



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, April 4, 2001**

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Wednesday, April 4, 2001

The House met at 2 p.m.

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*Prayers*

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• (1400)

[*English*]

**The Speaker:** As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Ancaster—Dundas—Flamborough—Aldershot.

[*Editor's Note: Members sang the national anthem*]

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## STATEMENTS BY MEMBERS

[*English*]

### THE ENVIRONMENT

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I received a summary report from a Roots of our Future conference on climate change held at Camp Kawartha near Peterborough.

Those present discovered the impact of climate on developed and developing countries, on the economy, social life and ecosystems. They discussed changes in the Northwest Passage, impacts on northern communities and landscape, effects of severe weather events and changes in weather patterns.

The conference made recommendations about reducing greenhouse emissions by conservation of energy and the use of alternate power sources. They urge the federal government to be strong in these matters.

On behalf of the House of Commons, I thank them for their efforts.

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### CHILDREN'S MIRACLE NETWORK

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, April 4 marks the day to recognize the

2001 Champions Across Canada event, which is a celebration of those children who have overcome serious health problems.

Today I would like to welcome Damien and Natasha Kaweski, representing the British Columbia Hospital Foundation. Damien and Natasha are among 12 champions from across Canada representing their hospitals and children who have received hospital care. They are sponsored by foresters of the IOF, who will contribute over \$5.5 million this year to support children's hospitals in North America.

From Ottawa the Canadian champions will leave for Walt Disney World in Florida to join 50 other champions from the United States for the children's miracle celebration.

I ask that the House welcome these champions who have overcome so much.

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### PARKINSON'S DISEASE

**Ms. Susan Whelan (Essex, Lib.):** Mr. Speaker, today in Canada there are approximately 100,000 people afflicted with the slowly progressing neuro-degenerative illness known as Parkinson's disease.

The Parkinson Foundation of Canada is a national non-profit organization that works to provide information and support for those with Parkinson's and their families. The purpose of the foundation and its affiliated support groups is to find a cure through advocacy, education, research and support services.

I hereby recognize that the month of April is Parkinson's Awareness Month and urge all citizens of the country to support the Parkinson Foundation and its work.

\* \* \*

[*Translation*]

### SOCIAL ASSISTANCE

**Ms. Raymonde Folco (Laval West, Lib.):** Mr. Speaker, I am very pleased to note that there has been a significant drop in the number of welfare recipients in Quebec over the past year.

The solid growth in the economy has encouraged job creation and brought about a 7% reduction in the numbers of people on social assistance province-wide.

*S. O. 31*

The measures put in place by the government to battle poverty and exclusion have resulted in close to 42,000 people being able to get off the welfare rolls. In all, there are 137,661 fewer than in 1996.

I am particularly proud to learn that Laval is one of the places where the drop has been the most significant. The number of welfare recipients in Laval has gone down 8.4%, and thus Laval continues to be the dynamic city in full economic expansion that it has always been.

\* \* \*

**PRIME MINISTER**

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib):** Mr. Speaker, in recent months Canadians have witnessed a most disgraceful spectacle in the House of Commons, the spectacle of an opposition that is such a sore loser and so lacking in constructive ideas or solutions that it has abandoned issues that are in the public interest in favour of the relentless pursuit of a campaign of personal destruction.

Whereas Canadians want to hear discussions of the state of the economy, the opposition is obsessed by the Prime Minister's personal finances, by a transaction that was carried out from beginning to end in total compliance with the spirit and letter of the code governing ministerial conflicts of interest.

Taking refuge behind the legal immunity conferred upon them by the House of Commons, they have piled groundless accusation upon groundless accusation, spreading crazy insinuations and blackening the reputation of the Prime Minister and his family.

• (1405)

A man of irreproachably honourable personal conduct, the Prime Minister deserves better than to be the target of such a barrage of groundless allegations and calumny.

From the very beginning, the hon. member for Saint-Maurice and Prime Minister has deserved my support.

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[English]

**MARTIN LUTHER KING**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, 33 years ago today a dreamer stepped onto the balcony of the Lorraine Motel in Memphis, Tennessee, was shot in the throat and killed. On the spot where Martin Luther King died, there is a plaque that quotes the Book of Genesis. It says:

And they said one to another, behold, this dreamer cometh. Come now therefore, and let us slay him. . .and we shall see what will become of his dreams.

The dreamer has been slain and now it is up to us to champion his dream.

Martin Luther King should be not just a source of inspiration but of wisdom, wisdom in creating a more just, compassionate and loving world for all born into it. Less than 12 hours before he was killed, in his second most famous speech, with his eyes full of tears, Dr. King said "I just want to do God's will."

Dr. King was a true servant of God and he brought us all closer to his will. His dream, wisdom and vision must not only never be forgotten but carried forward with pride, passion and vigour.

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**CHILDREN'S MIRACLE NETWORK**

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, I too rise today to recognize the Children's Miracle Network 2001 Champions Across Canada event. This event is a celebration of children ages 3 to 15 who have overcome serious health problems, such as cancer, physical disabilities, major organ transplants and other life threatening diseases and injuries.

The Children's Miracle Network is a non-profit umbrella organization that represents children's hospital foundations across the country.

Present today is Michael Grigat from the riding of Winnipeg North—St. Paul, who is here on behalf of the Children's Hospital Foundation of Manitoba. On behalf of my colleagues from Manitoba, I wish to welcome Michael and his fellow champions to our nation's capital.

\* \* \*

[Translation]

**SUMMIT OF THE AMERICAS**

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, on April 20, 21 and 22, the third summit of the Americas will be held in Quebec City. On this occasion, the 34 heads of state in our hemisphere, with the exception of Cuba, will continue negotiations on the free trade area of the Americas.

Behind closed doors, they will be making decisions that will affect the life and future of all the people of Quebec.

The 34 states deciding the future of the Americas, and therefore Quebec, include Grenada, St. Kitts and Nevis, Barbados, but not Quebec.

Without access to the negotiating table, the Quebec nation must leave it up to Ottawa to defend its rights and its vision.

In this situation, the need for an independent Quebec is readily understood. If a country with a population the size of that of greater Joliette can discuss as an equal with its partners in the Americas, why can Quebec not ?

**CHARLES DAUDELIN**

● (1410)

**Mr. Eugène Bellemare (Carleton—Orléans, Lib.):** Mr. Speaker, we were deeply saddened to learn yesterday of the death of sculptor Charles Daudelin. He held a very prominent position in our cultural universe.

Born in Granby, Charles Daudelin was a pioneer in the development of contemporary Canadian culture. One of the first sculptors to propose an approach based on the abstract, thus distancing himself from traditional sculpture, he became a model for other contemporary sculptors.

His interest in the integration of art and architecture might explain his role in the concept of public art, that is, sculptures in public places rather than in buildings.

Canadians, and Montrealers in particular, are very familiar with his public sculptures. His work may also be found in Notre-Dame basilica and in the Canada Council art bank.

Mr. Daudelin leaves us a rich heritage of his work and his influence on visual arts in Canada.

On behalf of the government of Canada, I thank Charles Daudelin for the work he has left us and offer my condolences to his family.

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[English]

**VAISAKHI**

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, 302 years ago on *Vaisakhi*, Siri Guru Gobind Singh Ji, who was a saint, a soldier, a poet, a philosopher, a reformer and a guru, created *Khalsa*, the pure Sikh, based on the principles of equality of all humankind, justice, honesty, hard work, peace, love, courage and community service.

These are the very principles of ethics and morality lacking or diminishing in today's world, including in some old line political establishments in our great country.

We in our party wish to congratulate Sikhs in Canada and around the world. In the spirit of unity, peace, progress, prosperity, religious freedom and mutual respect within the cultural diversity of Canada, the Canadian Alliance, the Official Opposition of Canada, invites all members and senators, including government members, and the public in general to room 237-C in Centre Block to celebrate *Vaisakhi* with us at 4 p.m. today.

*S. O. 31***CHILDREN'S MIRACLE NETWORK**

**Mr. Irwin Cotler (Mount Royal, Lib.):** Mr. Speaker, I am pleased to welcome to Parliament Hill today representatives of the Children's Miracle Network, a network of 170 non-profit children's hospitals, one of the more compelling and dramatic of humanitarian and health care initiatives anywhere today.

In a word, the Children's Miracle Network treats 14 million children a year suffering from cancer, heart defects, diabetes, kidney disease and accident trauma, to name a few. It provides more than \$2.5 billion a year in charitable care and 100% of every dollar remains within the community that raises it. Every community and every region in Canada is a beneficiary of this incredible effort to save and improve the lives of our children.

I am delighted to welcome to Parliament Hill today one of my own constituents, Christopher Sherlaw, who has undergone multiple hospitalizations and surgeries, yet through it all this teen has exhibited the courage and fortitude that defines him and others here today whose lives have been transformed by the Children's Miracle Network.

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**HEALTH CARE**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, reports have it that the former NDP premier of Saskatchewan, Roy Romanow, has been named to head a national commission on medicare. Details will be made known in a short time by the health minister.

As members can imagine, my colleagues and I in the NDP know and value the commitment of Roy Romanow to medicare. He has devoted his life to serving in a province that is the birthplace of medicare and is committed to carrying on the legacy of Tommy Douglas. His appointment today is most welcome and timely.

The challenges facing medicare are serious and threatening and must be faced head on. Rising drug costs, nurse shortages, waiting lists for diagnostic tests, creeping privatization, gaps in community care and shortfalls in public financing are worrisome, but most of all, trade deals, like the GATS, strike at the very heart of our universal public health system and threaten a future for medicare.

We trust this new commission will address these threats to medicare and we wish Roy Romanow the very best.

*S. O. 31*

[Translation]

### HEALTH SERVICES

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, how can we explain the Prime Minister's haste to set up a royal commission of inquiry to review health services and operations in that sector, when the federal government has no jurisdiction over the delivery of these services?

This is the same government that deprived Quebec of \$4.3 billion in health transfer payments, but when the general election became imminent it miraculously found a few billion dollars to reinvest in the system. Such opportunism.

In recent years, several forums have given stakeholders a chance to discuss these issues and the conclusion was always the same one. Health care spending will grow by 5% annually. The provinces need money and the only responsible action that the Prime Minister can take is to restore transfer payments to their 1993-1994 level, with an indexing factor.

Incidentally, the last time the Prime Minister set up a royal commission of inquiry on health, the Krever commission, he did not even have the decency to respect the conclusion reached by its members.

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### FISHING PORTS

**Mr. Georges Farrah (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, Lib.):** Mr. Speaker, I would like to inform hon. members and Canadians of a major federal investment in the Gaspé region.

An amount of \$1.8 million will be invested in maintenance dredging operations and other works in fishing ports of the Gaspé. These ports include those of Cap-Chat, Bonaventure Island, l'Anse-à-Beaufils, l'Anse-à-Brillant, les Méchins, Port-Daniel Est, Saint-Godefroi and Tourelles.

The importance of ports for fishers and local communities is obvious. I am convinced that these improvements will prove beneficial.

Such an investment shows that the federal government cares about the regions of Quebec. Maintaining safe and viable ports in the Gaspé will create new economic opportunities.

This shows once again that federal initiatives meet the needs of the people of the Gaspé and of the other regions of Quebec.

[English]

### SOFTWOOD LUMBER

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, the government has failed Canadians through its incapacity to obtain a uniform Canadian position in advance of the softwood lumber dispute despite the fact that it was very easy to predict that at the very least this would be a very contentious issue.

Now the Liberal government is squandering an opportunity to address something that the premiers, congressional leaders and the industry actually agree on.

In Monday's announcement, a congressional leader stated:

The softwood lumber products that are the subject of these Petitions are produced in Canada. As explained in section VII... petitioners do not allege that softwood lumber production in the Atlantic Provinces benefits from countervailable subsidies.

• (1415)

By not moving forward immediately with respect to a maritime accord, the government is intentionally and deliberately putting Atlantic Canada into the mix on countervail.

We call on the government and the Liberal members to be vocal and ensure that we get a maritime accord so we can protect softwood lumber.

\* \* \*

[Translation]

### NEW HOMES MONTH

**Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.):** Mr. Speaker, I am pleased to announce that April is New Homes Month.

This is an annual opportunity for the Canadian Home Builders' Association to pass on to consumers information about buying a new home, and to showcase building industry specialists and the products and services they provide.

Since April is one of the busiest months of the year for Canadians wishing to buy or sell a home, it is a good time for the Canada Mortgage and Housing Corporation to inform them about the main products and services it offers to assist them in making their decision: products such as a free step-by-step homebuying guide, and services such as mortgage loan insurance, which is available from the Canada Mortgage and Housing Corporation under the National Housing Act and which makes home ownership possible for a downpayment as low as 5%.

As the national organization responsible for housing in Canada, the Canada Mortgage and Housing Corporation plays a vital role in

helping Canadians find information that will help them make the best decisions with respect to—

[English]

**The Speaker:** I would invite all hon. members to come and meet the Children's Miracle Network 2001 Champions Across Canada at a reception in room 216-N following question period. These young persons have overcome life-threatening illnesses or injuries and have been chosen to represent the two million children who are treated annually by the Children's Miracle Network hospitals and foundations.

[Translation]

I therefore urge members to come and meet these remarkable young people.

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## ORAL QUESTION PERIOD

[Translation]

### PRIME MINISTER

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the Prime Minister's attempts to maintain absolute control over the government and over parliament may result in the public never learning the truth about Shawinigate.

The Prime Minister is both judge and jury in this scandal. Why does the Prime Minister not give up his obstructive tactics and give the green light for an impartial and independent inquiry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, as I have said on numerous occasions, the matter has been debated in the House for months, as well as being brought up in 1999.

The RCMP has examined the file. The ethics counsellor has testified on several occasions at the request of the opposition and at all times has stated that there was no conflict of interest. I have done something exceptional, a first, by tabling personal contracts in the House.

I believe the matter is clear and the House will have its chance to vote on this issue this afternoon.

[English]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, he talks about the ethics counsellor, but yesterday he deflected questions from us about the ethics counsellor and said "go to the committee and ask the ethics counsellor yourself".

We went to that committee yesterday afternoon. We asked questions but the Prime Minister's handpicked head of that committee absolutely refused to allow us to ask those important questions.

### Oral Questions

Does the Prime Minister not see that we need an independent inquiry and somebody heading it up whose job is not dependent on the Prime Minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the only thing I will add is that the people of Canada are extremely disappointed in the attitude of the opposition parties. While we have very important problems in the country, they ask dozens and dozens of questions but virtually no questions on the real problems of the nation.

• (1420)

The reason the Leader of the Opposition is in so much trouble as leader is that he does not know that the people of Canada want him to be a real politician who cares about the future of the nation rather than asking those kinds of questions.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the Prime Minister does not answer our questions on the economy, on softwood lumber or on anything else either.

Here is the situation. The Prime Minister sells a hotel to a convicted criminal. Right next to the hotel is a golf course in which the Prime Minister has a financial stake. The golf course then gets HRD funds, improper loans and immigrant investor funds after the Prime Minister intervenes. The golf course then gets \$500,000 from somebody who was improperly awarded a \$6 million government contract.

Will the Prime Minister tell us whether there is anything wrong at all with this business or is it normal—

**The Speaker:** The right hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, he is the person who was condemned for slandering another person.

I have had no connection with this business since November 1, 1993. Because the Leader of the Opposition slandered somebody, the taxpayers of Alberta had to pay \$700,000 in legal fees, and of that money, \$70,000 went back. They changed the books to make sure that \$70,000 would go back to the Alliance Party.

**Some hon. members:** Oh, oh.

**The Speaker:** I recognize it is Wednesday, but it is difficult to hear the questions and answers.

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, yesterday we asked about a piece of land purchased for \$500,000 by Claude Gauthier, a friend of the Prime Minister, at a time when the Prime Minister was owed nearly as much for his shares in the same golf course.

Mr. Gauthier's investment unquestionably increased the likelihood that someone would buy the Prime Minister's shares.

*Oral Questions*

Was the Prime Minister or his agent involved in any way in the sale of the land to Mr. Gauthier?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have said no. Mr. Gauthier won a bid with the government. His bid was \$2.5 million less than the second bidder. As the Minister for International Cooperation clearly explained, a bid was made and the lowest bidder got the contract.

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, Claude Gauthier got the \$6.3 million CIDA contract, for which he did not qualify, and soon thereafter bought land from a company in which the Prime Minister had a financial interest.

After donating \$10,000 to the Prime Minister's election campaign, the PMO ensured that Mr. Gauthier received a \$1.2 million HRDC grant.

Is this what the Prime Minister had in mind when in 1993 he promised Canadians to govern with integrity?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, everything is well known. It has been debated in committee. The RCMP looked into all that. There is absolutely nothing wrong.

Those people on the other side do not understand that they can slander people all the time but it does not help the cause of people who serve in public life.

I have no shame in my record here. It will be 38 years next week that I will have been defending the rights of all Canadians.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, let us assume that the Prime Minister is telling us the whole truth, let us assume that the 1993 bill of sale was a final document. I have a very simple question for the Prime Minister.

Why should his company compensate the new buyer in the event of a problem? Why should his company pay Mr. Michaud's lawyers? Why should he pay for something if he no longer has any interest? I would appreciate an answer.

[English]

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, lawyers always put in every contract all the clauses that they think are necessary for the protection of the final deal.

[Translation]

This is what happened in this case. I apologize to the hon. member for replying in English. I simply want to tell him that everything has been said for weeks and weeks.

• (1425)

This proves once again that they have nothing against the government. Just yesterday, they tried to tarnish the Minister of Finance's reputation. They have absolutely nothing to do other than try to destroy people who have given a very good and honest government to all Canadians.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, basic honesty requires a person to answer questions. We would appreciate it if the Prime Minister began answering questions.

When the Prime Minister tells us that the lawyers covered everything in case something were to happen, is he telling us that Mr. Michaud was afraid there might be an inquiry and that he arranged for the Prime Minister's company to pay for his lawyers? What interest did the Prime Minister have in agreeing to such a clause, if he was not involved? Is he so generous as to help anyone who is in trouble?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I wish to inform the hon. member that I read that document only when it was tabled.

The whole transaction was completed by the person who acts as my trustee and lawyer. She did not even inform me of the nature of the documents. She settled the issue and, as far as I was concerned, everything was very simple in that, as of November 1, 1993, I no longer had any involvement with this golf club, which has probably been an issue for months and even years in this House.

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, the Prime Minister has said that the lawyers had provided for everything in the September 1999 contract. They even provided that the Prime Minister himself would assume the cost of any inquiry.

Are we to understand that, if the Prime Minister agreed to such a clause, it was because he was sure there would be no investigation, because he is the one who decides in the end?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, had she listened to the answer—because her question was prepared in advance—I said that I was not even aware of the nature of the document. My lawyer in charge of the trust settled that and she did not inform me of the nature of the documents she signed with whomever.

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, I would just remind the Prime Minister that he is the one who keeps saying the same thing, because he is incapable of proving his innocence in this whole matter.

So, in ethical terms, the Prime Minister has again put himself in a position of conflict of interest, since, by deciding or not to hold an

inquiry into his own activities, he is judge and jury in a decision that concerns him directly.

Will the Prime Minister acknowledge that he has put himself, in ethical terms, in a very difficult, if not untenable, situation by agreeing to this clause, which makes him judge and jury in the matter of the Auberge Grand-Mère?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the House will vote. All members will vote later today.

\* \* \*

[English]

### HEALTH

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, finally hope on the horizon, at least potentially, for Canadians desperately concerned about the future of health care. Roy Romanow is a fervent champion of medicare. We applaud his appointment, but let me say that the success of the commission depends upon the government.

Will the Prime Minister give assurances that the terms of reference of the commission will be sufficiently broad to include the threat of privatization from flawed trade deals, and that the government will actually implement the commission's recommendations? Will he give those assurances?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I thank the Leader of the NDP for complimenting the government for the actions that have been taken.

She knows that I know Mr. Romanow very well. Before accepting the job, he read the terms of reference. I can tell the House that if the terms of reference had been too narrow, he would not have accepted the mandate I gave him.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I would like to think that the Prime Minister might be willing to bring the terms of reference before the House so we could debate and strengthen them.

The fact that the Prime Minister evaded answering my question is not promising. Canadians want these issues addressed.

I will repeat my question. Will the Prime Minister indicate that it is the government's intention to address the threat of privatization posed by trade deals, and that the government will not leave these recommendations on the shelf to gather dust as has been done so many times by previous commissions and forums?

• (1430)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I said in my little meeting with the press earlier that Mr. Romanow, like the people on this side of the House, believes in the five conditions of the Canada Health Act and in that there is no place for privatization of the health care system in Canada.

### Oral Questions

#### PRIME MINISTER

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, in 1986 in *Hansard* during the Stevens affair the current Minister of Industry stated:

—the overwhelming media and public preoccupation with this issue (of conflict of interest) . . . might have been avoided if we had in place . . . a means to investigate immediately and cause to come to conclusion serious allegations of wrongdoing—

Does the Prime Minister agree with his Minister of Industry? Will he therefore allow a free vote of the Liberal caucus on today's motion to establish an independent judicial inquiry on conflict of interest?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, after weeks and weeks of debate I looked in the House yesterday and there was a time when there was not one Tory member in the debate in the House of Commons. I agree entirely with the member for Pictou—Antigonish—Guysborough who said:

The Prime Minister could have put this matter to rest a long time ago by providing definitively . . . everything if he was to table a document that would give us the agreement of the sale.

He said to table the document and I did.

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, could the Prime Minister tell the House why it took his lawyer, Deborah Weinstein, three long years to negotiate the sale of the shares to one of his original partners?

Will the Prime Minister confirm that a condition precedent to Mr. Michaud's agreement to buy the shares was that the Prime Minister's personal company would pay the costs of any inquiry or any other proceeding?

Will he tell the House if there is any limit to the amount of money the Prime Minister's company will have to pay in the event of a public inquiry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the member is fishing. Yesterday he wanted to have my income tax returns and so on. He is the one who refused to tell the press how much money he is paying himself as the leader of the party when his party is \$10 million in debt.

He is paying hundreds of thousands of dollars to himself with money subsidized by the government and he has the gall to get up and talk about conflict of interest.

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. It is very difficult for the Chair to hear the questions and the answers. The Chair has to be able to hear the questions and the answers. I appeal for order. I know it is Wednesday. The hon. member for Edmonton North.

*Oral Questions*

**Miss Deborah Grey (Edmonton North, Canadian Alliance):** Mr. Speaker, yesterday when the Prime Minister responded to my question about the bill of sale he said:

I recognize my name on that. It was my name. I had signed it a long time ago. I signed this contract. I was probably in Ottawa—

I would like the Prime Minister to think back, to think way, way back. Where was he and who was there?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I was in my office as the leader of the opposition who had just been elected Prime Minister and was forming a government that was to be a very good government for Canada. That was my preoccupation on November 1, 1993.

**Miss Deborah Grey (Edmonton North, Canadian Alliance):** Mr. Speaker, I did ask him if anyone else was there. In fact he went on to say yesterday:

I was probably in Ottawa because it was the day after we defeated the Tories when I was forming a . . . government.

I would like to remind him that in fact the election was on October 25, 1993. This contract was evidently signed on November 1. When did he really sign that and who was there?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I made a terrible mistake. I said, yes, the day before. No, it was five days before, but there is one thing we all know.

• (1435)

For two elections she campaigned telling the people of Edmonton that she would never ever accept the pension, and right after the election she double crossed her electors and took the money.

[Translation]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, the Prime Minister is systematically taking refuge behind his ethics counsellor to justify his behaviour in the Grand-Mère golf club affair.

Can the Prime Minister tell us whether the ethics counsellor, Mr. Wilson, was consulted about whether there was any ethical objection to the Prime Minister agreeing to a clause which made him both judge and jury with respect to paying the costs of any future inquiry which he alone can authorize?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, these decisions are taken by the whole cabinet, not just by me. The problem is studied by the whole cabinet and the members of cabinet will be able to voice clearly what they think at 5.30 p.m. this afternoon.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, throughout this saga, the Prime Minister puts us in mind of the actor Tom

Hanks, who stars in *Cast Away*, a movie about a man alone on a deserted island who talks to his somewhat deflated volleyball, called “Wilson”.

Will the Prime Minister admit that he is talking to his ethics counsellor whenever and however he wants but that, in the end, he always hears the same answer, the one that suits him?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have to keep giving the same answer, because I am telling the truth. I am not about to give any untruthful answers.

But what I am seeing is that the party opposite has no interest in the business of the nation. There are problems of considerable concern to Quebecers, but that is not what they want to talk about.

All they have focused on for 30 years is separating Quebec from Canada, and Quebecers are no more interested in talking about separation for the next 30 years than they have been interested in talking about it for the past 30.

[English]

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, Jonas Prince was chairman of Delta hotels when he signed an agreement with the Prime Minister in 1993. Mr. Prince operated at least nine Delta hotels in Cuba until he sold his interest in 1998.

My question is for the Minister of Industry, if he would pay attention. Has Mr. Prince or his companies ever received any direct or indirect funding from his department, from the Business Development Bank of Canada or from Export Development Corporation?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, yesterday, incredibly, a member of the official opposition attempted to stand and was so far over the top that she compared the Prime Minister of Canada with the butcher of the Balkans.

Today we have another member who would attempt to drag Fidel Castro into the scandal. I would expect this member, but in particular I would expect his leader, to stand and apologize for those over the top and ridiculous comments made yesterday in the House.

**Some hon. members:** Apologize.

**The Speaker:** Order, please. We are wasting a great deal of time in this question period. Hon. members will not get in either the questions or the answers, and everyone knows both are wonderful.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, talk about over the top rhetoric. That is what we have here. In March 1996, when the U.S. congress was threatening action against Canadian businesses in Cuba, including the Delta hotels, a Delta spokesman said “We are confident in the Canadian government protecting what we do there”.

*Oral Questions*

Was the reason Delta was confident in the government's protection the fact that Delta still owed the Prime Minister \$300,000?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, Canadians have to judge for themselves. Yesterday the Prime Minister was compared to somebody wanted by the International Tribunal on War Crimes, the butcher of the Balkans.

Today we are being told that foreign policy is being made at the golf course in Shawinigan. I suppose we will be told next that Fidel Castro has a hotline to the Prime Minister's Office and it is all part of a big conspiracy involving a golf course and a hotel in Shawinigan. They should not be so foolish.

\* \* \*

• (1440)

[Translation]

**TAX AGREEMENTS**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, at the meeting of the finance ministers of the 34 countries of the Americas in Toronto—

**Some hon. members:** Oh, oh.

**Mr. Yvan Loubier:** —the Canadian minister said that he did not contemplate putting an end to the tax agreement between Canada—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. There is so much noise that it is not even possible to hear the hon. member for Saint-Hyacinthe—Bagot. He has the floor.

**Mr. Yvan Loubier:** Mr. Speaker, at the meeting of the finance ministers of the 34 countries of the Americas in Toronto, the Canadian minister said that he did not contemplate putting an end to the tax agreement between Canada and Barbados.

How can the Prime Minister allow the Minister of Finance to be the one who decides to maintain the tax agreement between Canada and Barbados, when it is common knowledge that the minister draws personal advantage from that agreement?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have to say this is disgusting.

This party is now trying to personally attack the Minister of Finance, a man who has put a huge amount of work, excellent work, into administering this country's finances since 1993. Now they are trying to cast aspersions on his character and his integrity.

On second thought, I ought not to have even risen in reply. I find this quite simply insulting.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, during his first mandate, the Prime Minister had demanded that the Minister of Finance withdraw when cabinet discussions addressed shipping policies since he was a shipowner and therefore in conflict of interest.

How can he now tolerate having the same man decide to maintain the agreement between Canada and Barbados, when he owns eight companies that benefit from the taxation system in Barbados and thus is very much in a conflict of interest situation?

Has the Auberge Grand-Mère affair softened the rules of government ethics to this extent?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the hon. member was not listening to me. All he needs to do is to read tomorrow the answer that I have given today.

I find it totally unacceptable that they are stirring up something else when the people of Canada want us to focus on real problems.

Obviously, though, all these parties are desperate to destroy a party that, unlike theirs, has unity as well as excellent ministers and, I trust, an acceptable Prime Minister.

\* \* \*

[English]

**THE ECONOMY**

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, yesterday the Canadian dollar reached close to a virtual all time low. The Prime Minister says that the loonie is the victim of short term speculation, but it is not a short term crisis that has led to a 25 year decline and a 25% decline under his watch.

He has called for a weaker currency and a lower dollar for 20 years. Does the Prime Minister think it is a problem at all? Now that the dollar has finally reached 63 cents, is this not the policy he has wanted all along?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I think that it is the loonie on the other side who has gone to—

**The Speaker:** I hope the Prime Minister was not referring to any hon. member.

**Right Hon. Jean Chrétien:** They are very, very low, Mr. Speaker.

The Canadian dollar, since January 2000, has lost 8% in relation to the American dollar. The Australian dollar, 26%; the Euro, 15%; the U.K. pound, 13%; and the yen, 18%. Yes, it is a problem. It is not a weak Canadian dollar; it is a strong American dollar.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, I see that the Minister of Industry's juvenile attitude is rubbing off on the Prime Minister. The member for Markham said

*Oral Questions*

for the Royal Bank two years ago with respect to the currency that Canadians were less prisoners to uncontrollable forces and more masters of their own destiny.

After 25 years of productivity decline, higher taxes and higher debt, why is the Prime Minister always satisfied to say that it is not their fault, that it is because the Americans are doing better. Why is he always satisfied to see the Americans get the gold in the economic competition—

**The Speaker:** The right hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, with the policy of the government we have created more than 2.1 million jobs since 1993. Unemployment went down from 11.5% to 6.9%. Interest rates went from 11.5% to 6%. The deficit was \$42 billion and now we have a surplus of \$18 billion

• (1445)

I could go on and on and on. The economic performance of the government is very good, but the level of the loonie on the other side is very low too.

\* \* \*

[Translation]

**FREE TRADE AREA OF THE AMERICAS**

**Mr. Gérard Binet (Frontenac—Mégantic, Lib.):** Mr. Speaker, my question is for the Minister for International Trade.

In order to make their mark on the world stage, the CLD of the Asbestos RCM and over six businesses of the region of Asbestos will be participating, in connection with the summit of the Americas, in an Americontact export trade fair on April 3, 4, and 5, 2001 in Quebec City.

Americontact 2001 will bring together business people from the Americas with a special interest in areas of economic activity.

Will the free trade area of the Americas, an integral part of the summit of the Americas, reflect the values, interests and priorities of the SMBs, which are vital to the prosperity of the regions—

**The Speaker:** The hon. Minister for International Trade.

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, yesterday evening, in fact, I took part in the opening of Americontact in Quebec City and I consider it an excellent initiative.

Over 70% of Canadian exporters are small and medium size businesses. Some 94% of the products from the countries of Central and South America already enter Canada duty free. The reverse is true for Canadians exports to the countries of Central and South America.

The FTAA is intended to remedy this situation and give our business people better access to the markets of the Americas.

[English]

**THE ENVIRONMENT**

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, the government's response to the U.S. decision not to ratify the Kyoto agreement has been vague and inconsistent to say the least.

Last week the Minister of the Environment chose to criticize the European Union instead of the U.S. Last Friday and this Monday the Minister of Natural Resources refused to answer a simple question on whether or not they would ratify. Yesterday the Prime Minister indicated that he intends to respect our agreement on Kyoto. He is quoted as saying that.

Will the Prime Minister, once and for all, commit to the House, to all Canadians and to the international community that Canada will ratify the Kyoto protocol as scheduled in 2002?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there is no such schedule. The government, the Minister of the Environment and I are committed to implement the Kyoto agreement, but we would like to have two amendments that are extremely important for Canada.

The sink is extremely important for Canada. Because we have a lot of land we could create a situation where a lot of CO<sub>2</sub> could be absorbed if we had a good system of trees or plants in Canada. Plus we want to have credit because we are exporting a lot of resources to the United States, such as natural gas and electricity that does not cause any—

**The Speaker:** The hon. member for Vancouver East.

\* \* \*

**TRANSPORTATION**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, once again the Prime Minister is providing Canadians with hollow assurances. In Vancouver striking transit workers and transit riders know that the government takes out over \$350 million in gas taxes from the lower mainland but despite election promises refuses to put a dime back into public transit.

Why will the government not put its money where its mouth is, ratify the Kyoto agreement and provide funding for very important public transit in the lower mainland and the rest of Canada? Why will it not do that?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the position of the government was made clear moments ago by the Prime Minister. Perhaps the hon. member was not listening.

*Oral Questions*

The fact is we want the Kyoto agreement to be put into effect. We certainly want to make sure that we have sinks included because there are great opportunities for reducing greenhouse gasses through sinks and sinks are part of the Kyoto agreement.

With respect to transit in the lower mainland, we certainly hope the strike ends soon, but that is not a responsibility of the government to negotiate. I trust the NDP government of the province of British Columbia and the municipal authorities will get on with the job.

\* \* \*

**NATIONAL DEFENCE**

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, when speaking of his new employee, the former Eurocopter lobbyist David Miller, the Prime Minister stated in the House yesterday:

When the bids are ready, I will demand of Mr. Miller that he not participate in any discussions.

Is the Prime Minister saying that Mr. Miller will be allowed to participate in Sea King replacement discussions that occur before the bids are ready?

• (1450)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** No, Mr. Speaker. Mr. Miller started work on Monday. He is a man who has worked on the Hill for many years. He will respect all the conditions of conflict of interest.

He has not been and will not be involved in the file because it is not part of his responsibilities. He has not been involved since Monday and will not be involved in the future.

I am very happy that a competent person like him from western Canada has decided to join my staff.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, the maritime helicopter project has already come under heavy fire from the industry and from aerospace stakeholders. The ethics counsellor has stated that he would require that people not become involved in any file on which they had been making representation.

Will the Prime Minister tell the House today that Mr. Miller will not be involved from this day forth with regard to this industry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I just said it in English and she did not understand, so I will repeat it in French.

[*Translation*]

Mr. Miller will not be involved in this issue at all, this is not his responsibility. He has nothing to do with that and will have nothing to do with it in the future.

[*English*]

**FOREIGN AFFAIRS**

**Mr. Art Hanger (Calgary Northeast, Canadian Alliance):** Mr. Speaker, access to information documents show that the Prime Minister knew three days in advance of the funeral that King Hussein was dying. In fact on the morning of February 5, foreign affairs warned that King Hussein was clinically dead.

With that knowledge, later that morning the Prime Minister decided to go skiing instead. Worse, he blamed his absence from the funeral on the Canadian forces.

Why did the Prime Minister not have the courage to take the responsibility for his own bad judgment instead of blaming the Canadian forces?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I said at that time that I was in British Columbia when I was informed of the death of the king and that the funeral was in less than 24 hours. I could not make it. The Minister of Foreign Affairs was there.

He arrived from Ottawa only a few minutes before the funeral. The president of the United States, with the big system he has, almost missed the funeral. I could not make it.

I met the current king when he came here. He understood very well. We have great relations with Jordan. I visited Jordan and I could not have received a better reception than offered by—

**The Speaker:** The hon. member for Calgary Northeast.

**Mr. Art Hanger (Calgary Northeast, Canadian Alliance):** Mr. Speaker, three days in advance of that funeral the Prime Minister knew about the situation, yet he chose to go skiing instead. When he got a bunch of flak for that particular decision in the House, he blamed the Canadian forces.

Will the Prime Minister apologize for denigrating the good reputation of the Canadian forces?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, let us first make one thing perfectly clear. My predecessor attended the funeral of King Hussein. Canada was well and adequately represented at the funeral.

Let us ask a second question. Why is the Alliance Party not allowing the member for Calgary—Nose Hill to stand today to apologize for her outrageous comparison yesterday?

*Oral Questions**[Translation]***TAX AGREEMENTS**

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, despite the OECD's condemnation of tax havens, finance ministers of the Americas will not be discussing this issue at their meeting in Toronto.

Since 10 of the 34 FTAA countries are tax havens, does the Prime Minister not realize that a free trade area for capital will facilitate the annual exodus from Canada of several billions of dollars, leaving the full tax burden to be shouldered by citizens like us?

*[English]*

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, nothing could be further from the truth in what the member said here today.

The finance minister and the federal government have been on the leading edge of an OECD initiative that is trying to eliminate harmful tax competition. We also introduced some of the toughest money laundering legislation in parliament last year.

• (1455)

The finance minister is absolutely convinced that we need to have a transparent and fair process, but we also want to eliminate harmful tax competition, make it more transparent, cut down on secrecy and attack those countries that are harbouring tax evaders.

*[Translation]*

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, since it is tax return time, and since the Summit of the Americas is just around the corner, should the Prime Minister not take a position which is clear and reassuring for the people we represent by promising to fight harmful tax practices in the three Americas, contrary to the position announced by the Minister of Finance?

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, our position is very clear, as are the positions of the Minister of Finance.

*[English]*

We are on the leading edge. We are involved with the OECD and many countries to eliminate harmful tax competition. We have tough money laundering legislation that passed the House and the Senate. We are on the leading edge of these discussions.

We want to make sure, though, that the process is transparent and fair before we list countries that are not involved in harmful tax competition. The Minister of Finance is leading this charge and we will get to the root of the problem to try to resolve it.

**CANADA POST**

**Mr. Joe Peschisolido (Richmond, Canadian Alliance):** Mr. Speaker, in March the Minister of National Revenue admitted that customs officials were opening mail coming into Canada. A government bill has just been introduced in the Senate allowing customs officials to open mail leaving Canada.

Why does the Minister of National Revenue want to invade the privacy of Canadians?

**Ms. Sophia Leung (Parliamentary Secretary to Minister of National Revenue, Lib.):** Mr. Speaker, the CCRA is responsible for bringing forth controls on imports and exports. We know there are people taking advantage of our deficiencies in law to control these imports and exports.

We have to exercise more control so that we will not get into trouble with smuggling or illegal products entering Canada.

**Mr. Joe Peschisolido (Richmond, Canadian Alliance):** Mr. Speaker, controls, entry and exit. As it stands right now, customs officials can read mail coming into Canada. If the government has its way, customs officials will read mail leaving Canada.

The question is very simple. Why does the Minister of National Revenue want to turn the Canada Customs and Revenue Agency into big brother and spy on Canadians' mail?

**Ms. Sophia Leung (Parliamentary Secretary to Minister of National Revenue, Lib.):** Mr. Speaker, we have the most concern for the safety and security of Canadians. Because we know people are taking advantage of our deficiencies in law and are trying to smuggle in illegal products, such as meat products and others, we need laws. Any products over 30 grams will be examined.

\* \* \*

**TOURISM**

**Mr. Paul Bonwick (Simcoe—Grey, Lib.):** Mr. Speaker, I have a question that is actually relevant to Canadians right now. My question is for the Minister of Industry.

In rural ridings like mine of Simcoe—Grey the tourism industry is offering enormous potential for economic prosperity and for opportunities for future generations. The challenge for smaller municipalities is their inability to develop the necessary infrastructure to accelerate growth in this critical industry.

Would the minister tell the House what our government is doing to assist rural communities like mine in developing their tourism base?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, I thank the hon. member for his question and for his very persistent and hard work in developing Canada's great tourism potential.

As he knows, the Canadian Tourism Commission is now up and running. Indeed I understand the chairman of the tourism commission will be visiting the member in his riding to look at the potential of that area.

All the agencies of government, in particular those regional agencies across the country, have prioritized tourism as one of the great economic generators of Canada. We intend to work hard to see that it grows.

\* \* \*

### SOLICITOR GENERAL

**Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance):** Mr. Speaker, the parole board recently did its job by denying parole to Karla Homolka. It recognized she is likely to repeat what it referred to as her monstrous and depraved crimes. Clearly the parole board believes the public is still at risk after her eight years imprisonment.

• (1500)

Now that the parole board has protected Canadians from Karla Homolka during the first two-thirds of her sentence, what will the solicitor general do to protect them after she serves the remaining four years?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, the parole board is an independent body and it has made its decision. What will happen is that the individual will serve her full term.

**Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance):** Mr. Speaker, the solicitor general has implied that there is no way to stop it after she has served her full sentence. He is correct, but there should be and it is his job to see that there is.

Last year an all party committee reviewed the legislation governing paroles and prisons. The Alliance Party pushed for changes that would have dealt with the issue but it got no support from the government.

When will the solicitor general stop being the caretaker of inadequate Liberal policies and start doing his job? When will he put the rights of Canadians ahead of dangerous offenders?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, the government has passed a number of laws with regard to dangerous offenders and long term offenders. Such laws come into effect when an offender appears before a court. However, it is not my job to decide what a judge does or does not do.

### Privilege

[Translation]

### THE ENVIRONMENT

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, last week, 32 of the 34 countries of the Americas signed a declaration to stabilize greenhouse gases.

Canada and the United States are the only ones that did not sign that document. Yesterday, the Prime Minister expressed his disappointment following the decision made by the U.S. president.

If the Prime Minister firmly believes in Kyoto, will he stop acting like a political weather vane, ratify the Kyoto protocol and make representations to his American counterpart?

[English]

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the meeting to which the hon. gentleman refers, the first ever meeting of the environment ministers of the Americas, took place in Montreal. Many items were on the agenda but the question of climate change was not, although it was discussed. A number of points of view came forward and some nations signed. The Latin American nations signed an agreement.

We chaired that meeting. Climate change was not on the agenda and it was inappropriate for the chair to take a position on it.

Nevertheless, as the Prime Minister made clear yesterday and in previous statements, Canada is committed to the Kyoto protocol. We want to implement its provisions and we urge other countries to do the same.

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### PRIVILEGE

#### COMMENTS OF MINISTER

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, I rise on a question of privilege today pertaining to comments made by the government House leader yesterday in the House.

On page 2668 of *Hansard*, the government House leader is quoted as stating:

Both speakers from the Alliance who have preceded my remarks have been sued, both successfully and both for saying wrong things about Canadians.

• (1505)

I was one of the speakers to whom the minister referred. When the government House leader stood and made that comment he spoke about a case he had heard as a member of the Board of Internal Economy. As a member of the board, he had firsthand knowledge of the details of the case.

### *Privilege*

As the House leader was making a definitive assertion, one not in the public domain, it is logical to conclude that there was only one place he could have obtained the information, which was via his role as a member of the Board of Internal Economy.

As every member of the House knows, members of the Board of Internal Economy are bound by oath or affirmation of fidelity and secrecy as legislated in the Parliament of Canada Act. It is my contention that the government House leader violated his oath as a member of the Board of Internal Economy, the Parliament of Canada Act and my privileges as a member of parliament.

There are no public documents or media reports which show that I was ever successfully sued. The court documents show that the lawsuit against me was dismissed without cost. In an October 15, 1999 Ottawa *Citizen* article, authored by Jim Bronskill, there was only mention of an out of court settlement.

When the government House leader claimed that I was successfully sued, he obviously obtained the information from a source outside the public domain.

As a member of the Board of Internal Economy, the government House leader has firsthand knowledge of the disposition of my lawsuit. In fact, he played more of a role in determining the outcome of the lawsuit than I did, as I was not privy to the discussions of the BOIE.

When the government House leader stood in the House yesterday and said that I was successfully sued, people would infer that he knew what he was talking about because he had access to information not available to the public.

Despite taking an oath of secrecy, the minister chose to discuss the case in public because it suited his political purposes.

The Board of Internal Economy finds its authority in the Statutes of Canada, specifically the Parliament of Canada Act. Subsection 50(5) of the Parliament of Canada Act reads:

Every member of the Board shall, as soon as practicable after becoming a member of the Board, take before the Clerk of the House of Commons an oath or affirmation of fidelity and secrecy in the form set out in Form 3 of the schedule.

Form 3 of the schedule reads as follows:

I, . . . do solemnly swear (affirm) that I will faithfully, truly and to the best of my judgment, skill and ability execute and perform the duties required of me as a member of the Board of Internal Economy of the House of Commons.

I further solemnly swear (affirm) that I will not communicate or allow to be communicated to any person without due authority in that behalf any information relating to matters of employment and staff relations, tenders, security and investigations in relation to a member of the House of Commons, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the

possession of the Board and relating to the business of the Board. (In the case where an oath is taken, add "So help me God").

I know that members of the board generally hold their oaths very dear because when my case was heard the level of secrecy was so high that even I received extremely limited communication from the board.

However, for reasons of his own, the government House leader chose to ignore his oath, which is the law, and to make a new allegation.

Under no circumstances should the government House leader or any other member of the board discuss in public a case they have heard as members of the Board of Internal Economy. He certainly should not have made an accusation that was not in the public domain when he had firsthand knowledge of the true facts of the case.

It is clear that the government House leader's comments were not just an off the cuff mistake. He led the government's opposition to our motion yesterday and his attack on me was obviously part of his strategy.

The government House leader's accusation was also made by the Parliamentary Secretary to the Prime Minister during debate and by the Minister of Industry during question period. This was clearly a planned and deliberate act by the government House leader.

• (1510)

If the government House leader's assertion that I was successfully sued is true, then he is obviously in clear violation of his Board of Internal Economy oath, the Statutes of Canada and my privileges as a member of parliament.

This situation is even more egregious. Not only did the government House leader talk about a case that he had dealt with at the Board of Internal Economy, he chose to deliberately misrepresent the facts of the case. By no legal measure could it ever be considered that I was sued successfully.

It must be pointed out that the very next government speaker, the Minister of Industry, who was not a member of the BOIE at the time in question, presented a more accurate portrayal of what transpired and carefully avoided any mention of me being successfully sued. The truth, therefore, was obviously known to the government side.

However, for purely partisan, political purposes, the government House leader chose to ignore the truth. Instead, despite having firsthand knowledge of the truth through the BOIE, he deliberately chose to present a misleading statement to the House.

As stated on page 119 of Erskine May's twenty-first edition:

The Commons may treat the making of a deliberately misleading statement as a contempt.

As previously mentioned, this was not an off the cuff remark by the minister. It was obviously a calculated strategy devised by the government House leader.

Mr. Speaker, I also refer you to the twenty-second edition of Erskine May, where on page 63 it states:

It is of paramount importance that ministers give accurate and truthful information to Parliament. . .Ministers who knowingly mislead Parliament will be expected to offer their resignation to the Prime Minister.

I do not believe members of the House will have a great deal of confidence in the Board of Internal Economy if members of that board believe they can discuss in public the cases they have heard. Certainly there will be no confidence in the BOIE if its members are free to not only discuss cases in public but to deliberately misrepresent them.

In conclusion, the government House leader made a definitive statement about me. It is either true or false. If the statement is true, the minister has violated his oath as a member of the Board of Internal Economy, the Parliament of Canada Act and, by extension, my privileges as a member of parliament.

If the statement is false, and I contend that it is, not only has the government House leader violated his oath as a member of the Board of Internal Economy, the Parliament of Canada Act and my privileges as a member of parliament, he has also deliberately misled the House and is therefore in contempt of the House.

I would ask, Mr. Speaker, that you find this a prima facie case of both privilege and contempt. I am prepared to move the appropriate motion in that case.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have listened very carefully to the remarks of the hon. member. I have sat on the Board of Internal Economy since the beginning. I have heard cases of hon. members of assorted kinds, and I have never and will never—

**Miss Deborah Grey:** What is that pin?

**Hon. Don Boudria:** Mr. Speaker, someone is making fun of the pin of les Jeux de la Francophonie in the middle of my remarks. I do not know how that contributes to what is being said here.

**Miss Deborah Grey:** No I am not. I am just asking what it is.

**Hon. Don Boudria:** I will wear it proudly, Mr. Speaker.

**Miss Deborah Grey:** You should.

**The Speaker:** Order, please. The hon. government House leader has the floor.

**Hon. Don Boudria:** Mr. Speaker, I have not and will not reveal anything that happens before the board. Members who serve with me know how much I value the work being done by the board and how much I value its secrecy. I think everyone on all sides of the

### *Routine Proceedings*

House knows that. I will leave it at that because I think many witnesses would agree with me, privately if not publicly.

I do not believe I did that yesterday. My reference was to media reports of a settlement and nothing else. I will not discuss things the board did or did not corroborate because that would reveal what I said a moment ago I would not reveal. I will not do so to defend myself or for any other reason because it would be inappropriate. I have not done so and will not do so.

• (1515)

That being said, if the hon. member feels that the media reports were wrong and that the word “successfully” was inappropriate in this context, I will unequivocally withdraw the reference to the word “successfully” at page 2668 of yesterday’s *Hansard*. I say unequivocally, notwithstanding the sarcastic and snarky remarks of the hon. member from Edmonton, who is obviously not interested, that I do apologize.

**The Speaker:** I think that concludes the matter.

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## ROUTINE PROCEEDINGS

[English]

### GOVERNMENT RESPONSE TO PETITIONS

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

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### COMMITTEES OF THE HOUSE

FINANCE

**Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.):** Mr. Speaker, I have the honour to present the second report of the Standing Committee on Finance regarding its order of reference of Wednesday, March 14, 2001, in relation to Bill C-13, an act to amend the Excise Tax Act.

The committee has considered Bill C-13 and reports the bill without amendment.

[Translation]

JUSTICE AND HUMAN RIGHTS

**Hon. Andy Scott (Fredericton, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Justice and Human Rights.

[English]

Pursuant to the order of reference of Monday, March 26, 2001, the committee has considered Bill C-12, an act to amend the Judges Act and to amend another act in consequence, and reports the bill with amendments.

*Routine Proceedings***COMPETITION ACT**

**Hon. Brian Tobin (Minister of Industry, Lib.)** moved for leave to introduce Bill C-23, an act to amend the Competition Act and the Competition Tribunal Act.

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

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**CRIMINAL CODE**

**Mr. Leon Benoit (Lakeland, Canadian Alliance)** moved for leave to introduce Bill C-328, an act to amend the Criminal Code (theft over \$100,000).

He said: Mr. Speaker, the title of the bill is an act to amend the Criminal Code for theft over \$100,000.

The purpose of the bill is to do two things. First, to allow a penalty of up to 14 years imprisonment for theft over \$100,000. Second, to allow the same 14 year maximum penalty for people who would bring property obtained through crime into the country.

This is long overdue. This change would encourage police officers to carry through on investigations involving white collar crime, such as embezzlement, when there are large amounts of money involved. In the United States, there is grand theft in place, which is a special charge allowing a higher penalty than other theft charges.

It is long overdue in Canada and I look forward to debating the bill in the House.

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

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**CRIMINAL CODE**

**Ms. Libby Davies (Vancouver East, NDP)** moved for leave to introduce Bill C-329, an act to amend the Criminal Code (protection of children).

She said: Mr. Speaker, I am very happy to rise in the House today to reintroduce the bill in this session of parliament.

This is something that I care about very much. It is a bill that seeks to repeal section 43 of the Criminal Code of Canada. This section of the criminal code allows for the use of force as a means of correcting or disciplining a child.

Children are the only group in society that adults are allowed to use force against, as outlined in the current section 43 of the criminal code.

• (1520)

My bill would seek to uphold the rights of the child as outlined in international law and many other policies and programs of the

government. It would also seek to enforce that there are adequate means of correction that need not involve physical harm or force against children.

I am very happy to introduce the bill in the House today.

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

\* \* \*

**CRIMINAL CODE**

**Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.)** moved for leave to introduce Bill C-330, an act to amend the Criminal Code (desecration of the Canadian Flag).

He said: Mr. Speaker, I am pleased to introduce a bill to amend the criminal code regarding the desecration of the Canadian flag. I thank the member for Eglinton—Lawrence for seconding the motion.

We all know that a vast majority of Canadians are proud of the flag as a national symbol and believe that the desecration of it is an offence. The flag is a symbol of our freedom and independence. For those who fought for our country's liberty, the destruction of our flag is particularly upsetting.

Unfortunately there are some people who feel that by destroying our flag they are expressing their disagreement with government policy or the entire nation itself as a means of protest.

In this vein I put forward the bill to protect our national symbol. I am not advocating throwing people in jail over this, but I do think a fine on a sliding scale is appropriate punishment for those who wilfully destroy our most profound national symbol.

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

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**UKRAINIAN CANADIAN RESTITUTION ACT**

**Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance)** moved for leave to introduce Bill C-331, an act to recognize the injustice that was done to persons of Ukrainian descent and other Europeans who were interned at the time of the first world war and to provide for public commemoration and for restitution which is to be devoted to education and the promotion of tolerance.

He said: Mr. Speaker, I am honoured to rise today to introduce my bill. The bill calls for a redress of the Ukrainian internment which occurred during the first world war, when over 5,000 citizens were interned and over 80,000 were made to register like common criminals.

I thank the current Speaker who was an advocate back in the days when he first came to the House. The current Prime Minister, when he was leader of the official opposition previous to his days as Prime Minister, promised Canadians of Ukrainian descent that he would deal with the issue. To date he has not.

I ask all members for their support to bring a resolution to this issue once and for all.

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

\* \* \*

[Translation]

### SPECIAL ECONOMIC MEASURES ACT

**Ms. Francine Lalonde (Mercier, BQ)** moved for leave to introduce Bill C-332, an act to amend the Special Economic Measures Act.

She said: Mr. Speaker, the Special Economic Measures Act is not often mentioned, but we felt that it needed to be amended when we saw first minister Axworthy and now the current Minister of Foreign Affairs involved in a conflict in Sudan, where a Canadian company is associated with serious and repeated human rights violations. In fact, Human Rights Watch indicated this year that the company was associated with the continuation and intensification of war.

However, the Special Economic Measures Act could not be implemented by the Canadian government alone and, secondly, it could not be invoked for situations where the actions of companies resulted in serious and repeated human rights violations.

• (1525)

By amending the act, the bill will give authority to the governor in council to take action. We hope that the government will hear this strong voice.

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

\* \* \*

[English]

### SEX OFFENDER REGISTRY ACT

**Mr. Randy White (Langley—Abbotsford, Canadian Alliance)** moved for leave to introduce Bill C-333, an act to establish and maintain a national registry of sex offenders to protect the children and communities of Canada.

He said: Mr. Speaker, I am pleased to introduce the enabling legislation that would provide a guideline for the development of a national sex offender registry. The bill has a great deal of support from all opposition parties in the House, and I sincerely hope the governing party.

The real credit for the draft legislation goes to Canada's 30,000 policemen, victims of sexual crimes and our country's law-abiding

### Routine Proceedings

citizens. The draft legislation is modelled after Christopher's bill, the Ontario sex offender legislation.

We expect the government to take the legislation in the spirit it was developed in a non-partisan manner and forward it to the House of Commons justice committee. We expect the government to honour the motion unanimously passed in the House of Commons on March 13 which read:

That the government establish a national sex offender registry by January 30, 2002.

This bill would assist in the protection of our women and children. I sincerely hope the government takes action now as we have not seen any yet, and we are growing impatient with its inaction.

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

**Mr. Keith Martin:** Mr. Speaker, I ask for unanimous consent to pass Motion No. 330 which reads:

That, in the opinion of this House, the government should introduce a comprehensive plan of action to stop the international drug trade that should undertake to: (a) reduce domestic consumption through drug rehabilitation programs based upon some of the new and effective European models; (b) prevent the use of drugs in the early stages of childhood by introducing a national Headstart program that focuses on strengthening the parent-child bond; (c) pursue a hemispheric free trade agreement that reduces tariff, non-tariff barriers and the elimination of double taxation regimes; and (d) introduce amendments to the criminal code based on the model of the American Racketeer Influenced and Corrupt Organisation Act (RICO); and that this plan should be taken to the Summit of the Americas and the Organization of American States for further action.

**The Acting Speaker (Mr. Bélair):** Does the hon. member have unanimous consent to present the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

\* \* \*

[Translation]

### PETITIONS

#### MINING INDUSTRY

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, I would like to present a petition from workers of the Sigma mine, of the McWatters company, and signed by residents of the Vallée de l'Or and the city of Val-d'Or.

The petitioners are asking the government, through its national highways program, to intervene in the McWatters project for the Sigma-Lamaque complex on the Trans-Canada Highway, highway 117, in the municipality of Val-d'Or. The government should reinforce its presence and increase its activities in mining regions that are experiencing difficulty in adapting to the new economy.

*Routine Proceedings*

[English]

## VIA RAIL

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I rise to present another petition from people in the Peterborough area who support the re-establishment of a VIA Rail link between Peterborough and Toronto.

The petition has support from as far away as Whitby, Ajax, Durham, Victoria, Haliburton and Brock where the members of parliament also support the re-establishment of this VIA Rail link.

• (1530)

The petitioners point out that it is of great environmental benefit, reducing global emissions that affect the atmosphere. They also point out that it will strengthen Peterborough as a tourism, commuter and educational destination.

The petitioners call upon parliament to authorize the resumption of VIA Rail service between Peterborough and Toronto.

## KIDNEY DISEASE

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I would like to present two petitions, both from people who are interested in research which will improve the situation of those with end stage kidney disease.

The first petition is from citizens who support research into the bioartificial kidney, a project which would replace transplantation and dialysis treatment as the only treatments now available for people with end stage kidney disease. The petitioners call upon parliament to support research into the bioartificial kidney.

The other petition is also from people who support kidney research. They call upon parliament to encourage the Canadian Institutes of Health Research to include kidney research as one of the institutes in its system, to be named the institute of kidney and urinary tract diseases.

## RICHARDSON'S GROUND SQUIRREL

**Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, I rise today to put forward a petition from constituents in my riding about Richardson's ground squirrels, commonly known as gophers.

In Saskatchewan we have two very popular gophers named Gainer and Leonard that are mascots of the Saskatchewan Roughriders and are not included in this petition.

We are asking Health Canada to reintroduce the strychnine poison which was used for gopher control a few years ago. We ask Health Canada to bring it back so that damage done to property in our province is controlled for our citizens.

[Translation]

## FREE TRADE AREA OF THE AMERICAS

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I am pleased to present a petition signed by hundreds of people who are asking the Canadian government to release all the documents on the free trade area of the Americas, as they are at the negotiating stage.

The petitioners are also asking that 5,000 copies of the draft agreement in French, 10,000 copies in English, 1,000 copies in Spanish and 500 copies in Portuguese be made available Canada-wide, and that four versions be posted on the Internet, with the monthly update.

\* \* \*

[English]

## QUESTIONS ON THE ORDER PAPER

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

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

**Some hon. members:** Agreed.

\* \* \*

## MOTIONS FOR PAPERS

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Notice of Motion for the Production of Papers No. P-4 in the name of the hon. member for St. John's East is acceptable to the government and the documents are tabled immediately.

That an Order of the House do issue for any studies conducted by heritage agencies of the government relating to the preservation, protection or development of Fort Townsend in St. John's, Newfoundland.

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

**Some hon. members:** Agreed.

**Mr. Derek Lee:** Mr. Speaker, I ask that all other Notices of Motions for the Production of Papers be allowed to stand.

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

**Some hon. members:** Agreed.

\* \* \*

## MESSAGE FROM THE SENATE

**The Acting Speaker (Mr. Bélair):** I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed certain bills, to which the concurrence of the House is desired.

*Government Orders***GOVERNMENT ORDERS***[Translation]***EMPLOYMENT INSURANCE ACT**

**Hon. Brian Tobin (Minister of Industry, Lib.)** moved that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the third time and passed.

• (1535)

**Ms. Raymonde Folco (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I first want to thank all the committee members who examined this important bill with such care. They did an excellent job, on which I congratulate them.

One thing is certain. Once this bill has been passed, it will make it possible for the system to be more firmly anchored in the realities of today's labour market. As well, it will offer a better response to Canadians' needs.

For some decades, the employment insurance system has been one of the cornerstones of our social security system, and thanks to it Canadian workers and their families have been able to cope with temporary job loss and get through difficult times in their working lives.

Today we in this House have the opportunity to support this bill, which will bolster the foundations of that system for the benefit of the Canadians of today and of tomorrow.

Our government has always acknowledged its duty to help people who are experiencing difficulty getting into the work force, or remaining in it.

*[English]*

The bill aims to ensure that the employment insurance program will be fairer to Canadians and more effective. We also want to correct and adjust certain measures which turned out to be less effective than anticipated.

First, we will eliminate the intensity rule. Introduced in 1996, the intensity rule was intended to reduce frequent users' dependence on employment insurance.

*[Translation]*

We are also changing the criteria for reimbursement of benefits. We want to be sure that it applies only to taxpayers with higher than average incomes.

*[English]*

Moreover, first time claimants and everyone who receives sickness, maternity or parental benefits will also be exempted from the clawback provision.

The well-being of families is a top priority for the government. We have therefore taken into consideration those parents who

return to the labour force after taking time off work to look after their children. In addition, we are extending the look back period by four years for parents. Instead of being treated as new entrants into the workforce, these parents will require the same number of hours as any other claimant should they lose their jobs and need regular benefits.

*[Translation]*

As you can see, the bill makes substantial improvements to our employment insurance plan, improvements to benefit workers in seasonal jobs, families and many claimants.

When we undertook the employment insurance reform in 1996, we had promised to monitor the effects of it very closely. With the intent of honouring our commitment, we instituted an annual evaluation mechanism to allow us to identify and correct aspects not producing the desired effects. This mechanism is very useful. In 1997, it allowed us to correct certain anomalies by launching the short work weeks adjustments projects.

*[English]*

Today that same evaluation tool enables us to make other concrete changes to help job seeking Canadians even more. Above all, the monitoring and assessment process assures us that we are heading in the right direction.

*[Translation]*

In February, we tabled the fourth annual employment insurance monitoring and assessment report, which revealed clearly that most of the aspects of the system were achieving their intended objective. On the whole, the system is accessible to workers who have contributed to it and find themselves temporarily out of work. In addition, its first priority is those needing it most, that is, low income families.

This report tells us that 88% of paid workers should be entitled to employment insurance benefits if they have lost their job or left it for valid reasons.

It should also be pointed out that claimants do not generally exhaust their benefits. On the average, they use about two thirds of them.

• (1540)

*[English]*

In fact, data from Human Resources Development Canada studies reveal that of those persons who exhausted their benefits, about 12.4% moved on to social assistance, a number that is down from before the 1996 reform.

Turning to the EI commission, members of the opposition have suggested that this bill should have dictated the framework and the results of the review of the EI premium rate setting process. We believe the bill allows the review to take place in a stable and

*Government Orders*

predictable rate setting environment. Certainly on this side of the House, we will not preclude the work of that important review.

The EI commission will continue to conduct important work with respect to the other areas of its mandate during the two year review period provided for on the bill.

[*Translation*]

The Canadian public has given us a third consecutive majority mandate, because it shares our values, balanced approach and vision of the future.

[*English*]

In 1996 we introduced solid reforms to the employment insurance system, one of the cornerstones of our social security system. Today I ask everyone in the House who wishes to strengthen the foundations of our employment insurance system to support the bill.

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, I would ask for unanimous consent to split my time with the member for Saskatoon—Rose-town—Biggar.

**The Acting Speaker (Mr. Bélair):** The hon. member has asked for consent. Is there consent?

**Some hon. members:** Agreed.

**Ms. Val Meredith:** Mr. Speaker, it is my pleasure to rise to speak at third reading on Bill C-2. The bill was introduced by the government to live up to some of the election promises it made before the last election.

The minor amendments included in Bill C-2 are, at best, tinkering. It is quite obvious after listening to many witnesses that the EI act has become so convoluted and confusing that a new act is required to treat all employees and employers fairly and to clearly define the role and limits of employment insurance in Canada.

The Liberals' misuse of EI has betrayed workers in traditionally seasonal employment. That was made abundantly clear by the witnesses we heard from. The current EI rules discourage education and skills acquisition. It is incumbent upon the government to develop a strategy for workers in traditionally seasonal employment which, to a large extent, is a rural Canadian issue. It is incumbent upon the government to address that issue.

However, there are many who felt that EI legislation was not the vehicle for the government to do that. The 1996 amendments to the EI legislation were to do three things: one, to make unemployment benefits more active, for example, to rely less on income support and more on labour market adjustment; two, to enhance employment stability; and three, to lower program costs.

When the government introduced Bill C-2, it said that these objectives had not been met, that in fact the adjustments had failed

to reduce frequent EI use. The government bases its position on a study that examined the impact of intensity rules during the first year of application. While the professors who did the study justified an examination of only one year, another professor testifying at the very same time said that one year was not sufficient to study a change in behaviour. Therefore, there is some contention as to whether the information the government has used in Bill C-2 to rescind changes made in previous legislation in 1996 is questionable.

I want to examine some of the aspects of this legislation which we are dealing with at third reading.

• (1545 )

I want to deal specifically at this time with the intensity rule.

The minister stated that the intensity rule has had the unintended consequence of being punitive. Some industries at the committee told us that they had seen their entire workforce, subject to the maximum reduction of benefits, going from 55% of their salary down to 50%. In some industries, like the fishery industry, the workers pointed out that they were not seasonal workers, they just worked in an industry that was seasonal. The government designates the period of time when these fishermen can work. The government determines when the fishing season is open, thus limiting the time when work is available.

However, the seasonal use of EI has permitted more companies and individuals to remain in an industry than is economically viable. We cannot escape the fact that by definition the regular use of the EI program makes it a wage subsidization program and not an insurance program.

I would like to move on to the benefit repayment provision which is known to most Canadians as the clawback.

The minister stated that the clawback was being modified because it was not properly targeted. The clawback was introduced to discourage individuals with higher incomes from repeatedly collecting benefits.

The minister stated in her appearance before the committee that some affected groups under the clawback provision from 1996 were not clearly dependent on employment insurance. That may be, but by exempting individuals who have collected less than one week of EI in the previous 10 years from the clawback, it is clear that the main point of the clause in Bill C-2 is to eliminate the graduated schedule of high repayment rates for frequent claimants that was introduced in 1996.

With Bill C-2, an individual who collected two weeks of EI benefits in the past 10 years would be subject to the same 30% clawback as an individual who collected 200 weeks of EI over the past 10 years. That is taking someone who only collected two weeks and treating that person in the very same way as someone

who collected over 200 weeks. It is quite clear that the attempt is to eliminate the graduated schedule of repayment for frequent claimers.

I think every Canadian understands and appreciates that there has to be a limit set and that there has to be a set amount of income where an individual no longer qualifies. I do not believe any Canadian would like to see NHL players collecting EI in an off season. I think Canadians accept the fact that there has to be a limit set. The big question is where should that line be set? What is the limit that should be set?

The average yearly earning in Canada is currently \$31,700. This means that the clawbacks affect only those individuals who currently make significantly more than the average Canadian. The elimination of the graduated schedule of increased clawbacks for high income earners who are frequent EI collectors means that low income contributors to the EI fund who never claim employment insurance are in effect subsidizing those high income earners who frequently claim employment insurance.

The one issue we all agree with is that there was widespread support, or opposition to depending on how we look at the issue, from both the employers and the union. While they had different objectives with the rates, both groups strongly opposed the way government was using surplus EI premiums in general revenue. Both the employers and unions objected to the cabinet taking over the control of setting employment insurance rates. Clause 9 has been snuck into the middle of a bill.

• (1550)

I ask, Mr. Speaker, for unanimous consent to have clause 9 struck from the bill.

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Ms. Val Meredith:** Mr. Speaker, that is certainly one way to get the government members to join in this debate.

There was almost unanimous agreement that the government had no right to take over the rate setting processes from the commission. There was almost unanimous consent from all parties, with the exception of the government side, to removing this aspect. Although the government said that this was a temporary measure for only a two year period of time, it is very clear to all of us in the House, and to most Canadians, that whenever the government takes over control of anything it very seldom, if ever, returns that control where it belongs.

### *Government Orders*

Both employers and employees, and I will include the unions in this, are very much against the government using the EI surplus of \$35 billion to balance its books. They feel that money has been accumulated by premiums of both employers and employees, and should be used for no other purpose than the employment insurance account. This is just one more example of how the government has taken control. It has taken responsibility, authority and control of matters like this and put them into the hands of a small group of people in the cabinet.

I would like to report the position as I heard it from the business community. The Canadian business community was almost unanimous in the opposition to major elements of this bill. While the business community believes that people in seasonal industries need assistance, they do not believe that it is appropriate for it to come from the employment insurance fund of which they are required to pay 60%. The business community felt the EI fund should not be used by the government to fund social programs. It felt that was a taxation that should be shared by all Canadians, not just the business community and the workers.

The Canadian Chamber of Commerce viewed Bill C-2 as being inconsistent with development of advanced skills or entrepreneurial spirit and did not advance Canada's competitiveness in a global economy.

A survey by the Canadian Federation of Independent Business found that between 250,000 and 300,000 jobs went unfilled because of a shortage of suitable skilled labour. It is criminal that there would be 250,000 to 300,000 jobs that we cannot fill because we do not have a trained, skilled labour force.

It was also obvious from the witnesses that we heard that this bill is a major concern in rural areas of Atlantic Canada and Quebec. Approximately three-quarters of the witnesses representing local communities or organizations were from these regions. They talked a lot about the impact the 1996 changes had on their communities. In some cases millions of dollars had been removed from the regional economy. That should be a concern to the government.

• (1555)

I want to respond to some comments that have been made about the attitude of people in Atlantic Canada. Comments have been made that Atlantic Canadians might be considered to be lazy. Lazy people do not work in Cape Breton coal mines. Lazy people do not go out in December to pull up lobster traps in the cold and the dark.

While some businesses have complained about being unable to find workers, there is little wonder when one considers that the maximum weekly employment benefit is \$413. A minimum wage job of \$7 an hour, seven hours a day, five days a week is only \$245.

The question has to be asked. Is Atlantic Canada only good enough for minimum wage jobs? The answer to that is no. Atlantic

*Government Orders*

Canadians have as much right as any other Canadian to expect to get paid a decent wage so they can support their families.

Two generations of Atlantic Canadians have been caught in the EI trap. Witnesses testified that young adults were leaving the fishing communities. The average age of food processing plants in Atlantic Canada is 44 years. It is unlikely that these individuals will be writing software in the high tech businesses in the near future. With the way the high tech businesses are going in today's economy, those jobs might not be there anyway. Atlantic Canada has a burgeoning offshore resource economy. It is vital that the government provide the necessary education and training to assist this region in diversifying its economy.

I sometimes get into trouble in my caucus when I say this, but there is a parallel between Atlantic Canadian fishermen and Canadian farmers in the prairies. While fishermen suffer from a lack of supply, farmers suffer from a lack of demand. However, in both instances these are traditional occupations in the midst of dramatic transformation. The government must work with stakeholders to reinvent these industries for the 21st century. The government has an obligation to make sure that people who rely on those industries move forward in the economies of the 21st century.

For people who are in situations that do not offer them opportunities, government has an obligation to think outside of the box. The government has to look for alternatives for people who are working in a seasonal industry area. One of the most important things the government has to show some support for and put many resources into is education.

Young people in communities who traditionally rely on seasonal employment must be provided with other alternatives. Education will afford them choices that they may not have now. Individuals must be provided with job skills for the workplace in the 21st century. We have to move forward in what we offer for education.

We have to provide training so that people who are stuck in a seasonal industry can move into another industry that becomes available, which hopefully the government will help to develop. We must provide people who are presently in a seasonal workforce with job training and job skills for the workplace in the 21st century.

Another thing we heard was the way the apprenticeship program operated and that sometimes it discouraged young people from looking at it, or even older people, because of the delay in receiving benefits or the two week disallowance for benefits. We feel that anybody who is in job training or in educational programs should be covered for those two weeks. We do not think there should be downtime for people who are trying to advance their skills so they can move on in the workforce. It is important that the government address this in order to encourage more young people to continue or enter apprenticeship programs.

• (1600)

One of the things the government has to address in thinking outside the box is that there has to be a long term commitment to infrastructure programs in Atlantic Canada, in Quebec and all across this country, because only long term infrastructure programs will open up those economies to diversification. It is only by building bigger and better roads that material can be moved to and from industries and that will open up those areas.

There is a reason why the Halifax port did not become the super port. It lacked the infrastructure necessary for it to get the product to the marketplace. It lacked the infrastructure necessary to be considered a super port.

The government has to make a commitment to those areas where there are seasonal jobs. The government has to commit to opening up those areas, to putting infrastructure money into those areas and to putting money into job training and skills training so those economies can diversify and move forward in the 21st century.

**Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, it is a pleasure to rise today in the House of Commons in the debate on the third reading of Bill C-2 in regard to the government's 1996 reforms to the EI system.

Before I speak to the content of the bill, I just want to take a moment to thank the witnesses who appeared before the committee to tell us what their concerns were. Most of them felt that the legislation is inadequate, that at best it is tinkering.

It would seem that we at least have the government's attention, because for the next number of weeks the standing committee on human resources development will be taking a broader look at labour market issues, with specific attention to be given to the EI system. This is clearly necessary given the depth of concerns raised by all sides during our study of Bill C-2.

Everyone agreed that what was required was a thorough review of the system with a view to how it could be improved. Whether that is what we end up with at the end of the day remains to be seen, but at least we have been given the opportunity to try. All the witnesses are to be congratulated for helping us convince the government to allow greater study of the EI bill.

Before the last election Bill C-2 was known as Bill C-44, which died on the order paper. Bill C-2 is designed largely just to tinker with a few of the changes made to EI in 1996. Some people have suggested it may even have been part of the government's re-election strategy, but perhaps I will say more on that later.

The EI act and the EI system have become so convoluted and confusing that what is really required is an entirely new act. All employers and employees need to be treated fairly and equally and

the role and limits of employment insurance in Canada need to be clearly defined by law.

The Liberal misuse of EI is really a betrayal of workers in traditional seasonal employment. Current EI rules do not encourage education, training and skills development. The key to reducing dependence on EI in areas of traditionally seasonal employment depends on this. We absolutely must reform the system to provide heavy emphasis on skills development, education and training in order to break the cycle of dependence on the EI system.

It is incumbent on the government to develop a strategy for workers in traditionally seasonal employment, which to a large extent is a rural Canadian issue. The Canadian Alliance is more than ready to assist in this regard.

One of the provisions of the 1996 legislation that Bill C-2 seeks to remedy is the so-called intensity rule. The intensity rule was introduced to discourage repeat use of EI by gradually reducing benefits from 55% to 50% over time.

• (1605)

The minister has stated that the intensity rule had the unintended consequence of being punitive. Indeed, some industries have seen their entire workforce subject to the maximum reduction of benefits. Workers in some industries, like the fishery, point out that they are not seasonal workers.

The provisions of the clawback system are quite complex and convoluted. By exempting from the clawback individuals who have collected one week or less of EI in the past 10 years, the main point of the clause is to eliminate the graduated schedule of high repayment rates for frequent claimants. With Bill C-2, an individual who has collected two weeks of EI in the past 10 years will be subject to the same 30% clawback as an individual who has collected 200 weeks of benefits.

What of the worker in the high tech sector who finds himself or herself downsized and out the door, only to be gainfully employed again in a few weeks? If this happens twice in an eight year to ten year period, is that person a frequent user?

We already know that we will be taking a look at the larger EI issue in committee in the coming days and weeks. Whether the government takes any notice of our work remains to be seen.

My colleague and I will be advocating some of the things I spoke of earlier. We will be advocating skills development, training and education, and education for young people in communities that traditionally rely on seasonal employment. We must provide those young people with alternatives to seasonal employment or, at the very least, something to fall back on during the off season. We must also provide training and skills development for individuals currently working in areas with traditionally seasonal employment.

### *Government Orders*

We must provide these individuals with job skills for the workplace of the 21st century.

Another thing came up during committee testimony. Apprentices should be paid allowances during the two week waiting period while taking courses. Not only would this help employees, but it would help employers too.

Finally, the government must undertake a long term commitment to infrastructure spending. The one area where the Liberals should be spending money is the one area where they have not. A strong transportation infrastructure will allow regions that rely on traditionally seasonal employment to attract more investment and greater opportunities.

The bill as it stands is a smoke screen at best. It touches the edge of the reforms passed in the House in 1996, but fails to recognize what is really required: an overhaul of the system.

The committee recognizes the need to do more and will hopefully come up with a solid set of recommendations for the minister. We can only wait to see if that will translate into legislation that is actually meaningful and productive for the millions of employers and employees in Canada.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, Bill C-2, now in third reading, is, let us not forget it, the same as Bill C-44, which had been introduced in the last parliament before the election campaign as an act of contrition by the Liberal Party. It was as the party it had said “We did reform EI in a way that is extremely hard on the workers, the unemployed and the employers. In the end, we more or less used the till to fight the deficit. We are introducing this bill because we have recognized, long after everybody else, that the intensity rule, for example, was a low blow and unacceptable for the workers”.

It deprived people, most of them with low salaries, of the money to make ends meet. We were told that the reduction would amount to only \$10 or \$11 a week, but for the worker who earned \$250 or \$300 a week and lost his or her job, this small amount was what was missing to buy butter, to finish paying the rent or things like that.

The Liberal Party realized that its reform did not make sense. but nonetheless, during the election campaign it said that it would go further than Bill C-44. The Prime Minister himself said that “Major mistakes have been made and EI has major shortcomings, and they should be corrected”.

• (1610)

When the House reconvened, we were very surprised to have brought before the House Bill C-2, which is a mere copy of Bill C-44. But what is important to mention is that a poisoned gift was left in the bill in the form of clause 9. Under this provision, the

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government would alter the legislative arrangements for setting the premium rate.

In other words, after the vote to be held this afternoon, if the Liberals maintain their position, the government would no longer have to strike a balance between the EI plan and the plan requirements. It would no longer have to give back to the plan the money it used for purposes other than what the EI plan was originally set up for. In fact, it would be able to spend the money on any government operation.

What this means is that this clause will legalize the mismanagement of funds, the theft of the hard earned money the government has been taking from the pockets of workers and the unemployed for several years now. This is why, right from the outset, we in the Bloc Québécois have said that we would not be voting in favour of this bill if that provision was left in.

We were able to get the consensus of all the other opposition parties. We also have the support of the auditor general, management and unions. Both the CLC and the Conseil du patronat du Québec said they did not want the federal government to make sure it can do whatever it wants with the money without having to account for it.

The figures have been more or less the same for the past few years: each year, \$18 billion is collected in premiums and \$12 billion is put back into the plan. This leaves a surplus of \$6 billion, which is used to cover the government's general expenditures, to pay down the debt with money belonging to those who contribute to a fund that has become a very regressive payroll tax.

Members should know that premiums are paid on a maximum annual income of \$39,000. This means that people earning \$45,000 do not pay premiums on the extra \$6,000 and, therefore, do not contribute their fair share toward this portion of the government's general expenditures. Those with the lowest earnings contribute more than their fair share.

Even worse, people like us, MPs, and all those who are self-employed, such as physicians and lawyers, those who do not pay into the plan, make no contribution whatsoever. They do not carry their share of the burden, not out of malice but simply because the government has turned this into a regressive payroll tax, allowing it to dip into the pockets of those most in need. And it did not stop there.

Since 1997 there has also been a terrible tightening up of EI eligibility criteria. Fewer people qualify. I heard the parliamentary secretary mention 88%. What she is saying is that 88% of workers would qualify for benefits should they become unemployed. The purpose of the EI plan is to provide financial support not to those

who have a job but to those who are unemployed. In this case, it is not 88% but rather 40% of the workers who really qualify for employment insurance when they lose their job.

Since the reform, thousands of young people pay premiums from day one and in the end they never qualify for benefits. Only 25% of the unemployed young people qualify. This means that 75% of them are paying for nothing.

Clearly, we had many reasons to oppose the bill. We still played the parliamentary game and I think that in the end it will have paid off. Sixty or seventy groups were heard by the committee. The great majority of them were from Quebec and had been recommended by the Bloc Québécois. One after the other they systematically told us that it was not Bill C-2 but real reform of the employment insurance system that they wanted.

They talked about everything that was wrong with the bill. The committee unanimously adopted a motion that I brought forward. I will read it because I think it is the only message of hope we have on the whole employment insurance system. It reads as follows:

That the Standing Committee on Human Resources Development and the Status of Persons with Disabilities report to the House of Commons all other amendments to the Employment Insurance Act and that this report be tabled to the House no later than June 1, 2001.

Between the November 2000 election and the date when parliament returned, the government did not do its homework. Perhaps the Liberals told themselves "Let us give it a try. Let us table Bill C-2 as if it were Bill C-44. It might work and we will not have to give them more".

However we were there to do our job. We heard witnesses in committee and they showed that many more amendments were required. All committee members, whether from the Liberal majority or the opposition, supported the motion that I proposed. I hope this will allow us to finish the job in the coming weeks, so that by early June we can have a new government bill that will correct the other flaws of the plan.

• (1615)

There are many things that are unacceptable. Let us begin with the creation of an independent employment insurance fund. The frustrations of the workers and employers who appeared before us had to do with the fact that people contribute to a plan over which they have no control. They find this unacceptable. That issue will have to be debated again because it is not true that people who contribute to the plan will continue to give 33% of the money to the government.

Either the government will turn contributions into a payroll tax—and then we can make a complete overhaul—or we will have an independent fund, but that issue is still on the table.

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There are other matters that are urgent as well, very important ones having to do with unemployed workers' bread and butter, such as abolishing the waiting period. No benefits are paid during the first two weeks of a period of unemployment. This is a throwback to the old Unemployment Insurance Act of the 1940s. Now that people pay premiums from the first hour, why must we still have this waiting period, which no longer exists in many countries? It should be abolished.

Coverage could also be increased from 55% to 60%. Unemployed workers were among those who helped to pay down the deficit, but they did not get tax breaks because they do not earn enough to qualify for any significant deductions. One way of helping them would be to give them an adequate income between jobs.

Our seasonal workers also need a status which is independent of economic activity, because a period of growth like the one we are now experiencing has a negative effect on them. We require them to work more hours to qualify but we allow them fewer benefit weeks when all is said and done, although they are in jobs which give them 15 or 20 weeks of work year in and year out, economic growth or no economic growth. They do not get 25, 30 or 40 weeks of work in forestry or tourism because the economy is booming. They might get an extra week or two but not 8, 10, 12, or 15. This is something that needs to be addressed.

We also discussed the whole issue of self-employed workers, of whom there are an increasing number in society. They represent an important segment of the labour force but are not covered by any plan. It would be necessary to reflect, to make recommendations, to ensure people of worthwhile minimal protection. We need to take advantage of the present situation since we sense that it is possibly going to lead to a downturn, or perhaps already has. Before we get into a recession, or worse yet, a depression, we need to have a system in place that will provide people with enough to survive on. I am willing to bet that the present system will not.

There are all manner of other improvements needed. There is the discrimination toward young workers and women who are new to the workforce. They will be required to have accumulated 910 hours of work before being eligible for employment insurance. It has already been shown, although it took three years, based on the statistics, that the intensity rule was not having the desired results. This has cost people \$250 million since 1997.

I requested an amendment to Bill C-2 that would take the retroactivity back to January 1, 1997. The reply from the minister, who had to authorize this, since royal assent was required, was "We find that is too much money to have to pay back to people". It was not, however, too much to take from them in the first place. It was perfectly all right to take it from the low wage earners. This is one more thing that needs examination and correction as soon as possible.

Then there is the whole matter of the older workers. We live in a society that has produced people who often have worked in a factory or in various sectors where there are massive layoffs as they reach the age of 45, 50, 52, 53, or 55. These people find themselves without a job and cannot easily be retrained for other types of work. All the active measures are in place to help them learn other trades but it is not true that a forestry worker can be turned into a computer technician overnight. There is a limit that cannot be crossed. There are people like that.

We live in a society benefiting from gains in productivity but the government should have the courage to distribute them properly, to create a bridge so that when people 52, 54 and 55 years of age cannot be reclassified in another job, we can find a way for them to carry on until they are entitled to their old age pension. This too is part of an employment insurance plan.

• (1620)

I will give some examples but there are a whole lot of others that will have to be corrected by June 1. We must be able to make proposals. In my opinion, the ultimate scenario is one in which there will be a number of proposals that could receive unanimous committee approval, I hope, and a number of others that will not but at least the door would be opened after five years' effort.

Let us think back to 1995-96, after the employment insurance plan was tightened up. At the time, we said it was unacceptable. We heard the Prime Minister say "The unemployed are beer drinkers", something he apologized for in the fall of 2000. The trend has been reversed but we must not stop halfway. We must devise a real, adequate employment insurance plan.

It is sad that all this is happening when the government is grabbing the fund's surplus and no longer wants to comply with the act's provisions requiring the system to balance out over a single economic cycle.

The chief actuary of the EI plan has said that a reasonable surplus to deal with any economic crisis would be in the order of \$14 billion. Yet the current surplus is over \$30 billion. The only way the government has found to avoid meeting its obligations is to remove from the EI commission the right to set the premium rates. We are faced with a situation that is not very pretty.

However, we know why the government has done this, that is because the EI commissioners have gone as far as they could. They could not, in conscience, go any further and tell the government "That, it was reasonable to leave the premium at \$2.25" when the plan could balance out with a premium of \$1.75. The employers and the unions were unable to support the government's policy. Therefore, the way the government found was to say "We will remove your moral responsibility, we will remove from you the

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responsibility of making a decision and, thus, we will be able to do as we please”.

Faced with this situation, we feel it is obvious that the legislation is still unacceptable. I say to all workers, all employers and all the unemployed that the representations were not made in vain.

Tenacity is important. A task has been given to the human resources standing committee. It has until June 1 to recommend further amendments to the employment insurance plan. I think a door is now open and we will be able to finally convince the government that it has a responsibility in this matter.

Obviously the finance department and the federal government are really intent on grabbing as much money as possible. With that money, they can then spend in all kinds of sectors that are not under their jurisdiction.

The witnesses who appeared before the committee and all those who have a good grasp of the situation have shown a great deal of tenacity. For one thing, they have certainly understood that the federal government has diverted their contributions to the employment insurance plan.

The deduction on our cheque stub does not indicate general government expenses or payroll tax but employment insurance premium. For every \$3 in premiums, \$2 go to the EI fund and \$1 to other expenses. This, people still find unacceptable.

During the campaign and at the beginning of the debate on this issue, the Liberals accused the Bloc of stalling this marvellous bill and suggested that those we are supposed to stand for would not put up with our attitude.

I did some checking. I went in the field and asked around to see whether ordinary citizens thought we were right to say that the bill was unacceptable, because it is not true that the government is doing its job by putting \$500 million into a plan with a \$28 billion surplus. People said to us “Go and say that it is unacceptable for the government to help itself to the surplus like this. Try to win other points, try to get them to see reason”.

The work we have done and the witnesses we have heard from are proof of people’s tenacity. I am not saying that the battle is over and won. I am saying that we will have a chance in the next two months to submit a report through the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, which will make it possible to finish the job and to bring about real EI reform. I hope we finally achieve this result because we will have done our job.

● (1625)

After being told that people chose to be unemployed, after seeing something like the intensity rule imposed, we will have abolished

it and we will realize that it is the same sort of situation with young people. They are not going to work longer just because 910 hours are required. They are going to work as long as there are jobs and opportunities and we give them a chance. In this way, we are going to help the regions hang on to their resources.

This is an important point. For decades there was a social pact between Canada’s resource regions and its central regions. We in the resource regions provided the raw materials: wood, wood products, agriculture and tourism. In return, we had an EI plan that gave people a decent income during periods of unemployment, particularly during the winter.

With the new EI plan, this pact has been broken. Workers have seen their income support taken away and have been told to manage on their own. In return, the government has not really given them anything to help them diversify their regional economies. One of the consequences has been the exodus of young people.

When, in our areas, there are no young people to take over, it is a catch-22 situation that must be resolved. One of the tools we have to do it—and it is not the only one—is to provide reasonable eligibility conditions for employment insurance so that the young worker who has accumulated 600 hours is not forced to move in order to get the 300 missing hours, never to return after all the resources we put into training him. As we can see, there are still many things to be changed in the employment insurance system.

We will vote against Bill C-2 because the government has decided to maintain the misappropriation of the premiums paid into the system. I believe that this attitude is responsible and that we have the opportunity to transform further the legislation. In that sense, I hope I will get the same support during the next few months. I also intend to consult the people and ask them what their priorities are.

We know very well the requirements that should be in the employment insurance system. We can negotiate efficiently until June with the government to find out what the priorities of the people are. I will do that during the next few weeks. I will try to ensure that we will be able to bring about other changes that will be those that the people really want.

In this way, we will be able to carry out our mandate, which is to ensure an adequate distribution of wealth by means of a real employment insurance system and not a system by which the government puts in its pocket money coming from employers, employees and the unemployed.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I ask for the unanimous consent of the House to share the 20 minutes allowed me with the hon. member for Winnipeg Centre.

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**The Acting Speaker (Mr. Szabo):** The hon. member does not need the unanimous consent of the House to share his time for a 20 minute speech, but I will allow it.

**Mr. Yvon Godin:** Mr. Speaker, I would like to thank you for allowing me to share my time with my colleague from Winnipeg Centre. He once was a blue collar worker and is certainly familiar with the problems faced by construction workers and will be able to speak to this issue constructively.

It is a pleasure to address Bill C-2, not that I am pleased with Bill C-2 because it really does not go far enough. The standing committee on human resources development heard witnesses from all over Canada and more than 60 of them came here to Ottawa. I want to thank those who travelled to Ottawa to express their views on Bill C-2 concerning employment insurance.

None of these witnesses said that Bill C-2 went far enough. They focused more on what was not in the bill. That is what was worrying them. I want to thank them for coming to parliament and speaking on behalf of Canadian workers and even management.

• (1630)

We might look at the Canadian Chamber of Commerce, which I have accused of not representing the chambers of commerce throughout the country. Its representatives were saying that employment insurance should not be changed and that it would not encourage people to relocate.

The Prince Edward Island Chamber of Commerce testified before the committee and said that it did not agree with the Canadian Chamber of Commerce. It does not want people to relocate, it wants them to stay home. There are seasonal jobs in Prince Edward Island, in New Brunswick, in Newfoundland and in Nova Scotia. There are also some in the Gaspé peninsula, in Quebec, in northern Ontario and in northern Manitoba. I am sure my colleague from Winnipeg Centre will be able to tell me about it.

The situation is the same in Saskatchewan, in Alberta and in British Columbia. I have travelled to all the provinces. I also went to Whitehorse in the Yukon. Everywhere I went, unemployment was a problem. Employment insurance was created to take care of the unemployed. This system belonged to employers and employees.

When the employment insurance reform happened in 1996, it was all fine and well at the time for employers to say "This is what we must do. We must encourage people to work". They quickly realized that in small and medium size businesses in Canada, where up to 74% of jobs are to be found in an area like mine—in just one riding—we are losing \$69 million in benefits every year. This means that small and medium size businesses lost all these benefits.

Those who receive EI benefits do not have any money left once they have bought food and paid their debts. Who gets the money? The grocery stores and the banks where the car payments and the mortgage payments were made. They are the ones who get all the money.

People soon realized that it was small and medium size businesses that lost the \$35 billion that was taken away from workers. With all due respect, EI recipients are not likely to have two bank accounts with millions in them. Many of them do not have any money in their bank account.

The Prince Edward Island Chamber of Commerce did well in representing seasonal workers when it appeared before the committee. Its representatives told us that they did not want the government to make any more cuts in the EI plan, that they wanted to see the plan restored.

Bill C-2 abolishes the intensity rule. As the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques said, this bill does not go far enough. Coverage should be increased to 60%. I would even push it further and say it should be increased to 66%. It should be two-thirds of the salary.

We must accept the fact that there are seasonal jobs in our country. We do not have seasonal workers. There is no such thing as a seasonal worker. Workers are not the ones who decide on a Friday that they will no longer have a job the following week. It is not the construction worker who decides. He does not decide if there will be construction work for him tomorrow or next week. It is not up to him. It depends on the health of the economy.

I have said it many times before. They took the cart and put it before the horses. The horse has never been able to learn to push the cart. That is the problem. They have taken money away from the economy to help everybody. That is what the employment insurance plan was for in the 1940s. That is what it had been created to do, to help those who lost their job.

It is criminal to take income away from people in the middle of winter. It is criminal to keep a lumberjack who works hard in the woods to make a living from getting employment insurance benefits to help provide for his family because his work is seasonal. That is unacceptable.

It is unacceptable that people working in a fish plant cannot provide for their families because the Liberals decided to cut EI in 1996.

• (1635)

These same Liberals were saying back in 1992 that if they were elected they would eliminate the cuts made by Brian Mulroney. That is what they were saying in 1992. We have press cuttings to prove that. What they have done to workers and Canadian men and women is unacceptable.

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Let us have a look at the clawback clause. It is unfortunate that Canadian Alliance members keep saying that we are always on the side of workers who are constantly on EI. The unemployment insurance plan does not belong to the government or to a political party. It belongs to Canadian workers. It belongs to them and not to politicians. This money is not ours. It belongs to workers and employers who have contributed.

It is unacceptable that workers in the construction or automotive industry are laid off for two months, as is currently the case in Ontario, while their plant is being retooled to produce a new model, for example. It is unacceptable, in this day and age, that they do not have an income to meet the needs of their family during that time.

When members of parliament leave the House of Commons in June and come back in September, they keep their salary. Why should the salary of a construction worker be cut? Why should the salary of a worker in the automotive industry be cut? Why should we not treat these people as we would want to be treated? It is unacceptable.

However, we know one thing. After I was elected I said that I would support any change to employment insurance which would go in the right direction. As far as I am concerned, abolishing the intensity rule is a first step; it is better than reducing it to 45%. I support that.

Regarding the clawback rule, I support abolishing it and increasing the limit from \$39,000 to \$48,000. It is unfortunate, however, that the government changed its mind and decided to include clause 9 in Bill C-2. I will explain why. In so doing, it has made people wonder what the government has to do in an area where decisions were normally taken by the commission.

I said it right from the start, in 1997, and I have repeated on several occasions in this House "The government stole the money anyway". This will not stop me today from supporting the changes to the intensity rule and this will be my recommendation to my caucus.

I wish to ask for one thing from the government. With respect to the promises the government made during the election campaign—and this is not only about Bill C-2, because even the public works minister bragged about putting other measures on the table, in Quebec—I hope and ask that, as voted in committee, we will be able to make recommendations to the minister between now and June 1, and that she and the Prime Minister of Canada will show an open mind and that they will not do so for electoral purposes only. Real changes need to be made for the well-being of Canadian workers.

[English]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am glad to have the opportunity to join my colleague from Acadie—

Bathurst in pointing out some of the many shortcomings of Bill C-2.

I will start by saying that I admire the work the member for Acadie—Bathurst has done. He is, probably more than any member of parliament, a leading authority on the subject. He took it upon himself to travel to every province in the country, I believe 28 cities and communities, to listen to workers and employers about EI and other issues. He then wrote a very good report on the subject. I urge all members to get a copy of the report and to listen to what people who really care about these issues have been telling us.

I am pleased to add to the comments of the member for Acadie—Bathurst. He quite correctly pointed out that although there are some elements in Bill C-2 that we can support, such as doing away with the intensity rule and raising the clawback provisions to a reasonable level, it fails to address the real problem with employment insurance which is that hardly anyone qualifies any more. The bar is set so high on the eligibility rules that less than 40% of all unemployed people qualify. What kind of an employment insurance system—

• (1640)

**The Acting Speaker (Mr. Bélair):** Order, please. I would like to point out to the member that he should ask a question or make a comment to the hon. member for Acadie—Bathurst.

**Mr. Yvon Godin:** Mr. Speaker, I rise on a point of order. When you were not in the chair it was decided that I would be splitting my time with the member for Winnipeg Centre and that is what we are presently doing.

**The Acting Speaker (Mr. Bélair):** It is just that we are on questions and comments and I was urging the hon. member for Winnipeg Centre to make a comment or ask a question. If the hon. member for Winnipeg Centre wants to ask his question, he may now go ahead.

**Mr. Pat Martin:** Mr. Speaker, I misunderstood. I thought we had moved on from questions and comments.

Would the member for Acadie—Bathurst expand on one amendment that many groups brought to the committee? These groups wanted to know why apprentices, who are in the trade school portion of the apprenticeship program, are penalized with a two week waiting period. Would an amendment to Bill C-2 that would no longer penalize apprentices for that two week waiting period not have been more beneficial?

**Mr. Yvon Godin:** Mr. Speaker, that is something I did not address in my speech.

When the government changed the unemployment insurance in 1996, it used the argument that the changes were needed to promote employment and training programs. At the same time, it punished

the apprentices who attended apprenticeship programs at a community college by adding a two week waiting period, which was not there before.

It is clear that the Minister of Finance wanted some extra money. The government did not do what it intended to do. It needed some cash and that is why today the government has \$35 billion in cash that it took away from the workers, which is not acceptable.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, my question is for my colleague for Acadie—Bathurst.

Earlier, the government representative said that employment insurance was a social security system. It is not a social security system, it is an insurance plan. I would like to hear what my colleague has to say about that.

**Mr. Yvon Godin:** Mr. Speaker, that is right. The government would have us believe the EI plan is a social security system.

What the government wants is that retirees who have worked all their life pay into a social security system. It wants to have people on welfare pay for a social security system. It wants these people to pay for the unemployed while we used to have in Canada a plan called unemployment insurance. It used to be the workers and the companies that were responsible for workers. It used to be that way.

Then the government came up with this idea and now the Canadian Alliance has adopted it. Out West they say “Cut employment insurance”. In Ottawa, they say “Cut employment insurance”. They come to our ridings at election time and say “If we are elected, we will increase the employment insurance coverage”. They have it all wrong.

It is not a social security system, it is an employment insurance plan.

[English]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, the devastating changes that were made to EI back in 1996 have really starved a lot of rural communities and ridings like my own, Winnipeg Centre. The changes made to the EI system in my riding alone pulled \$20.8 million per year of earnings out of my community. That is money that will not be spent in my riding.

The member for Acadie—Bathurst pointed out that this has an effect on small business. Every dollar spent gets spent four times before it finds its natural state of repose, usually in some rich person's pocket, but it gets circulated in the community. This has a huge impact on areas like mine which are economically depressed.

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There is one riding in Newfoundland where the changes to EI pulled \$57 million worth of benefits per year out of that riding alone. It is no wonder the government is enjoying this incredible surplus, this incredible revenue generating machine. It is like a cash cow that I think the government has become addicted to. It is like some provincial governments become addicted to gambling revenues. This government has become addicted to the revenue generating ability of the EI fund.

• (1645)

I started out by saying that there are two things in Bill C-2 of which we approve. Those are doing away with the intensity rule and raising the clawback provision threshold.

What the government failed to face were the two fundamental problems with EI. One is the eligibility issue. The bar is set far too high to qualify. The second is the method with which it calculates the benefit that a claimant will receive or what we call the divisor rule. It failed to address those two key fundamental issues. As a result less than 40% of unemployed people actually qualify for unemployment insurance.

What kind of an employment insurance program is that? What if we had a house insurance policy that we were forced to pay into but if our house burned down, we would have a less than 40% chance of getting any benefit whatsoever? We would think we had just been cheated or hosed by some fraudulent insurance salesman. That is what the EI system is doing to unemployed workers today.

There is a gender issue here too. If the individual is an unemployed woman, she has less than a 25% chance of collecting any benefit whatsoever. If the individual is an unemployed youth under the age of 25 he or she has a 15% chance of collecting even though the person is forced to pay into this insurance program.

I firmly believe that if we deduct money from people's paycheque for a specific purpose and then use it for something completely different, it is a breach of trust because we have developed a trust relationship with them when we told them that if they paid into this insurance fund and were unlucky enough to become unemployed, we would pay a benefit. That was the promise that was made. Yet that is only true for less than 40% of Canadians, so it is a breach of trust. In the best light it is a breach of trust. In the worst light it is out and out fraud. We have deceived Canadians into thinking they have an income security system in their employment insurance system but we are denying them the very benefits.

If the government were serious about improving the unemployment insurance system, it would have listened to the 60 presenters who came to the standing committee from all walks of life. We had people from municipalities, chambers of commerce, labour groups and employer groups. All of them found serious flaws in an insurance system that generates revenue for the government to the

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tune of \$750 million a month, not per year. Every month the employment insurance system pays the government \$750 million in dividends. That money goes directly into the general revenue. It is not even dedicated for any specific purpose.

I actually heard the House leader of the ruling party once stand up and give us this logic. He said that if the employment insurance system ran into a deficit, the government would have to pick up the loss and pay. Therefore, when it was in a surplus position, the government should keep the surplus.

We did some mathematics. We added up all the times that the EI system has been a deficit situation. The total, cumulative, aggregate amount of money that was ever paid into it when it was in deficit was \$13 billion. The total surplus is now \$35 billion, predicted to be \$43 billion by the end of this year. Even if we accepted the government's logic, what about the other \$25 or \$28 billion? Take back the \$13 billion that was paid in and use the rest for income benefits and maintenance for the people for which the program was designed.

There are only two designated uses for EI money in the act. One is income maintenance for the unemployed and the other is apprenticeship and training. We are not supposed to build highways with it, or paydown the deficit with it or give tax breaks to the wealthy with it. That is not a designated use as contemplated under the act. That is why I say when money is deducted from a person's paycheque for a specific reason and then it is used for something completely opposite, essentially that is a breach of trust in the very best possible light.

The hon. member for Acadie—Bathurst raised another point. Where does the government get off claiming ownership of that money at all? In 1986 the federal government stopped paying into the UIC program. That money is solely and exclusively contributions by employers and employees. It used to be one third, one third, one third paid by the government. It does not pay anything into it anymore. Where does it get the proprietary right to any surplus? Where does it get the right to dictate what the contribution rate would be?

• (1650)

Frankly, the government should have no say whatsoever. It should take a small administration fee for administering the program. The program should be run by those who are actually involved in it, which are the employers and the employees.

It has been enormously frustrating in my whole career, first as a union leader and now as a member of parliament, to wrestle with a dysfunctional program such as employment insurance and to see the failure and mismanagement of a program. Now it has gone beyond mismanagement. I figure it is out and out abuse because it is using it as a revenue generator, which it was never intended to be.

It was there to provide income maintenance to people who were unfortunate enough to fall into a situation where they lost their job.

The whole EI program seems to be some kind of a tough love attitude now. We are going to force these people to pull up their boot and get back into the workforce by starving them. It seems to be based on the premise that most people would rather sit on EI than work. I find that offensive. As a working person myself, I find that an offensive attitude.

This came up in 1987 when I think the Forget commission toured the country looking for amendments to the Employment Insurance Act. It studied the UIC system. One labour leader came before the commission and said that the government was always trying to find people who were ripping off the system or who were committing fraud in collecting unemployment insurance. In actual fact, there are more federal government cabinet ministers convicted of fraud, on a per capita basis, than there are EI recipients convicted of fraud.

At that time, I believe seven or eight of Brian Mulroney's cabinet ministers were busted, caught and convicted of fraudulent activities. In that same year only 200 unemployment insurance recipients were caught and busted for fraud. Out of a million some odd people collecting EI, only 200 people were found to be actually committing a crime. Out of 30 some odd cabinet ministers, eight or nine of them were convicted of fraud. It is good to keep it in perspective sometimes.

One amendment the government could have made, a very small cost factor and a change demanded by industry, was the issue I asked the hon. member for Acadie—Bathurst about. When apprentices were in the community college portion of their training, their eight-week community college instalment, whether plumbers, electricians or carpenters, the government started penalizing them with a two-week waiting period, as though they were unemployed.

Apprentices are not unemployed when they are attending community college. They still have jobs. They still have attachments to the workforce. They are simply going through the steps of the community college portion of their education and training. Why then are apprentices being penalized this two week waiting period?

We asked the government to consider that at the committee stage. I personally asked the minister if she would entertain a friendly amendment to the act to give satisfaction to the many apprentices who are involved with this. I even pleaded the case by pointing out that a lot of apprentices were choosing not to go on to their training component of their education because they could be without that two weeks' income. A lot of apprentices were dropping out of the apprenticeship system.

That is just one example of how the government did not listen to what Canadians were telling it was wrong with the EI system.

*Government Orders*

It is a regrettable day. We are backed into a corner. We are going to vote in favour of Bill C-2 to get through the few details that we would like to see go through. However the government missed the mark. It did not hit the nail on the head at all.

[*Translation*]

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, before putting a question to my colleague who just finished his speech, I would like to get back to what he said about the time when the government used to pay a third. It was one-third, one-third, one-third; in other words, the employees, the employers and the government each paid an equal share.

Today, with this bill that is going to become law, we realize that the government has stopped paying its share. It has completely changed its tune. Today, instead of paying its share, it is claiming ownership of the surplus. The government is taking 40% of the surplus.

• (1655)

All of us, as individuals—and the trade unions also have mentioned it—know what we are talking about. If any group in society were caught taking money in this way, it would be charged with theft and we would quickly pass special legislation to prevent a reoccurrence. Now the government is passing legislation to steal from the workers.

Since my colleague talked about this a bit, I would like to hear his thoughts on this.

[*English*]

**Mr. Pat Martin:** Mr. Speaker, I think the member is speaking from the heart because he shares the frustration that many Canadians feel. That is the government has no right to lay claim to the surplus and to use it for any purpose if it does not even contribute to the plan. All the government does is administer the plan.

Maybe it would be justifiable for it to charge some administrative fee for managing the program, but surely it does not have the right to take \$750 million a month that should have gone to income maintenance for unemployed workers, and use it for anything it wants. It is literally for anything the government wants because it goes into general revenue.

What the government chose to do with the surplus is really galling, and I would ask the hon. member to try to imagine the optics of this. It took the surplus from unemployed workers, arguably the most vulnerable people in the country, people who have lost their jobs, and squandered it on tax cuts for the wealthy. The government chose to invest \$100 billion of our money in tax cuts. It is like a perverted form of Robin Hood, to rob from the poor to give to the rich.

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, we have the circle that the government draws around areas of high

employment, but within these areas of supposed high employment are pockets of small communities. The residents of those communities are required to obtain the same number of qualifying hours to draw employment insurance benefits as those who are in the nucleus of the high employment centres. Perhaps they are in small fishing communities where resource dictates and have had very little work in recent years. Because their communities fall within the larger areas, consequently they require the same number of hours as the high employment centres.

Does the member think that is fair and are these people being treated fairly?

**Mr. Pat Martin:** Mr. Speaker, the hon. member points out one of the many inherent things that are not fair with the system. When an arbitrary line is painted around a geographic region, it is not a homogeneous group.

My riding of Winnipeg Centre is a good example. The unemployment rate for the city of Winnipeg is about 4.9%. The unemployment rate in my riding is 16%. Frankly, we would be disadvantaged because the geographic area for EI would be ranked at the 4% or 5% unemployment rate.

It is one of those major irritants that people in economically depressed areas feel about the EI system, and it is one of the examples of how it is not meeting the needs of unemployed Canadians.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** 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 Cumberland—Colchester, Lumber Industry; the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Employment Insurance; the hon. member for Lanark—Carleton, Agriculture; the hon. member for Sackville—Musquodoboit Valley—Eastern Shore, Fisheries.

[*English*]

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I am pleased to have an opportunity to speak to Bill C-2, formerly Bill C-44. I would like to say thanks to the hon. members from the NDP. They certainly can relate to the situation and the difficulties people have had, particularly in the Atlantic region. I know there are other parts of the country that have had a difficult times as well.

• (1700)

I will refer to the last question that was put to the hon. member. In southwestern New Brunswick communities that depend on seasonal workers are lumped in with bigger communities like Saint John, my riding, and Fredericton which have their own unemployment problems. That makes the numbers artificially low in areas where they are in fact a lot higher.

*Government Orders*

In Saint John, New Brunswick, they talk about the unemployment rate being around 8%. People in Blacks Harbour, which is not too far from Saint John, are lumped in with us. The unemployment rate in Blacks Harbour is 45%, but because it is lumped in with us they say the unemployment rate there is 7% or 8%. That is not fair.

We are pleased that the intensity rule is being changed in the bill. However there is a great need for other changes in the bill that have not been addressed. Our people need their dignity.

Every one of us in the House of Commons is able to go home and feed our families. We are able to dress them. Some have young people going to college. I wonder if members ever stop to think about the people coming into my constituency office who can no longer afford to feed their families. Never have my city and my riding been like this before.

Four thousand men worked at the shipyard. Those men made good salaries and contributed to the economy. Things were booming. We had the Atlantic sugar refinery before the government took it away from us and closed it down. Those men also contributed to the economy. We had VIA Rail and those men contributed to the economy.

**Mr. Peter MacKay:** And women.

**Mrs. Elsie Wayne:** Yes, and women as well, the hon. member for Pictou—Antigonish—Guysborough reminds me.

Members should look at what it is like today. It tugs at my heart. A man who worked at the shipyard came to me almost with tears in his eyes. They no longer have EI and they do not have another job. I had never seen this before.

They do not want welfare. They want their dignity. As far as I am concerned, if they go on welfare they will have their dignity because they will not have done so by choice.

I suppose Bill C-2 and Bill C-44 were designed to make significant changes to our employment insurance system, and all of us here would hope for the better. However that is not necessarily what has happened. Most of the debate surrounding Bill C-2 relates to what has been called the intensity clause, which would see claimants' benefits reduced if they have had to seek employment insurance with greater frequency.

In Bathurst, New Brunswick, there was a former Liberal member who was in the cabinet. Do hon. members remember? I will never forget when the government brought in the new EI regulations. The people were hurting. The parish priest, on a Sunday, marched down the main street in Bathurst with the people. Never before had a parish priest done that. The hon. member who sat in the cabinet told the priest he should have something better to do on a Sunday.

Do hon. members know what happened? Because of what happened and what the government did, the member was not re-elected. Nineteen members in the Atlantic region were not re-elected. When the Liberals almost got wiped out in the Atlantic region the government said it had better do something and take another look.

**Mr. Peter MacKay:** Just before the election.

**Mrs. Elsie Wayne:** It was just before the election. The hon. member is right.

• (1705)

Those members who sit in the House, no matter which side, and do not have the heart to deal with the people who need us to speak out for them, to fight them and do what is right for them, should not be in the House of Commons. That is what we are here for. We are here for the grassroots man and woman so that they can educate their children. That is what they want to do.

We lose many of our people to the United States these days. They have no work here because of cutbacks in the health care system and in the educational system. There is no work in my riding because of what has happened with shipbuilding.

Tomorrow there will be an announcement with regard to shipbuilding, but it will not be made in the House of Commons. It will be made at a press conference. Shipbuilding is high tech. Frigates are high tech. When ships are built a multiplier effect takes place in communities. Steelworkers work and supply the steel. Other jobs are created because of all the equipment needed for the ships. We should be dealing with the issue in the House of Commons instead of having a press conference. I am really upset about that.

This is the peoples' House. The government should come in here with the bills and tell us what changes will be made. It should come in here and tell us if a shipyard will be in P.E.I., or Nova Scotia or Saint John, New Brunswick. It should not ask us to read about it in the newspaper. We do that these days with everything. We pick up a newspaper or turn on a TV to find out what is happening instead of finding out in the House.

Every member in the House knows that some men and women must take on seasonal work. Let us look at Newfoundland. For heaven's sake, with the storms it has had do members think people there can go out and plant flowers this week like they can in Vancouver? Do members think they can go out and plant potatoes? No. They have had snow for the last six months in Newfoundland.

**Mr. Peter MacKay:** There is a ban in P.E.I. because of potato wart.

*Government Orders*

**Mrs. Elsie Wayne:** That is right. There is a ban in P.E.I. and that will have a tremendous effect on its economy.

Because the changes to the intensity clause and the clawback are a small step in the right direction, we will join our NDP colleagues in voting in favour of the bill. However no member in the House should think for one minute that we will sit here and be idle. We will work until the government corrects the bill all the way and makes it fair and just for all the men and women who want to work.

Those people want to work 12 months of the year. Do members know how much some of them make? Some of them make \$240 a week.

**Mr. Loyola Hearn:** Some get a lot less than that.

**Mrs. Elsie Wayne:** Yes, that is right. That amount is before they pay their EI premiums and clawbacks. After those are paid they make around \$200. How does a family feed a child? How does a family buy Nike sneakers for their child so they can be like the boy or girl who sits next to them in school? How do they do that on \$200 a week?

There is a need for all of us in the House to come together and make those men, women and children our number one priority, not the large corporations. I am not opposed to corporations. They create jobs. However let us be fair and just.

How come the government can take a surplus of \$35 billion from the workers? It does not belong to the minister or to the government. The hon. member from Newfoundland, who is sitting over there blushing, knows that. He bloody well knows that money does not belong to the government. He knows it belongs to workers in Newfoundland and New Brunswick. The hon. member from P.E.I. knows it as well. His face is as red as an apple.

• (1710)

**An hon. member:** He is as red as a Liberal.

**Mrs. Elsie Wayne:** Yes, indeed. We will fight for an independent commission to look after that money. There is no way it should be used to pay down the debt. There are men and women who need that money. They paid into employment insurance but are not eligible to receive it.

I appeal to all my colleagues. We will all vote in favour of the bill but we will not let the issue go away. We need more changes. We need more members to speak out and to work to make sure our people have dignity.

I cannot believe someone out west would say that people in the maritimes are sitting with their hands out, that we are lazy and that we do not want to work. I cannot believe anyone would say that about our people.

When people from B.C. and Alberta come to the maritime provinces they say it is the most beautiful part of Canada and that the people are wonderful, kind and gracious. In Atlantic Canada

that is how people are. They reach out to their neighbour. They help each other. We in the maritime provinces will continue to build this country and to make all Canadians equal.

I appeal to my colleagues on the government side to please take another look at the bill and to lower EI premiums for those who pay in.

**An hon. member** And to keep the service.

**Mrs. Elsie Wayne:** To keep the service, yes indeed. It is important for employers as well. If employers pay lower premiums they can expand and create jobs. That is what we are looking for. That is what we are asking for.

I thank you, Madam Speaker, for the opportunity to speak on behalf of our people back home and on behalf of all people across the country.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Madam Speaker, my colleague from Saint John talked about workers who take home \$200 a week. Would she comment on the ones who take home nothing at all because of the changes to employment insurance?

In our country, which is supposed to be the best country in the world, there are people who do not qualify for EI from February until May. They do not make \$200 a month, they make nothing at all. It is unfair and unjust. People have to go on welfare but when they start to work again they must pay the welfare back to their provincial government.

I would like to hear how the member feels about her part of New Brunswick, the province I come from. It is important that this be said here to all Canadians. In what is supposed to be the best country in the world we have people with no earnings at all. It is totally unacceptable.

**Mrs. Elsie Wayne:** Madam Speaker, I do not know what happened to the Liberals' values. I do not know where they went. The clawback of welfare is unbelievable. We are supposed to have EI for the dignity of our people. That is what it is there for. However this measure took away the dignity of the people.

A little girl came to see me at my riding office and she was crying. She asked me to help her. She told me her father did not have work and that he would need to go to the United States. She said she did not want to leave her nanny and grampy and aunts and uncles who were there. There is no way that this should happen. We need to make changes to restore the quality of life of Canadians from coast to coast.

• (1715)

[*Translation*]

**The Acting Speaker (Ms. Bakopanos):** It being 5.15 p.m. pursuant to order of Monday, April 2, it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of third reading stage of the bill now before the House.

*Government Orders**[English]*

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

• (1740)

*[Translation]*

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 67)***YEAS**

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bachand (Richmond—Arthabaska)
Bagnell	Baker
Bakopanos	Barnes
Beaumier	Bélair
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blaikie	Blondin-Andrew
Bonin	Bonwick
Borotsik	Boudria
Bradshaw	Brisson
Brown	Bryden
Byrne	Caccia
Calder	Cannis
Caplan	Carignan
Carroll	Casey
Castonguay	Catterall
Cauchon	Charbonneau
Clark	Coderre
Collenette	Comartin
Comuzzi	Copps
Cotler	Cullen
Cuzner	Davies
Desjarlais	DeVillers
Dhaltwal	Dion
Doyle	Dromisky
Drouin	Duhamel
Duplain	Easter
Eggleton	Eyking
Farrah	Finlay

Folco	Fontana
Fry	Gagliano
Galloway	Godfrey
Godin	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harvard
Harvey	Hearn
Herron	Hubbard
Ianno	Jackson
Jennings	Jordan
Karetak-Lindell	Karygiannis
Keddy (South Shore)	Keyes
Kilgour (Edmonton Southeast)	Knutson
Laliberte	LeBlanc
Lee	Leung
Lill	Longfield
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Mahoney
Malhi	Maloney
Manley	Marcil
Marleau	Martin (Winnipeg Centre)
Matthews	McCallum
McCormick	McDonough
McGuire	McKay (Scarborough East)
McLellan	McTeague
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Normand
Nystrom	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Price
Proctor	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Richardson	Robillard
Rock	Saada
Savoy	Scherrer
Scott	Serré
Sgro	Shepherd
Speller	St. Denis
St-Jacques	St-Julien
Steckle	Stoffer
Szabo	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Tirabassi	Tobin
Tonks	Valeri
Vanclief	Volpe
Wappel	Wayne
Whelan	Wilfert—174

**NAYS**

## Members

Abbott	Ablonczy
Anders	Anderson (Cypress Hills—Grasslands)
Bachand (Saint-Jean)	Bailey
Bellehumeur	Benoit
Bergeron	Bigras
Breitkreuz	Brien
Cadman	Cardin
Casson	Chatters
Crête	Cummins
Dalphon-Duval	Day
Desrochers	Dubé
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forseth
Gagnon (Champlain)	Gagnon (Québec)
Gallant	Gauthier
Girard-Bujold	Goldring
Gouk	Grewal

Grey (Edmonton North)  
Guimond  
Hill (Macleod)  
Hinton  
Johnston  
Lalonde  
Lebel  
Manning  
Mark  
Mayfield  
Ménard  
Merrifield  
Moore  
Paquette  
Perron  
Picard (Drummond)  
Reid (Lanark—Carleton)  
Rocheleau  
Sauvageau  
Skelton  
Sorenson  
Stinson  
Thompson (Wild Rose)  
Tremblay (Rimouski-Neigette-et-la Mitis)  
White (Langley—Abbotsford)  
Yelich —87

Guay  
Harris  
Hill (Prince George—Peace River)  
Jaffer  
Laframboise  
Lancôt  
Loubier  
Marceau  
Martin (Esquimalt—Juan de Fuca)  
McNally  
Meredith  
Mills (Red Deer)  
Obhrai  
Penson  
Peschisolido  
Rajotte  
Reynolds  
Roy  
Schmidt  
Solberg  
St-Hilaire  
Strahl  
Toews  
Vellacott  
Williams

#### PAIRED MEMBERS

Bourgeois  
Plamondon  
Thibault (West Nova)

Martin (LaSalle—Émard)  
Stewart  
Thompson (New Brunswick Southwest)

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed)

\* \* \*

[English]

#### SUPPLY

##### ALLOTTED DAY—INDEPENDENT JUDICIAL INQUIRY

The House resumed from April 3 consideration of the motion and of the amendment.

**The Speaker:** Pursuant to order made on Tuesday, April 3, the House will now proceed to the taking of the deferred recorded divisions relating to the business of supply. The question is on the amendment.

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent in the House that the members who voted on the preceding motion be recorded as voting on the motion now before the House, with Liberal members voting no.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Mr. John Reynolds:** Mr. Speaker, Canadian Alliance members present vote yes, with the member for Selkirk—Interlake and the member for Calgary Southeast being added to our vote.

#### Supply

• (1745)

[Translation]

**Mr. Stéphane Bergeron:** Mr. Speaker, members of the Bloc Québécois vote yes to the amendment.

**Mr. Yvon Godin:** Mr. Speaker, members of the New Democratic Party vote yes to the amendment.

[English]

**Mr. Rick Borotsik:** Mr. Speaker, members of the Progressive Conservative Party vote yes to the amendment.

**Mr. Yvon Godin:** Mr. Speaker, I would like to add the hon. member for Winnipeg North Centre.

(The House divided on the amendment, which was negated on the following division:)

(Division No. 68)

#### YEAS

##### Members

Abbott  
Anders  
Bachand (Richmond—Arthabaska)  
Bailey  
Benoit  
Bigras  
Borotsik  
Brien  
Cadman  
Casey  
Chatters  
Comartin  
Cummins  
Davies  
Desjarlais  
Doyle  
Duceppe  
Elley  
Fitzpatrick  
Gagnon (Champlain)  
Gallant  
Girard-Bujold  
Goldring  
Grewal  
Guay  
Harris  
Herron  
Hill (Prince George—Peace River)  
Hinton  
Johnston  
Kenney (Calgary Southeast)  
Lalonde  
Lebel  
Loubier  
Manning  
Mark  
Martin (Winnipeg Centre)  
McDonough  
Ménard  
Merrifield  
Moore  
Obhrai  
Paquette  
Perron  
Picard (Drummond)  
Rajotte  
Reynolds  
Roy  
Schmidt  
Solberg  
St-Hilaire  
Stoffer  
Thompson (Wild Rose)  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Wasylcia-Leis  
White (Langley—Abbotsford)  
Yelich—113

Abлонczy  
Anderson (Cypress Hills—Grasslands)  
Bachand (Saint-Jean)  
Bellehumeur  
Bergeron  
Blaikie  
Breitkreuz  
Brison  
Cardin  
Casson  
Clark  
Crête  
Dalphond-Guiral  
Day  
Desrochers  
Dubé  
Duncan  
Epp  
Forseth  
Gagnon (Québec)  
Gauthier  
Godin  
Gouk  
Grey (Edmonton North)  
Guimond  
Hearn  
Hill (Macleod)  
Hilstrom  
Jaffer  
Keddy (South Shore)  
Laframboise  
Lancôt  
Lill  
MacKay (Pictou—Antigonish—Guysborough)  
Marceau  
Martin (Esquimalt—Juan de Fuca)  
Mayfield  
McNally  
Meredith  
Mills (Red Deer)  
Nystrom  
Pallister  
Penson  
Peschisolido  
Proctor  
Reid (Lanark—Carleton)  
Rocheleau  
Sauvageau  
Skelton  
Sorenson  
Stinson  
Strahl  
Toews  
Vellacott  
Wayne  
Williams

*Supply*

## NAYS

## Members

Adams  
Allard  
Assad  
Augustine  
Baker  
Barnes  
Bélaire  
Bellemare  
Bertrand  
Binet  
Bonin  
Boudria  
Brown  
Byrne  
Calder  
Caplan  
Carroll  
Catterall  
Charbonneau  
Collenette  
Coppes  
Cullen  
DeVillers  
Dion  
Drouin  
Duplain  
Eggleton  
Farrah  
Folco  
Fry  
Galloway  
Goodale  
Gray (Windsor West)  
Guarnieri  
Harvard  
Hubbard  
Jackson  
Jordan  
Karygiannis  
Kilgour (Edmonton Southeast)  
Laliberte  
Lee  
Longfield  
Macklin  
Malhi  
Manley  
Marleau  
McCallum  
McGuire  
McLellan  
Mills (Toronto—Danforth)  
Mitchell  
Myers  
Neville  
O'Brien (London—Fanshawe)  
Pagtakhan  
Parrish  
Peric  
Pillitteri  
Price  
Provenzano  
Reed (Halton)  
Richardson  
Rock  
Savoy  
Scott  
Sgro  
Speller  
St-Jacques  
Steckle  
Telegdi  
Thibeault (Saint-Lambert)  
Tobin  
Valeri  
Volpe  
Whelan

Alcock  
Anderson (Victoria)  
Assadourian  
Bagnell  
Bakopanos  
Beaumier  
Bélangier  
Bennett  
Bevilacqua  
Blondin-Andrew  
Bonwick  
Bradshaw  
Bryden  
Caccia  
Cannis  
Carignan  
Castonguay  
Cauchon  
Coderre  
Comuzzi  
Cotler  
Cuzner  
Dhaliwal  
Dromisky  
Duhamel  
Easter  
Eyking  
Finlay  
Fontana  
Gagliano  
Godfrey  
Graham  
Grose  
Harb  
Harvey  
Ianno  
Jennings  
Karetak-Lindell  
Keyes  
Knutson  
LeBlanc  
Leung  
MacAulay  
Mahoney  
Maloney  
Marcil  
Matthews  
McCormick  
McKay (Scarborough East)  
McTeague  
Minna  
Murphy  
Nault  
Normand  
O'Reilly  
Paradis  
Patry  
Pickard (Chatham—Kent Essex)  
Pratt  
Proulx  
Redman  
Regan  
Robillard  
Saada  
Scherrer  
Serré  
Shepherd  
St. Denis  
St-Julien  
Szabo  
Thibault (West Nova)  
Tirabassi  
Tonks  
Vanclief  
Wappel  
Wilfert—152

## PAIRED MEMBERS

Bourgeois  
Plamondon  
Thibault (West Nova)

Martin (LaSalle—Émard)  
Stewart  
Thompson (New Brunswick Southwest)

**The Speaker:** I declare the amendment lost. The next question is on the main motion. Is it the pleasure of the House to adopt the main motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

● (1755)

(The House divided on the motion, which was negated on the following division:)

(Division No. 69)

## YEAS

## Members

Abbott	Ablonczy
Anders	Anderson (Cypress Hills—Grasslands)
Bachand (Richmond—Arthabaska)	Bachand (Saint-Jean)
Bailey	Bellehumeur
Benoit	Bergeron
Bigras	Blaikie
Borotsik	Breitkreuz
Brien	Brison
Cadman	Cardin
Casey	Casson
Chatters	Clark
Comartin	Crête
Cummins	Dalphond-Guiral
Davies	Day
Desjarlais	Desrochers
Doyle	Dubé
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forseth
Gagnon (Champlain)	Gagnon (Québec)
Gallant	Gauthier
Girard-Bujold	Godin
Goldring	Gouk
Grewal	Grey (Edmonton North)
Guay	Guimond
Harris	Hearn
Herron	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Hinton	Jaffer
Johnston	Keddy (South Shore)
Kenny (Calgary Southeast)	Laframboise
Lalonde	Lancôt
Lebel	Lill
Loubier	MacKay (Picou—Antigonish—Guysborough)
Manning	Marceau
Mark	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Mayfield
McDonough	McNally
Ménard	Meredith
Merrifield	Mills (Red Deer)
Moore	Nystrom
Obhrai	Pallister
Paquette	Penson
Perron	Peschisolido

*Private Members' Business*

Picard (Drummond)  
Rajotte  
Reynolds  
Roy  
Schmidt  
Solberg  
St-Hilaire  
Stoffer  
Thompson (Wild Rose)  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Wasylcia-Leis  
White (Langley—Abbotsford)  
Yelich—113

Proctor  
Reid (Lanark—Carleton)  
Rocheleau  
Sauvageau  
Skelton  
Sorenson  
Stinson  
Strahl  
Toews  
Vellacott  
Wayne  
Williams

Scott  
Sgro  
Speller  
St-Jacques  
Steckle  
Telegdi  
Thibeault (Saint-Lambert)  
Tobin  
Valeri  
Volpe  
Whelan

Serré  
Shepherd  
St. Denis  
St-Julien  
Szabo  
Thibault (West Nova)  
Tirabassi  
Tonks  
Vanclief  
Wappel  
Wilfert—152

## PAIRED MEMBERS

## NAYS

## Members

Adams  
Allard  
Assad  
Augustine  
Baker  
Barnes  
Bélair  
Bellemare  
Bertrand  
Binet  
Bonin  
Boudria  
Brown  
Byrne  
Calder  
Caplan  
Carroll  
Catterall  
Charbonneau  
Collenette  
Coppes  
Cullen  
DeVillers  
Dion  
Drouin  
Duplain  
Eggleton  
Farrah  
Folco  
Fry  
Galloway  
Goodale  
Gray (Windsor West)  
Guarnieri  
Harvard  
Hubbard  
Jackson  
Jordan  
Karygiannis  
Kilgour (Edmonton Southeast)  
Laliberte  
Lee  
Longfield  
Macklin  
Malhi  
Manley  
Marleau  
McCallum  
McGuire  
McLellan  
Mills (Toronto—Danforth)  
Mitchell  
Myers  
Neville  
O'Brien (London—Fanshawe)  
Pagtakhan  
Parrish  
Peric  
Pillitteri  
Price  
Provenzano  
Reed (Halton)  
Richardson  
Rock  
Savoy

Alcock  
Anderson (Victoria)  
Assadourian  
Bagnell  
Bakopanos  
Beaumier  
Bélanger  
Bennett  
Bevilacqua  
Blondin-Andrew  
Bonwick  
Bradshaw  
Bryden  
Caccia  
Cannis  
Carignan  
Castonguay  
Cauchon  
Coderre  
Comuzzi  
Cotler  
Cuzner  
Dhaliwal  
Dromisky  
Duhamel  
Easter  
Eyking  
Finlay  
Fontana  
Gagliano  
Godfrey  
Graham  
Grose  
Harb  
Harvey  
Ianno  
Jennings  
Karetak-Lindell  
Keys  
Knutson  
LeBlanc  
Leung  
MacAulay  
Mahoney  
Maloney  
Marcil  
Matthews  
McCormick  
McKay (Scarborough East)  
McTeague  
Minna  
Murphy  
Nault  
Normand  
O'Reilly  
Paradis  
Patry  
Pickard (Chatham—Kent Essex)  
Pratt  
Proulx  
Redman  
Regan  
Robillard  
Saada  
Scherrer

Bourgeois  
Plamondon  
Thibault (West Nova)

Martin (LaSalle—Émard)  
Stewart  
Thompson (New Brunswick Southwest)

**The Speaker:** I declare the motion lost.

It being 5.55 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

## PRIVATE MEMBERS' BUSINESS

[Translation]

## INCOME TAX ACT

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ)** moved that Bill C-209, an act to amend the Income Tax Act (Public Transportation Costs), be read the second time and referred to a committee.

She said: Mr. Speaker, first, I want to thank my colleague, the hon. member for Sherbrooke, for seconding the bill.

On behalf of the residents of the riding of Jonquière, whom I have the honour to represent in this House, I want to say it is a real pleasure to speak today to Bill C-209, an act to amend the Income Tax Act, which was selected as a votable item by the subcommittee on private members' business. The bill would provide tax deductions to those who use public transit in Canada.

Some might wonder what brought me to introduce this bill. Why give tax deductions to the people who use public transit?

First, I have political reasons for doing so. I would like to remind members that in 1999 the House of Commons passed by a vote of 240 to 25 a motion brought forward by Nelson Riis, the former NDP member for Kamloops, Thompson and Highland Valleys, which asked the government to consider granting a tax exemption for the use of public transit.

● (1800)

Since then the Liberal government has taken no concrete measures on this issue. It has taken no action whatsoever, either by introducing a bill or a national policy to implement the motion.

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Many stakeholders believed that the government was going to act, and lobbied for such a bill to be introduced. To this end, close to 40,000 postcards signed by citizens were sent to the Minister of Finance.

Today I want to salute several of them, Claude Bonhomme and Georges Gratton of the Société de Transport de l'Outaouais, the Corporation intermunicipale de transport du Saguenay, Michael Roschlau and Amelia Shaw of the Canadian Urban Transit Association, the Centre for Sustainable Development, the David Suzuki Foundation, the Canadian Railroad Association and many others.

The fact of the matter is that when employees enjoy the benefits linked to public transportation, they have to pay taxes. However, most people who are entitled to free parking pay no taxes on this benefit. This situation is a major disincentive to using public transportation. It must be rectified immediately. As a matter of fact, some employers have already started paying for annual bus passes for their employees.

This solution is very forwardlooking but it could be improved upon. Giving a deduction to all public transportation users is desirable.

Clearly a person using public transportation saves a lot of money. I will show how. Owning and using a car costs around \$8,000 a year, not to mention parking costs. A public transportation network pass only costs between \$500 and \$1,000 a year, which is a substantial saving.

In spite of this comparative advantage, public transit ridership dropped significantly in this country between 1990 and 1996, which is very serious because the drop in ridership is at the root of many problems including increased greenhouse gas emissions, increased traffic congestion, increased energy consumption, higher road infrastructure building and maintenance costs, and decreased quality of life in cities.

In my opinion, the federal government needs to provide assistance to those using public transportation, while respecting provincial areas of jurisdiction, in order to encourage greater use of these services. The bill does so by providing tax deductions to users of public transportation.

Bill C-209 is part of such assistance. It amends the Income Tax Act so as to allow individuals to deduct certain costs incurred for the use of public transportation when calculating their income tax. For the purposes of this section, "Public transportation" includes a public transportation service by bus, subway, commuter train or light rail.

In order to avoid abuse, the individual will need to provide documentation to support the amounts claimed for public trans-

portation. I must point out here that this tax benefit will be available only to people purchasing monthly or yearly passes. This will make the accounting far easier, while avoiding potential fraud.

● (1805)

As well, it will encourage people to buy passes rather than tickets and this will substantially improve transport company revenues.

If anyone doubts the appropriateness of my bill, I will list a few of the advantages to this method of transportation.

The first relates to the development of outlying centres and areas. Hon. members may find this surprising but public transportation ranks second in popularity. According to recent polls 52% of Canadians in urban areas use it occasionally and 30% regularly. They contribute as well to the prosperity of the downtown core. In addition to taking people to work, public transit takes people to the shopping areas of the major centres. It is therefore a subtle but very present economic force. In addition to the aspect of economic force, there is an issue of equality behind my bill.

Access to employment, education, health care and community services depends largely on a quality and accessible public transit system. Public transit is extremely important to students, seniors and people on low income who do not have the means to buy a car or who decide simply to not have one. Also, to everyone looking for work, public transit is an exceptional incentive, but it cannot cost a fortune.

As my party's critic for regional and rural development, I can say that in addition to fostering economic growth in the major centres, my bill would foster regional development, in particular.

We will recall that the communities' transportation budgets are not very high and service to low population density areas is especially limited. Permitting deductions will mean increased revenues for the transportation companies, which will be able to offer a better service in these areas. In my riding, I am thinking specifically of the municipalities of Larouche, Lac-Kénogami, Shipshaw and Laterrière.

The second benefit goes to the environment. The environmental contribution of public transit is this bill's essential element. Members know as well as I do that protecting and improving our environment is a major concern for many Canadians and Quebecers. In fact, from an environmental point of view, the bill is an ideal solution for the federal government.

In 1997, under the Kyoto protocol, the government undertook to reduce by 6% domestic greenhouse gas emissions by the year 2010-12 based on the 1990 level. The situation has only gotten worse since. According to some experts, Canada could exceed the

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1990 level by 25%. Others, including the federal Minister of Natural Resources, think that this figure could be as high as 35%.

While stakeholders' opinions may vary, the fact remains that Canada is far from achieving its objectives. Ironically, the federal government is boasting about spending in excess of \$1 billion over a five year period to deal with climate changes. Also, it is very unfortunate to see that the government is only investing that money in foundations that ultimately create duplication because such bodies already exist in provinces like Quebec.

• (1810)

Instead of investing \$1 billion in duplication, the government should take immediate and concrete action. In this respect, my bill is a step in the right direction since it proposes a much cheaper solution than all the investments made by the Department of the Environment in its programs or foundations.

Incidentally, in his last annual report, the Commissioner of the Environment and Sustainable Development was very critical of the Minister of the Environment. He said that the government has trouble putting its words into actions in the fight against smog. I extend my hand to the government and to the Minister of the Environment. I am providing him with an opportunity to act. He should forget about the millions spent in all his bureaucratic organizations. The measure I am proposing will cost much less.

All these figures are not theoretical, for there is indeed an impact on society. Let us not forget that as many as 16,000 Canadians die each year from the effects of high pollution levels in major cities. The number of children hospitalized for asthma increased by 23% between 1980 and 1990.

Public transportation is therefore the ideal solution to this disastrous state of affairs because a single bus can carry as many passengers as 40 or 50 cars. In addition, its toxic gas emissions per kilometre are a mere one-quarter of those produced by the cars. As an example, the air pollution in a major Canadian city increased by 20% when public transportation services were suspended.

Environmentally, although it is vital that more people opt for public transportation, there is unfortunately no national transportation policy that would encourage them to do so. It is therefore clear to me that a tax deduction would have this effect and would improve air quality in this country.

Naturally some petty-minded souls will say that this measure is costly and hard to monitor. To them I would say that right now the federal government is not putting one red cent into public transportation. In comparison, the United States is investing \$41 billion over six years in this sector. The problem of traffic jams and excessive fuel consumption continues to be an important problem which the bill is designed to correct.

In addition to all these benefits, there is also a benefit when it comes to traffic jams and energy consumption. The federal government should not be looking only at the numbers when considering this type of initiative. There are many qualitative benefits to be taken into account.

The reduction of greenhouse gases is only one of many examples of these benefits. It could also help reduce traffic buildups. Earlier, I mentioned that one bus could carry as many passengers as 40 or 50 cars. In large urban centres, 50% of the population already uses public transit.

For example, if all STCUM clients travelled by car, they could fill, bumper to bumper, a highway that would stretch from Montreal to Gaspé. That is over 900 kilometres. One can imagine what would happen if public transit disappeared overnight.

Despite the growing popularity of public transit in the greater Montreal area, rush hour traffic remains extremely heavy. This means that public transit does its share but there is still room for improvement.

• (1815)

It would take no more than a simple incentive, like the one proposed in my bill, to make public transit not only a way of going from place to place but a way of life. This incentive should be in the form of a tax deduction for public transit users.

Moreover, with gas prices on the rise, many people would like to use public transit to remedy this situation but if they do not have access to adequate service in suburban areas they have no choice but to use their cars.

I will say it again, Bill C-209 would lead to a huge increase in revenues for those transit companies providing the best service. My dearest wish would be to see us as a society manage to decrease our dependency on fossil fuels.

I would also like to address the advantages from the infrastructure point of view. The excessive use of cars is extremely costly to governments in terms of highway infrastructure. We need to realize that vehicles are hard on our roads, so it is our duty as parliamentarians to seek to reduce the harm done. I am sure that encouraging an increased use of public transportation will decrease the number of cars on the roads of Canada and Quebec.

Hon. members may wonder what degree of additional use of public transportation my bill would bring about. I wish to inform everyone here and those who have the pleasure of watching us this evening that in the San Francisco area public transportation use rose 31% among those benefiting from a limited exemption. When this was expanded, the figure went even higher. It could therefore be estimated that my bill might bring about a similar increase if it were passed.

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In conclusion, the purpose of Bill C-209 is to do away with an inequity. Some people have employer subsidized parking, which encourages them to use their cars rather than take non-subsidized public transportation.

We know that cars are the principal source of exhaust emissions, which are harmful to human health. We also know that the number of children hospitalized because of asthma rose 23% between 1980 and 1990. It costs about \$1 billion a year to treat diseases caused by noxious gases resulting from automobile emissions.

This bill is the best way to lower congestion. If all public transit users in the Montreal area were to take their cars, the duration of any trip would triple and come to an average of about an hour and a half. A single bus keeps 40 to 50 cars off the streets and one light rail train replaces 15 cars.

It would also provide an affordable alternative to consumers who are being gouged at the pumps. If cars are kept off the streets, our roads would remain in better shape for a longer period of time and we would not have to invest millions of dollars each year.

Before I close, I want to point out that the House will be asked to vote on this private member's bill in the next few weeks. I feel it is important to mention that it will be a free vote.

On this important issue, I urge all members to keep an open mind and vote in favour of the bill to ensure a safe environment for their children and grandchildren.

• (1820)

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Madam Speaker, I am pleased to take part in the debate on Bill C-209, introduced by the member for Jonquière.

[English]

Madam Speaker, the bill proposes to amend the Income Tax Act to permit individuals to deduct an undetermined percentage of their public transportation costs. These costs would include service by bus, subway, commuter train or light rail. To be eligible for a tax deduction, individuals would be required to provide supporting vouchers indicating the amounts paid for the use of an eligible public transportation system.

I should point out that the bill goes beyond or is different from what has been proposed by the Canadian Urban Transit Association. Notwithstanding that, this is an excellent initiative on behalf of the private member.

I will start by emphasizing that this government is very much committed to seeking ways to encourage more individuals to use public transportation systems in order to reduce greenhouse gas emissions. In fact, addressing climate change is a priority of our Opportunity for All agenda. Encouraging greater use of public transportation could certainly help us move toward this objective.

Regarding the specific option of a tax deduction for public transportation costs, I would point out that some important fairness and effectiveness considerations should be taken into account. Let me take a moment to explain some of the difficulties the bill raises.

[Translation]

First, it is not clear that this measure would result in the desired increases in the number of public transit users. The measure does not address the matter of new users and therefore we may imagine that it would be current users of public transport who would benefit the most from it.

[English]

We all know that the cost of public transit is often a small factor in an individual's transportation choice when weighed against other considerations such as accessibility, convenience and personal preference. Consequently, if the increase in ridership was small, there would be little benefit in terms of reduced greenhouse gas emissions.

We must also consider the fairness of introducing a tax measure that would mostly benefit individuals residing in large urban centres with extensive public transit systems.

[Translation]

The inhabitants of smaller centres and rural areas, where accessible and convenient public transport is not always available, would not benefit from this measure.

It is for these reasons that the tax system generally does not make provision for individual costs, such as public transit costs, in particular.

[English]

If it did, it would be equivalent to asking Canadians in general to subsidize the personal expenses of other individuals. This would not be fair, as personal expenses vary widely across individuals and reflect to some extent the personal preference of the individual incurring them.

The government recognizes the importance of examining cost effective ways of encouraging energy efficiency and renewable energy. The government also believes that building on existing initiatives announced in recent budgets would likely achieve greater environmental benefits.

Let me also take this opportunity to explain some of the initiatives the government has already put in place to improve our environmental performance.

[Translation]

In budget 2000, the government allocated \$700 million over a four year period to preserve and improve the natural environment, develop new technologies and effectively meet the challenges posed by climate change.

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As part of this initiative, the government allocated \$100 million to the establishment of a green municipal investment fund to provide loans in support of municipal projects in areas such as urban transit, energy conservation and waste diversion. An additional \$100 million was also set aside for the establishment of a sustainable development technology fund to promote the development and demonstration of new environmental technologies, particularly those aimed at reducing greenhouse gas emissions.

*[Translation]*

Under the environmental initiatives announced in budget 2000, the government also earmarked an additional \$210 million over three years for the climate change action fund, which was set up in the 1998 budget to help Canada respect its international commitments on climate change.

• (1825)

*[English]*

Eligible initiatives under this program include those that demonstrate the best urban transportation technologies and strategies to reduce greenhouse gas emissions. In building on these investments, in our economic statement and budget update of October 18, 2000, the government allocated an additional \$500 million over five years to address key environmental challenges such as climate change and pollution.

*[Translation]*

If we take into account the new environmental initiatives of \$700 million in budget 2000, the government's investment in environmental measures in the year 2000 totalled \$1.2 billion.

*[English]*

The government also indicated in the 2000 budget that it would be consulting with other orders of government and the private sector to reach an agreement on a creative and fiscally responsible plan to improve provincial and municipal infrastructure in Canada's communities. The federal government has allocated upward of \$2.6 billion to this initiative over the next five years. Urban transit projects will be an essential component of this joint effort.

In conclusion, I am sure that all hon. members present today share, like myself, a very strong commitment to encourage greater use of public transportation systems in order to reduce greenhouse gas emissions. However, in light of what I have discussed, I hope hon. members also realize that providing a tax deduction for public transportation costs may not be the appropriate measure to achieve this outcome.

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Madam Speaker, it is a pleasure for me to rise this early evening to address Bill C-209, which seeks to amend the Income Tax Act and allow individuals to deduct certain public transportation costs from the exorbitant amount of income tax the government opposite extracts from them each year.

I would like to commend the hon. member for Jonquière for bringing forward an insightful and innovative amendment to the Income Tax Act. The merits of the bill are numerous, not just for individuals but for society as a whole, and I am delighted to bring some of them to the attention of the House this afternoon.

Perhaps before I do, I will just digress for a moment from my speech to say that I was very disappointed in the remarks made by the Parliamentary Secretary to the Minister of Finance. It is quite obvious from his remarks that the government has decided yet again that it will be advocating that all the Liberal members vote against this particular legislation, and that should come as no surprise. The government is increasingly reluctant to offer Canadians any form of tax relief and of course that is what the bill sets out to do.

I seem to have struck a nerve over there because I hear them heckling even though hardly any of them are in the House.

The reality is that the remarks made by the parliamentary secretary dealt almost entirely with how the Liberals can shovel money out the door in all their grandiose programs and plans of how to spend tax dollars rather than offer Canadians tax relief. That is indicative of the way the government has operated and continues to operate.

As to the bill itself, the first benefit is the most obvious, that is, this amendment to the Income Tax Act would reduce the tax burden on Canadians, something the government opposite is reluctant to do and something our party has been advocating for years.

The bill will not go so far as to reduce taxes to the levels we have been promising Canadians, but it will nevertheless provide relief to some Canadians who so desperately need it. I am referring to the thousands of students, seniors and low income Canadians who rely on public transit as their sole source of transportation. For these people, driving their car to work or school is not an option since they usually do not have that luxury.

I need look no further than my eldest daughter, who lives with me in Ottawa and does not have the luxury of even owning a car. She is a struggling student, as so many are in our country, a fourth year student at Carleton, and she travels for about an hour and a half every day to get to university and then to get home in the afternoon or evening. She spends about three hours every day on public transit.

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• (1830)

That is not unique to my daughter. Many students and many working Canadians in our country have to face similar long hauls on public transit. Without the public transit system, many of these people would be forced to quit their jobs or drop out of school. Without public transit, seniors would be unable to access essential services such as health care. Providing these people with a deduction for the expense of public transportation will not give them a windfall by any means. However, as anyone who has experienced the struggle of living paycheque to paycheque knows, every dollar does count.

There are also benefits to society beyond the immediate benefit to the individuals who use public transit. The implementation of this amendment would provide an incentive for commuters to leave their cars at home and begin or go back to using public transit. Often the cost of driving is only marginally higher than the cost of public transit. Most people usually elect to drive for no other reason than the sheer convenience of it.

The statistics on public transit highlight this trend. Only 19% of Canadians are frequent transit users and 11% of them are semi-frequent users while 22% are occasional users. An astonishing 48% of Canadians do not use transit at all.

This amendment will widen the gap between the cost of driving and the cost of public transit, giving public transit greater appeal and reducing the number of cars on the road. This single action is where the benefits to society begin.

One of the immediate benefits would be to the environment and consequently to the air we all breathe. For every bus we are able to fill, we are able to take up to 50 cars off the road. This is a critical number when we consider that six of seven major air pollutants come from cars and light trucks, which emit four tonnes of pollutants every year on average.

In 1997 Canada made an international commitment to reduce greenhouse gas emissions to 6% below 1990 emission levels by 2008-12. Despite the fact that Canada has yet to ratify the agreement, there is no reason for us not to at least attempt to meet our commitments.

We could simply follow the precedent established by our neighbours to the south and renege on our international commitment because of the downturn in the economy. However, this is not an option for Canada since we are consistently reminded by the Minister of Finance that Canada is immune to a recession.

Fortunately for the environment, this means that the Canadian government could withstand the minor tax exemption such as the one being proposed today.

Also of benefit to Canadians, which may not be as apparent as the immediate benefits to the environment, are the numerous benefits that accompany a reduction in the congestion on our roadways. Congestion is very costly to Canadians in terms of its impacts on the economy and road infrastructure.

Recent studies in Canada, the U.S. and Australia have estimated that congestion costs in urban areas are in the order of \$1,000 annually per household. It therefore stands to reason that if businesses are able to move their goods to market more efficiently the cost of goods will go down. This is yet another example of how the bill would improve the lives of all Canadians.

The toll that congestion takes on our roads is self-evident. We have all experienced first hand the deplorable state of our national highways, the gridlock occurring in our major cities and the inability of growing towns to expand their existing road systems to accommodate population growth.

The government has made it very clear that it does not intend to spend any more than the current 4.1% of the \$5 billion it collects in fuel taxes on improving our roadways. If we intend to retain the antiques we have, without further deterioration, we have to reduce the number of people using them.

The bill would hopefully provide the incentive for the people of Canada to take action where the government refuses.

I could continue with my praise of the bill, but I would like to take a few minutes to make a few comments on the whole issue of private members' bills and their place within the House. Each year the members elected to the House bring forward their ideas for improving the lives of all Canadians. More often than not, these ideas are allowed to fall off the order paper without having been given, in my opinion, due consideration.

• (1835)

I have been extremely fortunate that in the past two months my name has been drawn consecutively in the two private members' draws. This was an unprecedented opportunity for me to select and to present two of my six private members' bills.

The first, Bill C-237, was a bill that would have amended the Divorce Act to ensure that divorcing parents begin custody discussions on an equal footing. They would start out with joint custody and work from there. The bill was intended to remove children from the often bitter battles that accompanied marital breakdown to ensure that they could not be used as pawns during settlement negotiations. Put simply, the bill would have put the children's interests ahead of the divorcing parents.

However, the bill was not considered important enough to vote on by the private members' committee so it fell off the order paper after one hour of debate.

My second bill, Bill C-272, has not yet been debated but regrettably has been handed the same sentence: a one hour debate

before it too drops from the order paper. The bill would have allowed adoptive parents a one time income tax exemption for expenses incurred during the adoption of a child. Unfortunately, the bill has also succumb to the same fate as my previous bill despite the apparent benefits to Canadian families and children.

While I appreciate the limited time the House has to consider legislation each year, I believe that as elected members we could be doing a better job of how we select and debate private members' legislation. An opportune time for us to examine these procedures is during the all party discussions on parliamentary reform.

As elected members, we owe it to our constituents to find a more effective means of bringing bills with merit into law. I am pleased that the process worked in favour of this particular private member's bill, Bill C-209, and I am pleased to express my support for the bill.

I will sum up by saying that I really hope the bill passes. I hope that it does not succumb to the same unfortunate treatment as my previous bill in the last parliament. That particular bill, after a lot of work and with the support of the majority government, the Liberals, was passed on to the justice committee. However, in the end, the Prime Minister called a premature election and the bill died at the committee stage.

The bill today, should it pass, would go to the finance committee where hopefully it will not suffer the same fate as my last bill. I urge all members to do support the bill and to vote for it.

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Madam Speaker, after hearing some of the comments from the member for the government side, I will alter some of my comments. It was forced upon me.

I will begin my remarks by indicating that we in the NDP support the private member's bill put forward by the Bloc member for Jonquière. We welcome the initiative that it shows. It is just one of a number of incentives and initiatives that would go some distance to resolving some of the problems we have with the burning of fossil fuel and other health and environmental problems that arise as a result of that.

Going back to the claims by my friend from the Liberal Party about all the things the Liberals have done, let me tell members about a personal experience I had in my home riding of Windsor—St. Clair because of something the Liberals did.

The automotive company, Chrysler at the time, made an arrangement with its union, CAW, whereby Chrysler's employees, who were members of the union, could purchase a large van at a reduced price to be used as a commuter van. A number of people who were commuting to the auto plant lived quite a distance away, some as far as 50 to 60 kilometres. The arrangement was that the employees

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could purchase a van at a reduced amount and that they would use the van during the week to transport other employees who were also commuting. This arrangement reduced the number of private vehicles being used by employees to between eight and ten, depending on the area of the county they were commuting from. It really was a substantial reduction in the use of private vehicles.

• (1840)

This went on for a couple of years and, lo and behold, the employees heard from Revenue Canada. All of a sudden these employees were being attributed a taxable benefit, and it was substantial. In most cases it averaged out to several thousand dollars a year and had to be paid back retroactively for the two years. This was a great endeavour on the part of the employer, an automotive company, and its employees to reduce the use of vehicles, and that was the response they received.

Another specific issue I want to mention, which has already been mentioned by my friend from Jonquière, is the effect automobiles have on infrastructure, especially on our roadways.

My home city of Windsor has a major problem with its roadways. As a direct result of the trade agreements and the amount of traffic those agreements have generated from Michigan and the U.S. generally, our roadways, which were designed to last 20 to 30 years, will now need to be replaced every 10 years or less. This will be paid for by the municipality. The initiatives we have is a great one because it would substantially reduce traffic and extend the lifespan of our roadways.

Another point I want to make about the trade agreements concerns the amount of increased air pollution and the environment. In the last month or two the environment committee, under NAFTA, which is based in Montreal, issued a report that specifically proved that the amount of air pollution has increased as a result of NAFTA. This is air pollution that has been identified as having increased quite dramatically in the Quebec City to Windsor corridor.

What we would be looking for with this type of initiative in the bill is to reduce traffic. If we got the cars off the highway to some degree, it would make it easier for trucks to move along. We would have less air pollution from trucks because they would not be stalled and sitting in any number of locations, as is the problem at the Windsor-Detroit border and in a number of places along that corridor. If we could reduce the amount of auto traffic, it would make it easier for vehicles to move and would therefore reduce the amount of environmental degradation.

Living in the riding that I do, we often hear accusations that if we pursue these environmental type initiatives, which I see the private member's bill to be, it may jeopardize the jobs of auto workers.

*Private Members' Business*

The labour movement in this country has developed a transition program to deal with the changes that will inevitably occur as we move away from the extensive use of automobiles and the burning of fossil fuels by automobiles and, more generally, by factories and residences. This program would require government assistance and the co-operation of the labour movement, the employers and the government.

• (1845)

It is one that we will hear much more about over the next decade as we shift our lifestyle. As my friend from the Bloc indicated, it will require a just transition type of program to be put in place so that retraining will occur in the labour market. There may have to be some tax incentives in other areas. Compensation and assistance may have to be given to municipalities to deal with the transitions they would go through, and that is very important.

In terms of the assistance that comes from initiatives to move away from the attachment we have had to the automobile, other jobs will be created. As more public transit is used we will have an increase in the manufacture of trains, big vans and big or small buses. There will be more manufacturing of those vehicles, which would replace the loss of the manufacture of private vehicles.

If we move to alternate fuels we would be looking at the manufacture of wind turbines and windmills. This manufacturing process is quite adaptable to the plants that already manufacture automobiles.

The just transition program the labour movement has been developing analyzes all of this information. It will not be easy but it will be a useful mechanism that could be used to get through that transition.

We are in one of those phases, much as we were at the start of the last century when we moved away from the use of horses and the vehicles they drew. We will move away from total usage of private automobiles. It is an exciting time to be doing so. An initiative such as this is one of many that has to be followed. I urge the government to look at these initiatives and to move ahead.

We have had many questions in the last few days regarding the Kyoto protocol. My friend from the Conservative Party urges me to think in terms of not just getting the bill passed and ratified but beginning to implement it. Earlier this afternoon the minister was discussing this subject with some media people. I feel he is beginning to get the same message: that we have to move in that direction. I will wrap up by acknowledging and praising the work done by the hon. member for Jonquière. Our party will support the bill.

**Mr. John Herron (Fundy—Royal, PC):** Madam Speaker, it is my pleasure to have an opportunity to participate in the debate this

evening. The overall context of the issue we are talking about is how it can improve environmental initiatives.

The hon. member for Jonquière is a very strong environmental member of parliament. That is why she has brought forth Bill C-209. Thank goodness for her bringing forth an environmental issue. The government has been very reticent from a legislative perspective over the last seven years to bring anything forward respecting the environment. Over the last seven years it has passed zero environmental pieces of legislation of its own initiative. There has been the mandatory review of the Canadian Environmental Protection Act, but we never saw that proactive initiative in the same context as we saw during the Conservative regime.

The learned member of parliament that you are, Madam Speaker, you will recall when the environment really mattered. The Conservative regime negotiated an acid rain protocol with the Americans. It brought forth a principal piece of legislation, the Canadian Environmental Protection Act. It even made initiatives with respect to bringing the world community together to fight ozone depleting gasses, which became the Montreal protocol.

The Progressive Conservative ministers Jean Charest and Lucien Bouchard had a tremendous record compared to the lacklustre condition of today.

• (1850)

Our party supported a very similar initiative brought forth by the former member from Kamloops, Nelson Riis. Our party thought that providing Canadians with some tax reduction was better than no tax reduction.

We should start rewarding positive initiatives. If the NDP is now advocating tax cuts and tax reductions, hopefully the Government of Canada will start embracing those particular aspects.

There is a dilemma here. Our party critic, the hon. member for Kings—Hants and vice chair of the finance committee, has pointed out that too often we utilize the tax system to leverage public policy. The downside is that it complicates the taxation system. It would be better if all Canadians were provided with broad based tax relief and a simpler taxation system.

We in our party are reticent to support the initiative brought forth by the member for Jonquière, but we do support the spirit in which she brought it forth. She is encouraging Canadians to use public transit in order to take away the gridlock on our road systems and to deter the wear and tear on roads. Also, it would ultimately enhance human health. Taking more vehicles off the roads would mean fewer hazardous emissions. The congestion we see on the roads also leads to more accidents and loss of life, so the spirit and the intent of this initiative should be supported.

*Private Members' Business*

Our caucus will be discussing the hon. member's bill. We supported a similar initiative when it was brought forth by the member from Kamloops, so we will reserve judgment. I am sure that my good friend, the member for Jonquière, will be lobbying me heavily in future votes.

Given that I have a few minutes remaining, it would be very appropriate to discuss one of the issues that we really need to think about in a more proactive way than we have over the last little while, and that is with respect to climate change as a whole. The government has really done zero with respect to reducing greenhouse gases. It has not begun to try to live up to our commitments with respect to the Kyoto protocol.

There is one thing I was concerned about that was a little revisionist, although we are going to reward good behaviour here as well. The hon. member for Prince George—Peace River pointed out that we need to reduce greenhouse gases. I remember the debate we had here in 1997 when his party was still challenging the science of climate change. There has been an epiphany at some point and that party now understands the consensus that CO<sub>2</sub> clearly has a detrimental effect on our climate.

The Progressive Conservative Party would like to see a number of things in terms of addressing climate change. We should have massive tax reductions for the utilization of renewable sources of energy. We should have massive tax reductions for investment in energy efficiency initiatives. We should have massive tax reductions for R and D on renewable sources of energy and energy efficiency initiatives.

The federal government should lead by example and allocate a percentage of the energy it consumes to renewable sources of energy. We should be negotiating with the various industrial sectors as well. Instead of having voluntary initiatives or government from on high by regulation, we would rather negotiate with every industrial sector in the country on a sector by sector basis and agree to binding reductions as opposed to having regulations or doing it through voluntary initiatives.

• (1855)

Industry will play its part if it knows what the rules are. The government should establish the rules so that it can reward early action by providing further incentives when milestones are reached even sooner. There is a myriad of opportunities that tax incentives could provide. For example, the Danes use tax incentives and they have over half their energy provided by wind generated power. The government has to get its act together with respect to environmental initiatives.

The species at risk bill before the House has a framework that can definitely work. The problem is that it has four or five shortcomings that need to be improved. In order to protect species at risk the government should accept the amendments that will be presented by members of the NDP, the Bloc, the Progressive

Conservative Party, and even some learned members of the Liberal Party. We should have a bill that we can celebrate as opposed to a bill that we merely have to accept.

The initiative of the member for Jonquière would encourage Canadians to use public transit. Bravo to the member. It would help human health by reducing toxic emissions in our cities and would save human life by reducing congestion.

The only concern our party has is that better ways need to be found to move the yardstick on public policy. We should be investing in our cities with more public transportation as opposed to nickel and diming it this way. The intent of the bill should be applauded.

[*Translation*]

**Mr. John McCallum (Markham, Lib.):** Madam Speaker, I will begin by congratulating the hon. member for Jonquière on her bill.

I think that the government fully supports her bill's objective, what she seeks to accomplish. It is just the method that is a problem. We think that there are alternative ways of accomplishing the same thing, but more effectively.

[*English*]

I should like to comment on how touching it was to hear the Canadian Alliance all of a sudden jumping on the green bandwagon and wishing to transfer all these funds to seniors and low income people.

It was touching but a little hypocritical. If one recalls the election campaign, that party had essentially no position on the environment. It had its so-called flat tax or single rate tax that would have produced the largest transfer of wealth to the rich. Suddenly the Canadian Alliance has changed its tune on this matter, and that is very nice to see.

The member for Fundy—Royal claimed that the government had done absolutely nothing on the subject of the environment. I would point out that it has committed \$1.2 billion over four years for environmental projects. In the Liberal books, \$1.2 billion is not nothing.

We need to do further work in this area. Public transit is a hugely important issue, especially with George W. Bush saying no to the Kyoto accord. Achieving environmental success in this area is all the more important because we may be more limited in areas such as forestry, oil and gas.

The Bloc member's basic objective is a laudable one, but we have more work to do in investigating alternatives on how to get there. What is the most efficient way of improving public transit? Is it through the tax system or through expenditures, for example through direct government support for public transit?

*Adjournment Debate*

• (1900)

[*Translation*]

**The Acting Speaker (Ms. Bakopanos):** The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

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## ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### LUMBER INDUSTRY

**Mr. Bill Casey (Cumberland—Colchester, PC):** Madam Speaker, I rise to get further clarification on a question I raised on February 27 about the softwood lumber issue that is now upon us.

I raised the fact that the four Atlantic premiers had written a letter to the Prime Minister, asking the government to renew the Atlantic accord which gives free trade and protection from litigation to the four Atlantic provinces.

I asked the question because time after time the parliamentary secretary and the minister would rise in the House and say that nobody wants the agreements renewed, referring to the softwood lumber agreement, when in fact four Atlantic premiers wanted the maritime accord renewed. That was the main thrust of my question at the time; but now, on April 4, the question is even more urgent and there is more support for the proposal to renew the maritime accord.

Governor Snowe of Maine supports Atlantic Canada's request to renew the maritime accord. She says it is working and it should be renewed. It is working in the interest of the U.S. and Canada. She wants it renewed. Here is the governor of Maine wanting it renewed and the Government of Canada will not renew it.

The people in the U.S. industry have recognized the unique situation of Atlantic Canada. Their petition to their government asks it to increase or to establish countervail duties and anti-dumping charges. The American industry says that the petitioners do not allege that softwood lumber production in the Atlantic provinces benefits from countervailable subsidies, and that this portion of Canadian production should be treated as it was in 1991 and 1992.

The American industry and the American government say that the accord should be renewed. The four Atlantic premiers say that the accord should be renewed. Even the province of Quebec came

to our committee and said that it wants province specific treatment and that it supports the maritime accord being renewed. Now the Canadian industry in Atlantic Canada is unanimous in wanting the maritime accord renewed.

The fact of the matter is that the minister is out of step. Almost everybody wants the maritime accord renewed. There is a lot of confusion about the government's position in this regard. I learned today that some of the Liberals in Atlantic Canada are taking credit for the fact that the United States industry developed its petition and excluded Atlantic Canada. Somehow some of the Liberals in Atlantic Canada are taking credit for that.

Another part of the confusion in Atlantic Canada is the monitoring system which was just extended from the four softwood lumber agreement provinces. Suddenly, in the middle of the night on Thursday, the mills got a fax after closing hours saying that they now had to be part of the monitoring system as of Monday.

Today a B.C. industry, one of the leading industries in the softwood lumber business, is asking for a 15% export tax. There is a lot of confusion.

Let us agree with the Americans, the Canadians and the premiers and renew the maritime accord, put that aside, and then deal with the other issues across the country. Let us deal with the maritime accord, put it aside, and have that part of it done.

I ask the minister to get in step with everybody else. Again, the governor of Maine wants renewal of the maritime accord. The province of Quebec wants renewal of the maritime accord. The four Atlantic premiers are asking for renewal of the maritime accord. The Atlantic Canadian softwood lumber industry wants renewal. Even the U.S. industry wants renewal of the maritime accord.

Will the minister stand to say yes, we will begin the process of renewing the maritime accord?

**Mr. Pat O'Brien (Parliamentary Secretary to Minister for International Trade, Lib.):** Madam Speaker, I acknowledge that the hon. member for Cumberland—Colchester has been quite persistent on this file, as have all my Liberal colleagues from Atlantic Canada. We have heard no shortage of concern about the maritime accord.

• (1905)

The member raised questions about the Canada-U.S. softwood lumber agreement. He specifically mentioned the letter from the four Atlantic premiers concerning the codification of the provisions of the maritime lumber accord.

As the member well knows, we are now in a situation which would be quite acceptable to everybody if the Americans would accept it. We now have free trade under the NAFTA rules for not only Atlantic Canada but for all regions. That is what we want for all Canadian regions.

*Adjournment Debate*

The exchange of letters in 1996 confirmed the procedures for U.S. recognition that should a countervailing duty investigation be initiated during the five year period the maritimes would be considered to have not subsidized. The U.S. action does not target any program in Atlantic Canada. We think that is great.

We will continue, as the member asked, to advocate free access for lumber originating in the Atlantic provinces as well as free access for all provinces as provided by NAFTA.

As the member knows, the Minister for International Trade is a minister for all Canadians. He represents all Canadians on this file and he has to take into account their concerns. When he met on February 26 with U.S. trade representative Zoellick the matter was raised by the minister. It was one of the first topics he raised and the Prime Minister raised it with President Bush. It has had a very high level of attention by our government.

The minister put forward the idea of envoys. At first there was no great enthusiasm from the American side. Now it seems there is more interest in it. That would be very important. There would be wide consultation with the respective governments, including all provincial governments. We will pursue the matter of free trade for the Atlantic provinces but we want it for all Canadians.

## AGRICULTURE

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Madam Speaker, I am rising to follow up on a question that I asked on March 14 which dealt with the ongoing existing crisis in Canadian agriculture.

Today I want to turn to an incipient crisis, a crisis that all Canadians and parliamentarians of all stripes want to avoid and to prevent by any means available to us. I am speaking of the potential for the foot and mouth outbreak in Europe to spread to this country. The risk from foot and mouth disease can scarcely be overstated. The economic impact the disease could have if it were to spread to Canada can scarcely be overrated.

Just looking at the province of Ontario 1996 production figures, we see that 24% of all farms in Ontario were beef farms and that 14% were dairy farms. Looking at my own riding of Lanark—Carleton, 60% of the farms in Lanark county, which make up about half the riding, were either beef or dairy. There were 130 dairy farms, 364 beef farms and 28 farms described as livestock combination and probably included one or the other.

In the part of my riding that has now been incorporated into the megacity of Ottawa, the township of West Carleton, a little over 50% of agricultural production is in beef or dairy. A disease that affects ruminants would have a tremendously damaging impact on my riding.

Looking at the 1952 outbreak in Saskatchewan of foot and mouth disease, which very fortunately hit only 42 farms before it was contained, caused \$7 million of damage in today's dollars. However things have changed. The impact of this disease would be far more severe if it happened in Canada today because beef is such a prominent export for us. We could expect that borders would be shut for exports of Canadian beef.

Some countries, if faced with a foot and mouth outbreak, can continue to supply their domestic market, but in the case of Canada such an enormous amount of beef is exported that it is a crucial part of our industry. We would see tremendous damage done if there were to be an outbreak here. As a result I take this issue very seriously.

● (1910)

I attended the debate last night and listened with great interest to all speakers. I was involved last week in a press conference in which a number of Canadian Alliance MPs spoke to the issue. This week I am running ads in two newspapers in my riding on the subject to advise farmers of some of the things they can do. This includes alerting them to the government website that deals with taking preventive measures on their farms.

What I see being done is excellent in terms of slurry mats at airports, the turning back of British military vehicles and so on. However I am very concerned with the consistency with which these measures are being applied. We hear reports that they are not applied across the board. That worries me greatly as I know it does all members.

What is being done to ensure consistency of the application of these measures? Moreover, what is being done to ensure that information on measures individuals can take is being disseminated to Canadians?

**Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, my colleague from Lanark—Carleton, who is a very successful business person, tabled a question about the main estimates. First I want to answer that and hope I have time for the foot and mouth issue.

The minister has said on several occasions since the main estimates were tabled that the budget allocated to farm income has not been reduced for the year 2001-02. On the contrary, we have increased our funding commitments to farmers.

Over the next three years we have committed to inject up to \$3.3 billion of federal funds into the farm safety net system. With the provinces under the framework agreement of 60:40 cost sharing, this amounts to \$5.5 billion over three years. As well, on March 1 the minister announced additional funding of \$500 million which provides, along with the provinces cost sharing, \$830 million more.

*Adjournment Debate*

The year 2000 was a transition year. In the 2000-01 main estimates Agriculture and Agri-Food Canada had to account for both the 1999 AIDA program and the new Canadian farm income program, CFIP, for the 2000 tax year.

This was done in accordance with the accounting practices of the Government of Canada which requires departments to recognize liabilities in the year the decision was made to incur them. Since CFIP started in the 2000 tax year the budget allocated to that year of the program was reported in the 2000-01 main estimates. As I stated before, the Government of Canada remains committed to helping farmers. I thank my colleague for his confidence regarding the CFIA.

We had a great debate in the House last evening. In fact, it was not a debate but rather input from all sides. It was an opportunity for all Canadians to make a difference and keep the country free of foot and mouth disease, as all of us on all sides of the House want to do. I look forward to talking more on that subject.

## FISHERIES

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Speaker, I rise again on a question I raised in the House a couple of weeks ago about genetically modified fish that are commonly called transgenic fish. I prefer to call them frankenfish.

The government has completely abandoned any possibility of rehabilitating the habitat of our natural environment so that wild fish stocks can come back. Unfortunately it is aiding, abetting and promoting a genetically modified or transgenic fish. The only place this is being done in the world is in Prince Edward Island and in Newfoundland by a company called A/F Protein, an American company, that is using Aqua Bounty in Surrey, Prince Edward Island, to promote its product.

The government will say that it is done in closed laboratories. The fish will not be allowed to be outside the closed labs. The company is now applying to extract millions of salmon eggs and move those eggs into the United States for rearing in an open pen. This is a problem for many commercial fishermen and aboriginal groups. They also have other concerns about the average aquaculture industry. There are many escapes from these pens. The aquaculture industry told us that aquaculture fish cannot reproduce or survive in the wild. We now know that to be wrong. They do reproduce in the wild. These fish are so voracious in their appetite that they can overwhelm and overtake natural fish.

● (1915)

What I and many people in the industry fear is that these fish will escape into the wild and destroy the wild stock altogether. Since they are a genetically modified or transgenic species, they themselves over time will become extinct if there are no proper controls. This is our greatest fear.

The other fear we have is about these fish getting into the commercial market. Consumers who go to a supermarket now do not see any salmon there marked "this is farmed salmon". I have said to the aquaculture industry time and time again that if it is so proud of its product then that product should be labelled. The industry should let the consumers of Canada know what they are buying. Consumers would not know what they are buying if transgenics get into the market.

The aquaculture industry has also said for years that under no circumstances would it accept genetically modified or transgenic fish. It has now modified that position and is saying it will not accept these species of fish unless the government can prove they are safe for human consumption. The only way that can be proved is through very long term studies of at least 20 to 30 years. We simply do not have the resources within the government or the human resources to do those types of tests.

The hon. member from the Liberal Party will get up and talk about CEPA and say what great things the government has, with the proper legislation in place. It is simply nonsense. CEPA is a piece of legislation passed in the last legislature which has so many holes in it that it simply will not protect wild species or human consumption, and they are what we are greatly concerned about.

The Royal Society of Canada did a report, apparently actioned by the federal government. It did a test study on transgenics and came up with some recommendations for the government. The Royal Society of Canada said to place a moratorium on transgenics and genetically modified fish or, as I prefer, frankenfish. The Royal Society said to place a moratorium on these fish until there is more information.

This is what the government needs to do. This is what my party encourages the government to do. We in the NDP say once again, please do all that is possible to protect wild fish stocks and their habitat.

**Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, for my very fine colleague, a hard working member on many committees, I want to have the opportunity to present some facts.

Officials from the regulatory departments are reviewing and considering the recommendations of the Royal Society, the expert panel's report. Further, members of the Canadian aquaculture industry have publicly stated that they have no interest in growing transgenic fish. However, in the long term the technology could prove publicly acceptable and may confer certain benefits to the industry.

Over the next three years, DFO will spend \$3.4 million in research to enhance the regulatory system to control the potential risks associated with this new technology. Until these regulations are in force, all applications for the commercial use of transgenic fish are subject to an evaluation under the Canadian Environmental Protection Act, CEPA, as my hon. colleague mentioned.

*Adjournment Debate*

In addition, any proposal to move transgenic fish from a hatchery to a grow out site, where they mature, or between any other locations, is subject to an indepth federal-provincial introduction and transfer review under the Fisheries Act.

The member for Sackville—Musquodoboit Valley—Eastern Shore also expressed concerns about what the minister and department are doing to protect the interests of commercial fishermen and the wild salmon stocks in Atlantic Canada from the potential use of transgenic stocks.

It is in the best interests of both the aquaculture industry and governments to minimize any escapes. To address this, under the leadership of the North Atlantic Salmon Conservation Organization, the aquaculture industry met with government representatives here in Ottawa in February 2001 to further develop a code of containment for salmon culture. It is expected that this code will

lessen the chances of cultured fish escaping to the wild and will contribute to the sustained growth of the aquaculture industry.

In Canada, no transgenic organisms are being grown outside secure containment facilities. In addition, our policy on transgenic organisms requires that reproductively capable transgenic fish used for research purposes be maintained in secure land based facilities. As an additional safeguard, all transgenic organisms destined for containment in natural environment facilities would be required to be sterile if they received regulatory approval.

[*Translation*]

**The Acting Speaker (Ms. Bakopanos):** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.20 p.m.)

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