was not responsible for developing, in advance, a long term strategy on how to meet the terms of the Kyoto agreement. It was left scrambling after the Kyoto agreement. This legislation is a band-aid approach to make up for lost time years later. That is highly unfortunate.

An hon. member: Too little, too late.

Mr. Scott Brison: Mr. Speaker, the hon. member for Winnipeg Centre says that it is too little, too late. As with so many things, I share his views on that. He was speaking earlier about some of the omissions in the legislation, including the fact that the government is not addressing the important potential of decentralization of research and policy development in terms of this very important area of the environment.

With the death of distance as a determinant in the cost of telecommunications and with companies around the world decentralizing and putting research and policy development out in the

field, it is the people making the decisions and researching the policies that are close to the people that are ultimately affected.

It is not just in terms of the foundation. That same rationale could be applied to the Department of Fisheries and Oceans and the Department of Agriculture and Agri-Food. Instead the government continues to fill office buildings in Ottawa and continues to cut down on its commitment to the regions to develop the sound policies close to the people ultimately affected in the regions. This is again a missed opportunity by the government.

My colleague from Winnipeg Centre also referred to the process of appointment in terms of the board members of the foundation. I share with him his concerns. The government has an unfortunate record of cronyism when it comes to the appointment process.

The member for Winnipeg Centre also referred to the habit that the government has of appointing failed Liberal candidates to senior positions. While I share his concern, I would remind him that the only thing worse than a failed Liberal candidate is a successful Liberal candidate. In many ways we should at least be thankful that there are still some failed Liberal candidates. We hope that we will add to their ranks in the future.

With regard to the direction of the foundation to have a greater level of private sector participation, I do share the notion that we could do more to incorporate the private sector in the delivery of products that are actually beneficial to the public good.

• (1730)

Look at the general trends in terms of medical technology or biotechnology. A lot of these cutting edge technologies can provide immense societal gains and benefits. Many of the developments are actually coming from the private sector. Therefore, I do support the notion of leveraging some of the government investment. In this case it is a very small investment of \$100 million into \$400 million, which is a fairly small amount of money, but it is still positive that there is a leveraging effort.

I can point to another example in recent days. It was the announcement on the human genome project. One government funded group had spent 10 years encoding the human gene. Another group, which was a private sector group, completed much of the same work in three years. There are some private sector advantages developing these types of cutting edge technologies. We can, through public policy, effect and create greater levels of interest in developing these societally beneficial technologies.

There are some tax credits currently for research and development in Canada, but we could possibly develop a more advantageous set of tax credits to apply specifically to sustainable development technologies. For instance, research into alternative energy sources and the whole emerging industry of wind generated power comes to mind. Certainly, during question period we would have no shortage of mega watts coming from the government side

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of the House. Even the House of Commons could potentially be powered by wind generation in such a scheme and perhaps some of this money may go in that direction. That would be parliamentary reform that would have long term benefits.

The issue of private sector participation in this is going to become increasingly important in Canada. Whether it is an environmental policy or almost any new area of technology, we can demonstrate to private individuals and companies in Canada that good environmental policy is good economics and good economic policy is good environmental policy. For far too long we separated environmental policy and economic policy. In failing to incorporate the two, we did a great disservice to both disciplines and to the public in general.

If we do more, such as internalize externalities of production at the time of production and ensure that the cost borne by consumers of particular products or services reflect not just the cost of production but the environmental cost of production, we would be far better served. These are the types of regulatory reforms that can effect changes. It might be actually more significant than that which is presented in this legislation.

This legislation is very vague on how it would address the long term issue of sustainable development. Again, it is only \$100 million. A few months ago, anything dot com could have raised that in an IPO anywhere and those companies only took a few months to burn through that. With government involvement it may take less time. However, I have some real concerns about the scale of commitment of the federal government. Again, it is not a huge commitment. It will allow the government to point toward this very vague and cosmetic approach to this very serious issue and claim that it has taken action. In fact, it really is not a significant level of commitment to such an important global issue.

• (1735)

I would urge the government to be more responsive to this issue and incorporate a more effective regime of tax based incentives to reward and encourage private sector development of new technologies for sustainable development, as well as to encourage consumers to make choices, whether it is in their own homes or the fuels that they choose for their automobiles, to be more sensitive to environmental issues.

A positive thing that has happened in recent years is if one goes to a high school, speaks to a class and asks how many of the students feel environmental policy is of great priority, almost every one of them will put up their hands.

Ten years ago or fifteen years ago, if we had asked the same question to a group of school students probably most of them would not have said that. I do not think the environment was of huge importance to me when I was in high school. However,

education has effected change in that direction and that is very positive.

We have now an emerging group of young adults who are environmentally sensitive and intrinsically interested in environmental issues. They may be more responsive to tax based measures which encourage sustainable environmental policy and greater levels of sensitivity as consumers. These Volvo vigilantes can make a huge impact on the future of the country, regardless of the car they choose to drive. It is important that we recognize more creative means by which to develop approaches.

Canada in so many areas, particularly in environmental policy, has failed to research best practices around the world of other jurisdictions and governments in terms of policies which apply in this case to environmental policy, but in so many other areas, whether it is in tax policy or social policy. We could have tried a little harder in this case to be somewhat more creative.

The government has almost a franchise like approach to policy development and the creation of these foundations. It names a bunch of Liberals to the board. Then, it sends it off to ultimately die a natural death and spend some money. In some cases, by hook or by crook, and I do not mean crook as in the stuff that has been alluded to in question period over and over again or in a criminal reference, sometimes a positive thing will come out. By and large the results have been less than substantial.

The fact is we could do much better. I was the co-chairman of the Progressive Conservative platform committee for the recent election. All three Canadians who read that document thought it was an excellent document. It was supported across the country by these people. They all voted for us.

The fact is the Sierra Club actually recognized that platform for its sound environmental policies. It also recognized the New Democratic Party. If there is an area of policy that I would be quite proud to stand beside my colleagues in the New Democratic Party, but not all policies, it is the environmental policy. There is a level of commitment that is consistent and of vigilance in areas of the environment that I have a great deal of respect for.

In another area and on another topic, the Canadian Alliance of Students Association, not to be confused with the other Canadian Alliance, said that the Conservative platform was the best in terms of student policies and education policies. Those are two areas that may not be recognized widely as cornerstones of conservative policy, but they certainly are cornerstones of Progressive Conservative policies, of which we are very proud.

• (1740)

We need to do more than simply institutionalize lip service to environmental and other important issues. We need to work with

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the provinces to develop meaningful tax and regulatory incentives to encourage a greater level of commitment from all Canadians, from the business community and from individual citizens. This is our legacy that we are leaving to future generations of Canadians.

We should not talk just about Canadians when we talk about the environment because this is a global issue. There are no borders when it comes to environmental policy. The legacy we are leaving to future citizens of the world is a very sad legacy.

I believe it was last week that there was another report on the whole global warming issue indicating that the worst fears of global warming are coming to fruition. We are seeing it in many of the natural disasters occurring in all parts of the world. The fact is that we in the developed countries which have led and created much of the problem are better insulated to survive during these crises than some of the developing countries.

There are some real issues of equity that we as a developed country, as a country that has in the past been a leader in environmental and foreign policy, can play in a greater role than the size of our population would typically dictate in leading greater co-operation globally on environmental policy.

Some people are talking about the issue of an intergenerational equity. When they talk about that they are talking about the issue of the national debt which future generations are going to have to pay. That certainly is an issue of intergenerational equity. People your age, Mr. Speaker, leaving that kind of equity on people like me, on the next generation, is indeed unfair. That is a career limiting move.

However, a more damning legacy and an intergenerational equity issue is that of the environment. We will at some point have to pay off the national debt. I would argue we should pay it off more quickly than some would argue. The damage we have inflicted on the environment is a debt that we may not be able to ever repay. That is a scientific fact.

We need to become increasingly vigilant. We have been asleep at the wheel for far too long on environmental policy. That is not a legacy that as policymakers in the House we can afford to leave for future generations of Canadians.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I was very interested in some of the points the hon. member for Kings—Hants was making regarding the mindset shift that is necessary for industries to undertake in the way they do business.

He said that they need to internalize externalities. First, I would like him to explain that. Second, I would like him to expand somewhat on the issue he raised that we need to view things in the way of whole costing. In other words, if we are going to burn oil we need to recognize what the whole cost of burning that oil is.

I would also ask him to comment on the fact that the real price of a barrel of oil is probably not \$27 or whatever it is on the open market. The real cost, the whole cost, can be as much as \$150 a barrel when we factor in the price of the American military and keeping the Persian Gulf sea lanes open, and the environmental degradation and the clean up necessary when burning hydrocarbons.

• (1745)

Even if the technology is not quite there yet, would the Ballard fuel cell, wind energy or solar energy not render all other alternative sources of energy cheap by comparison? When we look at the whole cost of a barrel of oil all other sources of energy seem like a bargain, internalizing externalities first and then whole costing. Would the member like to comment on that?

Mr. Scott Brison: Mr. Speaker, we should make note that this is probably the first time in the history of Canadian parliament that a Conservative updated the lexicon of a New Democrat in terms of environmental phraseology, otherwise known as buzzwords.

Turning to the notion of internalizing the externalities, the externalities are those products that are produced unintentionally by any level of production. To internalize those externalities means to incorporate in the cost of production the unintended production costs. In this case, environmental costs are incorporated into the cost of products that the consumers pays at the time, also known as whole costing. I appreciate his update of my lexicon in areas of the environment in a more simple and holistic way.

The notion of whole costing and addressing the total cost of production is difficult to do. The methodologies for doing this are not easy to implement. However, I think it is very important that we start doing that.

Again, bad environmental policy is ultimately bad economic policy because both disciplines deal with the management of scarce resources. Any economic argument or any pricing arrangement that ignores the true cost without the whole costing as put forth by the hon. member for Winnipeg Centre, is in fact bad economics. We have to become more rational in the way that we allocate both environmental and otherwise economic resources.

The Deputy Speaker: I am sure we will all be much the wiser for that explanation and it will be on a test somewhere down the road.

Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

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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.

And the bells having rung:

The Deputy Speaker: The vote has been deferred until tomorrow at the end of government orders.

* * *

SPECIES AT RISK ACT

Hon. David Anderson (Minister of the Environment, Lib.) moved that Bill C-5, an act respecting the protection of wildlife species at risk in Canada, be read the second time and referred to a committee.

He said: Mr. Speaker, before I begin debate I should like to congratulate the member for Fundy—Royal on his election as vice-chair of the finance committee. I think it is very generous of the official opposition to let the Conservative Party have that post and I wish him well as the vice-chair of that committee.

[*Translation*]

Canada is blessed with a rich biodiversity of over 70,000 known plants and animals, many of which are found nowhere else in the world. We have a moral obligation to protect this precious diversity so that it can be enjoyed by generations of Canadians to come.

● (1750)

Bill C-5, the proposed Species at Risk Act, will enable countless Canadians to continue to work to protect and recover species and ensure that the Government of Canada can act as well.

Despite efforts to protect wildlife and plants, we continue to lose species at an alarming rate around the world because of human activity.

In Canada today there are 364 species classified as being at risk nationally.

[*English*]

Canadians overwhelmingly support the protection of species at risk and their habitats. From ranchers to fishermen, trappers to farmers, biologists to conservationists, we have heard the call for

effective legislation. Bill C-5 responds to that call with certainty and with conviction.

It is effective legislation that will help prevent wildlife in Canada from becoming extinct. It will also provide for recovery of species that are at risk of becoming extinct. This is legislation that will achieve results where it counts the most, on the land, in our streams, in the oceans, on the prairies, in the forests and in the air above.

[*Translation*]

Bill C-5 is effective legislation that will help prevent wildlife in Canada from becoming extinct. It will also provide for the recovery of species at risk.

This is legislation that will achieve results where it counts the most: on the land and in our streams, oceans, prairies and forests.

I would like to outline the key strengths of the bill before parliament today.

The proposed act will cover all birds, fish, mammals, plants or insects listed as being at risk nationally. These species and their critical habitats will be protected whether they are on federal, provincial, territorial or privately owned land, in the air or in the water. SARA will be the cornerstone in species protection and recovery.

SARA will ensure that science is the first consideration in the recovery of species. For the first time, the Committee on the Status of Endangered Wildlife in Canada, or COSEWIC, will be given legal status under the Species at Risk Act.

COSEWIC will continue to operate as a scientific body independent of the government. It will assess and classify the status of wildlife species in accordance with the best available scientific, community and aboriginal traditional knowledge.

SARA will provide the authority to prohibit the killing of endangered or threatened species and the destruction of their critical habitats on all lands in Canada. We will have the authority to provide immediate protection to species and their critical habitats in imminent danger. The Government of Canada will also have the authority to act alone when and if necessary.

Under SARA, there will be a mandatory requirement for developing recovery strategies and action plans for endangered or threatened species, and management plans for species of special concern.

The Minister of Environment must report annually to parliament on actions taken to recover all listed species.

[*English*]

Possibly the strongest element of the bill is the extensive dialogue that has resulted in its evolution. The proposed legislation

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reflects more than seven years of consultation with Canadians in all walks of life, in all parts of the country, including specifically ranchers, farmers, land owners, fishermen, aboriginal peoples, business leaders, trappers, scientists, academics and many other stakeholders, including thousands of interested Canadians.

• (1755)

The Species at Risk Act or SARA is what it is today because of what we have heard over the last seven years.

[*Translation*]

We have heard that Canadians want legislation in place that empowers individuals to take action to protect habitat. This is the goal of Bill C-5.

We have also heard that Canadians want to know that there are strong legal protections in place so that, if necessary, the government will act alone to protect species and their habitat. This is another key component of Bill C-5.

We have heard loud and clear that the approach to species protection and recovery must be balanced and effective. The bill before us today meets these requirements.

Bill C-5 incorporates a number of useful suggestions made by individuals and groups in submissions to the standing committee during its pre-study of the former bill C-33. These changes reflect the intent and spirit of the former bill, while improving its clarity.

I would like to outline some of the improvements that have been made in the bill we are debating today.

Of particular significance are the following, which will provide greater openness, transparency and accountability.

A new section was added, which would require that the minister convene, at least once every two years, a round table of persons interested in matters related to the protection of species at risk. The round table would advise the minister on these matters and its recommendations would be placed in the public registry. The minister would be required to respond within 180 days and his response would also be placed in the public registry.

The COSEWIC list will be published, unchanged, in the public registry. By doing this, it is given public recognition as the scientific list of species at risk in Canada.

Other documents to be placed in the public registry would now also include the annual reports of COSEWIC, general status reports, action plans and the minister's annual reports to parliament.

The registry, which will be available on the Internet, will be a comprehensive online source of relevant documents and informa-

tion about efforts to protect species at risk in Canada. It will give Canadians the opportunity to follow the development of regulations and orders under the Act, from the consultation phase to final publication in the *Canada Gazette*.

In short, the registry will enable anyone to track government action on species which have been found to be at risk following scientific assessment.

These changes show that we have listened to Canadians. We intend to continue to take the advice of Canadians, and all reasonable suggestions to further improve Bill C-5 will be considered carefully as the bill progresses through parliament.

The bill that we are debating today is only one component of the Government of Canada's overall strategy to protect species at risk.

In fact, the strategy is already producing results through stewardship, recovery planning and partnerships with provinces, territories, non-government organizations, academics, and private citizens. This strategy includes this legislation, the accord for the protection of species at risk, and the habitat stewardship program.

• (1800)

Through stewardship and recovery efforts, we are taking action on species at risk where it matters most: on the land and in our streams, oceans, prairies and forests.

Our first line of defence will be to protect habitat by encouraging land owners to undertake voluntary conservation measures, often in co-operation with other governments.

The Government of Canada is providing incentives to promote habitat conservation, because we know this approach works on the ground to effectively protect species.

[*English*]

Through the new habitat stewardship program, the Government of Canada contributed, in the year 2000, approximately \$5 million to over 60 partnership projects with local and regional organizations and committees. Species that have benefited already include the Vancouver Island marmot, the marbled murrelet and the critically endangered eastern loggerhead shrike, a bird that was once distributed from Manitoba to the maritimes.

Our approach to habitat stewardship also encompasses large areas of land such as the Missouri Coteau landscape of southern Saskatchewan. Located in the prairie pothole region of the province, the Missouri Coteau landscape is approximately 23,000 square kilometres in size and includes several species at risk, including the piping plover, the burrowing owl, the loggerhead shrike, the ferruginous hawk, the northern leopard frog and the

monarch butterfly. The Coteau stewardship first step project seeks to maintain natural, restored and managed land capable of sustaining populations of these species at risk.

Funding for the habitat stewardship program is one of several initiatives to protect species at risk that were announced in budget 2000, which contained a commitment of some \$90 million over three years and thereafter stabilized funding of \$90 million every two years for the protection of species at risk.

[Translation]

Budget 2000 also made it easier for Canadians to donate ecologically sensitive lands and easements by reducing the capital gains from donations through the EcoGifts Program.

These partnerships and incentive programs will extend habitat protection in all parts of Canada.

Our preferred approach to protecting species at risk is through voluntary activities by Canadians. However, there may be times when these do not produce the desired results. At that point, government action will be required, either at the federal, provincial or territorial level.

We respect the authority of other governments, but we also expect them to bring in habitat protection measures when they are needed. This bill will complement existing or improved provincial and territorial legislation. It will not compete with it.

Make no mistake, where voluntary measures do not work, or other governments are unwilling or unable to act, the federal safety net will be invoked. If a province does not have complementary legislation, the Government of Canada will act to protect Canada's heritage, to protect threatened or endangered species and their critical habitats on provincial and private lands.

Landowners, farmers, ranchers, trappers and others who live off the land or waters of Canada are among our most important partners, since in many areas, their land includes the habitats of species at risk.

• (1805)

The proposed SARA will enable compensation to be paid for losses suffered as a result of any extraordinary impact when it is necessary to prohibit destruction of critical habitat.

[English]

One of the most difficult questions in the debate over how to protect species at risk is that issue of compensation. That is why I asked the distinguished Dr. Peter Pearse, a professor emeritus at the University of British Columbia and a well known expert on natural resource issues, to review the issues involved and to provide me with advice concerning compensation under the legislation.

Dr. Pearse has done an excellent job of reviewing the issues and his findings will be an important contribution to the debate on compensation. His recommendations are of great interest to the

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government and they will be considered very carefully as we develop compensation regulations in consultation with Canadians.

[Translation]

I want to assure hon. members that as our discussions on the issue of compensation progress, we will continue our discussions with interested Canadians. We will keep them informed on this important issue. Our regulatory proposals will be shared on the registry in the same spirit of openness that has marked the development of the proposed species at risk act.

[English]

Anecdotal evidence on severe economic losses by landowners in the United States because of the American endangered species act has generated concern and fears in some parts of Canada. Let me assure the House that the proposed Canadian species at risk act is fundamentally different from the American act and, I might add, dramatically better.

The species at risk act represents a Canadian approach based on our own strengths and values. While it does give the government the power to protect threatened or endangered species and their critical habitats on private land, we have gone a long way to meeting the concerns of landowners and other people who work on the land.

[Translation]

The bill recognizes the fact that in order to be effective, species at risk legislation must be accepted and used by the people on the land who make decisions affecting wildlife every day.

Species protection requires a co-operative approach on the front lines. This does not preclude the inclusion of strong measures for those who would break the law.

I cannot emphasise enough the importance of partnerships in protecting wildlife in Canada. We are working with the provinces and territories, individual Canadians, conservation organizations, academics, industries every day to conserve and protect species at risk.

For this legislation to be effective, all affected stakeholders must be engaged. In order to get the job done, we need landowners, conservation groups, and other levels of government working together.

[English]

Aboriginal communities are especially important in efforts to protect species at risk since so many endangered or threatened species are found on aboriginal lands. Aboriginal peoples have been successfully involved in efforts to develop this legislation and they will be involved in the species at risk act recovery efforts at every appropriate step. The assessment and recovery processes will incorporate the wisdom of aboriginal traditional knowledge as well as local community knowledge.

*Government Orders**[Translation]*

We will work closely with and respect the role of wildlife management boards established under land claims agreements to ensure the protection of species at risk.

• (1810)

In fact, one of the improvements that has been made to the bill was to amend the definition of wildlife management board to ensure that any body authorized to perform functions in relation to wildlife species in a land claims agreement is covered.

We have a long history of co-operation with the provinces and territories on protecting species at risk in Canada. We have negotiated an accord to protect species at risk and have made significant progress on many issues under it. Because of the active involvement of many interested parties in this file, we have made remarkable progress.

[English]

Here are some examples. In 1941 there were about 16 whooping cranes in Canada and now there are about 200. The swift fox has been successfully reintroduced along the Saskatchewan-Alberta border and, in fact, its status has been upgraded by COSEWIC. The wood bison is returning to healthier and sustainable numbers. From a low of about 250 animals a century ago, there are now some 1,800 wood bison currently living in seven wild, free ranging herds. Again, COSEWIC has upgraded its status from endangered to threatened in recognition of this progress.

Clearly there has been progress. Now we must focus our efforts to save species still in danger, such as the right whale, the Oregon spotted frog and the Jefferson salamander, which was added by COSEWIC in November to the list of Canadian species at risk.

[Translation]

As a government, as citizens and as stewards, our goal must be to protect species on the ground. The proposed species at risk act is part of a comprehensive approach to accomplish this goal.

I invite all members to take an important step toward protecting wildlife species and their habitats across Canada by supporting Bill C-5. Canadians have told us in overwhelming numbers that they want a law to protect species at risk and their habitats. After seven years of debate, it is time to move on, and to focus our attention on protecting and recovering wildlife at risk.

In 1996 governments across Canada agreed, through the accord for the protection of species at risk, to bring in species protection legislation in their own jurisdictions. Many provinces and territories have already fulfilled this commitment. Now it is the time for the Parliament of Canada to live up to this commitment by approving Bill C-5.

Bill C-5 creates a framework for the protection of species at risk that will achieve results on the ground by using incentives as the preferred approach, backed up with strong legal protections that give the government of Canada the ability to act alone when necessary.

It is designed to work not merely in courtrooms, but where it counts: in the fields, forests, wetlands and open waters of Canada. Effective species protection, not costly litigation, must be our primary goal.

I look forward to committee hearings on Bill C-5, where we will discuss the bill in detail, and hear the views of Canadians on how effective this bill can be.

We have an opportunity to pass effective legislation, legislation that is needed and long overdue. I sincerely hope that members of the House will assist with this monumental responsibility.

[English]

This bill is important for Canada's biodiversity. I urge all members to give it speedy passage at second reading and I urge that it be voted with minimum delay for the committee stage and examination by the committee of the House.

• (1815)

[Translation]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, I am pleased to rise today in the debate on this bill on species at risk in Canada.

In principle the Bloc Québécois should be satisfied, and it is, that there is an endangered species act in Quebec.

Some hon. members: Hear, hear.

Mr. Bernard Bigras: My colleagues opposite just applauded. We do have an endangered species act in Quebec. Government members, including the Minister for International Trade, have just recognized by their applause that the matter is of vital importance.

Since our colleagues opposite are satisfied with the endangered species act, I will now talk about the bill on species at risk in Canada.

I must first remind the House that a number of international conventions inevitably led to Canada introducing this legislation. We wish this legislation had been quite different, but it inevitably had to be introduced in the House.

There are three or four reasons that justified the introduction of this bill in the House. First, on the international level, one has to remember the signing of the convention on wetlands, which is of international importance. This convention is quite important since

at least 30% of species in Canada live in that kind of habitat and land.

A second important reason relating to commitments made by Canada at the international level is the convention on international trade in endangered species of wild fauna and flora, which clearly required the introduction of this type of legislation in each country.

A third reason is, of course, the convention on conservation on migratory species of wild fauna, but the fundamental reason which also led to the introduction of the act respecting threatened or vulnerable species in Quebec is the 1992 convention on biodiversity. That convention stated clearly that countries had to introduce and bring into force legislative provisions to protect species at risk.

Why introduce legislation on species at risk and why give so much importance to this type of legislation? I said this type of legislation, not necessarily this piece of legislation. Why? Because we have witnessed a significant reduction in biodiversity over the last few years.

Our methods of producing and consuming have significantly altered our ecosystems. This has resulted in a significant reduction in organisms living in these ecosystems, which means that it also has an impact on species at risk. Of course, all this has an impact on the food chain.

All the different changes we made in our production methods have had an effect on biodiversity, and this is why we had to take measures to protect our species.

Legislation to protect species at risk is essential. However, we would have liked legislation that respects certain frameworks, not only a legislative framework, but also a constitutional framework.

• (1820)

It must be remembered that four provinces already have endangered species legislation. They are Ontario, British Columbia, New Brunswick and, of course, Quebec.

These provinces have passed a number of measures to identify and legally designate endangered species, and to implement programs and plans, like recovery plans, to ensure the continuity of our ecosystems and aquatic and plant habitats, and to ensure these species are not put at risk or made vulnerable.

In 1989 Quebec passed its own endangered species legislation. This was ground breaking legislation in those days. As I said earlier, the convention on biodiversity was not signed until 1992.

Before the signing of the international convention on biodiversity, calling for changes to legislation to protect endangered species, Quebec had already passed its own legislation, which was welcome by environmentalists and interested parties.

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This legislation was meant to be and was flexible, because it was respectful of property holders and landowners. Its purpose was to identify and legally designate endangered species, and to provide a number of recovery plans to protect their habitat.

Quebec went even further in protecting endangered species. Later on, Quebec took two more measures: the fishery regulations and an act respecting the conservation and development of wildlife. The goal of these three fundamental measures was to protect and preserve the species as well as the aquatic, plant and animal environments.

In no way, shape or form does the bill introduced in the House respect the forward looking approach taken by Quebec in 1989.

I cannot wait to see what decision some of the members opposite will come to. I cannot wait to see what the hon. member for Beauharnois—Salaberry, who was a minister in 1989 under Robert Bourassa when the legislation was passed, will do. I cannot wait to see what the hon. member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, who supported the legislation and urged the opposition to pass it, will do. They have introduced, supported and defended this kind of legislation.

These federal Liberal members from Quebec are about to vote for a federal bill that will duplicate the Quebec legislation and will infringe upon areas of provincial jurisdiction concerning the protection of critical habitat. We will see what the federal members from Quebec will decide. Chances are, they will show their true colours.

We will see what is going on when we will compare the two pieces of legislation, when we take the time to read through the bill the Minister of the Environment introduced a few weeks ago and compare it to the Quebec legislation. We will have to take into consideration not only the Quebec legislation on endangered species, but also the act respecting the conservation and development of wildlife and the regulations. That is when we will realize all the overlap there is. The first example of overlap deals with the identification of the species.

• (1825)

The federal act formalizes the status of COSEWIC, that is the Committee on the Status of Endangered Wildlife in Canada. So far, the committee has legally identified over 340 endangered species.

If someone told me today that Quebec does not have a committee to identify these threatened plant species, I would say that this double net is justified. We need a double net and there is one in place. It is in the form of an advisory committee made up of scientists. It is not a phoney committee, but an advisory committee made up of scientists who work at identifying the animal and plant species that are vulnerable and threatened.

Adjournment Debate

In Quebec, the advisory committee on threatened species works in close co-operation with COSEWIC. It works in such close co-operation with COSEWIC that Quebec signed a harmonization agreement on threatened and endangered species. The Quebec government signed that harmonization agreement back in 1996. At the time, it said "Quebec has an act and we will co-operate".

Where is that harmonization agreement? Where is the federal government's pledge to respect provincial jurisdictions, to respect Quebec's legislation, as stated in the 1996 harmonization agreement? Whatever happened to that spirit of co-operation? Today, what we have before us is a bill that interferes in provincial jurisdictions. This is totally unacceptable.

If I were told that Quebec does not have a recovery plan for threatened species, I would say that there is a reason for having a double net. I would say that Quebec is not doing its job and lacks legislation, but the fact of the matter is that Quebec has recovery plans. The argument for the double net does not hold water. Quebec has a recovery strategy for when a species that is endangered is identified and its habitat must be protected in order to ensure survival.

The second aspect is the recovery plans, as proposed by the federal government. Quebec has one in its legislation.

The third aspect is compensation. This is pure improvisation here. One wonders why the federal government did not fully accept the recommendations of the Peter Pearce report, including that for 50% compensation of farmers and land owners. There was none of this. At the briefings, we asked the departmental staff what the principle of compensation was. The answer was "We are not really sure". This is total improvisation.

There are two basic reasons we are strongly opposed to this bill. I can assure the House that we are going to work very hard in committee to ensure that it does not get through.

First of all, because we believe that the entire habitat issue is a provincial responsibility.

Second, because we want the federal government to keep its word to respect Quebec legislation, which it gave when the harmonization agreement on endangered species was signed in 1996.

• (1830)

We call upon it to respect its signature and to ensure that the Quebec legislation is respected. This bill is headed toward duplication and overlap and, dare I say, perhaps a court challenge as well.

The Deputy Speaker: The hon. member for Rosemont—Petite-Patrie will have 25 minutes, if he wishes, when this bill next comes before the House.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

HUMAN RESOURCES DEVELOPMENT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I have an opportunity to shed some light on a very murky and dark issue, a dark chapter, perhaps, in the government's administration.

Today the RCMP announced that it will no longer be pursuing an investigation into the affairs surrounding the Auberge Grand-Mère. What it does not say is that very little took place in terms of an investigation.

We know that individuals we suggested it contact were not contacted. The prime individual in all of this, the Prime Minister, was certainly not contacted by the RCMP.

Let us take a quick walk through what has happened. The Prime Minister and his Liberal government have stated for a long time that they did nothing wrong when they lobbied the Business Development Bank to secure a loan for a questionable business practice.

This was a loan that would improve a hotel adjacent to a golf course that was owned by the Prime Minister, 25% at that time. The golf course is linked to the hotel. The hotel is linked to a bank loan. The bank loan is linked to a president and also the immigration investment deal that followed a meeting in Chrétien's office with people he cannot remember.

The Deputy Speaker: I perhaps was not paying as close attention as I should, but if we are making reference to someone by that name who also holds an office in this Chamber at this time we should refer to the office, please.

Mr. Peter MacKay: Yes, Mr. Speaker. I am referring to the Prime Minister. If nothing irregular happened, why did the Prime Minister's spokesperson, Mr. Peter Donolo, mislead the public in January 1999, saying that neither the government nor the Prime Minister were involved in the decisions made by the BDC? This was reported in the *National Post* on January 25, 1999.

On February 10, 1999, when asked if the Prime Minister or a member of his staff intervened with the Business Development Bank or any other department to obtain money for Mr. Duhaime, why did the Minister of Industry state that the loan decision was made by a vice-president and that it was not an order in council appointee who was appointed to determine the process? These statements were later found to be false.

The Prime Minister himself went to great lengths to write a letter that was sent to the *National Post*, and that date is November 16, 2000. The Prime Minister contradicted himself when he said in that letter:

I . . . had no direct or indirect personal connection with the hotel. . . or. . . with the adjacent golf course.

That was directly contradicted by himself in the Chamber when he indicated that he did speak to the Business Development Bank president twice and also spoke to him at 24 Sussex.

There are so many contradictions surrounding this entire issue. We do know some of the facts. We know that the Prime Minister sold his part ownership in the Auberge Grand-Mère, just north of his home in the town of Shawinigan, to a personal friend, Mr. Duhaime. We know that in 1993 he tried to unload those shares to the adjacent Grand-Mère golf course, but that was not completed. This is the important fact. The transaction did not occur. The shares came back to him, which he later admitted to the ethics counsellor in a letter to him.

At the important time in question when the lobbying was occurring, when the Prime Minister was in touch with the president of the bank to try to secure the loan, he was still in possession, still a potential beneficiary of those efforts.

After two rejections, two efforts to secure loans by Mr. Duhaime, he finally got his \$615,000 and then went into arrears. During that time the decision was made to foreclose. The president of the Business Development Bank later lost his job over that decision, we maintain.

There was a conflict of interest in lobbying to aid this hotel, which would also directly aid the adjoining property.

The right hon. member for Calgary Centre has repeatedly raised questions about this issue, also about Mr. Jean Carle, who went directly from the PMO to the board of directors of the Business Development Bank. That in and of itself, I would suggest, certainly creates the appearance of a conflict of interest, where a lot of information might be available to interested parties.

• (1835)

The former clerk of the Privy Council, Gordon Robertson, stated this “What happened in Shawinigan would never have met the standards set in Pearson’s code of ethics. The Prime Minister has lowered the bar.”

The Prime Minister, who was subject to this code as a member of the Pearson and Trudeau governments, said which provisions of the Pearson code were not too stringent for him to follow. Why did he lower the bar? Why has he refused to answer direct questions about this topic? Why has he designated the Minister of Industry to come to his defence to help navigate these murky waters?

Canadians deserve better from a Prime Minister who campaigned on watchwords of transparency and ethics.

Adjournment Debate

Mrs. Karen Redman (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, let me begin by stating there are statutory limits to what details can be provided concerning the member’s question, since section 37 of the BDC act intended to protect commercial confidentiality must apply. Furthermore, when the member asked his question on January 31, 2001, the Minister of Industry informed the House that the subject matter raised is presently before the courts and we must thus act accordingly.

Nonetheless, this does not stop us from providing the House with the facts.

The first fact is the Auberge Grand-Mère loan was never part of the circumstances surrounding Mr. Beaudoin’s resignation. Mr. François Beaudoin was not constructively dismissed. He chose to resign rather than account to the board of directors of the BDC. The office of the auditor general revealed that he had awarded himself an unjustified annual retirement income at the age of 50 from \$169,000 and \$468,000.

The second fact is following Mr. Beaudoin’s resignation, KPMG began an investigation which revealed that the former president used bank property for personal enjoyment and made a number of expenditures outside officially appropriate activities, in violation of the BDC code of conduct and the code for public office holders.

The third fact is the Auberge Grand-Mère is open and expected to do well. The Auberge will benefit from increasing economic activity in the region.

The fourth fact is this project was financed in partnership with the Caisse Populaire and the FSTQ.

The fifth fact is members of parliament from all parties refer potential clients to the BDC. They approach the BDC on behalf of their constituents and seek information about the bank’s products and services.

The sixth fact is the final decision as to whether or not a loan is made is the exclusive responsibility of the BDC. These decisions are based solely on the merits of the application and the project to be financed.

Finally, the fact is that there is no smoking gun here. There is just smoke and mirrors on the part of the opposition, or, to use the words of the member’s leader, perhaps this is just a fishing expedition.

[*Translation*]

WATER QUALITY

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, I would like to address a matter in which the Minister of Transport has dragged his feet. For the past three and a half years that I have been here, he has been dragging his feet, even though we raised the matter repeatedly.

Adjournment Debate

I would first like to mention two newspaper articles in order to show just how long ago the Minister of Transport was asked to settle this matter.

On Thursday, December 14, 2000, not exactly yesterday, in the daily *Le Soleil*, a woman wrote “We are back in the age of *Le temps d'une paix* or worse, in the 1900s, because we have to use a lot of imagination every day in order to wash and cook without putting ourselves at risk”.

On February 5, the minister told me during Oral Question Period that he had assumed his responsibilities and had decided to deal with the matter and find solutions.

Just recently, on February 14, an article stated “Public health department recommends avoiding drinking the water”. I will quote one little paragraph from the article “The director of public health for the North Shore, Dr. Raynald Cloutier, recommends that the residents of the beaches area in Sept-Îles not drink their water. The public is clearly at risk”. Dr. Cloutier added “In short, it is becoming very distressing. I see no solution but to connect people to the municipal water and sewer system”.

• (1840)

The city of Sept-Îles assumed its responsibilities. For those not familiar with the area, there are four beaches. If a person heads east, toward the airport, toward Havre-Saint-Pierre, the first beach is the Monaghan beach. Then there is the Ferguson beach, and it is followed by the Routhier and the Lévesque beaches.

The one most affected was the Monaghan beach. The water was red like tomato juice. The city of Sept-Îles invested nearly \$10 million. A figure of \$5 million was negotiated in subsidies. I was the municipal councillor for that area at the time. Five million dollars was also invested on sewage treatment. At the time, this fixed the problem.

The further east one went, the more drinkable the water was. Then the Department of Transport contaminated the water table with nitrate from the airport. Since then, the minister has been giving us the same answer.

On September 28, 1998, the Sept-Îles municipal council passed a resolution—that is what municipal councils do—calling on Transport Canada to assume its responsibilities in the whole contaminated area by providing drinkable sources of water.

The minister’s answer was the same one he gave me in the House on February 5. He said that the solutions proposed by Transport Canada to the water table contamination in the beaches area consisting of “an ion exchange treatment device, a reverse osmosis treatment device, bottled water delivery and the payment of a sum for the purchase of bottled water” were considered acceptable.

Can the House imagine the minister’s reaction if he were to be given a bottle of water and a washcloth in his home or in one of the luxury hotel rooms he stays in and told that that was the water he was to wash with and to drink. Would he sit still for that? On April 26, 1999, the same municipal council passed another resolution calling for a meeting with the Minister of Transport.

This meeting took place, and the Minister of Transport told the House on February 5 that the permanent solutions, those in the second “whereas” of the municipal council’s resolution, would be implemented.

What residents therefore want and what the municipal council called for at its February 12 meeting, is a meeting with the Minister of Transport to resolve the problem once and for all. This is ridiculous. The health of the public in the Sept-Îles Des Plages area is at stake.

[English]

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, Transport Canada is committed to implementing a permanent solution for Sept-Îles beaches area residents whose water is affected by abnormal concentrations of nitrates. Twenty-three residents are affected. Although it amounts to only 13% of the area in question, we do take the matter seriously.

It should be noted that all of the other problems recently identified in the affected area are in no way connected with Transport Canada’s activities. Transport Canada met recently with the residents concerned to outline the four options examined by the department. Only three of those residents agreed to the installation of an ion exchanger.

Transport Canada is monitoring the groundwater nitrate levels very closely. Recent tests show a significant decrease already in these levels in the beaches area. According to experts, the nitrate concentrations in the groundwater can be expected to return to normal between 2002 and 2007.

We are now in 2001, and the pocket of contamination can already been seen to be steadily receding. Based on this finding, Transport Canada maintains that the proposed solutions adequately meet and are in proportion to the nitrate problem. The installation of a piped water system is out of all proportion to the problem observed.

Transport Canada is committed to act like a good corporate citizen and maintain a healthy environment for the Canadian public. The department is being proactive on the matter and has taken all appropriate corrective measures.

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24.

(The House adjourned at 6.44 p.m.)

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